

Small Saints Pre-School

Annual Report and Financial Statements

for the Year Ended 31 August 2021

Small Saints Pre-School

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Small Saints Pre-School

Reference and Administrative Details

Committee members (trustees)	Mrs J Cornwell, Chair Mrs J Houghton, Treasurer Ms C Shaw, Acting Secretary Ms R Stevenson Ms T Barwell Ms K Moore
Custodian trustees	Lady J Taylor, Chairperson Mrs J Matthewson Ms G Graper
Principal Office	The Chase High Street Holbeach Spalding Lincolnshire PE12 7ED
Charity Registration Number	702282
Bankers	National Westminster Bank Plc 1 Market Street Wisbech PE13 1DT
Independent Examiner	TC Group 33 Boston Road Holbeach Spalding Lincolnshire PE12 7LR

Small Saints Pre-School

Trustees' Report

The trustees present the annual report together with the financial statements of the charity for the year ended 31 August 2021.

Objectives and activities

Objects and aims

The aim of the charity shall be to advance the education of children below compulsory school age by:

- Providing safe and satisfying group play, in which parents have the right to take part.
- Encouraging other charitable activities through which parents may help the children.
- Furthering the aim of the pre-school learning alliance.

The committee members are satisfied with the progress of the charity and are confident that it will continue to meet its objectives.

Public benefit

The activities undertaken by the charity to further public benefit are set out in the key points noted above for the objects and aims of the charity.

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Achievements and performance

During the year under review the charity has met its objectives by providing the education requirements to children below compulsory school age.

The intake of children is at full capacity with a waiting list. The school provides funded places for disadvantaged two year olds in the area. The last Ofsted inspection was carried out in February 2018 and the school achieved a good report. Introduction of 30 hours for 3 to 4 year olds has reduced pupil numbers as children are doing more hours to utilise the initiative.

Financial review

During the year the charity raised £407,012 (2020 - £392,692) to carry out the objectives mentioned earlier. Of this amount £384,126 (2020 - £350,170) was used in the current year. As a result the reserves now stand at £593,153 (2020 - £570,267) of which £532,523 (2020 - £509,637) relates to unrestricted funds and £60,630 (2020 - £60,630) relates to restricted funds.

Policy on reserves

The finance committee conducts an annual review of the level of unrestricted reserves not committed or invested in tangible fixed assets ("the free reserves") in the general fund, by considering the risks associated with the various income streams, expenditure plans and balance sheet items.

This enables an estimate to be made of the level of reserves that are sufficient:

- To allow for reorganisation in the event of a downturn of income or asset values: and
- To protect ongoing work programmes: and
- To further develop the buildings within the site as and when demand dictates.

The level is estimated at 6 months of the general expected budget.

Under the constitution, the charity has the power to make any investment which the committee see fit provided appropriate advice is taken from a professionally qualified person under the Financial Services Act 1986. However the committee choose to take a prudent approach and invest temporarily surplus funds in bank deposits.

Principal funding sources

The charity is funded by fees paid by the parents of the children on the roll, grants from Lincolnshire County Council and fund raising events.

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Trustees' Report

Structure, governance and management

Nature of governing document

Small Saints Pre-School is an organisation constituted as a charity under a trust deed adopted on 8 June 1988 as amended on 9 November 1989 and 24 May 1995 and 22 May 2015.

Recruitment and appointment of trustees

Committee members are elected at the AGM.

The constitution states that the committee shall consist of 3 officers (Chair, Secretary and Treasurer) and that there must be not less than 2 nor more than 9 elected members.

The custodian trustees who have served during the year and since the year end have been set out on page 1. These trustees hold the lease of which the charity runs from.

Organisational structure

All aspects of the charity are managed by the committee members as set out on page 1.

A manager is appointed by the committee members to manage the day to day operations of the charity.

The committee members have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

Financial instruments

Objectives and policies

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

Credit risk

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

The annual report was approved by the trustees of the charity on 22/6/22 and signed on its behalf by:


.....
Mrs J Cornwell
Chair

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Statement of Trustees' Responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees of the charity on 22/6/23 and signed on its behalf by:



Mrs J Cornwell
Chair

Small Saints Pre-School

Independent Examiner's Report to the trustees of Small Saints Pre-School

I report on the accounts of the charity for the year ended 31 August 2021 which are set out on pages 6 to 15.

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. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of ACA.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general directions 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 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 next statement.

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 Charities Act 2011; and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 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.


