

Garmouth & Kingston Playgroup
Financial Statements
30 April 2025

RITSONS

Chartered Accountants & Statutory Auditor
26-30 Marine Place
Buckie
Moray
AB56 1UT

Garmouth & Kingston Playgroup

Financial Statements

Year ended 30 April 2025

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Garmouth & Kingston Playgroup

Trustees' Annual Report

Year ended 30 April 2025

The trustees present their report and the financial statements of the charity for the year ended 30 April 2025.

Reference and administrative details

Registered charity name Garmouth & Kingston Playgroup

Charity registration number SC010021

Principal office

The trustees

Auditor

Ritsons
Chartered Accountants & Statutory Auditor
26-30 Marine Place
Buckie
Moray
AB56 1UT

Nursery manager

Garmouth & Kingston Playgroup

Trustees' Annual Report *(continued)*

Year ended 30 April 2025

Structure, governance and management

The charity is an unincorporated association with a committee made up of parent/carers who use the service.

The trustees shown on the contents page do no benefit financially from being part of the committee.

The Charity is based at three locations, Garmouth & Kingston Village Hall, Milnes Primary School and Mosstodloch Primary School. The following services were provided at the beginning of the financial year: Fochabers - Nursery for 3-5 year olds, Breakfast Club and After School Club for Nursery and school aged children - the After School Club children came from both Milnes Primary and Mosstodloch Primary. Mosstodloch - Nursery for 3-5 year olds and Breakfast Club for School aged children and nursery children. Garmouth - Nursery for 3-5 year olds.

At the end of the school year - June 2024 we ceased the 3-5 service at Garmouth due to a very low registration of children for August 2024. From October 2024 we moved our 2-3 Club to Garmouth. From January 2025 due to very high usage of the service and having to turn customers away, we added an After School Club at Mosstodloch.

The nurseries are predominately funded through partnership with the Moray Council from whom we receive funding per child. The 2-3 Club is mainly funded through parental fees in addition to some funded 2 year olds paid for by the Council. Out of School services are paid for by parents.

We have 12 Committee members including Trustees [REDACTED]

[REDACTED] Trustees are recruited by previous trustees and proposed and seconded at our AGM. They are given training and a description of their roles and responsibilities by the Manager who prior to retraining was the Chairperson of this Charity 2003-04.

We employ 28 staff. Roles include Manager x 1, Deputy Manager x 1, ASN Lead Practitioner x 1, Senior Practitioners x 5, Practitioners x 15, Support Worker x 1, Administrator x 1, Lunch Auxiliary/Support Worker x1, Lunch Auxiliary x 1, Cleaner x1.

Objectives and activities

The aim of the group is to advance the education and social development of pre-school children with the emphasis on the play experience, so that they take a constructive place in the community and also to advance the education of their parents/carers and other appropriate persons.

In furtherance of the above aims the group shall seek:

- to provide safe and satisfying group play and learning
- to encourage other charitable activities through which the parents/carers may support the development of children

Garmouth & Kingston Playgroup

Trustees' Annual Report *(continued)*

Year ended 30 April 2025

Achievements and performance

We had 133 children in our nurseries 92 Pre's and antes and 41 in our 2-3 Club. Out Of School service provides Breakfast and After school Clubs for approximately 120 children.

We created a new role this year ASN Lead Practitioner. A new staff member was recruited into this role and started August 2024. She is responsible for assessing and putting into place any additional support required by our Nursery and 2-3 Club children.

We have had a full staff training Calendar this year some needed to renew their First Aid and Food Hygiene We have had group Child protection refresher, Trauma Informed Practice, GIRFEC, Supporting Neurodiversity, Moray Staged Intervention, Piccola Leadership training, Speech & Language in the Early Years, Infection Prevention & Control, Adverse Childhood Experiences, Attachment Theory, Observations, Words-Up,

Two staff completed their SVQs this school year.

One staff member returned from Maternity leave in August 2024, another was on Maternity leave this year. A Fochabers Staff member who started as Supply is now a full time Support Worker. We have had a student at Fochabers this year and next year she will be joining us as our first Modern Apprentice.

