

DISLEY UNDER FIVES PRESCHOOL

TREASURERS REPORT with FINANCIAL STATEMENTS AND NOTES

12 MONTH PERIOD ENDED 31 OCTOBER 2022

I attach the accounts with this report regarding the financial performance and position of Disley Under Fives for the period stated above. As the committee of trustees of the charity considers this report, I would like to remind the committee of our obligations, the appropriate financial reporting framework and any requirements for independent review or audit.

Applicable framework and requirements

All charities are required to prepare accounts and, in the case of registered charities, file accounts per the required accounting framework with the trustees' annual report and an annual return. For a Charitable Incorporated Organisation (CIO) such as Disley Under Fives, note that it is a charity registered as a body corporate under Part 11 of the Charities Act 2011. While a body corporate under this legislation, it is not a charitable company, which means a company formed and registered with Companies House under the Companies Act 2006 and which is established for exclusively charitable purposes.

This distinction is important for the relevant and appropriate accounting framework. CIOs may opt to prepare their accounts on a receipts and payments basis if their gross income is less than £250,000. Otherwise the accounts are prepared on an accruals basis, in accordance with The Charities (Accounts and Reports) Regulations 2008 and The Statement of Recommended Practice - Accounting and Reporting by Charities, issued in March 2005 ("SORP").

For the purposes of the accounts for this period, **I recommend that Disley Under Fives continues to report on a receipts and payments basis of accounting** (cash accounting) for this period, as the gross income remains less than £250,000 per annum – this would also be a continuation in accounting policy from the previous period.

The committee should note that this needs to be monitored, for if this threshold is exceeded, the accounts for the CIO will need to be prepared on an accruals basis in accordance with the 2008 Regulations and SORP as mentioned above.

The committee should also note these accounts, owing to the gross income being more than £25,000 in the period relevant for the CIO, require an independent review. We have engaged A. Allen & Son Ltd, a firm of Chartered Accountants and Statutory Auditors, to conduct an independent review. The independent examiner's report is enclosed, as addressed to the trustees.

I recommend that Disley Under Fives, with the approval of the committee of trustees and, on the basis of no material concerns by the independent examiner, file the attached accounts and report with the Charity Commission, accompanying the required Annual Return for the period.

Covid-19 (Coronavirus) Pandemic

It should be noted that while the setting was affected by the Covid-19 (Coronavirus) pandemic in the previous 2 periods of account, the period in question here is the first full 12 month period without certain circumstances directly attributable to the pandemic or government restrictions. It is therefore advisable that any party assessing the financial performance and position of the charity in comparison to previous years should take this into account.

Income

Fee income was similar for the current period against the prior 12 month period; however, overall income was 4.5% lower year-on-year. This is a result of the setting have no further claims in the period under review under the UK Government's Coronavirus Job Retention Scheme, which was claimed in the prior period in order to offset a fall in income due to setting closures and a commensurate fall in Cheshire East Council funding. The setting did receive a larger community fund grant from the Co-op in comparison to the prior year, plus a higher level of interest income, partly due to increases in interest rates vs historically low rates seen in previous years.

Overall, the setting's underlying income base remains dominated by funding from public sources (Cheshire East Council), albeit with a an approximate 10-12% increase in additional hours paid by parents/guardians in comparison to the average over the past few years.

Expenses

Payroll costs were materially lower in the current period compared to the previous 12 months. While the setting has seen an increase in payroll costs over the past years, this underlying trend has been driven by increases in the National Minimum Wage and Living Wage, as well as local market conditions. Note that the higher payroll cost in the prior year was, in part, driven by additional hours required by management in a period still marked by the pandemic and its restrictions, plus the charity opted to continue paying staff for planned hours despite closures/absences (as the charity continued to receive public funding and made claims under the Coronavirus Job Retention Scheme).

There were several notable falls in expenditure in the period vs last year, as follows:

- A lower level of non-recurring expenditure totalling £2,210, mostly to replace IT equipment (vs £16,758 in the prior year for renovations and development of the external part of the setting).
- £1,500 (equivalent to one quarter) rent less than prior year – however, it should be noted that there are some timing differences around school term dates. An amount last year was required to bring the account up to date and £6,000 per annum is more representative of the year's actual cost.
- A notable, but small decrease in professional and other services. In the prior year, some non-recurring expenditure had arisen on services relating to external area refurbishments, but also accountancy services relating to the CJRS grant claims.

Overall, after taking account of non-recurring refurbishment costs and the exceptional payroll costs in the prior year, the setting has seen modest increases in its cost base, specifically its dominant payroll/staffing costs (c85% of total costs), which is reflective of increasing National Minimum Wage and Living Wage rates as well as local market conditions.

Net surplus/deficit

Disley Under Fives generated a net surplus/profit of £4,982 in the current period. The previous 12 months to 31 October 2021 resulted in a net deficit/loss of £16,950.

Excluding the non-recurring renovation costs and some professional fees noted above, Disley Under Fives generated a net underlying surplus of £8,019 in the current period. This is in comparison to a very small underlying surplus of £636 (excluding the impact of additional pay during the pandemic and refurbishment costs) in the prior period.

Cash at bank

During this period, Disley Under Fives continued to operate its banking facilities with CAF Bank.

The cash balance reported on 31 October 2021 was £75,166, compared to that on 31 October 2021 of £70,184. Note that the charity has no overdraft, prepaid cards or other debt facility.

