

POTLEY HILL COMMUNITY PRESCHOOL

Accounts for the year ended 31 July 2020

Potley Hill Community Preschool

Accounts for the year ended 31 July 2020

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Statutory information

The following information forms part of the Annual Report of the Management Committee, who are the managing trustees.

- The Charity's principal office is:

Frogmore Community Campus
Potley Hill Road
Yateley
Hampshire GU46 6AG
Telephone: 01252 869944

- The Charity was established in 1979 under the auspices of the Preschool Learning Alliance. It is registered in England & Wales, number 1023187.
- The Management Committee are appointed annually at the annual general meeting by majority vote. The following served as Committee members during the financial year:

Ella Wilson (Chair – from 21st October 2019)
Katie Sage (Secretary to 21st October 2019, then Treasurer)
Sonata Zilaityte (Secretary – from 21st October 2019)
Andrea Bullock (ex officio, Manager)

Sarah Van Buuren, Victoria Herridge, Joanna Abbott, Christopher Herridge (all from 21st October 2019)

The following served as Committee members from 1st August 2019 to 21st October 2019:

Alan Charlton, Annie Cooper, Claire Davies, Hayley Duncombe, Abigail Hughes, Jenny Nicholson.

The Charity's independent examiner is:

Mrs Claire Connell
86 Silverdale Road
Earley
Reading RG6 7LT

- The Preschool's bankers are The Co-operative Bank, Charity Bank, and Nationwide Building Society

Potley Hill Community Preschool Annual Report of the Management Committee for the year ended 31 July 2020

The Committee have pleasure in submitting their report for the year. The Committee members who have served during the year are listed on the previous page, with the other statutory information that forms part of their annual report. This report is to be presented at the forthcoming annual general meeting to be held virtually at the Frogmore Community Campus, Yateley on 19 October 2020.

Objectives and activities

Potley Hill Community Preschool was established in 1979 and provides preschool learning and play facilities for children between the ages of 2 and 5 years in the Yateley area, occupying purpose-designed premises on the Frogmore Community Campus that are leased from Hampshire County Council. The preschool was open during the year for five full days per week between 8 am and 6 pm, with wrap around care available, thus offering flexibility for parents in the time that their children may attend. Government funding is available for 3- and 4-year olds prior to attending school, and for eligible 2-year olds. The most recent OFSTED inspection was in December 2019, and the preschool was rated as Good.

The preschool provides a valued service for parents in Yateley and the surrounding area and remains committed to continual improvement. It is a condition of the lease for the premises that the preschool should continue to receive a minimum "Good" rating from such inspections. The trustees are mindful of the Charity Commission's guidance on public benefit.

Achievements and performance

The number of children on the roll increased over the previous year and capacity was due to be further increased as a result of the opening of the Forest School in June 2020, although in practice the full effect of this was not realised until September 2020. Overall occupancy was 92.7% compared with 82.5% the previous year. The preschool is now taking a significant number of children below the age of three years, the age at which universal Early Years Education funding commences, so parents pay for all those sessions. Parents also pay for additional hours above the 15 or 30 funded hours per week.

The preschool continues to implement the 'Curiosity Approach' towards learning and the childcare environment and has achieved accreditation for delivering childcare based on this approach. It has also introduced a Forest School for the preschool's children, using the same staff.

The preschool was significantly impacted by Coronavirus as it was closed for most children between 23rd March and 31st May, only opening for a very small number of key-worker children during this time. When the preschool reopened on 1st June, the capacity was reduced and additional cleaning measures were implemented.

The preschool has benefitted from stability in staffing over the past year. Staff training is ongoing, with a view to ensuring all staff are qualified to at least level 3.

Potley Hill Community Preschool

Annual Report of the Management Committee for the year ended 31 July 2020 (continued)

Financial review

The attached Statement of Financial Activities summarises the Charity's income and expenditure for the year, supplemented by more detailed analyses in the Notes to the Accounts. The Balance Sheet shows the Charity's assets, liabilities and reserves.

These accounts show a deficit of £4,953 on unrestricted funds, compared with a surplus of £4,874 the previous year. Fee refunds due to the closure of the preschool as a result of Coronavirus totalled £22,825 although these were offset by furlough claims totalling £7,040. Furlough could only be claimed for wages which were not covered by EYE Funding. Since 23rd March, almost all of the fundraising events were cancelled, substantially reducing the fundraising income. The balance sheet shows net assets and reserves of £117,370 (2019: £122,323), compared with annual income of some £244,000 (2019: £200,807).

