

## **St Martin's Pre-School CIO Annual Report and Financial Statements**

**At 31 August 2017**

The Committee presents its report and the financial statements of St Martin's Pre-School CIO for the year ended 31 August 2017 and confirm that they comply with the requirements of the Charities Act 2011, the Charities SORP 2015 and the Constitution.

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## Charity Information

St Martin's Pre-School is a charitable incorporated organisation governed by the Pre-School Learning Alliance Model CIO Constitution 2013.

St Martin's Pre-School CIO was established on 10 February 2014 as a result of resolutions passed at Annual General Meeting of St Martin's Pre-School (registered charity number 1023678, now closed) on 24 October 2013.

Registered address: St. Martin's Children's Centre, Worple Road, Epsom, Surrey, KT18 7AA  
 Telephone: 0779 355 4340  
 Website: [www.stmartinspreschool.com](http://www.stmartinspreschool.com)  
 Email: [admin@stmartinspreschool.com](mailto:admin@stmartinspreschool.com)

Charity number: 1155711

## Trustees (Committee Members)

The names of the Members of the Committee who have held office from the period 1 September 2016 to the 31 August 2017:

Whole Period	1 <sup>st</sup> Sep 2016 to 15 <sup>th</sup> Oct 2016	1 <sup>st</sup> Sep 2016 to Mar 2017	From 15 <sup>th</sup> Oct 2016	
S Edwards C Reade-Edwards K Rowles	N Beech V Amos-Piggott B Ellison L Holley A Paoli L Thomson-Overy	L Longhurst	A Phillips L Walsh K Williams E Campbell	

## Officers (to 31 August 2017)

Manager: H Dawson (from January 2017, J Johnson from 31 August 2016 to January 2017)  
 Administrator: N Blaker

Independent examiner: R Case, Chartered Accountant Membership Number 7982057

Bankers: CAF (Charities Aid Foundation), 25 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19 4TA



## **Annual Report of the Committee**

### ***Structure, governance and management***

The Management Committee meets at least termly during the year to determine general policy and review the framework of management and control for which it is legally responsible. At these meetings, the activities of the Pre-School, including strategy, the budget and the annual report and accounts, are reviewed.

New Committee members are either elected at a General Meeting or can be asked to join by the existing trustees, should there be a vacancy. New members are inducted into the workings of the CIO, including the Policies and Procedures. Appropriate external training on governance and other relevant matters is offered to Committee members.

The day to day running of the Pre-School is delegated to the Manager, Deputy Manager and the Administrator, and proposals are formulated by these officers who make recommendations to the Committee.

The Committee review the principal areas of the Charity's operations and considered the major risks faced in each of these areas. In the opinion of the Committee, the Charity has established resources and a review system which, under normal conditions, should allow these risks to be mitigated to an acceptable level in its day to day operation.

### ***Objectives and activities***

The Pre-School works for the public benefit having as its objects the development and education of children and young people, in particular by;

- Promoting their care and safety;
- Promoting their education and promoting parental involvement;
- Promoting their health and wellbeing;
- Providing services to support them and their families and carers;
- Providing services to individuals holding membership of the CIO; and
- Further the aims of the Pre-School Learning Alliance.

The primary objective of the Pre-School is the provision of education and care for children from the age of 2 until the time they start school. The strategy to achieve this is to provide for a high qualified staff to child ratio, offer additional activities to develop and stimulate children and support children with additional needs with staff with specific SENCO qualifications.

The CIO provides a Pre-School open to all in the local community.

### ***Achievements and performance***

The Pre-School has worked hard this year to ensure that its objectives have been met, with continuing provision of high staff to child ratios, a focus on the education, care, safety, health and wellbeing of the children, and has offered one-to-one care for those children with additional needs.

The Pre-School has been registered with Ofsted since 1 August 2014 as a Charitable Incorporated Organisation, and received its first inspection, under its new status, in July 2016. The Pre-School was pleased to be graded "Good" in all areas, confirming its commitment to our aims and objectives.



**Financial review**

The CIO's principal accounting policies are set out in note 2 to the accounts.

The Pre-School showed a deficit of £10,743 for the year, as summarised below:

	<b>2017</b>
	<b>Total Funds</b>
	<b>£</b>
Total incoming resources	164,435
Total resources expended	175,177
Surplus (deficit) for the year	<u>(10,743)</u>
Fund Balances at 1 <sup>st</sup> September 2016	64,051
Fund Balances at 31 <sup>st</sup> August 2017 (end of year)	<u>53,308</u>

The Pre-School is facing a challenging financial environment with the main source of income from Surrey County Council being frozen until 2020. Over the last two financial years reserves have significantly depleted, which is due in part to capital expenditure to improve the Pre-School environment, but also increased costs from higher than expected staff turnover and long-term sickness.

The refurbishment of the Pre-School office was funded this year, including removal of the sink/plumbing, to create a suitable work and storage space. This had been badly needed and had been highlighted as a health and safety risk. Urgent repair work was also required to the play area in the Pre-School garden, which had suffered some subsidence and so needed urgent re-levelling to ensure the AstroTurf was safe for all to play in.

