

Low Moor Pre School
Registration number: 1176681
**Annual Report and Financial
Statements**
31 August 2023



Low Moor Pre School

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Low Moor Pre School
Reference and Administrative Details

Charity name	Low Moor Pre School
Charity registration number	1176681
Principal office	Lowmoor Evangelical Church WIGTON CA7 9QP
Registered office	Lowmoor Evangelical Church WIGTON CA7 9QP
Trustees	H Todhunter C Twentyman (resigned 10 October 2022) A Rear (appointed 10 October 2022) H Fell (appointed 10 October 2022) C Taylor (appointed 14 March 2023)
Accountant	Dodd & Co Limited FIFTEEN Rosehill Montgomery Way Rosehill Estate CARLISLE CA1 2RW

Low Moor Pre School
Trustees' Report for the Year Ended 31 August 2023

The financial statements have been prepared in accordance with the accounting policies set out in the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable in the UK and Republic of Ireland.

Structure, governance and management

Low Moor Pre School is situated in the Evangelical Church in Wigton, Cumbria. It operates 50 weeks of the year between 8.00am - 5.30pm, Monday - Friday.

It provides childcare for the community up to school reception age and offers after-school care for reception children.

The Pre School is a Charitable Incorporated Organisation (CIO) and uses the model constitution for Childcare Providers, which was adopted by the trustees on 3 January 2018. The Pre School is run by a committee of 3 people consisting of a Chairperson, Secretary and Treasurer who meet once a term and hold an AGM annually. *The day to day running of the Pre school is undertaken by a team of 17 full-time and part-time staff.*

Trustees on appointment are provided with the guidance from the Charity Commission on the duties and responsibilities of trustees, and are provided with any training as needed including safeguarding training.

Objectives and activities

The Pre School aims to provide a child friendly, safe and secure environment to enhance the development and education of children and to promote their social, intellectual and physical development through play, to hopefully then prepare a smooth transition to school.

Children are encouraged to develop self-confidence and self-esteem and to feel valued as individuals. They are regularly observed and their progress planned.

The Trustees endeavor to honour the trust which parents put in the Pre school to nurture their children and give them quality care, whilst working within the guidelines of the early years foundation stage.

The Pre school aims to work as partners with parents and carers and offer flexibility that allows each child's individual needs to be met, to promote equality and the inclusion of each child and their family.

The Trustees promote the professional development of all staff, to ensure they provide high quality experiences for all the children.

In setting the objectives of the charity the trustees have complied with the Charity Commission guidance on public benefit.

Achievements and performance

The trustees would like to thank the management and staff. Having an amazing dedicated and passionate management and staff team really does help us achieve the Pre-Schools aim to deliver the highest quality of care and education to help each and everyone one of our children, thus giving them the right support and enriching environment to achieve their best potential.

Thank you to the committee members for so graciously volunteering to ensure the continued governance of the Pre-School not only meeting the requirements of the Charities Commission but also giving the support to the Management team in what has been yet another challenging year. The challenges and changes we have faced this year has supported us to increase and improve the support and opportunities for the children and caregivers within our community.

We would also like to thank Lowmoor Evangelical Church for their continued support. The pre-school has really enjoyed playing more of an active role with the church and the community taking part in Easter and Christmas celebrations and creating display boards. We look forward to continue to work alongside the church and planning our involvement in future events.

Low Moor Pre School

Trustees' Report for the Year Ended 31 August 2023

Management

Katie and Amy continue to work in their roles as Nursery and Business Manager and have both flourished in their positions promoting positive changes to the pre-school supporting staff, improving the provision to the children and improving systems to ensure a more streamlined effective management of the setting. The committee would like to thank them both for their hard work, dedication and continuation of going above and beyond in what has proved to be another challenging year.

We have also now appointed Megan Scott as Senior Practitioner and she has proved to be a very valuable member of the management team.

Charlotte Hall and Sarah Lamb continue to share the role of Deputy Management and their skills have grown allowing for Katie to use her time more effectively as nursery manager and all management continue to provide a high level of support to the staff team ensuring we have a healthy happy workforce.

Financial review

The year end reserves are £105,948, of which £100,837 are free reserves.