Fochabers Nursery

Some of the topics we explored this past year have included nature, Transport, Autumn and Weather. Each week we have a different rhyme we sing in nursery and encourage at home as this has a huge impact on the children's development. We have also been learning some Makaton with a different sign each week and it has been great to see how much the children have learnt! We have also introduced a story of the month where we read the book in nursery but also plan activities based around the story. We have recently introduced SIMOA our purple elephant and the children have taken on board the aspects of what SIMOA means, Safe Inspect Monitor Observe & Act! They have learnt a song to help them understand the importance of SIMOA and he attends our adventures we go on in the community in order to keep us safe. Our Community Ambassador (one of our Practitioners) and has made a fantastic start to us getting out and about in our community. They take small groups at a time and have visited the Library at the High school, the Museum and walks around the village.

We have started secret reader where we get volunteers to come in and read a story to the children, we are very lucky to have so many volunteers!! The children get so excited and can't wait to see who the secret reader is each time and there are always lots of guesses! We have not only had stories, but we have had a singsong with one of our talented parents on his guitar and even a dinosaur came to visit.

Some of the Pre-school children have taken part in Early Talk Boost this has helped build on their confidence and concentration for school. We also started doing some afternoon sessions with the butterflies concentrating on their phonics sounds to help support them get ready for school, this was very popular.

Mosstodloch Early Learning

We've had another very busy, successful year at Mosstodloch.

We continue to offer free flow indoor/outdoor play. Our garden is completely secure and full of different learning experiences and opportunities. We have adapted some of our areas to extend children's learning. Our top decking is now a lovely nurturing space with greenery, beanbags, rug and covered by a large canopy. Children use this space to relax, explore stories and do puzzles outdoors. On the lower top decking we have been successful in creating a permanent woodwork area. Thank a parent for the donation of the vices to complete our bench. This area is 1:2 adult/child ratio to ensure safety using tools. Our group of children this year have a particular interest in in vehicles, so staff have created garages, roundabouts and ramps out of reels as a new feature. This has extended their learning and we've seen an increase in imaginative play and problem-solving skills. Alongside number,

Garmouth & Kingston Playgroup

Trustees' Annual Report *(continued)*

Year ended 30 April 2025

shape and rhyme of the week, we have started doing Makaton sign of the week. The children have embraced this fully and we've had several comments from parents saying how they are incorporating it into their home life too. Our number and shape of the week sees fantastic engagement from parents, who post regularly on our private Facebook page. We love to welcome parents into our setting; this year we've had some in to be 'secret readers' which the children have really enjoyed. Our parents' meetings were very well attended, as were our stay and play sessions, sports day and family fun day. The family fun day being a particular highlight of the year.

Garmouth 2-3 Club

In October we moved to Garmouth Village Hall. Moving to Garmouth allowed us to be able to offer more spaces to families within in the area as there was such a great demand. The children have adapted so well to their new environment which as well as giving us more space has provided us with new learning experiences. We've recently made changes to our garden and created a music wall, added an activity table, water tray, construction area and new resources. Our extra space has also enabled us to provide larger physical play on a climbing frame, balancing beams and indoor parachute and ball games. On occasions we've been on walks to explore our new surroundings during which we went on a Bear hunt, climbed trees and searched for Minibeasts.

As Practitioners we ensure the activities are inviting, engaging and link them to the Curriculum for Excellence, whilst ensuring each child is safe, healthy, active, achieving, nurtured, responsible, respected and included.

Out of School Services

Mosstodloch - our after-school club at Mosstodloch, which opened this January, has been a huge success already with some weeks already reaching full capacity. We started up due to the popularity over at Fochabers After school Club. The children are absolutely loving it - whether it's games, creative activities, or just spending time with friends, they've really made it their own space. It's been great to see them so happy, excited and engaged every day.

