

Lanivet & District Under Fives

A Charitable Incorporated Organisation

Charity No. 1163534

Company No. CE004674

Trustees' Report and Unaudited Accounts

31 August 2020

Cornwall Community Accountancy Service
The Elms,
61 Green Lane
Redruth
Cornwall
TR15 1LS

**Lanivet & District Under Fives
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**Lanivet & District Under Fives
TRUSTEES ANNUAL
REPORT**

REFERENCE AND ADMINISTRATIVE DETAILS

Company No. CE004674

Charity No. 1163534

Principal Office

The Church Hall
Rectory Road
Lanivet
Cornwall
PL30 5HB

Registered Office

The Barn
Lamorick
Lanivet
Cornwall
PL30 5HB

Directors and Trustees

The Directors of the charitable company are its Trustees for the purposes of charity law.
The following Directors and Trustees served during the year:

Amy Giles	
Jessica Finnemore	
Joanne Cooper	
Katrina Verran	
Marina Warren	
Sarah-Jane Cornwell	
Sophie Masters	(Resigned 9 February 2021)
Sara Jane Frost	(Appointed 9 February 2021)
Tracy Trevarthen	(Appointed 9 February 2021)

Accountants

Cornwall Community Accountancy
Service
The Elms, 61 Green Lane
Redruth
Cornwall
TR15 1LS

Lanivet & District Under Fives TRUSTEES ANNUAL REPORT

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the unaudited financial statements of the charity for the year ended 31 August 2020.

OBJECTIVES AND ACTIVITIES

The objects of the CIO are to enhance the development and education of children under statutory school age in particular but not exclusively by:

1. Providing appropriate play, education and care facilities, family learning and extended hours groups, together with the right of parents to take responsibility for and to become involved in the activities of such groups, ensuring that they offer opportunities for all children whatever their race, culture, religion, means or ability.
2. Encouraging the study of the needs of such children and their families, promoting public interest in and recognition of such needs in the local areas.
3. Instigating, adhering to and furthering the aims and objectives of the Preschool Learning Alliance.

Lanivet and District Under Fives is a preschool for children from the ages of 2 until 5. We are led by experienced staff and a volunteer parent committee. Our staff form a dedicated, professional and friendly team with many years of experience. Lanivet and District Under Fives help children to learn and develop through play in a happy and relaxed atmosphere. We focus on each child's needs and adapt our planning to cater for the needs to provide the children to achieve their full potential. We review all children's progress termly and then highlight gaps within each child's learning. The children enjoy a variety of activities both indoors and outside with our wide range of toys, books and up to date play equipment. We also encourage healthy snacks and eating, circle time activities, music and movement, singing and story time.

The Trustees are satisfied that the Charity meets the public benefit through their objectives in consideration of the following:

- The Charity provides support to young children with the aim of promoting community adhesion.
- Organisational policies support equality and diversity in all aspects.
- The Charity provides opportunities for personal and professional development, in a person centred way, which is not restricted (other than where it may impact on the safety and/or wellbeing of the service users or staff, or the local community).
- The Charity's aims and objectives serve to benefit the wider community.
- Individuals cannot benefit personally from the Trust

Lanivet & District Under Fives TRUSTEES ANNUAL REPORT

ACHIEVEMENTS AND PERFORMANCE

Lanivet and District Under Fives started the 2019 Autumn Term with 15 children enrolled, increasing to 28 by the Summer Term in 2020 even though we had a lockdown for coronavirus. We employed 6 permanent members of staff with an increase in part time hours term.

Throughout the setting we operate a 'key worker' system. This ensures the children and parents form an attachment to their keyworker through open communication.

The key worker will ensure that every child's learning is supported, and learning is planned on areas that require improvement. The preschool has a very close relationship with the Lanivet Primary School. We pass all essential information on to them to make the transitions to school as effective and easy for the children as possible.

There is an area opposite the preschool known as the Charity Lands. This area is used by both the school and preschool for outdoor 'forest school' type learning, although since the Coronavirus, we haven't used this area as we have formed learning 'bubbles'.

