

## **FRITTENDEN PRE-SCHOOL**

### **TRUSTEES REPORT**

#### **FOR THE YEAR ENDED 31 DECEMBER 2022**

The trustees submit their annual report and financial statements of Frittenden Preschool (“the charity”) for the year ended 31 December 2022. The trustees confirm that the annual report and financial statement of the charity comply with current statutory requirements, the requirements of the charity’s governing document and the provisions of the Statement of Recommended Practice (SORP) “Accounting and Reporting by Charities” issued in March 2005

#### **Structure, governance and management**

The charity’s objectives are to establish and run a Preschool to advance the education of Preschool children.

The trustees are:

Mrs Claire Deaves  
Mrs Emily Walczak  
Mr Alex Davies  
Mrs Joanna Beech

The charity is governed by a board of three trustees who are officers of the committee and three property trustees and operates a Preschool with a Committee and staff.

#### **Constitution**

The charity is governed under a Constitution (Preschool Learning Alliance Model Preschool Constitution 2011) signed 6 March 2018 and is a registered charity.

#### **Organisational structure and decision making**

The day-to-day management of the charity is under the control of a management committee comprising the Chair, Treasurer and Secretary. The management committee is required to obtain prior approval from the Property Trustees for all non-operational and capital expenditure in excess of £2000.

#### **Risk management**

The management committee has undertaken a risk assessment of all activities organised by the Preschool in furtherance of its objectives and of the Preschool facilities and this is reviewed on an annual basis. The Property Trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to major risks.

#### **Objectives and activities**

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission’s guidance on public benefit, including the guidance “Public Benefit: Running a Charity (PB2)”.

The objective of the charity is to advance the development and education of local children and promote an environment which is safe, happy and conducive to individual and group play. The Preschool has been established for 38 years and has a full complement of staff, including a Preschool Manager and Preschool Deputy Manager.

The Preschool aims to:

- Inspire curiosity, independence and a life-long love of learning to help our children become contributing members of our community and the world.
- In a nurturing play-based environment, our curriculum builds children's self-esteem and problem-solving skills while developing respect for themselves and others.
- provide a service to the local community by providing a happy and relaxed environment for children of any culture and/or ability to learn through play.

Children are encouraged to feel part of their community by taking part in visits to local facilities and places of interest in the village as well as receiving organised visitors from members of the local community. The charity encourages each child to progress towards the Early Learning Goals, as set out by the Department for Education. The voluntary management committee and parents, together with the staff, undertake fundraising activities as required.

#### **Financial review for Year Ending 31 December 2022**

The accounts have been compiled for submission to the Charity Commission once they receive the trustee report.

As of 31 December 2022, the charity had a total of £30,240 in its bank accounts at HSBC. This consisted of £6,629.40 in the two reserve accounts and £23,610 in the current account.

The reserve accounts have maintained a consistent balance since last year when there was £6,619 as reserves.

The Preschool made payments of £51,612 in the calendar year. Money received was £50,405. The Preschool shows a negative difference (loss) of £1,207.

Government funding provides 570 hours of free early education per child year. This is normally taken as 15 hours per week for 3-4 year olds. Eligible 2-year olds can also receive "Free for two" funding. The amount of government funding received per child per hour for 2021/22 was £4.31 for 3-4 year olds and £5.39 for 2 year olds. The amount of government funding received by the Preschool was £36,681. Parents whose children are ineligible for government funding or who want additional hours for their children currently pay £6.50 per hour (increased in September 2021 from £5.00 per hour). In addition, all parents are asked to make a voluntary donation of £0.50 per three-hour session to cover additional costs. Funding from parents totalled £12,875.

The loss made by the charity this year was caused by a number of factors, including some staff absences which needed to be covered, the number of contracted hours required to recruit a new staff member being greater than those worked by the outgoing member of staff, the need to increase staff pay to compensate for inflation and cost increases for bought-in goods and services. The losses have been mitigated to a degree by increasing the fees paid by parents and some small

increases in the hourly rates provided by the Government. Despite the current financial climate, the charity currently sustains itself financially and remains a reasonable margin above its reserves, with this year's loss offsetting gains made in previous years.

### **Reserves policy**

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's activities whilst consideration is given to ways in which additional funds can be raised. The committee considers that this obligation has been met for the financial period ending 31 December 2022. Consideration will be given during Financial Year 2023 to transferring additional funds from the current account to the reserves accounts to ensure that this money is better ring-fenced, with the equivalent of three month's non-discretionary expenditure (i.e. staff costs, building occupation costs and insurances) held in the reserves account.

### **Financial recommendations**

The charity accounts for the period ending 31 December 2022 have shown the charity to have made a small loss. However, the charity remains financially viable and could sustain itself for several years at the current rate even without taking action to reduce these losses.

However, given the continued increases in outgoings caused by inflation and the need to retain staff, our outgoings will only continue to increase. The preschool relies heavily on its highly-qualified and dedicated staff and it is important that it can offer rates of pay which remain attractive, particularly when considering the 10% increase in minimum wage coming into force on 1 April 2023.

The Government has announced some increases to funding rates that will offset increases in outgoings somewhat, and consideration will need to be given to raising the fees paid by parents further in September 2023. However, it is considered likely that the preschool will continue to make a loss for at least the next year.

This report was approved by the Board of Trustees on 19 May 2023 and signed on its behalf by:

Claire Deaves (Chair)\_\_\_\_\_



Alex Davies (Treasurer)\_\_\_\_\_



## **Independent Examiner's Report to the Trustees of Frittenden Pre-School**

I report on the accounts of the charity for the year ended 31 December 2022 which comprise the trustees' report, receipts and payments account, and statement of assets and liabilities.

### **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 needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- 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 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 statement 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 comply with the accounting requirements of the 2011 Acthave 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.

A handwritten signature in black ink, appearing to read 'R Nelson'.

**Richard Nelson FCCA**  
**Breckman & Company Ltd**  
**Chartered Certified Accountants**

49 South Molton Street  
London W1K 5LH

19 May 2023

**FRITTENDEN PRE-SCHOOL****RECEIPTS AND PAYMENTS ACCOUNT****YEAR ENDED 31 DECEMBER 2022****RECEIPTS**

Fees from parents	12,430	
Voluntary contributions	535	
Government funding	36,681	
Fundraising	364	
Donations	350	
Bank Interest	13	
HMRC Grants	-	
Sundries	831	51,204

**PAYMENTS**

Staff wages including employer's NI	43,848	
Employer Pension Contributions	846	
Insurance	774	
Professional fees	1,796	
Rates/utilities	484	
Registration fees		
Equipment/materials	-	
Printing/postage/stationery	-	
Telephone		
Consumables/staff costs	3,801	
Advertising/photographs		
Website hosting		
Gratuities		
Bank charges	63	
Building maintenance and services	-	
Sundries	743	52,355

**NET (DEFICIT)** **(1,151)**

**Cash funds brought forward** £ **31,447**

**Cash funds carried forward** £ **30,296**

**FRITTENDEN PRE-SCHOOL**

**STATEMENT OF ASSETS AND LIABILITIES**

**YEAR ENDED 31 DECEMBER 2022**

<b>Assets</b>	
Debtors	-
Bank	30,105
Cash	191
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Total cash funds	30,296
 <b>Liabilities</b>	
Creditors	(181)
Accruals	(1,035)
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<b>Total net assets</b>	<b>£ 29,080</b>