The trustees' policy is to maintain sufficient reserves to provide working capital to enable the Charity to continue its activities should there be either a delay in receiving Early Years funding from Hampshire County Council, or a downturn in the number of children attending and/or the number of sessions taken. The reserves policy was reviewed by the Committee and the designated reserve was increased (see below). Reserves at 31 July 2020 were as follows:

- A designated reserve of £100,000, equivalent approximately to one term's expenses plus £35,000 for closure costs, as a strategic contingencies reserve. This was approved by the Committee (as trustees) in June 2019. The amount in this reserve is reviewed annually.
- Unallocated general funds of £16,900.
- Restricted funds of £470 in respect of a grant provided for the purchase of equipment in 2011. This reserve is being released to unallocated general funds over 10 years, offsetting the depreciation charge on the assets purchased with the grant.

Structure, governance and management

The Charity is an unincorporated organisation. Its constitution follows the model provided by the Pre-School Learning Alliance; the original was dated 21 May 1993 and has been subsequently updated, most recently in 2011. The Committee are the managing trustees and meet half termly to manage and oversee the preschool's business affairs. The trustees are appointed annually at the Charity's annual general meeting by majority vote. The members of the Charity are the parents of children attending the preschool, whilst their children are attending.

Whilst the trustees have overall responsibility for the Charity's affairs, day-to-day management of childcare services and the associated administrative duties have been delegated to the Manager and her staff. The Charity's financial administration is carried out by a paid employee with financial expertise, reporting to the Treasurer, who is a trustee. A budget is agreed by the trustees before the start of each financial year, and results are monitored by trustees on a termly basis.

**Potley Hill Community Preschool
Annual Report of the Management Committee for the year ended
31 July 2020 (continued)**

Structure, governance and management (continued)

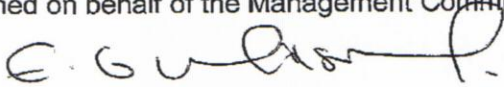
The Charity's statutory particulars, including the names of trustees, are on page 1.

The Committee have considered the risks to which the Charity is exposed, and the systems that have been established to minimise those risks. The Charity has established policies and a programme of training for its staff to maintain a high standard of service. A programme of training tailored for trustees is also available for Committee members, using material and courses available from Hampshire County Council's Services for Young Children and the Pre-School Learning Alliance.

Comprehensive risk/benefit assessments are ongoing and the Committee have taken appropriate steps to ensure risks are managed. The Committee has concluded that the standard Pre-School Learning Alliance insurance policies provide appropriate cover by in respect of:

- Fire and other damage
- Employer and public liabilities

Signed on behalf of the Management Committee



Ella Wilson

Chair

Dated 14 October 2020

Sonata Zilaityte
Secretary



Potley Hill Community Pre-School Independent Examiner's Report to the Committee

I report to the Committee (who are the Charity's trustees) on my examination of the accounts of the Charity for the year ended 31 July 2020 which are set out on pages 6 to 10.

Responsibilities and basis of report

As the trustees of the Charity you are responsible for preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

I report in respect of my examination of the Charity's accounts carried out under section 145 of the 2011 Act, and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. Accounting records were not kept by the Charity as required by section 130 of the Act;
2. The accounts do not accord with those records; or
3. The accounts do not comply with the applicable requirements concerning the form and content of the accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Claire Connell MA, ACA, CTA
Chartered Accountant