FINANCIAL REVIEW

Income for the year has increased to £77,932 (2019 £74,497). The grant income is restricted income and totals £3,648 (2019 £10,768). The reduction in income reflects the reduction in funded places which is partially made up by the grants received.

Expenditure for the year has decreased to £67,873 (2019 £75,260). Restricted expenditure for the year including capital spend is £5,602 (2019 £9,365).

The surplus for the year is £10,059 (2019 deficit £763) meaning that reserves at the end of the year are £34,430 (2019 £24,371) all of which are unrestricted (2019 £22,417).

The organisation aims to hold 3 months worth of running costs as an unrestricted reserve to cover costs in the event of any unforeseen circumstances. On current operating costs this would be approximately £17,000. In addition, due to past cashflow problems the trustees have determined that a cashflow balance of £10,000 should be kept on an ongoing basis. Thus the free reserves after designated funds are determined as £27,000. There are two designated fund: One which relates to capital purchases that are yet to be depreciated to the income and expenditure account; and one that the trustees have identified in the current year to consider long term sustainability on premises.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Pre-school was originally an unincorporated charity, created in 1992, under the charity commission registration number 1036025. It transferred into a Charitable Incorporated Organisation in September 2015. It is governed by its constitution which is based on the charity commission standard for a foundation CIO and managed by the Board of Trustees.

Anyone who has an interest in the Preschool can apply to be a Trustee. Trustee role descriptions are available on request. Once an individual expresses such interest a self-nomination and declaration form for election as a trustee is completed and signed, as well as a self-assessment form where the new trustee identifies their own experience, knowledge and confidence in a range of relevant areas. Existing trustees will then determine the suitability of each candidate and appoint as applicable subject to our Trustee Code of Conduct being understood and signed.

The Pre-school also works with advice from the Preschool Learning Alliance guidelines.

**Lanivet & District Under Fives
TRUSTEES ANNUAL
REPORT**

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The above report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime as set out in Part 15 of the Companies Act 2006 and in accordance with the Charities SORP (FRS 102).

Signed on behalf of the board

Jessica Finnemore
Trustee
28 August 2020

**Lanivet & District Under Fives
INDEPENDENT EXAMINERS
REPORT**

Independent Examiner's Report to the trustees of Lanivet & District Under Fives

I report to the charity trustees on my examination of the accounts of Lanivet & District Under Fives for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet and the related notes.

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 accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act).

Having satisfied myself that the accounts 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 your charity's accounts as carried out under section 145 of the Charities Act 2011 ('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 can confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that:

- accounting records were not kept in accordance with section 386 of the 2006 Act ; or
- the accounts do not accord with those records; or
- the accounts do not comply with the accounting requirements under 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
- the accounts have not been prepared in accordance with the Charities SORP (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.

Debbie Risborough
Association of Chartered Certified Accountants
Cornwall Community Accountancy Service
The Elms, 61 Green Lane
Redruth
Cornwall

TR15 1LS
28 August 2020

**Lanivet & District Under Fives
STATEMENT OF
FINANCIAL ACTIVITIES**

for the year ended 31 August 2020

	Notes	Unrestrict ed funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income and endowments from:					
Donations and legacies	4	646	-	646	756
Charitable activities	5	72,414	3,648	76,062	73,123
Other trading activities	6	1,224	-	1,224	618
Total		74,284	3,648	77,932	74,497
Expenditure on:					
Raising funds	7	68	-	68	425
Charitable activities	8	62,203	5,602	67,805	74,835
Total		62,271	5,602	67,873	75,260
Net gains on investments		-	-	-	-
Net income/(expenditure)	9	12,013	(1,954)	10,059	(763)
Net income/(expenditure) before other gains/(losses)		12,013	(1,954)	10,059	(763)
Other gains and losses:					
Net movement in funds		12,013	(1,954)	10,059	(763)
Reconciliation of funds:					
Total funds brought forward		22,417	1,954	24,371	25,134
Total funds carried forward		34,430	-	34,430	24,371

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

All income and expenditure derive from continuing activities.

