

Lavenham Preschool

Annual Report and Financial Statements

Year ended 31 August 2022

Charity number: 1184176

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LAVENHAM PRESCHOOL

Annual Report and Financial Statements for the year ended 31 August 2022

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
D Carse - Treasurer
J M Jones
S Knight
K Humphreys
A Hyde Parker
H Upton

Pre-school Manager Elzbieta Zlotek

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

Bankers Santander UK plc

Report of the trustees for the year ended 31 August 2022

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 2022.

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 preschool 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 – resigned 11 January 2022
 S Crouch – resigned 11 January 2022
 K Humphreys – appointed 11 January 2022
 A Hyde Parker – appointed 15 August 2022
 H Upton – appointed 15 August 2022

Risk management

The trustees have reviewed the major risks to which the charity is exposed and have 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 preschool is open five days a week, offering breakfast club, morning and afternoon sessions, lunch club, an after-hours club and all-day care. We cater for children from 2 years to school age, preparing them for entry into mainstream schooling. The preschool operates from a purpose-built building, adjacent to Lavenham Village Hall, which was opened in September 2017.

Performance and achievements

Following a difficult year caused by the impact of the COVID pandemic, the operations and financial performance of the preschool improved during 2021-22. This was helped by the adoption of a new development plan towards the end of the previous year and recruitment of a new Manager, Ela Zlotek. Only a few weeks after her appointment, the preschool was faced with an Ofsted inspection and thanks to the sterling work of the manager and her staff, the preschool was awarded a "Good" rating. (The full report is available to read through a link on our website.)

Since then, the situation of the preschool has improved, with a rising number of children (including the re-admission of two-year olds) and innovations such as the Forest School. The year also saw the resumption of some fundraising activities.

The improved situation of the preschool was underpinned by the financial support it received from a number of local bodies, in particular the Lavenham Community Council, from which we rent our building, the Lavenham Parish Council and the Lavenham Gardening Club. This reinforces the important role that the preschool plays in the local community.

The trustees are very grateful to the preschool's staff, both past and present, for their dedication and hard work during the recent difficult times. Thanks also go to our retiring trustees, including Chris Basset, our former treasurer, for successfully managing our finances.

Plans for the future

The aim is to build upon the more solid foundations established in 2021-22. We are looking to develop our breakfast club and afternoon club, with the aim of expanding our all-day service if there is sufficient demand for this. The Forest School initiative has proved to be very popular and we intend to maintain this as part of our service offering. We are also planning further fundraising events and to involve parents in these as much as possible.


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. As noted above, we also received significant financial support in the form of donations from various local bodies, as shown in note 2, for which we are very grateful.

These sources of income and the increase in the number of children attending, led to an increase in total income of 63%. Together with a slight reduction in costs, this resulted in a surplus of £19,239, compared with a deficit of £24,954 in the previous year, increasing reserves to £30,645 at the end of 2021-22.

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 will continue as a going concern during this period.

This report was approved by the trustees on 14 November 2022 and signed on their behalf by:



R S Mawford
Chairman

Independent Examiner's Report to the trustees of Lavenham Preschool

I report on the accounts of Lavenham Preschool for the year ended 31 August 2022, 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

November 2022

LAVENHAM PRESCHOOL

Statement of Financial Activities (incorporating an Income and Expenditure Account) for the year ended 31 August 2022

	Note	Unrestricted Funds £	Restricted Funds £	2022 Total £	2021 Total £
Income from:					
Donations	2	6,350	4,500	10,850	3,026
Charitable activities:					
Grants	3	82,549	-	82,549	60,182
Fees		18,456	-	18,456	5,657
Other income		34	-	34	-
Fundraising events		763	-	763	284
Investment income					
Bank interest receivable		4	-	4	3
Total income		108,156	4,500	112,656	69,152
Expenditure on:					
Raising funds		90	-	90	218
Charitable activities	4	88,827	4,500	93,327	93,888
Total expenditure		88,917	4,500	93,417	94,106
Net income		19,239	-	19,239	(24,954)
Fund balances at 1 September 2021		11,406	-	11,406	36,360
Fund balances at 31 August 2022		30,645	-	30,645	11,406

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derives from continuing activities. The comparatives figures for 2021 all relate to unrestricted funds, except as shown in note 3.

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Balance sheet at 31 August 2022

	Note	Total 2022	Total 2021
		£	£
Current assets			
Debtors and prepayments	7	571	475
Cash at bank & in hand		45,985	22,189
		<u>46,556</u>	<u>22,664</u>
Creditors: amounts falling due within one year		(15,911)	(11,258)
Net current assets		<u>30,645</u>	<u>11,406</u>
Net assets		<u>30,645</u>	<u>11,406</u>
Funds	8		
Unrestricted funds		30,645	11,406
Restricted funds		-	-
		<u>30,645</u>	<u>11,406</u>

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

The financial statements were approved by the trustees on 14 November 2022 and signed on their behalf by



D T R Carse
Trustee

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.

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Notes to the financial statements for the year ended 31 August 2022 (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

	2022 £	2021 £
Unrestricted:		
Lavenham Community Council	2,500	-
Lavenham Parish Council	3,500	2,000
Lavenham Gardening Club	300	-
East of England Co-op	-	974
Smaller donations	50	52
Restricted:		
Lavenham Community Council	4,500	-
Total donations	10,850	3,026

3 Grants

	2022 £	2021 £
Unrestricted:		
Suffolk County Council - Early Education funding	82,549	54,786
Restricted:		
Babergh District Council – business discretionary grant	-	5,000
HMRC – Coronavirus Job Retention Scheme	-	396
Total grants	82,549	60,182

4 Expenditure on Charitable activities

	2022 £	2021 £
Direct costs		
Staff costs (note 5)	74,492	73,070
Resources for children	1,070	2,777
Support costs		
Premises	8,368	7,612
Other support costs, including governance costs	9,397	10,430
	93,327	93,888

5 Staff costs

	2022 £	2021 £
Wages and salaries	72,885	69,917
Social security costs	-	-
Pension costs	863	835
Staff recruitment, training and uniform costs	744	2,318
	<u>74,492</u>	<u>73,070</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 (2021: £nil).

The average number of employees during the year, calculated on a head count basis was 9 (2021:9). No employee had emoluments in excess of £60,000 (2021: 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 HMRC.

7 Debtors and prepayments

A provision of £434 for bad and doubtful debts in respect of overdue fee income has been deducted.

8 Funds Summary

	Balance at 1 September 2021 £	Fund movements			Balance at 31 August 2022 £
		Incoming resources £	Resources used £	Transfer s	
Restricted funds:					
Lavenham Community Council donation	-	4,500	4,500	-	-
Unrestricted funds	11,406	108,156	88,917	-	30,645
	<u>11,406</u>	<u>112,656</u>	<u>93,417</u>	<u>-</u>	<u>30,645</u>

Restricted fund purposes:

The donation from Lavenham Community Council funded a waiver of the rent due on the building from which the company operates.