

SQUIRRELS PRE-SCHOOL CIO
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2022

SQUIRRELS PRE-SCHOOL CIO

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Lola Cary Isabelle Gollogly Melanie Hillier
Charity number	1173000
Registered office	The Squirrels Pre 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

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SQUIRRELS PRE-SCHOOL CIO

TRUSTEES' REPORT FOR THE PERIOD ENDED 31 AUGUST 2022

The trustees present their report and financial statements for the period ended 31 August 2022.

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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

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 period saw 34 (2021: 28) children on our register with 21 (2021: 13) moving onto the Infant School at the end of the school year.

We have had Creepy Crawlies come out to us for a visit. We do themed activity weeks and have parties for Christmas and end of academic year.

FINANCIAL REVIEW

The pre-school's income for the 18 month period was £115,553 (12 months to 28.2.2021 - £87,838) and mainly consisted of Early Years Funding from Kent County Council.

Expenditure for the period was £129,813 (12 months to 28.2.2021 - £81,599). This led to a deficit of income over expenditure of £14,260 (2021 surplus - £6,239).

Net assets of the pre-school were £28,086 at 31 August 2022 against an amount of £42,346 at 28 February 2021.

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) (2021 - £20,000).

Unrestricted funds at 31 August 2022 amounted to £27,494 (2021: £42,346).

Restricted funds at 31 August 2022 amounted to £592 (2021: £nil).

Total funds at 31 August 2022 amounted to £28,086 (2021 - £42,346).

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TRUSTEES' REPORT FOR THE PERIOD ENDED 31 AUGUST 2022

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. We hope this will be sorted when we discuss our new lease, which is due for renewal in April/May 2023. We will definitely get the drainage sorted this year as we can no longer leave it.

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 co-opted 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.

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 21 June 2023 and signed on their behalf by:

I Gollogly
Trustee

SQUIRRELS PRE-SCHOOL CIO

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF SQUIRRELS PRE-SCHOOL CIO FOR THE PERIOD ENDED 31 AUGUST 2022

I report to the charity trustees on my examination of the accounts of the CIO for the period ended 31 August 2022 as set out on pages 4 to 12.

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: 22 June 2023

SQUIRRELS PRE-SCHOOL CIO

STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD ENDED 31 AUGUST 2022

		Unrestricted funds 18m to 31.8.22 £	Restricted funds 18m to 31.8.22 £	Total funds 18m to 31.8.22 £	Total funds 12m to 28.2.21 £
	Notes				
Income from:					
Donations and grants:					
Donations		-	-	-	40
KCC - Covid grant		-	-	-	11,332
Charitable activities:					
School fees		5,900	109,653	115,553	76,466
Total income		5,900	109,653	115,553	87,838
Expenditure on:					
Charitable activities	3	20,752	109,061	129,813	81,599
Net movement in funds		(14,852)	592	(14,260)	6,239
Reconciliation of funds					
Total funds brought forward		42,346	-	42,346	36,107
Total funds carried forward		27,494	592	28,086	42,346

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

All income and expenditure derive from continuing activities.

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STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD ENDED 31 AUGUST 2022

Comparative year information

Year ended 28 February 2021

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £
Income from:				
Donations and grants:				
Donations		40	-	40
KCC - Covid grant		11,332	-	11,332
Charitable activities:				
School fees		3,334	73,132	76,466
Total income		14,706	73,132	87,838
<u>Expenditure on:</u>				
Charitable activities		8,467	73,132	81,599
Net movement in funds		6,239	-	6,239
Reconciliation of funds				
Total funds brought forward		36,107	-	36,107
Total funds carried forward		42,346	-	42,346

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BALANCE SHEET AS AT 31 AUGUST 2022

	Notes	31 Aug 22 £	31 Aug 22 £	28 Feb 21 £	28 Feb 21 £
Fixed assets					
Tangible assets	7		4,155		369
Current assets					
Debtors - Other debtors		-		977	
Cash at bank and in hand		26,083		42,915	
		<hr/>		<hr/>	
		26,083		43,892	
Creditors: amounts falling due within one year	8	(2,152)		(1,915)	
		<hr/>		<hr/>	
Net current assets			23,931		41,977
			<hr/>		<hr/>
Net assets			28,086		42,346
			<hr/> <hr/>		<hr/> <hr/>
The funds of the charity:					
Restricted funds	12		592		-
Unrestricted funds			27,494		42,346
			<hr/>		<hr/>
	13		28,086		42,346
			<hr/> <hr/>		<hr/> <hr/>

The financial statements were approved by the Trustees on 21 June 2023.