**Lanivet & District Under Fives
BALANCE SHEET**

at		31 August 2020	
Company No. CE004674	Notes	2020 £	2019 £
Fixed assets			
Tangible assets	11	5,411	5,701
		<u>5,411</u>	<u>5,701</u>
Current assets			
Cash at bank and in hand		30,209	19,860
		<u>30,209</u>	<u>19,860</u>
Creditors: Amount falling due within one year	12	(1,190)	(1,190)
Net current assets		<u>29,019</u>	<u>18,670</u>
Total assets less current liabilities		<u>34,430</u>	<u>24,371</u>
Net assets excluding pension asset or liability		<u>34,430</u>	<u>24,371</u>
Total net assets		<u><u>34,430</u></u>	<u><u>24,371</u></u>
The funds of the charity			
Restricted funds	13		
Restricted income funds		-	1,954
		<u>-</u>	<u>1,954</u>
Unrestricted funds	13		
General funds		27,019	18,949
Designated funds		7,411	3,468
		<u>34,430</u>	<u>22,417</u>
Total funds		<u><u>34,430</u></u>	<u><u>24,371</u></u>

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

For the year ended 31 August 2020 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

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

Approved by the board on 28 August 2020

And signed on its behalf by:

Jessica Finnemore
Trustee
28 August 2020

Lanivet & District Under Fives NOTES TO THE ACCOUNTS

for the year ended 31 August 2020

1 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with 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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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 charity constitutes a public benefit entity as defined by FRS102.

Change in basis of accounting or to previous accounts

There has been no change to the accounting policies (valuation rules and method of accounting) since last year and no changes have been made to accounts for previous years.

Fund accounting

Unrestricted funds	These are available for use at the discretion of the trustees in furtherance of the general objects of the charity.
Designated funds	These are unrestricted funds earmarked by the trustees for particular purposes.
Revaluation funds	These are unrestricted funds which include a revaluation reserve representing the restatement of investment assets at their market values.
Restricted funds	These are available for use subject to restrictions imposed by the donor or through terms of an appeal.

Lanivet & District Under Fives

NOTES TO THE ACCOUNTS

Income

Recognition of income Income is included in the Statement of Financial Activities (SoFA) when the charity becomes entitled to, and virtually certain to receive, the income and the amount of the income can be measured with sufficient reliability.

Income with related expenditure Where income has related expenditure the income and related expenditure is reported gross in the SoFA.

Donations and legacies Voluntary income received by way of grants, donations and gifts is included in the the SoFA when receivable and only when the Charity has unconditional entitlement to the income.

Tax reclaims on donations and gifts Income from tax reclaims is included in the SoFA at the same time as the gift/donation to which it relates.

Donated services and facilities These are only included in income (with an equivalent amount in expenditure) where the benefit to the Charity is reasonably quantifiable, measurable and material.

Volunteer help The value of any volunteer help received is not included in the accounts.

Investment income This is included in the accounts when receivable.

Gains/(losses) on revaluation of fixed assets This includes any gain or loss resulting from revaluing investments to market value at the end of the year.

Gains/(losses) on investment assets This includes any gain or loss on the sale of investments.

Expenditure

Recognition of expenditure Expenditure is recognised on an accruals basis. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Expenditure on raising funds These comprise the costs associated with attracting voluntary income, fundraising trading costs and investment management costs.

Expenditure on charitable activities These comprise the costs incurred by the Charity in the delivery of its activities and services in the furtherance of its objects, including the making of grants and governance costs.

Grants payable All grant expenditure is accounted for on an actual paid basis plus an accrual for grants that have been approved by the trustees at the end of the year but not yet paid.

Governance costs These include those costs associated with meeting the constitutional and statutory requirements of the Charity, including any audit/independent examination fees, costs linked to the strategic management of the Charity, together with a share of other administration costs.