This now puts us in the position of having a separate reserve account protecting the finances of the Pre-School further as whilst the setting is a non for profit making charity, it is required for us to keep a few months running costs in accordance with the Charity Commission's guidelines to ensure sustainability in the event of unforeseen difficulties.

Although expenditure has exceeded income by £23,631, there has been necessary purchases and investments required to bring the Pre-School to the required standard by OFSTED and ensuring a quality provision to the children attending the setting. This also included upgrading technology and we now have implemented two new office systems to streamline and support with the smooth running of the Pre-School. The number of children attending the service has also been capped compared to previous years following OFSTED requirements which again has impacted on the income the Pre-School has received. That said, we are happy to report that we have now entered a period of stability following on from a challenging 18 month period and future forecasting's predict this stability to continue and are more in line with what we would expect to see with the numbers attending the Pre-School.

Fees & Funding

It was announced during the government budget 2023 that from April 2024, working parents of two-year-olds will be able to access 15 hours of free care, which will be extended to all children aged 9 months and older from September 2024. The full package of 30 hours of free childcare for every child aged between nine months and five years, will not become available until September 2025. At this present moment in time, we have received no formal information as to how this will be financed and until we receive this information, we are unable to make informed decisions on how fees should be implemented across our setting.

It has been drawn to our attention that other nursery settings have increased their fees this year but given the current position of the unknown, having no current need to increase our fees at present and with financial guidance it was agreed by management at the committee that we will not increase fees at this present time. However, this will be closely monitored by the Business Manager and committee on a regular basis.

Last year the Pre-School alongside a fee increase also introduced a daily charge of £1.00 for those in receipt of 30 hours funding. This was a voluntary contribution to go towards the cost of snacks and resources. Unfortunately, this was not successful and proved to require more working hours than the income it would have potentially generated so it was agreed for us to cease charging this. However, it may be necessary to re-visit this in the future given the uncertainty on the impact of future funding with the government changes.

Occupancy

We are currently running at full capacity and operating a waiting list. Whilst trying our best to accommodate the requirements and wishes of caregivers, this can often bring challenges with the flow and transitions in to other rooms. Spaces are being offered to caregivers as they become available and management are regularly keeping in touch with them, now through the new system EY LOG. It has so far not been necessary to advertise spaces as we are filling the spaces from general enquiries and requests for increases in hours from children already in the setting.

Low Moor Pre School
Trustees' Report for the Year Ended 31 August 2023

Plans for the future/Strategic planning

The Pre-School have extended its offering to the local community to include a new baby sensory class, Bambinos at Lowmoor, which is in its first term.

The decision was made to cap numbers attending to 20 and we are pleased to report that the class is fully booked for this term and there has already been lots of interest for the next block booking.

Following the closure of the only play group in Wigton, to further meet the needs and offerings to the local community, with committee approval we decided to open a stay and play session, this is open to children aged 0-4 and has so far proved popular. Again booking is required and numbers have been capped to 20.

When these sessions come to their block booking end, Pre-School management will report back to the committee to discuss the possibility of running further sessions dependant on their success and viability.

It's important to add that these activities are offered on a not-for-profit basis in line with Lowmoor's charitable obligations and any charges that are made are to cover cost of materials, staffing etc.

The hope for these sessions is to provide a safe and inviting space for local carers of children to come together and benefit from the expert guidance and support our staff can offer.

Approved by the Trustees on 7 March 2024 and signed on their behalf by:



H Fell
Trustee

Low Moor Pre School

Trustees' Responsibilities in relation to the Financial Statements

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

The law applicable to charities in England and 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;
- 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 business.

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 and the provisions of the trust deed. They are responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Low Moor Pre School

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Low Moor Pre School
Statement of Financial Activities for the Year Ended 31 August 2023

		Total Funds Year ended 31 August 2023	Total Funds ¹ April 2021 to 31 August 2022
	Unrestricted Funds		
	£	£	£
Note			
Income and endowments from:			
Donations and legacies	2	125	125
Charitable activities	3	215,131	215,131
Total income		<u>215,256</u>	<u>215,256</u>
Expenditure on:			
Charitable activities		238,887	238,887
Total expenditure		<u>238,887</u>	<u>238,887</u>
Net movements in funds		(23,631)	(50,272)
Reconciliation of funds			
Total funds brought forward		129,579	129,579
Total funds carried forward		<u>105,948</u>	<u>129,579</u>

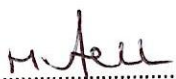
The notes on pages 9 to 16 form an integral part of these financial statements.