21st October 2020

86 Silverdale Road
Earley
Reading
RG6 7LT

Potley Hill Community Preschool

Statement of Financial Activities for the year ended 31 July 2020

	<u>Restricted</u> £	<u>Unrestricted</u> £	<u>2020</u> <u>Total</u> £	<u>2019</u> <u>Total</u> £
Income and endowments from:				
Donations and legacies				
Donations	-	1,000	1,000	-
Coronavirus Job Retention Grant	-	<u>7,040</u>	<u>7,040</u>	-
	-	8,040	8,040	-
Charitable activities				
Grants from local education authority	-	168,292	168,292	152,083
Parental fees and other contributions	-	86,826	86,826	42,041
Refunds given due to coronavirus	-	<u>(22,825)</u>	<u>(22,825)</u>	-
	-	232,293	232,293	194,124
Other trading activities				
Christmas events	-	390	390	688
Summer fun	-	-	-	332
Hand prints	-	146	146	126
Commissions from photographs & other income	-	903	903	3,510
Uniform sales	-	<u>2,041</u>	<u>2,041</u>	1,739
	-	3,090	3,090	6,395
Investments; bank interest	-	465	465	288
Total	-	244,278	244,278	200,807
Expenditure on:				
Raising funds				
Advertising (including website costs)	-	4,018	4,018	368
Charitable activities				
Staff salaries and related costs (Note 3)	-	200,657	200,657	151,107
Uniforms	-	1,474	1,474	951
Rent, service charges and cleaning for premises	-	21,233	21,233	21,050
Gardens and general maintenance	-	257	257	4,195
Garden and premises improvements	-	6,095	6,095	4,683
Equipment and consumables	-	4,772	4,772	4,152
Milk and provisions	-	1,082	1,082	932
Hot lunches	-	4,592	4,592	2,195
Office supplies, telephone and sundry costs	-	627	627	1,276
Accountancy and payroll software	-	706	706	521
Printing and photocopying	-	644	644	713
Membership, accreditation and insurance	-	1,035	1,035	1,757
Uncollected fees expense	-	19	19	13
Independent examination fees (Note 5)	-	550	550	550
Depreciation	-	<u>1,470</u>	<u>1,470</u>	1,470
		245,213	245,213	195,565
Total	-	249,231	249,231	195,933
NET INCOME FOR THE YEAR	-	(4,953)	(4,953)	4,874
Total funds brought forward	940	121,383	122,323	117,449
Transfers between funds	-470	470	-	-
TOTAL FUNDS CARRIED FORWARD	470	116,900	117,370	122,323

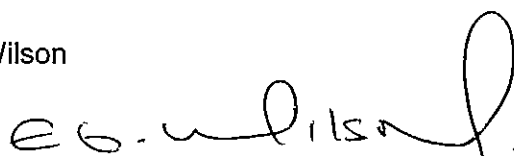
The only transaction within restricted funds in the year ended 31 July 2019 was a transfer of £470 to unrestricted funds. The net increase in funds of £4,874 in that year therefore comprised a reduction of £470 on restricted funds and an increase of £5,344 in unrestricted funds. The Notes referred to above form part of these accounts.

Potley Hill Community Preschool **Balance Sheet as at 31 July 2020**

	<u>Note</u>	<u>2020</u> <u>£</u>	<u>2019</u> <u>£</u>
Fixed assets			
Tangible assets	6	1,693	3,163
Current assets			
Stocks of uniform & consumables		624	-
Debtors	7	4,308	2,766
Cash at bank and in hand			
Current account		69,329	66,190
Deposit accounts		75,809	75,357
Petty cash		<u>246</u>	<u>266</u>
Total current assets		150,316	144,579
Creditors: amounts falling due within one year			
Creditors and accruals	8	<u>-34,639</u>	<u>-25,419</u>
Net current assets		115,677	119,160
NET ASSETS		117,370	122,323
The funds of the Charity			
Restricted income funds	9	470	940
Unrestricted funds	9	116,900	121,383
TOTAL CHARITY FUNDS		117,370	122,323

Approved at a meeting of the Management Committee held on 14th October 2020

Ella Wilson
Chair



Katie Sage
Treasurer



Potley Hill Community Preschool

Notes to the Accounts for the year ended 31 July 2020

1. The Charity's structure, organisation and business

Potley Hill Community Preschool is an unincorporated association governed by its constitution dated 21 May 1993 (as updated, see Page 1). It is a charity registered in England and Wales, and the address of the registered office is given in the charity information on page 1 of these accounts. The Charity's members are the parents of children currently attending the preschool.

The preschool provides preschool educational services funded by the Government's Early Years Education scheme and parental fees.

