



**Chestnuts
Pre-School**

Regd. Charity 295756

(registered charity no 295756)

Annual report and accounts

Year ended 31 July 2021

Registered charity number	295756
Address	32 Chestnut Avenue Wokingham Berkshire RG41 3RS
Trustees	Helen Eastwood (Chair) Louise Bull (Deputy Chair) Tabitha Rigden (Treasurer) Joanna Florentin (Secretary, appointed 8 February 2021) Daniel Smith Matthew Rigden Angela Thomas Sabine Osborne (appointed 18 October 2021) Sarah-Jayne Hurford (resigned 8 February 2021)
Independent Examiner	Calculus Consultancy Services Limited Chartered Certified Accountants 145 Old Woosehill Lane Wokingham Berkshire RG41 3HR

The Trustees are pleased to present their annual report and accounts for the year ended 31 July 2021.

Activities

The Charity operates a pre-school care and education setting in Wokingham, Berkshire. It is a member of the Pre-School Learning Alliance (PLA).

Constitution

The Charity was founded in 1984 and is governed by a constitution closely aligned with the model constitution provided by the PLA. The most recently updated constitution was adopted by the members at an Annual General Meeting held on 13th October 2014.

Objectives

The key aim of the pre-school is to enhance the development and education of children primarily under statutory school age through the provision of high quality Early Years care and education.

Additional important objectives include:

- encouraging parents to take responsibility for and to become involved in the activities of the group and ensuring that we offer opportunities for all children, regardless of race culture, religion or means.
- encouraging the study of the needs of children and their families and promoting public interest in and recognition of such needs in the local areas.
- encouraging parents to understand and provide for the needs of their children through community groups; and
- instigating and adhering to and furthering the aim of the Pre-school Learning Alliance (PLA).

Review of the year

The Pre-school management and staff are highly committed to providing the highest standard of Pre-school care and education, whilst endeavouring to operate the Pre-school in a financially sustainable way. The Trustees are satisfied with the overall performance of the Pre-school during the year given the challenges faced with the COVID pandemic.

Financial review

During the year ended 31 July 2021, the Charity made a loss of £14,479 (2020: profit of £1,192). The charity's reserves are £106,103 (2020: £120,582) as at 31 July 2021.

We recognise that a proportion of the reserve is to facilitate the likely rebuild of the Pre-school building in the future. The assumed rebuild cost currently stands at £101,088, providing a surplus of £5,015. Consistent with previous years, maintenance and general expenses are expected to be high in the forthcoming year. The Trustees consider this level of reserves to be adequate to ensure the short/medium term financial stability of the charity. However, education funding has come under immense pressure in the past number of years and the grants received from Wokingham Borough Council are not sufficient to cover all running costs of the setting therefore the Trustees expect funding to become even tighter over the coming years and the surplus is expected to be reduced over the short/medium term.

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Members

The members are the parents (or other appointed guardian) of the children attending the pre-school setting, from time to time.

Trustees

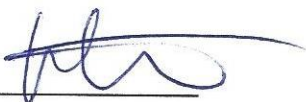
The Trustees of the Charity are the managing committee of the pre-school. Under the terms of the constitution, there must be no fewer than five Trustees and no more than twelve Trustees at any time and at least 60% of the Trustees must be members of the pre-school as defined above.

Trustees are elected by the members at each AGM and serve until the next AGM (where they may stand for re-election) unless they resign before that time. If necessary (for example if a number of Trustees resign part way through a year), the existing Trustees can co-opt up to three persons to stand as Trustees until the next AGM.

The Trustees serving the Pre-school as at the date of approval of this report are those named on page 1. All were appointed or re-appointed by the members at the AGM on 18th October 2021, except Sarah-Jayne Hurford who resigned on 8th February 2021 and Sabine Osborne who joined the Committee on 18 October 2021.

Approval of report

This report was approved on 18 MAY 22 and signed on behalf of the Trustees by:



Helen Eastwood
Chair

INDEPENDENT EXAMINER'S REPORT

Respective responsibilities of the trustees and independent 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 of the Charities Act 2011 ("the Charities Act") and that an independent examination is needed. I am qualified to undertake the examination by being a qualified member of The Association of Chartered Certified Accountants.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities 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 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 the 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 Examiners' 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 Charities Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act

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.

Calculus .

Calculus Consultancy Services Limited
Chartered Certified Accountants
145 Old Woosehill Lane
Wokingham
Berkshire
RG41 3HR

Date: 16th May 2022

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Basis of preparation

The accounts are prepared on a historic cost, going concern basis. The principal accounting policies are unchanged from the previous year and are stated below.

