



**Chestnuts
Pre-School**

Regd. Charity 295756

(registered charity no 295756)

Annual report and accounts

Year ended 31 July 2023

Registered charity number	295756
Address	32 Chestnut Avenue Wokingham Berkshire RG41 3RS
Trustees	Helen Eastwood (Chair) Zhaoran Lui (Treasurer) Sarah Ramsdale (Secretary) Camilla Agnaess Daniel Muller Rebecca Corfield Jacqui Beagent
Independent Examiner	Calculus Consultancy Services Limited Chartered Certified Accountants 2 Church Street Burnham Bucks SL1 7HZ

The Trustees are pleased to present their annual report and accounts for the year ended 31 July 2023.

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 by the cost of living crisis.

Financial review

During the year ended 31 July 2023, the Charity made a loss of £38,220 (2022: loss of £31,075). The charity's reserves are £36,808 (2022: £75,028) as at 31 July 2023.

This year has been particularly challenging as the cost of living crisis and expenditure on items and electricity (which includes heating) have increased hugely. We were also hit by the increased living wage with little extra funding provided to counterbalance this and we have had to use the reserve fund to help maintain adequate cash flow within the year ending 31st July 2023. A higher funding rate was received in Sept 2023 from Wokingham Borough council but not as much as hoped. Since Jan 2024 the Committee and Chestnuts staff have been working extremely hard to review every expenditure to reduce any unnecessary costs including reducing by a member of staff (whilst still maintaining the appropriate staff to children ratios) and ensuring that our funding and fundraising amounts received cover our out-goings making us more substantially viable. We have also increased fees for the lunch club and have added a consumables fee to help cover any additional costs spent. We hope these steps will help secure Chestnuts in the long term financially, and we will start to slowly build up further reserves. The Trustees consider this level of reserves to be adequate to ensure the short term financial stability of the Charity with enough funds ring-fenced for redundancies should this be necessary. The building structure remains stable and is adequately insured.

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. Helen Eastwood, Jacqui Beagant and Rebecca Corfield were re-appointed by the Members of the Committee/Trustees at the AGM on 3rd July 2023; Sabine Osborne, Matt Rigden, Tabitha Ridgen, Ashleigh Kolodziej and Joanna Florentine resigned on 3rd July 2023. Daniel Muller, Sarah Ramsdale, Zhaoran Liu and Camilla Agnaess joined the Committee on the 3rd July 2023.

Approval of report

This report was approved on 29/ MAY 2024 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: 24th May 2024

Basis of preparation

The accounts are prepared on a historic cost, going concern basis in accordance with accounting standards and Statements of Recommended Practice (SORP 2005). 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**

Page 6

For the year ended 31 July 2023

	2023	£	2022	£
Operating income				
Grant funding	99,163		109,303	
Fees and charges	<u>55,737</u>	154,900	<u>37,616</u>	146,919
Other income				
Fundraising	3,654		3,355	
Donations	4,525		2,959	
Interest	200		21	
Indirect grant income	-		-	
Merchandise and other income	<u>-</u>	8,389	<u>143</u>	6,478
Direct costs				
Staff costs	159,645		143,255	
Teaching equipment and consumables	2,439		2,881	
Milk and refreshments	<u>1,989</u>	(164,073)	<u>1,991</u>	(148,127)
Overhead costs				
Rent, rates and insurance	5,045		4,250	
Electricity and water	7,543		6,654	
Repairs and maintenance	8,851		7,821	
Equipment, stationery and consumables	4,936		6,837	
Telephone	916		825	
Cleaning and refuse	2,149		3,367	
Depreciation	3,506		3,217	
Other	<u>4,490</u>	(37,436)	<u>3,374</u>	(36,345)
Net surplus/(loss)		<u>(38,220)</u>		<u>(31,075)</u>

	2023	£	2022	£
Fixed assets (note 1)				
Buildings	2,846		5,786	
Equipment	<u>1,699</u>	4,545	<u>830</u>	6,616
Current assets				
Bank and cash balances	64,800		106,219	
Accounts receivable and Prepayments	<u>2,400</u>		<u>1,526</u>	
	<u>67,200</u>		<u>107,745</u>	
Current liabilities				
Creditors	2,155		1,295	
Accruals, deferred income and deposits	<u>32,782</u>		<u>38,038</u>	
	<u>34,937</u>		<u>39,333</u>	
Net current assets		32,263		68,412
Net assets		<u>36,808</u>		<u>75,028</u>
Represented by				
Accumulated funds brought forward		75,028		106,103
Surplus/(deficit) for the year		(38,220)		(31,075)
Total funds (note 2)		<u>36,808</u>		<u>75,028</u>

The annual accounts were approved by the Trustees on 29 MAY 2024 and are signed on their behalf by:



Helen Eastwood (Chairperson)



Zhaoran Lui (Treasurer)

Note 1 - Fixed assets

	Buildings £	Equipment £	Total £
<u>Cost</u>			
At 1 August 2022	58,797	16,087	74,884
Additions	-	1,436	1,436
At 31 July 2023	<u>58,797</u>	<u>17,523</u>	<u>76,320</u>
<u>Depreciation</u>			
At 1 August 2022	53,011	15,257	68,268
Charge for the year	2,940	567	3,507
At 31 July 2023	<u>55,951</u>	<u>15,824</u>	<u>71,775</u>
<u>Net book value</u>			
At 31 July 2022	<u>5,786</u>	<u>830</u>	<u>6,616</u>
At 31 July 2023	<u>2,846</u>	<u>1,699</u>	<u>4,545</u>

**Note 2 – Funds
(unrestricted)**

	£
At 1 August 2022	75,028
Net surplus / (deficit) for the year	(38,220)
At 31 July 2023	<u>36,808</u>