Capital reserves

Reflecting the transactions above, Disley Under Fives' capital reserves increased from £70,184 as of 31 October 2021 to £75,166 as of 31 October 2022.

Statement

These annual accounts for the CIO of Disley Under Fives are to my belief, a true and fair reflection of the preschool funds for the 12 month period to 31 October 2022.



Philip Robinson

Treasurer

30 August 2023

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Appendix 1 – Receipts and payments account for Disley Under Fives (CIO) to 31 October 2022

Appendix 2 – Independent examiner's report to the trustees of Disley Under Fives for the period to 31 October 2022

Appendix 1:



CHARITY COMMISSION
FOR ENGLAND AND WALES

Disley Under Fives

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Receipts and payments accounts

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For the period
from

01-Nov-21

To

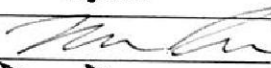

31-Oct-22

Section A Receipts and payments

	Unrestricted funds to the nearest £	Restricted funds to the nearest £	Endowment funds to the nearest £	Total funds to the nearest £	Last year to the nearest £
A1 Receipts					
Fees Received	£123,166.29	-	-	123,166	123,611
Fund Generation - Fund Raising	£1,276.10	-	-	1,276	381
Charitable Activities	-	-	-	-	-
Investment Income	£142.51	-	-	143	7
Other Income	£0.00	-	-	-	6,521
	-	-	-	-	-
	-	-	-	-	-
Sub total (Gross income for AR)	124,585	-	-	124,585	130,521
A2 Asset and investment sales, (see table).					
	-	-	-	-	-
	-	-	-	-	-
Sub total	-	-	-	-	-
Total receipts	124,585	-	-	124,585	130,521
A3 Payments					
Payroll, Tax/NI (inc Pension)	£101,347.88	-	-	101,348	112,322
Rent and Rates	£6,000.00	-	-	6,000	7,500
Travel Expenses	£55.65	-	-	56	-
Telephone and Computer	£120.55	-	-	121	564
Equipment Hire and Rental	£0.00	-	-	-	-
Fines and Penalties	£0.00	-	-	-	-
General Expenses	£4,021.00	-	-	4,021	5,540
Bank Charges	£87.00	-	-	87	90
Professional Fees and Other Services	£5,761.40	-	-	5,761	4,697
Refurbishment and renovation	£2,209.78	-	-	2,210	16,758
Sub total	119,603	-	-	119,603	147,471
A4 Asset and investment purchases, (see table)					
	-	-	-	-	-
	-	-	-	-	-
Sub total	-	-	-	-	-
Total payments	119,603	-	-	119,603	147,471
Net of receipts/(payments)	4,982	-	-	4,982	- 16,950
A5 Transfers between funds	-	-	-	-	-
A6 Cash funds last year end	70,184	-	-	70,184	87,135
Cash funds this year end	75,166	-	-	75,166	70,184

Section B Statement of assets and liabilities at the end of the period

Categories	Details	Unrestricted funds to nearest £	Restricted funds to nearest £	Endowment funds to nearest £
B1 Cash funds	Cash and cash equivalents	75,166	-	-
		-	-	-
		-	-	-
	Total cash funds	75,166	-	-
	(agree balances with receipts and payments account(s))			
B2 Other monetary assets	Details	Unrestricted funds to nearest £	Restricted funds to nearest £	Endowment funds to nearest £
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
B3 Investment assets	Details	Fund to which asset belongs	Cost (optional)	Current value (optional)
			-	-
			-	-
			-	-
			-	-
B4 Assets retained for the charity's own use	Details	Fund to which asset belongs	Cost (optional)	Current value (optional)
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
B5 Liabilities	Details	Fund to which liability relates	Amount due (optional)	When due (optional)
			-	
			-	
			-	
			-	

Signed by one or two trustees on behalf of all the trustees	Signature	Print Name	Date of approval
		VICTORIA PARR	30/8/2023
		Philip Robinson	30/8/2023

Appendix 2:



A.ALLEN & SON
CHARTERED ACCOUNTANTS

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF DISLEY UNDER FIVES PRE-SCHOOL

I report on the accounts for the year ended 31st October 2022.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year (under Section 144(2) of the Charities Act 2011 (the 2011 Act)) and that an independent examination is required.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under Section 145 of the 2011 Act
- to follow the procedures laid down in the General Directions given by the Charity Commission (under Section 145(5)(b) of the 2011 Act); and
- to state whether particular matters have come to my attention.

Basis of the independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statements below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements

- to keep accounting records in accordance with Section 130 of the 2011 Act; and
- to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the 2011 Act

have not been met; or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Darren Cooper BA (Hons) F.C.A. C.T.A.
45 Union Road
New Mills
High Peak
SK22 3EL

29 August 2023

T: 01663 744845 E: mail@aallenandson.co.uk A: 45 Union Road, New Mills,
F: 01663 747790 W: www.aallenandson.co.uk High Peak, SK22 3EL

A Allen & Son Limited

Director: D C Cooper BA (Hons) BFP FCA CTA

Company No: 07120823 Registered in England and Wales

Registered to carry on Audit work in the UK and Ireland by the Institute of Chartered Accountants in England and Wales.

Details about our audit registration can be viewed at auditregister.org.uk under reference number C002470470.