

Report of the Trustees and
Unaudited Financial Statements
for the Year Ended 31 August 2023
for
Southgate Pre-School
Charitable Incorporated Organisation

Knights Lowe Chartered Accountants
Eldo House
Kempson Way
Suffolk Business Park
Bury St Edmunds
Suffolk
IP32 7AR

Southgate Pre-School
Charitable Incorporated Organisation

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for the Year Ended 31 August 2023

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Southgate Pre-School
Charitable Incorporated Organisation

Report of the Trustees
for the Year Ended 31 August 2023

The trustees present their report with the financial statements of the charity for the year ended 31 August 2023. The trustees have adopted the provisions of 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

Objectives and aims

Objectives and aims

The charity's principal aims are to enhance the education and development of children under statutory school age by encouraging parents to understand and provide for the needs of their children through community groups and by offering appropriate play, education and care facilities, family learning and extended hours groups.

Public benefit

The Trustees consider that they have complied with the duty regarding Public Benefit as detailed in section 4 of the Charities Act, having due regard to guidance published by the Charity Commission. In fulfilling our charitable object, pursuing the activities described in more detail in this report, we provide public benefit.

We deliver our objects by encouraging parents to understand and provide for the needs of their children through community groups and by offering appropriate play, education and care facilities, family learning and extended hours groups. The right of parents to take responsibility for and become involved in these activities are acknowledged and encouraged and the group offers these opportunities to all children in the local area whatever their race, culture, religion, means or ability.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The Charitable Incorporated Organisation was set up to take forward the work of a Pre-School that operated as an unincorporated charity (Registered with the Charity Commission 1033144) which is well established in its purpose built premises and the number of sessions and breadth of services provided has remained unchanged being 10 half day sessions and a lunch club on week days. The transfer of activities took place on 1 September 2022.

The Pre-School is well established in its purpose built premises and the number of sessions and breadth of services provided has remained unchanged since 2013/14, being 10 half day sessions and a lunch club on week days. The setting has a maximum capacity of 30 children and in the main the charity previously operated close to that maximum. Numbers reduced in the 2020/21 year as a direct result of the COVID pandemic causing fear and uncertainty, and making it difficult for the pre-school to operate properly. This is reflected in the reduced fee and grant income. However utilisation of available space has improved in the year 2021/22 year. The fee per session was £15.00 for the year and remains the same for the 2022/23 year. Income in the year has increased by 39%, as a result of the recovery post COVID pandemic.

Significant capital expenditure has been made in prior years to both the landscaping of the exterior and refurbishment of the setting. This year there has been some significant expenditure refurbishing the exterior area and additions of equipment for the children including climbing frame and tablets. The Committee and senior staff continue to review and update policies, liaising with Suffolk County Council (SCC) on a range of issues including matters raised in past Ofsted reports. This hard work has improved the quality of service and resulted in a "Good" grading being maintained in the most recent Ofsted visit in February 2019.

Southgate Pre-School
Charitable Incorporated Organisation

Report of the Trustees
for the Year Ended 31 August 2023

FINANCIAL REVIEW

Financial position

The charity has no formal reserves policy as it receives most of its funding from Early Years grant funding and session fees, however to cover any temporary shortfall in cash flow that may occur due to timing of receipts, a moderate balance is retained on bank deposit.

On the advice of Suffolk County Council, the Trustees designated £7,800 as a redundancy reserve, held in a separate unrestricted fund to cover the costs of staff redundancy should these arise.

The Charity's constitution does not convey investment powers; all surplus funds are held in one or more bank deposit accounts.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charity is a Charitable Incorporated Organisation (CIO) governed according to the Constitution dated 11th December 2015. It was established to take forward the work of the Unincorporated registered charity number 1164820.

The overall management and control of the Pre-school rests with the individual members of the Pre-school's management committee. Committee members are also the charity trustees of the Pre-school.

The Committee meets a minimum of twice a year and requires the presence of at least half of its members including at least two officers to form a quorum. All business is decided by a simple majority, each committee member having one vote. In the event of a tie, the Chair has the casting vote.

Recruitment and appointment of new trustees

The Committee (trustees) is elected from the charity's membership at each Annual General Meeting and serves for a term of one year. Committee members may be re-elected for up to maximum of ten years. The Committee comprises a minimum of 5 and a maximum of 12 members and must include the offices of Chair, Treasurer and Secretary. In addition the Committee may co-opt up to 3 further members who stand until the next AGM. No member who is a paid member of staff of the Pre-school is eligible to be a member of the Committee.