I Gollogly

Trustee

SQUIRRELS PRE-SCHOOL CIO

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2022

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 and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

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.

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.

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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2022

1. Accounting policies (continued)

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:

Equipment, fixtures and fittings	- 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.

1.8 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.

1.9 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 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.

1.10 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.

1.11 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.

1.12 Retirement benefits

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

2. 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 PERIOD ENDED 31 AUGUST 2022

3. Analysis of Expenditure

	Staff costs £	Direct costs £	Support costs £	Total 18m to 31.8.22 £	Total 12m to 28.2.21 £
Charitable activity					
Provision of care and education	100,310	20,665	8,838	129,813	81,599

4. Support costs

	18m to 31.8.22 £	12m to 28.2.21 £
Depreciation	1,134	120
Insurance	1,079	1,064
Telephone	1,617	805
Postage and stationery	2,166	890
Subscriptions	105	70
Sundry	349	-
Training	378	340
Governance costs:		
Independent Examiners Fee	2,010	2,105
	<u>8,838</u>	<u>5,394</u>

5. 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 was as follows:

I Gollogly (Administrator)

Remuneration - £6,341 (2021: £3,809)

Employer's pension contribution - £nil (2021: £nil)

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

6. Staff

Staff costs	18m to 31.8.22 £	12m to 28.2.21 £
Staff costs during the period were:		
Wages and salaries	99,553	64,373
Other pension costs	757	432
	<u>100,310</u>	<u>64,805</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2022

6. Staff (continued)

Staff numbers

The average number of persons employed by the charity during the period was as follows:

	18m to 31.8.22 £	12m to 28.2.21 £
Provision of care and education	7	6

Higher paid staff

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

Key management personnel

The remuneration of the key management personnel totalled £35,371 for the 18 months to 31.8.22 (12 months to 28.2.2021: £23,025).

7. Tangible fixed assets

	Equipment, fixtures and fittings £	Computers £	Total £
Cost			
Brought forward	500	379	879
Additions	4,920	-	4,920
Carried forward	5,420	379	5,799
Depreciation			
Brought forward	244	266	510
Charge for the year	1,078	56	1,134
Carried forward	1,322	56	1,644
Net book value			
At 31 August 2022	4,098	323	4,155
At 28 February 2021	256	113	369

8. Creditors: amounts falling due within one year

	31.08.22 £	28.02.21 £
Other creditors	142	85
Accruals	2,010	1,830
	2,152	1,915

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2022

9. Related party transactions

There were no related party transaction in the year (2021 - None) except those detailed in note 5.

10. 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 £757 (2021: £432). Contributions totalling £nil (2021: £85) were payable to the fund at the balance sheet date.

11. Commitments under operating leases

At 31 August 2022 the charity had future minimum lease payments under non-cancellable operating leases not later than one year of £5,000 (2021: £7,500) and later than one year but not later than 5 years of £nil (2021: £8,750).

12. Restricted funds

	Balance At 1 Mar 21	Income	Expenditure	Balance At 31 Aug 22
Current year	£	£	£	£
Universal Funding	-	106,572	(106,572)	-
Early Years Pupil Premium funding	-	1,661	(1,069)	592
Other LA grants	-	1,420	(1,420)	-
	-	109,653	(109,061)	592
Prior year	Balance At 1 Mar 20	Income	Expenditure	Balance At 28 Feb 21
	£	£	£	£
Universal Funding	-	69,598	(69,598)	-
Early Years Pupil Premium funding	-	2,466	(2,466)	-
Other LA grants	-	1,068	(1,068)	-
	-	73,132	(73,132)	-

Universal Funding

Income received from the Local Authority to cover the normal running costs of the pre-school.

Early Years Pupil Premium / Other grants

Pupil premium, SEN support and training grants provided by the Local Authority

SQUIRRELS PRE-SCHOOL CIO

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2022

13. Analysis of net assets between funds

	Restricted funds	Unrestricted funds	Total At 31 Aug 22
	£	£	£
Fund balances at 31 Aug 22 are represented by:			
Tangible assets	-	4,155	4,155
Current assets	592	25,491	26,083
Creditors	-	(2,152)	(2,152)
	<hr/>	<hr/>	<hr/>
	592	27,494	28,086
	<hr/>	<hr/>	<hr/>
	Restricted funds	Unrestricted funds	Total At 29 Feb 21
	£	£	£
Fund balances at 31 Aug 21 are represented by:			
Tangible assets	-	369	369
Current assets	-	43,892	43,892
Creditors	-	(1,915)	(1,915)
	<hr/>	<hr/>	<hr/>
	-	42,346	42,346
	<hr/>	<hr/>	<hr/>