Other expenditure These are support costs not allocated to a particular activity.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Lanivet & District Under Fives NOTES TO THE ACCOUNTS

Tangible fixed assets and depreciation

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Fixtures and Fittings 15% Straight Line

Trade and other debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings or current liabilities. In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

Trade and other creditors

Short term creditors are measured at the transaction price. Other creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Leased assets

Where the charity enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease.

Leases which do not transfer substantially all the risks and rewards of ownership to charity are classified as operating leases.

Assets held under finance leases are initially recognised as assets of the charity at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet date as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the charity's policy on borrowing costs.

Assets held under finance leases are depreciated in the same way as owned assets.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

Pension costs

The charity operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payments obligations. The contributions are recognised as expenses when they fall due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

Lanivet & District Under Fives
NOTES TO THE ACCOUNTS

Statement of cash flows

The charity is exempt from preparing a statement of cash flows on the grounds that it is a small charity

2 Company status

The company is a charitable incorporated organisation and consequently does not have share capital.

3 Statement of Financial Activities - prior year

	Unrestricted funds	Restricted funds	Total funds
	2019	2019	2019
	£	£	£
Income and endowments from:			
Donations and legacies	756	-	756
Charitable activities	62,355	10,768	73,123
Other trading activities	618	-	618
Total	<u>63,729</u>	<u>10,768</u>	<u>74,497</u>
Expenditure on:			
Raising funds	384	41	425
Charitable activities	68,980	5,855	74,835
Total	<u>69,364</u>	<u>5,896</u>	<u>75,260</u>
Net income	<u>(5,635)</u>	<u>4,872</u>	<u>(763)</u>
Transfers between funds	3,469	(3,469)	
Net income before other gains/(losses)	<u>(2,166)</u>	<u>1,403</u>	<u>(763)</u>
Other gains and losses:			
Net movement in funds	<u>(2,166)</u>	<u>1,403</u>	<u>(763)</u>
Reconciliation of funds:			
Total funds brought forward	24,583	551	25,134
Total funds carried forward	<u><u>22,417</u></u>	<u><u>1,954</u></u>	<u><u>24,371</u></u>

4 Income from donations and legacies

	Unrestricted	Total	Total
		2020	2019
	£	£	£
Appeals and donations	646	646	756
	<u>646</u>	<u>646</u>	<u>756</u>

**Lanivet & District Under Fives
NOTES TO THE ACCOUNTS**

5 Income from charitable activities

	Unrestricted	Restricted	Total 2020	Total 2019
	£	£	£	£
Grant Income				
Big Lottery	-	-	-	9,868
HMRC Furlough	-	2,648	2,648	-
Small grants under £1,000	-	1,000	1,000	900
Primary Purpose Trading				
Fee Income from Parents	3,897	-	3,897	7,423
Funded fees from Cornwall Council	68,286	-	68,286	54,613
Other income	231	-	231	319
	<u>72,414</u>	<u>3,648</u>	<u>76,062</u>	<u>73,123</u>

**6 Income from other trading
activities**

	Unrestricted	Total 2020	Total 2019
	£	£	£
Fundraising	1,224	1,224	618
	<u>1,224</u>	<u>1,224</u>	<u>618</u>

7 Expenditure on raising funds

	Unrestricted	Total 2020	Total 2019
	£	£	£
<i>Fundraising trading costs</i>			
Fundraising	68	68	425
	<u>68</u>	<u>68</u>	<u>425</u>

Lanivet & District Under Fives
NOTES TO THE ACCOUNTS

8 Expenditure on charitable activities

	Unrestricted	Restricted	Total 2020	Total 2019
	£	£	£	£
<i>Direct expenditure on charitable activities</i>				
Resources and equipment	449	1,954	2,403	7,217
Hygiene, cleaning and refreshments	358	-	358	254
<i>Support Costs</i>				
Wages	50,238	3,648	53,886	54,336
Pensions	623	-	623	613
Staff training	808	-	808	1,064
Staff welfare	405	-	405	795
Rent & rates	3,080	-	3,080	3,314
Light, heat and power	2,259	-	2,259	1,363
Insurance	104	-	104	1,001
Repairs & renewals	697	-	697	1,517
Telephone and fax	351	-	351	382
IT expenses	678	-	678	427
Printing, postage and stationary	409	-	409	439
sundry expenses	62	-	62	751
Marketing and promotion	-	-	-	238
Depreciation	1,028	-	1,028	529
<i>Governance costs</i>				
Accountancy fees	59	-	59	-
Independent examination of the charity's accounts	595	-	595	595
	<u>62,203</u>	<u>5,602</u>	<u>67,805</u>	<u>74,835</u>