.....
Christopher McKenna ACA

TC Group

33 Boston Road
Holbeach
Spalding
Lincolnshire
PE12 7LR

Date: 28/6/22

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Statement of Financial Activities for the Year Ended 31 August 2021

	Note	Unrestricted £	Restricted £	Total 2021 £	Total 2020 £
Income and Endowments from:					
Donations	2	25	-	25	1,193
Charitable activities	3	406,840	-	406,840	390,594
Other income	4	121	-	121	351
Investment income	5	26	-	26	554
Total Income		407,012	-	407,012	392,692
Expenditure on:					
Management and administration	6	83,019	-	83,019	66,053
Governance costs	7	2,826	-	2,826	3,264
Staff costs	10	298,281	-	298,281	280,853
Total Expenditure		384,126	-	384,126	350,170
Net movement in funds		22,886	-	22,886	42,522
Reconciliation of funds					
Total funds brought forward		509,637	60,630	570,267	527,745
Total funds carried forward	16	532,523	60,630	593,153	570,267

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2020 is shown in note 16.

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(Registration number: 702282)
Balance Sheet as at 31 August 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	12	230,331	229,474
Current assets			
Debtors	13	4,359	4,800
Cash at bank and in hand		<u>364,368</u>	<u>340,967</u>
		368,727	345,767
Creditors: Amounts falling due within one year	14	<u>(5,905)</u>	<u>(4,974)</u>
Net current assets		<u>362,822</u>	<u>340,793</u>
Net assets		<u>593,153</u>	<u>570,267</u>
Funds of the charity:			
Restricted income funds			
Restricted funds		60,630	60,630
Unrestricted income funds			
Unrestricted funds		<u>532,523</u>	<u>509,637</u>
Total funds	16	<u>593,153</u>	<u>570,267</u>

The financial statements on pages 6 to 15 were approved by the trustees, and authorised for issue on 22/6/21 and signed on their behalf by:


.....
Mrs J Cornwell
Chair


.....
Ms C Shaw
Trustee

Small Saints Pre-School

Notes to the Financial Statements for the Year Ended 31 August 2021

1 Accounting policies

Statement of compliance

The 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) and the Charities Act 2011.

Basis of preparation

Small Saints Pre-School meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Grant provisions

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

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Notes to the Financial Statements for the Year Ended 31 August 2021

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £100.00 or more are initially recorded at cost.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Furniture, fixtures & fittings	15% reducing balance
Plant & equipment	15% reducing balance
Computer equipment	25% reducing balance

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of is established when there is objective evidence that the will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

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Notes to the Financial Statements for the Year Ended 31 August 2021

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

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Notes to the Financial Statements for the Year Ended 31 August 2021

2 Income from donations

	Unrestricted		
	General	Total	Total
	£	2021	2020
		£	£
Donations	25	25	1,193
	25	25	1,193

The total income from donations during the year was £25 (2020 - £1,193) of which £25 (2020 - £1,193) was unrestricted.

3 Income from charitable activities

	Unrestricted		
	General	Total	Total
	£	2021	2020
		£	£
Pre-school fee income	349,231	349,231	334,664
Kid's club - fee income	31,127	31,127	37,225
Supplements (pupil premium and inclusion funding)	12,850	12,850	4,704
Government grants	11,513	11,513	11,464
Administrative fee received	89	89	-
Sales of shirts/name tape	776	776	1,278
Milk rebates	1,254	1,254	1,259
	406,840	406,840	390,594

The total income from charitable activities during the year was £406,840 (2020 - £390,594) of which £406,840 (2020 - £390,594) was unrestricted.

4 Income from other activities

	Unrestricted		
	General	Total	Total
	£	2021	2020
		£	£
Fundraising events	121	121	351
	121	121	351

The total income from other activities during the year was £121 (2020 - £351) of which £121 (2020 - £351) was unrestricted.

5 Investment income

	Unrestricted		
	funds	Total	Total
	General	2021	2020
	£	£	£
Interest receivable and similar income;			
Interest receivable on bank deposits	26	26	554

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Notes to the Financial Statements for the Year Ended 31 August 2021

The total investment income during the year was £26 (2020 - £554) of which £26 (2020 - £554) was unrestricted.