Low Moor Pre School
Balance Sheet as at 31 August 2023

		31 August 2023		31 August 2022	
	Note	£	£	£	£
Fixed assets					
Tangible assets	9		5,111		2,900
Current assets					
Debtors	10	1,911		25,956	
Cash at bank and in hand		102,196		102,388	
		<u>104,107</u>		<u>128,344</u>	
Creditors: Amounts falling due within one year	11	<u>(3,270)</u>		<u>(1,665)</u>	
Net current assets			<u>100,837</u>		<u>126,679</u>
Net assets			<u>105,948</u>		<u>129,579</u>
The funds of the charity:					
Unrestricted funds					
Unrestricted income funds			<u>105,948</u>		<u>129,579</u>
Total charity funds			<u>105,948</u>		<u>129,579</u>

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Approved by the Board on 7 March 2024 and signed on its behalf by:



H Fell
 Trustee

The notes on pages 9 to 16 form an integral part of these financial statements.

Low Moor Pre School

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

1 Accounting policies

Statement of compliance

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Basis of preparation

The charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

These financial statements have been prepared on a going concern basis.

Fund accounting policy

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Further details of each fund are disclosed in note 14.

Income and endowments

Donations and legacies income including donations and grants that provide core funding or are of a general nature is recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability.

Income from charitable activities includes income recognised as earned (as the related goods or services are provided) under contract.

Income from Government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Expenditure

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Low Moor Pre School
Notes to the Financial Statements for the Year Ended 31 August 2023

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Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Fixed assets

Individual fixed assets costing £100 or more are initially recorded at cost.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Equipment	10%/20% reducing balance basis
Computer equipment	25% reducing balance basis

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Operating leases

Rentals payable under operating leases are charged in the statement of financial activities on a straight line basis over the lease term.

Pensions

The charity operates a defined contribution pension scheme. Contributions are charged in the statement of financial activities as they become payable in accordance with the rules of the scheme.

2 Donations and legacies

	Unrestricted Funds £	Total Funds Year ended 31 August 2023 £	Total Funds 1 April 2021 to 31 August 2022 £
Donations and legacies			
Appeals and donations	125	125	-
Grants			
UK Government grants	-	-	1,376
	<u>125</u>	<u>125</u>	<u>1,376</u>

All of the donations and legacies income in 2022 related to unrestricted funds.

Low Moor Pre School
Notes to the Financial Statements for the Year Ended 31 August 2023

..... continued

3 Charitable activities

	Unrestricted Funds £	Total Funds Year ended 31 August 2023 £	Total Funds 1 April 2021 to 31 August 2022 £
Pre School			
Grants - other agencies	73,228	73,228	149,820
Fees and supplies	140,987	140,987	126,040
Other income	916	916	-
	<u>215,131</u>	<u>215,131</u>	<u>275,860</u>

All of the income from charitable activities in 2022 related to unrestricted funds.

Low Moor Pre School
Notes to the Financial Statements for the Year Ended 31 August 2023

..... continued

4 Total expenditure

	Pre School	Total Year ended 31 August 2023	Total 1 April 2021 to 31 August 2022
	£	£	£
Direct costs			
Equipment and toys	1,085	1,085	1,283
Consumables	6,000	6,000	10,222
Wages and salaries	197,184	197,184	260,526
Staff NIC (Employers)	3,961	3,961	5,636
Staff pensions	3,231	3,231	2,574
Rent	9,000	9,000	12,750
Repairs and maintenance	2,986	2,986	3,090
Staff training	2,189	2,189	1,550
Redundancy costs	-	-	7,774
Insurance	654	654	636
Telephone and fax	1,022	1,022	1,072
Printing, postage and stationery	318	318	792
Sundry expenses	1,255	1,255	2,692
	<u>228,885</u>	<u>228,885</u>	<u>310,597</u>
Support costs			
Office expenses	785	785	496
Advertising	508	508	14
Accountancy fees	5,680	5,680	5,355
Independent examiner's fee	500	500	500
Legal and professional fees	1,376	1,376	9,621
Bank charges	444	444	223
Depreciation of plant and machinery	709	709	702
	<u>10,002</u>	<u>10,002</u>	<u>16,911</u>
	<u>238,887</u>	<u>238,887</u>	<u>327,508</u>

All of the expenditure in 2022 related to unrestricted funds.