Fochabers - Breakfast & Afterschool club has had another busy year, we currently have 64 children registered that attend Breakfast & Afterschool club and 14 Nursery Extra children. We offer free flow indoor/outdoor play and football and hockey are a firm favourite. We recently introduced a monthly challenge, where the children come up with a challenge that all breakfast and afterschool club children can participate in, having the chance to win a prize. The children have been giving the staff suggestions for snack, where we are able to discuss healthy choices and make time to do some baking. There is always fruit on offer at snack time and throughout the afternoon for those who stay later.

In January, Mosstodloch Primary children moved to our new service at Mosstodloch while the Milnes primary children stayed at Fochabers Nursery. This has been a positive move as with a lower amount of children, we are able to run a quicker snack time as well as provide more materials and activities for the children.

Garmouth & Kingston Playgroup

Trustees' Annual Report *(continued)*

Year ended 30 April 2025

Financial review

Net resources for the year show a surplus of £59,661 (2024: £80,479) which is a reduction on last year's financial performance. This is due to raise in support costs and wages.

The unrestricted fund income of the charity derives from council fees, fundraising and private fees. Our total unrestricted funds received in 2025 (£752,741) an increase on 2024 (£690,157).

At £693,080 our expenditure was higher than in 2024 (£609,678) which is largely in relation to increased wage costs and costs incurred to redevelop the garden at Mosstodloch Early Learning.

Risks

The charity is very popular and successful. Within our Associated Schools Group catchment area we run three out of the five nurseries. Future risks are a reduction in the birth rate in our area which would result in fewer funded children attending our services.

Reserves policy

Unrestricted reserves are funds held to mitigate against risks to the operation as a whole which might otherwise result in closure. It is the policy of the charity that unrestricted funds which have not been designated for specific use should be maintained at a level equivalent to three months' 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 current activities while consideration is given to ways in which additional funds may be raised. The level of unrestricted funds held at the year end were £601,334 (2024:£541,673).

Plans for future periods

Moving forward we aim to continue to provide a happy, nurturing, and holistic learning environment where all children are encouraged to achieve their full potential and look to continue to develop the service at each of our settings.

The charity aims for the future are as follows:

1. Through use of the Getting It Right For Every Child (GIRFEC) Framework, work towards a provision which enables every child to be safe, healthy, achieving, nurtured, active, respected, responsible and involved.
2. To provide a safe, happy environment for children, their families and carers to mix socially and develop friendships and citizenship.
3. To inspire a child's confidence and encourage their desire for learning by providing a broad range of appropriate experiences in line with the Curriculum for Excellence.
4. Respect and involve parents in the care and education of their children.
5. To provide a service to the community.
6. To identify and provide relevant training and support for staff, including that required to meet the SSSC registration requirements.
7. To provide a high level of Education and childcare using the Health & Social Care Standards, Quality Framework, How Good Is Our Early Learning & Childcare and Realising the Ambition as guidelines for implementing new procedures, policies and to further improve the standard of care provided via monitoring and self-evaluation

Garmouth & Kingston Playgroup

Trustees' Annual Report *(continued)*

Year ended 30 April 2025

The trustees' annual report was approved on 1/10/25 and signed on behalf of the board of trustees by:



Trustee

Garmouth & Kingston Playgroup

Trustees' Responsibilities Statement

Year ended 30 April 2025

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

The law applicable to charities in Scotland requires the charity trustees to prepare financial statements for each 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 applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 adequate accounting records that are sufficient to show and explain the charity's transactions and 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 and Trustees Investments (Scotland) Act 2005, the Charity Accounts (Scotland) Regulations 2006, and the provisions of the Trust Deed. They 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.

