

**Lavenham Preschool**

**Annual Report and Financial Statements**

**Year ended 31 August 2021**

Charity number: 1184176

# **LAVENHAM PRESCHOOL**

## **Annual Report and Financial Statements for the year ended 31 August 2021**

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## LAVENHAM PRESCHOOL

### Annual Report and Financial Statements for the year ended 31 August 2021

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#### Reference and administrative details

**Charity name** Lavenham Preschool

**Registered charity number** 1184176

**Business address** Church Street  
Lavenham  
Suffolk  
CO10 9QT

**Trustees** R S Mawford - Chairman  
C L Bassett – Treasurer  
D Carse  
S Hodges  
K Dillon Hornigold  
J M Jones  
S Knight

**Pre-school Manager** Kelly Cobbold – to 30 November 2020  
Jane Bonnett – 1 December 2020 to 23 August 2021  
Ela Zlotek – from 23 August 2021

**Independent examiner** Wendy Bowman AAT  
WB Accounting Services, 18 Peek Close, Lavenham, Suffolk, CO10 9xx

**Bankers** Santander UK plc

## **LAVENHAM PRESCHOOL**

### **Report of the trustees for the year ended 31 August 2021**

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The trustees for the purposes of charity law, have pleasure in presenting their annual report and the financial statements of the charity for the year ended 31 August 2021.

#### **Structure, Governance and Management**

##### ***Governing Document***

Lavenham Preschool is a Charitable Incorporated Organisation (Foundation Model) which was registered on 1 July 2019 (registered number 1184176). On 19 December 2019 the CIO obtained OFSTED registration and took over the preschool's activities and assets. The pre-school previously operated as an unincorporated charity (registered number 1048612) which was registered on 12 August 1995.

##### ***Trustees – appointment, organisation and recruitment***

The current trustees are stated on page 1. Changes during the year were as follows:

K Dillon Hornigold - appointed 23 November 2020

R J Chick – resigned 23 November 2020

##### ***Risk management***

The trustees have reviewed the major risks to which the charity is exposed and has established systems and procedures to mitigate those risks.

##### **Objectives and activities**

Lavenham Preschool is an educational charity whose objectives are to enhance the development and education of children primarily under statutory school age by encouraging parents to understand and provide for the needs of their children through community groups and by:

- a) offering appropriate play, education and care facilities, family learning and extended hours groups, together with the right of parents to take responsibility for and to become involved in the activities of such groups, ensuring that such groups offer opportunities for all children whatever their race, culture, religion, means or ability;
- b) encouraging the study of the needs of such children and their families and promoting public interest in and recognition of such needs in the local areas;
- c) instigating and adhering to and furthering the aims and objects of the Pre-school Learning Alliance.

The pre-school is open five days a week, offering breakfast club, morning and afternoon sessions, lunch club, an after-hours club (little owls) and all-day care. We cater for children from 2 years to school age, preparing them for entry into mainstream schooling. The pre-school operates from a purpose-built building, adjacent to Lavenham Village Hall, which was opened in September 2017.

##### **Performance and achievements**

The COVID-19 pandemic continued to have a significant impact on the operation of the preschool during 2020-21. The number of children returning to the preschool after the lockdown started to increase during the Autumn term but recruiting additional staff in a difficult job market proved challenging. Consequently we were only able to offer a core service throughout the year and we could not admit any 2 year old children (who require higher staff ratios) during the spring and summer terms. The COVID-safe procedures required to protect the health and security of the children also limited the number of children we were able to accept and placed additional demands on management and staff.



## **LAVENHAM PRESCHOOL**

### **Report of the trustees for the year ended 31 August 2021**

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The preschool's manager Kelly Cobbold left in November 2020 and deputy manager, Jane Bonnett took on the role of acting manager until a new manager could be appointed. Recruiting a manager during the pandemic took longer than we would have liked but in August 2021 we were delighted to appoint Ela Zlotek.

The trustees are very grateful to the preschool's staff for their dedication and hard work during these very challenging and unprecedented times.

#### **Plans for the future**

The preschool is already seeing the benefit of our new manager's leadership and we are confident that the preschool can re-build following the challenges of the last 18 months. We are now welcoming two year olds again and we plan to re-start the wrap around services of Breakfast club and Afternoon Club from the beginning of the Spring term in January 2022.

The trustees are delighted to report that following an Ofsted inspection in October 2021 the preschool was awarded a "GOOD" rating. We are pleased that the rating reflected what we already felt about the quality of our setting and our staff. There were some very encouraging comments and great feedback from the Inspector and we look forward to building on these in the next stage of our development. The full report from Ofsted is available to read through a link on our website.

