

SQUIRRELS PRE-SCHOOL CIO
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2021

SQUIRRELS PRE-SCHOOL CIO

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Lola Cary Isabelle Gollogly Melanie Hillier
Charity number	1173000
Registered office	St Stephen's Infant School Hales Drive Canterbury Kent CT2 7AB
Independent examiner	M Wilkes FCA Azets Audit Services Delandale House 37 Old Dover Road Canterbury Kent CT1 3JF
Key management personnel	Lola Cary Isabelle Gollogly Melanie Hillier Jean Harris

SQUIRRELS PRE-SCHOOL CIO

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SQUIRRELS PRE-SCHOOL CIO

TRUSTEES' REPORT FOR THE YEAR ENDED 28 FEBRUARY 2021

The trustees present their report and financial statements for the year ended 28 February 2021.

The trustees confirm that the Annual Report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

a. Policies and objectives

The Squirrels is a community led pre-school, which provides care and education for children aged 2.5 to school age.

b. Activities for achieving objectives

The pre-school is led by a manager and a well qualified staff team who follow the current guidance and support from the local authority. The children are our priority and at the centre of the pre-school

c. Main activities undertaken to further the charity's purposes for the public benefit

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

ACHIEVEMENTS AND PERFORMANCE

a. Review of activities

The past year saw 28 (2020: 34) children on our register with 13 (2020: 29) moving onto the Infant School at the end of the school year.

Due to Covid-19 we have not been able to provide entertainment or activities from external companies which we have had in the past.

FINANCIAL REVIEW

The pre-school's income for the year was £87,838 (2020 - £85,648) and mainly consisted of Early Years Funding from Kent County Council. The pre-school also received a local Covid-19 relief grant of £11,332 (2020 - £nil) in the year.

Expenditure for the year was £81,599 (2020 - £79,089). This led to a surplus of income over expenditure of £6,239 (2020 - £6,559).

Net assets of the pre-school were £42,346 at 28 February 2021 against an amount of £36,107 at 29 February 2020.

a. Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

b. Reserves policy

The trustees keep the reserves needs of the charity continually under review. The Trustees have determined that the appropriate level of free reserves necessary for the efficient management of the charity should be £20,000 (i.e. approximately three months normal expenditure) (2020 - £20,000).

All funds are unrestricted and totalled £42,346 at the year end (2020 - £36,107).

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TRUSTEES' REPORT FOR THE YEAR ENDED 28 FEBRUARY 2021

c. Post Balance Sheet Events

Our main future plan is to get the building and outdoor maintenance done. We are still waiting for KCC to repair the cladding on the building and we're still looking for a way to sort out the drainage. With the extra Covid grant we can replace one of the sheds and create extra storage.

Our website has been on the agenda for quite a while but we are aiming to get it done by September 2021.

d. Covid-19

During the Covid-19 pandemic we were closed for awhile in the lockdown, as we had no critical worker families or vulnerable children. During this time we did not need to furlough our staff as we were still receiving the funding from KCC. We re-opened part-time in June 2020 for the children starting Infant School in September 2020. We opened as normal in September 2020 and we have 25 children on our register at the moment.

Financially, the Covid-19 pandemic has made very little impact on us. As we are a pre-school, we rely mainly on funded children and the funding has continued. We have noticed less children on our register for 2020/21 than previous years but we hope this will return to normal in September 2021.

STRUCTURE, GOVERNANCE AND MANAGEMENT

a. Constitution

Squirrels pre-school CIO is governed by its Constitution dated 11 May 2017. It became a registered charity on 11 May 2017.

b. Method of appointment or election of Trustees

The management of the charity is the responsibility of the trustees who are elected and coopted under the terms of the constitution.

c. Policies adopted for the induction and training of Trustees

New Trustees are given training by the Trustees and given a tour of the Pre-School. Specific responsibilities for Trustee roles and responsibilities are documented and handed to new Trustees

d. Organisational structure and decision making

There are four appointed trustees who are responsible for the management of the pre school. Day to day responsibility has been delegated to the pre school manager.

All major decisions are voted on by the trustees.

Key management personnel are the trustees together with Jean Harris, the pre school manager.

e. Risk management

The trustees have assessed the major risks to which the charity is exposed, in particular those related to operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

We have amended our risk assessment to reflect on the government guidance for Covid-19. It will be updated ongoing as guidance changes.

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TRUSTEES' REPORT FOR THE YEAR ENDED 28 FEBRUARY 2021

TRUSTEES' RESPONSIBILITIES STATEMENT

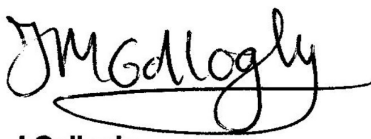
The trustees are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Trustees on 1 November 2021 and signed on their behalf by:



I Gollogly
Trustee

SQUIRRELS PRE-SCHOOL CIO

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF SQUIRRELS PRE-SCHOOL CHARITABLE INCORPORATED ORGANISATION ("the CIO") FOR THE YEAR ENDED 28 FEBRUARY 2021

I report to the charity trustees on my examination of the accounts of the CIO for the year ended 28 February 2021.

Responsibilities and basis of report

As the charity's trustees of the CIO 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 CIO's accounts carried out under section 145 of the Act and 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:

- accounting records were not kept in respect of the Company as required by section 130 of the Act; or
- the accounts do not accord with those records; or
- the accounts do not comply with the accounting 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 financial statements to be reached.