Garmouth & Kingston Playgroup

Independent Auditor's Report to the Members of Garmouth & Kingston Playgroup

Year ended 30 April 2025

Opinion

We have audited the financial statements of Garmouth & Kingston Playgroup (the 'charity') for the year ended 30 April 2025 which comprise the statement of financial activities, statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 April 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Garmouth & Kingston Playgroup

Independent Auditor's Report to the Members of Garmouth & Kingston Playgroup (continued)

Year ended 30 April 2025

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Garmouth & Kingston Playgroup

Independent Auditor's Report to the Members of Garmouth & Kingston Playgroup (continued)

Year ended 30 April 2025

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of the audit planning procedures, the engagement partner and engagement team obtained an understanding of and discussed the legal and regulatory frameworks that are applicable to the entity, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on the operations of the entity. The key laws and regulations we considered in this context included the Charities and Trustees Investments (Scotland) Act 2005, the Charity Accounts (Scotland) Regulations 2006 and FRS 102 (Charities SORP (FRS102)). Other specific laws and regulations which would have a material effect on the charity are employment laws, tax laws, GDPR and AML regulations alongside Care Inspectors regulations and PVG/SSSC registrations.

The engagement team discussed non-compliance with laws & regulations at the audit team planning meeting. The engagement team made enquiries of management regarding their assessment of the likelihood of fraud or error or non-compliance with laws & regulations which could lead to a material misstatement in the accounts and whether they were aware of any instances of fraud or non-compliance.

The engagement partner was satisfied that the engagement team had the appropriate competence and capabilities to identify or recognise non-compliance with laws & regulations during the audit.

The engagement team reviewed records to identify any legal and regulatory correspondence, including any correspondence with OSCR, alongside enquiries of management as part of the audit fieldwork. The team did not identify any key audit matters in relation to irregularities, including fraud.

Part of the engagement team's assessment of non-compliance with laws and regulations included a review of the risk of management override of controls. This was carried out by way of a review of journals posted to the financial records, reviewing accounting estimates and significant transactions that are outside the normal course of operations, to identify any material misstatement which may be due to fraud. Additional reviews were carried out in relation to large and unusual transactions, indicators of window dressing and undisclosed related party transactions.

The engagement team considered whether there could be fraudulent revenue recognition by way of a review of revenue recognition accounting policies, testing material income streams and testing cut-off at the period end date.

The disclosures within the account were reviewed and agreed to supporting documents to assess compliance with laws and regulations. A Disclosure Checklist was carried out to confirm that the financial statements comply with current accounting requirements.

Garmouth & Kingston Playgroup

Independent Auditor's Report to the Members of Garmouth & Kingston Playgroup (continued)

Year ended 30 April 2025

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Garmouth & Kingston Playgroup


Independent Auditor's Report to the Members of Garmouth & Kingston Playgroup (continued)

Year ended 30 April 2025

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



For and on behalf of
Ritsons
Chartered Accountants & Statutory Auditor
26-30 Marine Place
Buckie
Moray
AB56 1UT

11/10/25

Garmouth & Kingston Playgroup

Statement of Financial Activities

Year ended 30 April 2025

		2025	2024
		Unrestricted funds	Total funds
	Note	£	£
Income and endowments			
Charitable activities	4	748,056	686,955
Other trading activities	5	4,685	3,202
Total income		<u>752,741</u>	<u>690,157</u>
Expenditure			
Expenditure on raising funds:			
Expenditure on fundraising activities	6	1,675	1,314
Expenditure on charitable activities	7,8	691,405	608,364
Total expenditure		<u>693,080</u>	<u>609,678</u>
Net income and net movement in funds		<u>59,661</u>	<u>80,479</u>
Reconciliation of funds			
Total funds brought forward		541,673	461,194
Total funds carried forward		<u>601,334</u>	<u>541,673</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 16 to 22 form part of these financial statements.

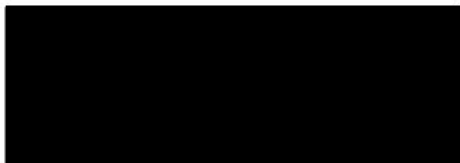
Garmouth & Kingston Playgroup

Statement of Financial Position

30 April 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible fixed assets	14	4,765	6,830
Current assets			
Debtors	15	46,665	51,813
Cash at bank and in hand		598,029	534,190
		<u>644,694</u>	<u>586,003</u>
Creditors: amounts falling due within one year	16	<u>48,125</u>	<u>51,160</u>
Net current assets		<u>596,569</u>	<u>534,843</u>
Total assets less current liabilities		<u>601,334</u>	<u>541,673</u>
Net assets		<u>601,334</u>	<u>541,673</u>
Funds of the charity			
Unrestricted funds		<u>601,334</u>	<u>541,673</u>
Total charity funds	18	<u>601,334</u>	<u>541,673</u>

These financial statements were approved by the board of trustees and authorised for issue on 1/10/25, and are signed on behalf of the board by:



Trustee

The notes on pages 16 to 22 form part of these financial statements.

