



**Chestnuts
Pre-School**

Regd. Charity 295756

(registered charity no 295756)

Annual report and accounts

Year ended 31 July 2020

Registered charity number 295756

Address 32 Chestnut Avenue
 Wokingham
 Berkshire
 RG41 3RS

Trustees Helen Eastwood (Chair)
 Louise Bull (Deputy Chair)
 Tabitha Rigden (Treasurer, appointed 15 October 2020)
 Joanna Florentin (Secretary, appointed 8 February 2020)
 Daniel Smith (Maintenance, appointed 15 October 2020)
 Matthew Rigden (Maintenance, appointed 15 October 2020)
 Sarah-Jayne Hurford (General, appointed 15 October 2020)
 Angela Thomas (General, appointed 15 October 2020)
 Suryakala Mani (resigned 14th October 2019)
 Karen Kennedy (resigned 14th October 2019)
 Chris Sharp (resigned 15 October 2020)
 Natasha Butters (resigned 14th October 2019)

The Trustees are pleased to present their annual report and accounts for the year ended 31 July 2020.

Activities

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

Constitution

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

Objectives

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

Additional important objectives include:

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

Review of the year

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

Financial review

During the year ended 31 July 2020, the Charity made a profit of £1,192 (2019: Loss of £6,749). The charity's reserves are £120,582 (2019: £119,390) as at 31 July 2020.

We recognise that a proportion of the reserve is to facilitate the likely rebuild of the Pre-school building in the future. The assumed rebuild cost currently stands at £97,200, providing a surplus of £23,382. Consistent with previous years, maintenance and general expenses are expected to be high in the forthcoming year. The Trustees consider this level of reserves to be adequate to ensure the short/medium term financial stability of the charity. However, education funding has come under immense pressure in the past number of years and the grants received from Wokingham Borough Council are not sufficient to cover all running costs of the setting therefore the Trustees expect funding to become even tighter over the coming years and the surplus is expected to be reduced over the short/medium term.

Members

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

Trustees

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

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

The Trustees serving the Pre-school as at the date of approval of this report are those named on page 1. All were appointed or re-appointed by the members at the AGM on 15th October 2020, bar Joanna Florentin who joined the Committee on 8 February 2021, taking over as Secretary on the 26 April 2021.

Approval of report

This report was approved on ^{4th} Jan 22 and signed on behalf of the Trustees by:



Helen Eastwood
Chair

I report to the trustees on my examination of the accounts of Chestnuts Pre-school for the year ended 31 July 2020.

Responsibilities and basis of report

As the charity's trustees, you are responsible for the 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 Trust'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 which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of 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.



Meera Patel (CA)SA

Date: 4 JANUARY 2022

Basis of preparation

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

Income and expenditure

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

Fixed assets and depreciation

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

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

Chestnuts Pre-school
Income and expenditure account
For the year ended 31 July 2020

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	2020	£	2019	£
Operating income				
Grant funding	111,619		99,794	
Fees and charges	<u>19,589</u>	131,208	<u>33,256</u>	133,050
Other income				
Fundraising	1,750		2,741	
Donations	1,025		1,350	
Interest	385		386	
Indirect grant income	4743		225	
Merchandise and other income	<u>404</u>	8,307	<u>9</u>	4,711
Direct costs				
Staff costs	112,787		109,943	
Teaching equipment and consumables	3,040		5,014	
Milk and refreshments	<u>1,090</u>	(116,917)	<u>1,082</u>	(116,039)
Overhead costs				
Rent, rates and insurance	4,213		3,530	
Electricity and water	3052		1,714	
Repairs and maintenance	2,483		8,589	
Equipment, stationery and consumables	3,239		6,429	
Telephone	705		671	
Cleaning and refuse	3,148		2,659	
Depreciation	3,168		3,245	
Other	<u>1,398</u>	(21,406)	<u>1,634</u>	(28,471)
Net surplus/(loss)		<u>1,192</u>		<u>(6,749)</u>

	2020 £		2019 £
Fixed assets (note 1)			
Buildings	11,666		14,606
Equipment	<u>1,476</u>	13,142	<u>914</u>
			15,520
Current assets			
Bank and cash balances	139,899		135,056
Accounts receivable and Prepayments	<u>2,941</u>		<u>3,071</u>
	<u>142,840</u>		<u>138,127</u>
Current liabilities			
Creditors	1,690		1,718
Accruals and deposits	<u>33,710</u>		<u>32,539</u>
	<u>35,400</u>		<u>34,257</u>
Net current assets	107,440		103,870
Net assets	<u>120,582</u>		<u>119,390</u>
Represented by			
Accumulated funds brought forward	119,390		126,139
Surplus/(deficit) for the year	<u>1,192</u>		<u>(6,749)</u>
Total funds (note 2)	<u>120,582</u>		<u>119,390</u>

The annual accounts were approved by the Trustees on 4th Jan 22 and are signed on their behalf by:



Helen Eastwood (Chairperson)



Tabitha Rigden (Treasurer)

Note 1 - Fixed assets

	Buildings £	Equipment £	Total £
<u>Cost</u>			
At 1 August 2019	58,797	15,297	74,094
Additions	-	790	790
At 31 July 2020	58,797	16,087	74,884
<u>Depreciation</u>			
At 1 August 2019	44,191	14,383	58,574
Charge for the year	2,940	228	3,168
At 31 July 2020	47,131	14,611	61,742
<u>Net book value</u>			
At 31 July 2019	14,606	913	15,519
At 31 July 2020	11,666	1,476	13,142

Note 2 – Funds
(unrestricted)

As at year 1 st August 2019	119,390
Net surplus for the year	1,192
At 31 July 2020	<u>120, 582</u>

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

Building Rebuild

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