M A Wilkes (FCA)

Azets Audit Services

Delandale House, 37 Old Dover Road, Canterbury, Kent, CT1 3JF

Date: 8 November 2021

SQUIRRELS PRE-SCHOOL CIO

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 28 FEBRUARY 2021

	Notes	Unrestricted funds 2021 £	Unrestricted funds 2020 £
<u>Income from:</u>			
Donations and grants:			
Donations		40	238
KCC - Covid grant		11,332	-
Charitable activities - School fees		76,466	85,410
Total income		87,838	85,648
<u>Expenditure on:</u>			
Charitable activities	2	81,599	79,089
Net movement in funds		6,239	6,559
Fund balances			
At 1 March		36,107	29,548
At 28 February		42,346	36,107

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


All income and expenditure derive from continuing activities.

SQUIRRELS PRE-SCHOOL CIO

BALANCE SHEET AS AT 28 FEBRUARY 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	6		369		489
Current assets					
Debtors - Other debtors		977		-	
Cash at bank and in hand		<u>42,915</u>		<u>37,196</u>	
		43,892		37,196	
Creditors: amounts falling due within one year	7	<u>(1,915)</u>		<u>(1,578)</u>	
Net current assets			<u>41,977</u>		<u>35,618</u>
Net assets			<u><u>42,346</u></u>		<u><u>36,107</u></u>
Funds					
Unrestricted funds			<u>42,346</u>		<u>36,107</u>
			<u><u>42,346</u></u>		<u><u>36,107</u></u>

The financial statements were approved by the Trustees on 1 November 2021.


I Gollogly
 Trustee

SQUIRRELS PRE-SCHOOL CIO

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2021

1. Accounting policies

1.1 Basis of preparation of financial statements

The charity constitutes a public benefit entity as defined by FRS 102. 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 (FRS 102) issued on 16 July 2014, the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015 updated for bulletin 1.

The financial statements are prepared on a going concern basis under the historical cost convention.

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 significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

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.

The Trustees do not consider the impact of Covid-19 will affect the charity's ability to continue as a going concern.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

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 is recognised at the time of the donation.

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received. A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Fees for tuition are recognised in the period that care and education have been provided.

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Charitable activities comprise those costs incurred by the charitable company in the delivery of its activities and for its beneficiaries. It includes both costs allocated directly to such services activities and those costs of an indirect nature necessary to support them.

SQUIRRELS PRE-SCHOOL CIO

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2021

1. Accounting policies (continued)

1.5 Expenditure (continued)

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs. They are allocated on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on the basis of estimates of the proportion of time spent by staff on those activities.

1.6 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.

1.7 Tangible fixed assets

Assets costing £500 or more are capitalised as tangible fixed assets and 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 economic lives on the following bases:

Other fixed assets - 20% reducing balance;

Computers - 33% reducing balance

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 Operating leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

1.8 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 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.

1.9 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. All expenses are inclusive of irrecoverable VAT.

1.10 Corporation Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

1.11 Retirement benefits

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

SQUIRRELS PRE-SCHOOL CIO

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2021

1. Accounting policies (continued)

1.11 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2021

2. Expenditure on charitable activity:	2021	2020
<i>Pre-school education</i>	£	£
Direct costs		
Staff costs	64,805	63,336
Depreciation	56	80
Activity costs	1,918	1,298
Rent	7,500	7,500
Repairs and maintenance	1,982	2,572
	76,261	74,786
Support costs (Note 3)	3,233	3,528
Governance costs - Independent Examiners Fee	2,105	775
	81,599	79,089

3. Support costs	2021	2020
	£	£
Depreciation	64	85
Insurance	1,064	1,045
Telephone	805	1,251
Postage and stationery	890	694
Subscriptions	70	130
Donations	-	20
Bank charges	-	20
Training	340	283
	3,233	3,528

4. Trustees

One of the trustees has been paid remuneration from an employment with the pre-school. The staff trustee only receives remuneration in respect of services they provide undertaking the role as administrator under their contract of employment, and not in respect of their services as a trustee.

The value of trustees' remuneration is as follows:

I Gollogly (Administrator)

- Remuneration - £3,809 (2020: £1,236)

- Employer's pension contribution - £nil (2020: £nil)

No other trustees received any remuneration, benefits or received reimbursed of expenses in either the current or previous year.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2021

5. Employees

Number of employees

The average monthly number of employees during the year was:

Charitable activities

**2021
number**

2020
number

6

6

Employment costs

2021

2020

£

£

Wages and salaries

62,003

60,883

National Insurance

2,370

2,174

Other pension costs

432

279

64,805

63,336

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

The remuneration of the key management personnel totalled £23,025 (2020: £18,983).

6. Tangible fixed assets

**Other fixed
assets
£**

**Computers
£**

**Total
£**

Cost

At 1 March 2020

500

379

879

At 28 February 2021

500

379

879

Depreciation

At 1 March 2020

180

210

390

Charge for the year

64

56

120

At 28 February 2021

244

266

510

Net book value

At 29 February 2020

256

113

369

At 28 February 2019

320

169

489

7. Creditors: amounts falling due within one year

2021

2020

£

£

Other creditors

1,915

1,578

1,915

1,578

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2021

8. Related party transactions

There were no related party transaction in the year (2020 - None) except those detailed in note 4.

9. Pension contributions

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £432 (2020: £279). Contributions totalling £nil (2020: £nil) were payable to the fund at the balance sheet date.

10. Commitments under operating leases

At 28 February 2021 the charity had future minimum lease payments under non-cancellable operating leases not later than one year of £7,500 (2020: £7,500) and later than one year but not later than 5 years of £15,000 (2020: £22,500).

11. Post balance sheet events

Subsequent to the period end, governments in Europe, China, the UK and elsewhere have continued to take unprecedented measures to suppress the spread of Covid-19. The Trustees have assessed the operational and financial impact on the charity in the Trustees' Annual Report on page 2 and in the going concern statement at note 1.2.