9 Net income/(expenditure) before transfers

	2020	2019
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	1,028	529

Lanivet & District Under Fives
NOTES TO THE ACCOUNTS

10 Staff costs

Salaries and wages	53,886	54,336
Pension costs	623	613
	<u>54,509</u>	<u>54,949</u>

No employee received emoluments in excess of £60,000.

The average monthly number of full time equivalent employees during the year was as follows:

	2020	2019
	Number	Number
Charitable activities	6	6
	<u>6</u>	<u>6</u>

11 Tangible fixed assets

	Fixtures and Fittings	Total
	£	£
Cost or revaluation		
At 1 September 2019	7,169	7,169
Additions	738	738
At 31 August 2020	<u>7,907</u>	<u>7,907</u>
Depreciation and impairment		
At 1 September 2019	1,468	1,468
Depreciation charge for the year	1,028	1,028
At 31 August 2020	<u>2,496</u>	<u>2,496</u>
Net book values		
At 31 August 2020	<u>5,411</u>	<u>5,411</u>
At 31 August 2019	<u>5,701</u>	<u>5,701</u>

12 Creditors:

amounts falling due within one year

	2020	2019
	£	£
Accruals and deferred income	1,190	1,190
	<u>1,190</u>	<u>1,190</u>

**Lanivet & District Under Fives
NOTES TO THE ACCOUNTS**

13 Movement in funds

	At 1 September 2019	Incoming resources (including other gains/losses)	Resources expended	Gross transfers	At 31 August 2020
	£	£	£	£	£
Restricted funds:					
Restricted income funds:					
Peoples Health Trust	551	-	(551)	-	-
Big Lottery	1,403	-	(1,403)	-	-
HMRC Furlough	-	2,648	(2,648)	-	-
Small Grant restricted funds	-	1,000	(1,000)	-	-
<i>Total</i>	<u>1,954</u>	<u>3,648</u>	<u>(5,602)</u>	<u>-</u>	<u>-</u>
Unrestricted funds:					
General funds	18,949	74,284	(61,243)	(4,971)	27,019
Designated funds:					
Capital fund	3,468	-	(1,028)	2,971	5,411
Sustainable premises	-	-	-	2,000	2,000
<i>Total</i>	<u>3,468</u>	<u>-</u>	<u>(1,028)</u>	<u>4,971</u>	<u>7,411</u>
Revaluation Reserves:					
Total funds	<u>24,371</u>	<u>77,932</u>	<u>(67,873)</u>	<u>-</u>	<u>34,430</u>

Purposes and restrictions in relation to the funds:

Restricted funds:

Peoples Health Trust	Grant funding for additional resources.
Big Lottery	Grant funding to increase resources to work with children.
HMRC Furlough	Covid 19 government funding for salaries.
Small Grant restricted funds	Apprenticeship grant and Cornwall Glass for training.

Designated funds:

Capital fund	As per SORP requirements capital spend is transferred to a designated fund to set against depreciation.
Sustainable premises	Fund for long term sustainability of premises.

Analysis of net assets between

14 funds

	Unrestricted funds	Total
	£	£
Fixed assets	5,411	5,411
Net current assets	29,019	29,019
	<u>34,430</u>	<u>34,430</u>

Lanivet & District Under Fives
NOTES TO THE ACCOUNTS

15 Related party disclosures

Controlling party

The organisation is a charitable incorporated organisation that has no share capital and is controlled by the trustees; thus no single party controls the charity.