Low Moor Pre School
Notes to the Financial Statements for the Year Ended 31 August 2023

..... continued

5 Governance costs

	2023	2022
	£	£
Accountancy fees	5,680	5,355
Independent examiner's fee	500	500
Legal and professional fees	1,376	9,621
	<u>7,556</u>	<u>15,476</u>

6 Trustees' remuneration and expenses

No trustees received any remuneration or expenses during the year.

7 Employees' remuneration

The monthly average number of persons (including senior management) employed by the charity during the year was as follows:

	Year ended 31 August 2023 No.	1 April 2021 to 31 August 2022 No.
Charitable activities	<u>17</u>	<u>16</u>

The aggregate payroll costs of these persons were as follows:

	Year ended 31 August 2023 £	1 April 2021 to 31 August 2022 £
Wages and salaries	197,184	268,300
Social security	3,961	5,636
Other pension costs	3,231	2,574
	<u>204,376</u>	<u>276,510</u>

During the period, the charity made redundancy and/or termination payments which totalled £nil (2022 - £7,774). These costs are included in total wages and disclosed above.

No employee received emoluments of more than £60,000 during the year.

Low Moor Pre School
Notes to the Financial Statements for the Year Ended 31 August 2023

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8 Taxation

The registered charity is exempt from taxation on income and gains.

9 Tangible fixed assets

	Fixtures, fittings and equipment £
Cost	4,576
As at 1 September 2022	2,920
Additions	<u>7,496</u>
As at 31 August 2023	
Depreciation	1,676
As at 1 September 2022	709
Charge for the year	<u>2,385</u>
As at 31 August 2023	
Net book value	5,111
As at 31 August 2023	<u>2,900</u>
As at 31 August 2022	<u>2,900</u>

10 Debtors

	31 August 2023 £	31 August 2022 £
Trade debtors	-	23,784
Other debtors	821	2,172
Prepayments and accrued income	1,090	-
	<u>1,911</u>	<u>25,956</u>

11 Creditors: Amounts falling due within one year

	31 August 2023 £	31 August 2022 £
Trade creditors	648	-
Other creditors	637	-
Accruals and deferred income	1,985	1,665
	<u>3,270</u>	<u>1,665</u>

Low Moor Pre School

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

..... continued

12 Pension scheme

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the charity to the scheme and amounted to £3,231 (31 August 2022 - £2,574).

Contributions totalling £637 (31 August 2022 - £nil) were payable to the scheme at the end of the period and are included in creditors.

13 Related parties

Controlling entity

The charity is controlled by the trustees.

14 Analysis of funds

	At 1 September 2022	Incoming resources	Resources expended	At 31 August 2023
	£	£	£	£
General Funds				
Unrestricted income fund	129,579	215,256	(238,887)	105,948

Prior period

	At 1 April 2021	Incoming resources	Resources expended	At 31 August 2022
	£	£	£	£
General Funds				
Unrestricted income fund	179,851	277,236	(327,508)	129,579

Low Moor Pre School
Notes to the Financial Statements for the Year Ended 31 August 2023

..... continued

15 Net assets by fund

	Unrestricted Funds	Total Funds 31 August 2023	Total Funds 31 August 2022
	£	£	£
Tangible assets	5,111	5,111	2,900
Current assets	104,107	104,107	128,344
Creditors: Amounts falling due within one year	(3,270)	(3,270)	(1,665)
Net assets	<u>105,948</u>	<u>105,948</u>	<u>129,579</u>

Prior period

	Unrestricted Funds	Total Funds 31 August 2022	Total Funds 31 March 2021
	£	£	£
Tangible assets	2,900	2,900	1,589
Current assets	128,344	128,344	179,583
Creditors: Amounts falling due within one year	(1,665)	(1,665)	(1,321)
Net assets	<u>129,579</u>	<u>129,579</u>	<u>179,851</u>