Garmouth & Kingston Playgroup

Statement of Cash Flows

Year ended 30 April 2025

	2025 £	2024 £
Cash flows from operating activities		
Net income	59,661	80,479
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	5,532	4,410
Accrued expenses	10,586	2,351
<i>Changes in:</i>		
Trade and other debtors	5,148	(14,345)
Trade and other creditors	(13,621)	28,681
Cash generated from operations	67,306	101,576
Net cash from operating activities	<u>67,306</u>	<u>101,576</u>
Cash flows from investing activities		
Purchase of tangible assets	(3,467)	(7,064)
Net cash used in investing activities	<u>(3,467)</u>	<u>(7,064)</u>
Net increase in cash and cash equivalents	63,839	94,512
Cash and cash equivalents at beginning of year	534,190	439,678
Cash and cash equivalents at end of year	<u>598,029</u>	<u>534,190</u>

The notes on pages 16 to 22 form part of these financial statements.

Garmouth & Kingston Playgroup

Notes to the Financial Statements

Year ended 30 April 2025

1. General information

The charity is a public benefit entity and a registered charity in Scotland and is unincorporated. The address of the principal office is [REDACTED]

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities and Trustee Investment (Scotland) Act 2005 and the Charity Accounts (Scotland) Regulations 2006 (as amended).

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Useful economic life of tangible assets The annual depreciation charge for the tangible assets is sensitive to changes in the estimated useful economic life and residual values of the assets. The useful economic life and residual value is re-assessed annually. It is amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 3 for the depreciation accounting policy for the useful economic life of the assets and note 14 for the carrying amount of the assets.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Garmouth & Kingston Playgroup

Notes to the Financial Statements *(continued)*

Year ended 30 April 2025

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Garmouth & Kingston Playgroup

Notes to the Financial Statements *(continued)*

Year ended 30 April 2025

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery - 33% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

Garmouth & Kingston Playgroup

Notes to the Financial Statements (continued)

Year ended 30 April 2025

3. Accounting policies (continued)

Defined contribution plans (continued)

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Charitable activities

	Unrestricted Funds	Total Funds 2025	Unrestricted Funds	Total Funds 2024
	£	£	£	£
Fees	97,433	97,433	77,185	77,185
Moray Council EY funding	602,487	602,487	581,278	581,278
Moray Council ASN funding	38,020	38,020	19,679	19,679
Milk & healthy eating scheme	10,116	10,116	8,813	8,813
	<u>748,056</u>	<u>748,056</u>	<u>686,955</u>	<u>686,955</u>

5. Other trading activities

	Unrestricted Funds	Total Funds 2025	Unrestricted Funds	Total Funds 2024
	£	£	£	£
Fundraising events	<u>4,685</u>	<u>4,685</u>	<u>3,202</u>	<u>3,202</u>

6. Expenditure on fundraising activities

	Unrestricted Funds	Total Funds 2025	Unrestricted Funds	Total Funds 2024
	£	£	£	£
Costs of raising donations and legacies - Donations	<u>1,675</u>	<u>1,675</u>	<u>1,314</u>	<u>1,314</u>

7. Expenditure on charitable activities by fund type

	Unrestricted Funds	Total Funds 2025	Unrestricted Funds	Total Funds 2024
	£	£	£	£
Direct costs	653,396	653,396	580,792	580,792
Support costs	<u>38,009</u>	<u>38,009</u>	<u>27,572</u>	<u>27,572</u>
	<u>691,405</u>	<u>691,405</u>	<u>608,364</u>	<u>608,364</u>