There are currently 6 Committee members (trustees).

Voluntary staff

The charity benefits from the services provided by volunteers. Voluntary help is not valued for the purposes of the financial statements.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The trustees have in place policies addressing the main operational risk areas including health and safety and safeguarding and they aim to use best practice in these areas. An appropriate level of insurance is maintained to help mitigate the main financial risks.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1164820

Principal address

Steward Road
Bury St Edmunds
Suffolk
IP33 2PW

Southgate Pre-School
Charitable Incorporated Organisation

Report of the Trustees
for the Year Ended 31 August 2023

Trustees

Ms J Claydon Treasurer (resigned 9.10.22)
M Alcock Co-Chairperson
L Coote Secretary (resigned 11.10.22)
N Pringle (resigned 11.10.22)
F Morrish (appointed 12.10.22)
I Fodor (appointed 12.10.22)
S Charlton (appointed 12.10.22)
J Rudd (appointed 12.10.22)
S Marison
M Kalpak (appointed 12.10.22) (resigned 15.11.22)

Independent Examiner

J. Knights ACA, BSc
Knights Lowe Chartered Accountants
Eldo House
Kempson Way
Suffolk Business Park
Bury St Edmunds
Suffolk
IP32 7AR

Approved by order of the board of trustees on 22/04/2024 and signed on its behalf by:


.....
M Alcock Co-Chairperson - Trustee

Independent Examiner's Report to the Trustees of
Southgate Pre-School

Independent examiner's report to the trustees of Southgate Pre-School

I report to the charity trustees on my examination of the accounts of Southgate Pre-School (the Trust) for the year ended 31 August 2023.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under Section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under Section 145(5)(b) of the 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 Trust as required by Section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.



J. Knights ACA, BSc

Knights Lowe Chartered Accountants
Eldo House
Kempson Way
Suffolk Business Park
Bury St Edmunds
Suffolk
IP32 7AR

Date: 25.7.2024

Southgate Pre-School
Charitable Incorporated Organisation

Statement of Financial Activities
for the Year Ended 31 August 2023

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM					
Charitable activities					
Operation of pre-school		196,633	-	196,633	-
Other trading activities	2	2,905	-	2,905	-
Investment income	3	25	-	25	-
Total		199,563	-	199,563	-
EXPENDITURE ON					
Raising funds		510	-	510	-
Charitable activities					
Operation of pre-school		175,248	-	175,248	-
Total		175,758	-	175,758	-
NET INCOME		23,805	-	23,805	-
RECONCILIATION OF FUNDS					
Total funds brought forward		-	-	-	-
TOTAL FUNDS CARRIED FORWARD		23,805	-	23,805	-

The notes form part of these financial statements

Southgate Pre-School
Charitable Incorporated Organisation

Balance Sheet
31 August 2023

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
FIXED ASSETS					
Tangible assets	7	2,799	-	2,799	-
CURRENT ASSETS					
Stocks	8	376	-	376	-
Debtors	9	1,984	-	1,984	-
Cash at bank		23,634	-	23,634	-
		<u>25,994</u>	<u>-</u>	<u>25,994</u>	<u>-</u>
CREDITORS					
Amounts falling due within one year	10	(4,988)	-	(4,988)	-
		<u>21,006</u>	<u>-</u>	<u>21,006</u>	<u>-</u>
NET CURRENT ASSETS					
		<u>21,006</u>	<u>-</u>	<u>21,006</u>	<u>-</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>23,805</u>	<u>-</u>	<u>23,805</u>	<u>-</u>
NET ASSETS					
		<u>23,805</u>	<u>-</u>	<u>23,805</u>	<u>-</u>
FUNDS	11				
Unrestricted funds				23,805	-
TOTAL FUNDS				<u>23,805</u>	<u>-</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 22/04/2024 and were signed on its behalf by:



M Alcock Co-Chairperson - Trustee

Southgate Pre-School
Charitable Incorporated Organisation

Notes to the Financial Statements
for the Year Ended 31 August 2023

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

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

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

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

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Southgate Pre-School
Charitable Incorporated Organisation

Notes to the Financial Statements - continued
for the Year Ended 31 August 2023

2. OTHER TRADING ACTIVITIES

	2023	2022
	£	£
Fundraising events	2,905	-
	<u> </u>	<u> </u>

3. INVESTMENT INCOME

	2023	2022
	£	£
Deposit account interest	25	-
	<u> </u>	<u> </u>

4. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2023 nor for the year ended 31 August 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2023 nor for the year ended 31 August 2022.