Income and expenditure

Income and expenditure are accounted for in the year to which they relate, using the accruals basis.

Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. Depreciation is charged so as to write off the cost of an asset over its estimated useful life. The methods and rates applicable are as follows:

Leasehold buildings	-	5% per annum straight line
Equipment	-	25% reducing balance

**Chestnuts Pre-school
Income and expenditure
account
For the year ended 31 July
2021**

Page 6

	2021	£	2020	£
Operating income				
Grant funding	103,614		111,619	
Fees and charges	<u>28,802</u>	132,416	<u>19,589</u>	131,208
Other income				
Fundraising	1,912		1,750	
Donations	2,095		1,025	
Interest	7		385	
Indirect grant income	1,216		4,743	
Merchandise and other income	<u>74</u>	5,304	<u>404</u>	8,307
Direct costs				
Staff costs	124,021		112,787	
Teaching equipment and consumables	3,907		3,040	
Milk and refreshments	<u>1,297</u>	(129,225)	<u>1,090</u>	(116,917)
Overhead costs				
Rent, rates and insurance	3,958		4,213	
Electricity and water	3,217		3,052	
Repairs and maintenance	1,698		2,483	
Equipment, stationery and consumables	4,269		3,239	
Telephone	788		705	
Cleaning and refuse	3,476		3,148	
Depreciation	3,309		3,168	
Other	<u>2,259</u>	(22,974)	<u>1,398</u>	(21,406)
Net surplus/(loss)		<u>(14,479)</u>		<u>1,192</u>

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	2021	£	2020	£
Fixed assets (note 1)				
Buildings	8,726		11,666	
Equipment	<u>1,107</u>	9,833	<u>1,476</u>	13,142
Current assets				
Bank and cash balances	126,738		139,899	
Accounts receivable and Prepayments	<u>1,015</u>		<u>2,941</u>	
	<u>127,753</u>		<u>142,840</u>	
Current liabilities				
Creditors	1,301		1,690	
Accruals, deferred income and deposits	<u>30,182</u>		<u>33,710</u>	
	<u>31,483</u>		<u>35,400</u>	
Net current assets		96,270		107,440
Net assets		<u>106,103</u>		<u>120,582</u>
Represented by				
Accumulated funds brought forward		120,582		119,390
Surplus/(deficit) for the year		(14,479)		1,192
Total funds (note 2)		<u>106,103</u>		<u>120,582</u>

The annual accounts were approved by the Trustees on 18 May 2022 and are signed on their behalf by:


Helen Eastwood (Chairperson)


Tabitha Rigden (Treasurer)

Note 1 - Fixed assets

	Buildings £	Equipment £	Total £
<u>Cost</u>			
At 1 August 2020	58,797	16,087	74,884
Additions	-	-	-
At 31 July 2021	58,797	16,087	74,884
<u>Depreciation</u>			
At 1 August 2020	47,131	14,611	61,742
Charge for the year	2,940	369	3,309
At 31 July 2021	50,071	14,980	65,051
<u>Net book value</u>			
At 31 July 2020	11,666	1,476	13,142
At 31 July 2021	8,726	1,107	9,833

**Note 2 – Funds
(unrestricted)**

	£
At 1 August 2020	120,582
Net surplus for the year	(14,479)
At 31 July 2021	<u>106,103</u>

This is the surplus provision calculation set aside to rebuild the pre-school building in 2023.

Building Rebuild

	Inflation %	Cost	Inflation	Rebuild
2004	2.00%	60,000.00	1,200	61,200.00
2005	2.00%	61,200.00	1,224	62,424.00
2006	2.00%	62,424.00	1,248	63,672.48
2007	2.00%	63,672.48	1,273	64,945.93
2008	2.00%	64,945.93	1,299	66,244.85
2009	2.00%	66,244.85	1,325	67,569.75
2010	2.00%	67,569.75	1,351	68,921.14
2011	2.00%	68,921.14	1,378	70,299.56
2012	3.00%	70,299.56	2,109	72,408.55
2013	3.00%	72,408.55	2,172	74,580.81
2014	3.00%	74,580.81	2,237	76,818.23
2015	4.00%	76,818.23	3,073	79,890.96
2016	4.00%	79,890.96	3,196	83,086.60
2017	4.00%	83,086.60	3,323	86,410.06
2018	4.00%	86,410.06	3,456	89,866.46
2019	4.00%	89,866.46	3,595	93,461.12
2020	4.00%	93,461.12	3,738	97,199.57
2021	4.00%	97,199.57	3,888	101,087.55
2022	4.00%	101,087.55	4,044	105,131.05
2023	4.00%	105,131.05	4,205	109,336.29