6 Expenditure on management and administration

	Unrestricted	Total	Total
	General	2021	2020
	£	£	£
Grants payable (vouchers)	10,260	10,260	-
Light, heat and power	6,478	6,478	6,556
Refreshments and cleaning expenses	6,141	6,141	4,933
Rent and rates	12,033	12,033	11,464
Milk	1,451	1,451	1,056
Building repairs	4,061	4,061	2,694
Grass cutting	1,925	1,925	2,175
Consumables	10,615	10,615	6,790
Telephone	1,316	1,316	1,362
Equipment repairs	1,726	1,726	531
Insurance	3,616	3,616	5,318
Purchases for re-sale	1,587	1,587	1,523
Running costs and miscellaneous expenses	642	642	591
Depreciation	5,551	5,551	6,008
Bank charges	453	453	507
Legal and professional fees	1,520	1,520	1,788
Lease charges	9,140	9,140	9,141
Courses and training	960	960	1,987
Printing, postage and stationery	3,544	3,544	1,629
	<u>83,019</u>	<u>83,019</u>	<u>66,053</u>

The total management and administration expenditure during the year was £83,019 (2020 - £66,053) of which £83,019 (2020 - £66,053) was unrestricted.

7 Analysis of governance and support costs

Governance costs

	Unrestricted	Total	Total
	General	2021	2020
	£	£	£
Accountancy fees	846	846	834
Bookkeeping fees	1,980	1,980	2,430
	<u>2,826</u>	<u>2,826</u>	<u>3,264</u>

The total governance costs during the year were £2,826 (2020 - £3,264) of which £2,826 (2020 - £3,264) was unrestricted.

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Notes to the Financial Statements for the Year Ended 31 August 2021

8 Net incoming/outgoing resources

Net incoming resources for the year include:

	2021 £	2020 £
Depreciation	5,551	6,008

9 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

10 Staff costs

The aggregate payroll costs were as follows:

	2021 £	2020 £
Staff costs during the year were:		
Salaries	292,327	274,886
Pension costs	5,954	5,967
	298,281	280,853

The total staff costs during the year were £298,281 (2020 - £280,853) of which £298,281 (2020 - £280,853) was unrestricted.

No employee received emoluments of more than £60,000 during the year

11 Taxation

The charity is a registered charity and is therefore exempt from taxation.

Small Saints Pre-School

Notes to the Financial Statements for the Year Ended 31 August 2021

12 Tangible fixed assets

	Land & buildings £	Fixtures & fittings £	Computer equipment £	Plant & equipment £	Total £
Cost					
At 1 September 2020	198,688	63,797	10,596	38,896	311,977
Additions	3,750	1,441	1,217	-	6,408
At 31 August 2021	202,438	65,238	11,813	38,896	318,385
Depreciation					
At 1 September 2020	-	47,751	8,437	26,315	82,503
Charge for the year	-	2,820	844	1,887	5,551
At 31 August 2021	-	50,571	9,281	28,202	88,054
Net book value					
At 31 August 2021	202,438	14,667	2,532	10,694	230,331
At 31 August 2020	198,688	16,046	2,159	12,581	229,474

13 Debtors

	2021 £	2020 £
Trade debtors	-	92
Prepayments	1,605	1,954
Other debtors	2,754	2,754
	4,359	4,800

14 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	412	325
Other taxation and social security	2,882	3,520
Other creditors	1,777	307
Accruals	834	822
	5,905	4,974

15 Pension and other schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £5,954 (2020 - £5,967).

Small Saints Pre-School

Notes to the Financial Statements for the Year Ended 31 August 2021

16 Funds

	Balance at 1 September 2020 £	Incoming resources £	Resources expended £	Balance at 31 August 2021 £
Unrestricted				
General	509,637	407,012	(384,126)	532,523
Restricted funds				
Property improvement fund	60,630	-	-	60,630
Total funds	570,267	407,012	(384,126)	593,153

Unrestricted funds

Property improvement fund

The purpose of this fund is for property improvements to the charity's leased building.

	Balance at 1 September 2019 £	Incoming resources £	Resources expended £	Balance at 31 August 2020 £
Unrestricted				
General	467,115	392,692	(350,170)	509,637
Restricted funds				
Property improvement fund	60,630	-	-	60,630
Total funds	527,745	392,692	(350,170)	570,267

17 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 31 August 2021 £
Tangible fixed assets	230,331	-	230,331
Current assets	308,097	60,630	368,727
Current liabilities	(5,905)	-	(5,905)
Total net assets	532,523	60,630	593,153

18 Related party transactions

During the year the charity made the following related party transactions:

Mrs J Houghton

During the year Mrs J Houghton provided book-keeping services for Small Saints Pre-School totalling £1,980 (2020 - £2,430). At the balance sheet date the amount due to/from Mrs J Houghton was £Nil (2020 - £Nil).