2. Accounting policies

a) General matters

The charity constitutes a public benefit entity as defined by FRS 102. 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

b) Going concern

The Charity's activities are funded substantially by the income from Hampshire County Council under the Early Years Education scheme and parents' fees. The budget for the year commencing 1 August 2020 and support (if necessary) from reserves indicates that funds will be sufficient to meet expected costs; and projections for the subsequent year indicate ongoing business sustainability.

c) Fixed assets, depreciation and use of restricted reserves

Fixed asset purchases are capitalised provided that the cost exceeds £1,000. Depreciation is charged on assets at rates calculated to write down those assets over their estimated useful lives, which are taken as five years for furniture, fittings and IT equipment; and ten years for outdoor equipment. Grants received to fund the purchase of fixed assets are credited to restricted reserves and released to unrestricted funds over the estimated useful lives of the assets concerned.

d) Taxation

The Charity's income is exempt from income and corporation taxes; and its activities are exempt from Value Added Tax (VAT), so all expenditure is therefore inclusive of applicable VAT.

3. Staff costs

	<u>2020</u>	<u>2019</u>
	<u>£</u>	<u>£</u>
Salaries	188,204	139,434
Social Security, less small employer rebate	4,570	3,018
Employer pension contributions (NEST scheme)	5,055	3,052
Training, uniforms and other	2,828	5,603
	<u>200,657</u>	<u>151,107</u>

Potley Hill Community Preschool
Notes to the Accounts for the year ended 31 July 2020 (continued)

3. Staff costs (continued)

	<u>Number</u>	<u>Number</u>
Average number of staff employed	16	15
Full-time staff equivalents	11	9.1

No employee earned more than £60,000 per annum (2019: none); and, in the opinion of the trustees, no employee was able to exert significant influence over the running of the Charity.

4. Trustees

None of the trustees received any emoluments or reimbursement of expenses in respect of those services. The salary of the Manager, who is a trustee *ex officio*, is included in staff costs in Note 3.

5. Governance costs

The only governance cost that is separately identifiable is the fees paid to the independent examiner of £550 for those services (2019: £550). No other fees were paid to the examiner in either year. The premium paid for general insurances includes trustee indemnity cover, but the amount is not separately stated in the premium.

6. Fixed assets; tangible assets

	<u>£</u>
<u>Cost</u>	
At 1 August 2019	24,180
Disposals in the year	-
Additions in the year	-
At 31 July 2020	24,180
<u>Depreciation</u>	
At 1 August 2019	21,017
Written off re disposals	-
Charge for the year	1,470
At 31 July 2020	22,487
<u>Net book value</u>	
31 July 2020	1,693
31 July 2019	3,163

7. Debtors

	<u>2020</u>	<u>2019</u>
	<u>£</u>	<u>£</u>
Fees receivable less provisions	2,380	1,276
Other debtors	-	379
Prepaid expenses	1,928	1,111
	4,308	2,766

Potley Hill Community Preschool
Notes to the Accounts for the year ended 31 July 2020 (continued)

8. Creditors	2020	2019
	£	£
Supplies and services for preschool activities	2,206	1,354
Accrued holiday pay	21,998	17,390
PAYE & National Insurance	1,445	1,285
Pension contributions	1,159	1,052
Parents' fees received in advance	6,708	3,424
Other creditors and accruals	1,123	914
	34,639	25,419

9. Reserves	July 2019	Surplus for year	Fund Transfer	July 2020
	£	£	£	£
<u>Restricted reserves</u>				
Grants for purchase of fixed assets	940	-	-470	470
<u>Unrestricted funds</u>				
General fund	21,383	(4,953)	470	16,900
Designated fund; strategic contingencies reserve	100,000	-	-	100,000
	116,039	(4,953)	470	116,900
All reserves	122,323	(4,953)	-	117,370

10. Analysis of net assets by fund	General fund	Designated fund	Restricted fund	Total
	£	£	£	£
Tangible fixed assets	1,223	-	470	1,693
Stocks	624	-	-	624
Debtors	4,308	-	-	4,308
Bank & cash balances	45,384	100,000	-	145,384
Creditors	-34,639	-	-	-34,639
	16,900	100,000	470	117,370

11. Contingent liabilities

There were no contingent liabilities at 31 July 2020 (2019; none).

12. Transactions with related parties

All of the fee income is from parents who, by nature of the constitution, are members of the Charity. The total of fees paid by Committee members (who are trustees) during the year was £3,462 (2019: £2,156), all at the standard fee rates.