Following the restrictions during the past 18 months we also aim to re-start our parent led fundraising events in 2022.


#### **Financial Review**

The Statement of Financial Activities on page 5 sets out the movement in unrestricted and restricted funds for the year and the Balance Sheet on page 6 shows the charity's state of affairs at the year end. The principal sources of income are the Government Funding Grant for Early Years Education, from Suffolk County Council and fees charged for non-funded sessions. We also received a discretionary grant from Babergh District Council towards property costs as part of their support to businesses during the pandemic. We are also grateful for donations received from Lavenham Parish Council and the East of England Co-op, as shown in note 2.

The reduction in numbers of children attending the preschool during the pandemic has had a significant impact on income. Furthermore restrictions meant we were unable to hold the usual fundraising events during the year. As a result we have seen a 40% reduction in income and despite careful management of expenditure the charity has incurred a deficit for the year of £24,954 reducing unrestricted reserves at 31 August 2021 to £11,406.

The trustees have considered the level of funds held and the expected income and expenditure for the next 12 months. Based on this assessment, the trustees believe that the preschool can call upon sufficient financial resources to continue as a going concern.

**This report was approved by the trustees on 6 December 2021 and signed on their behalf by:**



**R S Mawford**  
Chairman

## **LAVENHAM PRESCHOOL**

### **Independent Examiner's Report to the trustees of Lavenham Preschool**

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I report on the accounts of Lavenham Preschool for the year ended 31 August 2021, which are set out on pages 5 to 9.

#### **Respective responsibilities of trustees and examiner**

The trustees are responsible for the preparation of the accounts. The 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 needed.

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 Direction 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 independent examiner's report**

My examination was carried out in accordance with the General Directions given by the Charity Commissioners. 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 statement below.

#### **Independent examiner's statement**

In connection with our 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 386 of the Companies Act 2006; and
  - to prepare accounts which accord with the accounting requirements of the section 396 of the Companies Act 2006 and with the methods and principles of Statement of Recommended Practice: Accounting and Reporting by Charities 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.



**W Bowman AAT**  
WB Accounting Services  
Lavenham, Suffolk CO10

December 2021

# LAVENHAM PRESCHOOL

## Statement of Financial Activities (incorporating an Income and Expenditure Account) for the year ended 31 August 2021

	Note	Unrestricted Funds £	Restricted Funds £	2021 Total £	2020 Total £
<b>Income from:</b>					
Donations	2	3,026	-	3,026	4,728
Charitable activities:					
Grants	3	54,786	5,396	60,182	89,660
Fees		5,657	-	5,657	17,137
Fundraising events		284	-	284	5,352
Investment income					
Bank interest receivable		3	-	3	144
<b>Total income</b>		<b>63,756</b>	<b>5,396</b>	<b>69,152</b>	<b>117,021</b>
<b>Expenditure on:</b>					
Raising funds		218	-	218	2,216
Charitable activities	4	88,492	5,396	93,888	104,674
<b>Total expenditure</b>		<b>88,710</b>	<b>5,396</b>	<b>94,106</b>	<b>106,890</b>
<b>Net income</b>		<b>(24,954)</b>	<b>-</b>	<b>(24,954)</b>	<b>10,131</b>
Fund balances at 1 September 2020		36,360	-	36,360	26,229
<b>Fund balances at 31 August 2021</b>		<b>11,406</b>	<b>-</b>	<b>11,406</b>	<b>36,360</b>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derives from continuing activities. The comparative figures for 2020 all relate to unrestricted funds, except as shown in note 2.



# LAVENHAM PRESCHOOL

## Balance sheet at 31 August 2021

	Note	Total 2021 £	Total 2020 £
<b>Current assets</b>			
Debtors and prepayments		475	3,907
Cash at bank & in hand		<u>22,189</u>	<u>50,458</u>
		<b>22,664</b>	<b>54,365</b>
<b>Creditors: amounts falling due within one year</b>		<u>(11,258)</u>	<u>(18,005)</u>
<b>Net current assets</b>		<u><b>11,406</b></u>	<u><b>36,360</b></u>
<b>Net assets</b>		<u><u><b>11,406</b></u></u>	<u><u><b>36,360</b></u></u>
<b>Funds</b>	7		
Unrestricted funds		<b>11,406</b>	36,360
Restricted funds		-	-
		<u><u><b>11,406</b></u></u>	<u><u><b>36,360</b></u></u>

The notes on pages 7 to 9 form part of these financial statements.