5. STAFF COSTS

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

	2023	2022
	9	-
Teaching/ Administration	<u> </u>	<u> </u>

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

6. GUARANTEES AND SECURED DEBTS

The trustees confirm, in accordance with the Charitable Incorporated Organisations (General) Regulations 2012, that at year end the CIO did not have any outstanding guarantees to third parties nor any debts secured on assets of the CIO.

Southgate Pre-School
Charitable Incorporated Organisation

Notes to the Financial Statements - continued
for the Year Ended 31 August 2023

7. TANGIBLE FIXED ASSETS

	Improvements to property £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
Additions	5	2,720	1,046	3,771
Disposals	-	(1,472)	-	(1,472)
At 31 August 2023	5	1,248	1,046	2,299
DEPRECIATION				
Charge for year	5	605	362	972
Eliminated on disposal	-	(1,472)	-	(1,472)
At 31 August 2023	5	(867)	362	(500)
NET BOOK VALUE				
At 31 August 2023	-	2,115	684	2,799
At 31 August 2022	-	-	-	-

8. STOCKS

	2023 £	2022 £
Stocks	376	-

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Prepayments	1,984	-

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade creditors	1,174	-
Other creditors	3,814	-
	4,988	-

Southgate Pre-School
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Notes to the Financial Statements - continued
for the Year Ended 31 August 2023

11. MOVEMENT IN FUNDS

	At 1.9.22 £	Net movement in funds £	At 31.8.23 £
Unrestricted funds			
General fund	-	23,805	23,805
TOTAL FUNDS	-	23,805	23,805

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	199,563	(175,758)	23,805
TOTAL FUNDS	199,563	(175,758)	23,805

12. RELATED PARTY DISCLOSURES

On the first day of the financial year the closing position of "Southgate Preschool" (the unincorporated charity, registered charity number 1033144) was transferred over to this entity. This resulted in £13,183 of net assets being transferred over, as a donation from the old charity to the CIO.

Southgate Pre-School
Charitable Incorporated Organisation

Detailed Statement of Financial Activities
for the Year Ended 31 August 2023

	2023 £	2022 £
INCOME AND ENDOWMENTS		
Other trading activities		
Fundraising events	2,905	-
Investment income		
Deposit account interest	25	-
Charitable activities		
Pre-school fees	33,860	-
Sales of clothing	104	-
Funding & grants	149,486	-
Donation from unincorporated charity	13,183	-
	196,633	-
Total incoming resources	199,563	-
EXPENDITURE		
Other trading activities		
Purchase of uniforms	886	-
Closing stock	(376)	-
	510	-
Charitable activities		
Wages	125,310	-
Social security	1,701	-
Pensions	3,255	-
Teaching & play equipment	7,180	-
Groceries & catering	1,266	-
Staff training and courses	1,863	-
	140,575	-
Support costs		
Management		
Rates & service charges	7,960	-
Insurance	491	-
Light and heat	3,442	-
Telephone	1,869	-
Postage printing & stationery	2,373	-
Computer expenses	947	-
Sundries	2,945	-
Carried forward	20,027	-

This page does not form part of the statutory financial statements

Southgate Pre-School
Charitable Incorporated Organisation

Detailed Statement of Financial Activities
for the Year Ended 31 August 2023

	2023 £	2022 £
Management		
Brought forward	20,027	-
Staff welfare and uniforms	200	-
Cleaning contract and costs	6,823	-
	27,050	-
Information technology		
Repairs and renewals	1,428	-
Other		
Improvements to property	5	-
Fixtures and fittings	605	-
Computer equipment	362	-
	972	-
Governance costs		
Accountancy and legal fees	3,120	-
Legal and professional fees	781	-
Subscriptions & licenses	1,322	-
	5,223	-
Total resources expended	175,758	-
Net income	23,805	-

This page does not form part of the statutory financial statements