

## **FRITTENDEN PRE-SCHOOL**

### **TRUSTEES REPORT**

#### **FOR THE YEAR ENDED 31 DECEMBER 2023**

The trustees submit their annual report and financial statements of Frittenden Preschool (“the charity”) for the year ended 31 December 2023. 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

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. The management committee is required to obtain prior approval from the Property Trustees for all non-operational and capital expenditure in excess of £2,000.

#### **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 children and promote an environment which is safe, happy and conducive to individual and group play. It aims to prepare children for the discipline and routine of school. The Preschool has been established for 37 years and has a full complement of staff, including a Preschool Manager and Preschool Deputy Manager.

The charity aims to 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 by example and teaching to care for and respect not only themselves but also others and their environment. The Preschool aims to:

- Increase personal confidence and self-esteem
- Develop the concentration, communication and listening skills of the children
- Broaden the children's range of experiences and deepen their levels of understanding
- Develop the children's physical abilities

The charity actively promotes creativity and imaginative play and equality of opportunity for everyone. 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 2023**

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

As of 31 December 2023, the charity had a total of £35,397 in its bank accounts at HSBC. This consisted of £6,722 in the two reserve accounts, £191 in petty cash and £28,484 in the current account.

The reserve accounts have maintained a consistent balance since last year when there was £6,629 as reserves.

The Preschool made payments of £59,424 in the calendar year. Money received was £64,525. The Preschool shows a positive difference of £5,101.

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 by the Preschool was £40,952. Parents whose children are ineligible for government funding or who want additional hours for their children can pay for the hours their children attend. Funding from parents totalled £17,227.

The profit made by the charity was caused by fundraising efforts to erect a canopy outside the preschool to improve the outside space. This fundraising also offset additional costs caused by increases in staff wages to compensate for inflation and the increase in minimum wage and cost increases for bought-in goods and services. The additional costs have also been mitigated to a degree by increasing the fees paid by parents and 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.

### **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 2023.

### **Financial recommendations**

The charity accounts for the period ending 31 December 2023 have shown the charity to make a small profit, caused by fundraising to improve the outside space. Even discounting these fundraising efforts, the charity remains financially viable and could sustain itself for several years at the current rate of income and expenditure.

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 2024.

The Government increases to funding rates will offset increases in outgoings somewhat, and consideration is given annually to the fees paid by parents.

This report was approved by the Board of Trustees on 13 August 2024 and signed on its behalf by:

*Claire Deaves*  
Claire Deaves (Trustee)\_\_\_\_\_

*Alex Davies*  
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 2023 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.

*Richard Nelson*

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

49 South Molton Street  
London W1K 5LH

13 August 2024

**FRITTENDEN PRE-SCHOOL****RECEIPTS AND PAYMENTS ACCOUNT****YEAR ENDED 31 DECEMBER 2023****RECEIPTS**

Fees from parents	17,227	
Voluntary contributions	-	
Government funding	40,952	
Fundraising	6,196	
Donations	-	
Bank Interest	75	
HMRC Grants	-	
Sundries	<u>75</u>	64,525

**PAYMENTS**

Staff wages including employer's NI	48,133	
Employer Pension Contributions	2,192	
Insurance	819	
Professional fees	2,203	
Rates/utilities	545	
Registration fees	-	
Equipment/materials	-	
Printing/postage/stationery	-	
Telephone	-	
Consumables/staff costs	5,464	
Advertising/photographs	-	
Website hosting	-	
Gratuities	-	
Bank charges	68	
Building maintenance and services	-	
Sundries	<u>-</u>	<u>59,424</u>

**NET SURPLUS**5,101**Cash funds brought forward**£ 30,296**Cash funds carried forward**£ 35,397

**FRITTENDEN PRE-SCHOOL**

**STATEMENT OF ASSETS AND LIABILITIES**

**YEAR ENDED 31 DECEMBER 2023**

**2023**

**Assets**

Debtors

Bank 35,206

Cash 191

Total cash funds 35,397

**Liabilities**

Creditors (229)

Accruals (960)

**Total net assets** £ 34,208