The financial statements were approved by the trustees on 6 December 2021 and signed on their behalf by



**C L Bassett**  
Trustee



# LAVENHAM PRESCHOOL

## Notes forming part of the financial statements for the year ended 31 August 2021

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### 1 Accounting policies

#### *Accounting convention*

These 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 (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). 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 charity constitutes a public benefit entity as defined by FRS 102.

#### *Going concern*

The accounts have been prepared on a going concern basis which the trustees believe is appropriate given the level of funds held and the income and expenditure forecast for the next 12 months from the date of approving these financial statements.

#### *Incoming resources*

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Donated services are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

#### *Expenditure*

All expenditure is accounted for on an accruals basis, and has been classified under the headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of resources.

Fundraising costs are those incurred in seeking voluntary contributions and holding fundraising events. Support costs are those costs incurred directly in support of expenditure on the objects of the charity. Governance costs are those incurred in connection with compliance with constitutional and statutory requirements.

#### *Tangible fixed assets*

Individual fixed assets costing £1,000 or more are capitalised at cost, including any incidental costs of acquisition. Depreciation is provided on all tangible fixed assets, other than freehold land, so as to write off the cost, less estimated residual value, over their expected useful lives.

#### *Operating leases*

Rentals under operating leases are charged to the income and expenditure account as incurred.

#### *Fund Accounting*

Unrestricted funds comprise accumulated surpluses and deficits on the general fund and designated funds. They are available for use at the discretion of the trustees in furtherance of the charitable company's objectives. Designated funds are those funds designated for a particular purpose or projects at the discretion of the trustees.

# LAVENHAM PRESCHOOL

## Notes to the financial statements for the year ended 31 August 2021 (Continued)

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

### 2 Donations

	2021 £	2020 £
<b>Unrestricted:</b>		
Lavenham Parish Council	2,000	3,000
East of England Co-op	974	1,583
Smaller donations	52	145
	<u>          </u>	<u>          </u>
<b>Total donations</b>	<b>3,026</b>	<b>4,728</b>
	<u>          </u>	<u>          </u>

### 3 Grants

	2021 £	2020 £
<b>Unrestricted:</b>		
Suffolk County Council - Early Education funding	54,786	77,989
<b>Restricted:</b>		
Babergh District Council – business discretionary grant	5,000	-
HMRC – Coronavirus Job Retention Scheme	396	11,671
	<u>          </u>	<u>          </u>
<b>Total grants</b>	<b>60,182</b>	<b>89,660</b>
	<u>          </u>	<u>          </u>

### 4 Expenditure on Charitable activities

	2021 £	2020 £
<b>Direct costs</b>		
Staff costs (note 5)	73,070	86,157
Resources for children	2,777	3,188
<b>Support costs</b>		
Premises	7,612	9,011
Other support costs, including governance costs	10,430	6,318
	<u>          </u>	<u>          </u>
	<b>93,888</b>	<b>104,674</b>
	<u>          </u>	<u>          </u>

## LAVENHAM PRESCHOOL

### Notes to the financial statements for the year ended 31 August 2021 (Continued)

#### 5 Staff costs

	2021 £	2020 £
Wages and salaries	69,917	82,802
Social security costs	-	1,042
Pension costs	835	1,137
Staff recruitment, training and uniform costs	2,318	1,176
	<u>73,070</u>	<u>86,157</u>

The key management personnel of the charity comprise the trustees and the pre-school manager as shown on page 1. The trustees neither received nor waived any remuneration during the year (2020: £nil).

The average number of employees during the year, calculated on a head count basis was 9 (2020:9). No employee had emoluments in excess of £60,000 (2020: nil).

#### 6 Taxation

The company is a registered charity and is not considered liable to taxation on its income. Income tax deducted at source from income is recoverable from the Inland Revenue.

#### 7 Funds summary

	Balance at 1 September 2020 £	Fund movements			Balance at 31 August 2021 £
		Incoming resources £	Resources used £	Transfers	
<b>Restricted funds:</b>					
Property expenses grant		5,000	5,000	-	-
Coronavirus Job Retention Scheme	-	396	396	-	-
	<u>-</u>	<u>5,396</u>	<u>5,396</u>	<u>-</u>	<u>-</u>
<b>Unrestricted funds</b>	36,360	63,756	88,710	-	11,406
	<u>36,360</u>	<u>69,152</u>	<u>94,106</u>	<u>-</u>	<u>11,406</u>

#### Restricted fund purposes:

Property expenses grant – a discretionary business grant from Babergh District Council providing property expenses relief during the Covid pandemic.

Coronavirus Job Retention Scheme – income received from HMRC under the UK Government's scheme to fund the pay of furloughed employees.