Garmouth & Kingston Playgroup

Notes to the Financial Statements *(continued)*

Year ended 30 April 2025

8. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2025 £	Total fund 2024 £
Direct costs	653,396	28,506	681,902	596,923
Governance costs	—	9,503	9,503	11,441
	<u>653,396</u>	<u>38,009</u>	<u>691,405</u>	<u>608,364</u>

9. Analysis of support costs

	Direct costs £	Total 2025 £	Total 2024 £
Premises	15,090	15,090	10,035
Communications and IT	3,474	3,474	1,926
General office	1,705	1,705	1,599
Governance costs	17,740	17,740	14,013
	<u>38,009</u>	<u>38,009</u>	<u>27,573</u>

10. Net income

Net income is stated after charging/(crediting):

	2025 £	2024 £
Depreciation of tangible fixed assets	<u>5,532</u>	<u>4,410</u>

11. Auditors remuneration

	2025 £	2024 £
Fees payable for the audit of the financial statements	<u>8,503</u>	<u>10,000</u>

12. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2025 £	2024 £
Wages and salaries	564,367	513,808
Social security costs	31,532	21,991
Employer contributions to pension plans	11,436	9,055
	<u>607,335</u>	<u>544,854</u>

The average head count of employees during the year was 29 (2024: 27).

No employee received employee benefits of more than £60,000 during the year (2024: Nil).

Key Management Personnel

Garmouth & Kingston Playgroup

Notes to the Financial Statements *(continued)*

Year ended 30 April 2025

12. Staff costs *(continued)*

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £82,241 (2024: £39,176).

13. Trustee remuneration and expenses

The trustees were not in receipt of either remuneration or expenses.

14. Tangible fixed assets

	Plant and machinery £
Cost	
At 1 May 2024	13,328
Additions	3,467
At 30 April 2025	<u>16,795</u>
Depreciation	
At 1 May 2024	6,498
Charge for the year	5,532
At 30 April 2025	<u>12,030</u>
Carrying amount	
At 30 April 2025	<u>4,765</u>
At 30 April 2024	<u>6,830</u>

15. Debtors

	2025 £	2024 £
Trade debtors	<u>46,665</u>	<u>51,813</u>

16. Creditors: amounts falling due within one year

	2025 £	2024 £
Trade creditors	14,640	15,278
Accruals and deferred income	25,882	15,296
Social security and other taxes	7,603	20,586
	<u>48,125</u>	<u>51,160</u>

Included within the above is an amount of £6,882 (2024: £5,796) of deferred income which relates to nursery fees paid in advance for May 2025.

Garmouth & Kingston Playgroup

Notes to the Financial Statements (continued)

Year ended 30 April 2025

17. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £11,436 (2024: £9,055).

18. Analysis of charitable funds

Unrestricted funds

	At 1 May 2024	Income	Expenditure	At 30 Apr 2025
	£	£	£	£
General funds	<u>541,673</u>	<u>752,741</u>	<u>(693,080)</u>	<u>601,334</u>

	At 1 May 2023	Income	Expenditure	At 30 Apr 2024
	£	£	£	£
General funds	<u>461,194</u>	<u>690,157</u>	<u>(609,678)</u>	<u>541,673</u>

19. Analysis of net assets between funds

	Unrestricted Funds	Total Funds 2025
	£	£
Tangible fixed assets	4,765	4,765
Current assets	644,694	644,694
Creditors less than 1 year	<u>(48,125)</u>	<u>(48,125)</u>
Net assets	<u>601,334</u>	<u>601,334</u>

	Unrestricted Funds	Total Funds 2024
	£	£
Tangible fixed assets	6,830	6,830
Current assets	586,003	586,003
Creditors less than 1 year	<u>(51,160)</u>	<u>(51,160)</u>
Net assets	<u>541,673</u>	<u>541,673</u>

20. Analysis of changes in net debt

	At 1 May 2024	Cash flows	At 30 Apr 2025
	£	£	£
Cash at bank and in hand	<u>534,190</u>	<u>63,839</u>	<u>598,029</u>