Staff costs also increased by over 10%, partly due to a high and unexpected level of staff sickness. Our funding from Surrey County Council was down 5% but was partly offset by an increase in some other areas of funding.

**Reserves policy**

The Committee is mindful of the financial challenges facing the Pre-School when making budget decisions to ensure the long term financial stability of the Pre-School.

The Pre-School's Reserves Policy was reviewed against the major risks facing the Pre-School. Given that the Pre-School had shown a large deficit in both this and last financial year, the Committee agreed that it needed to mitigate for additional challenges, especially those relating to staff pension auto-enrolment, longer term staff absence, recruitment costs and the financial position given the current freeze on the rates of Government funding until 2020.

The policy has been updated to achieve free reserves sufficient to cover four months' total expenditure.

**Budgeting policy**

The budgeting processes have been reviewed in light of the deficit for the year. Going forward the Committee has reviewed all areas of expenditure, and has put in place arrangements to try to improve our financial position. These will be closely monitored and kept under regular review throughout the year. The 2017/18 Committee will be looking to increase its fundraising activities, aimed at specific events/outings or purchases for the children/setting throughout the year.

**Investments policy**

The CIO invests funds in a deposit account with a recognised UK financial institution. The aim of such investment is to achieve the best available investment income returns, balanced against minimising risk to capital, whilst meeting the cash flow requirements of the Pre-School.

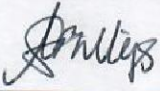
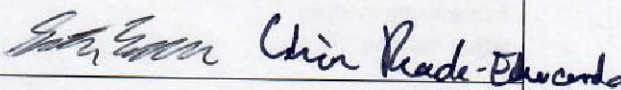


Declaration to Annual Report

The trustees declare that they have approved the Annual Report above.

Approved by Committee on: 17. October. 2017.

Signed by two trustees on behalf of the Charity's trustees:

Signature:		
Name:	Aareka Phillips	Stephen Edwards / Chere Reade-Edwards
Role:	Chair	Co-Treasurers

**Statement of Financial Activities for Year Ended 31 August 2017**

	Notes	2017 Total Funds £	2016 Total Funds £
<b><u>Incoming Resources</u></b>			
Donations	3	8,634	7,146
Charitable activities	4	142,243	126,266
Interest on reserve account	5	60	139
Fundraising income	6	6,497	4,343
Other income	7	7,000	0
<b>Total Incoming Resources</b>		<b>164,435</b>	<b>137,894</b>
<b><u>Resources Expended</u></b>			
Raising funds	8	1,323	1,354
Charitable activities	9	172,994	152,121
Governance	10	860	941
Other costs		0	3
<b>Total Resources Expended</b>		<b>175,177</b>	<b>154,419</b>
<b>Net Increase in Funds for the Year</b>		<b>(10,743)</b>	<b>(16,525)</b>
Fund balances at 1st Sep 2016		64,051	80,576
Fund balances at 31st Aug 2017 (year-end)		<b>53,308</b>	<b>64,051</b>

The income of the Charity is largely derived from school fees paid by Surrey County Council and parents, in addition to fundraising activities. The main expenditure relates to staff costs, premises rent and school equipment.

**Rounding**

For presentation in the financial statements, all values are rounded to the nearest £1.



**Balance Sheet at 31 August 2017**

	Notes	2017 Total Funds £	£	2017 Total Funds £	£
<b>Current Assets</b>					
Stock		399		383	
Debtors		0		0	
Cash at bank and in hand		60,914		71,118	
		61,313		71,501	
<b>Creditors - Amounts falling due within 1 year</b>	13	(5,204)		(3,550)	
<b>Net current assets</b>			56,108		67,951
<b>Total assets less current liabilities</b>			56,108		67,951
<b>Creditors - Amounts falling due after more than 1 year</b>	14		(2,800)		(3,900)
<b>Net assets</b>			53,308		64,051
Represented by:					
Unrestricted funds from prior year			64,051		80,576
Unrestricted funds generated this year			(10,743)		(16,525)
<b>Unrestricted funds</b>			53,308		64,051

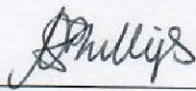
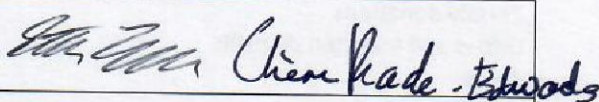
**Rounding**

For presentation in the financial statements, all values are rounded to the nearest £1.

**Declaration to Financial Statements**

Approved by Committee on: 17 - October 2017

Signed by two trustees on behalf of the Charity's trustees:

Signature:		
Name:	Aareka Phillips	Stephen Edwards / Chere Reade-Edwards
Role:	Chair	Co-Treasurers



## Notes to the Financial Statements for Year Ended 31 August 2017

### 1. Charitable status and taxation

The CIO is not subject to taxation on its charitable activities, although it bears the cost of value added tax on purchases. The income of the CIO is exempt from VAT.

### 2. Accounting policies

#### Accounting convention

The financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with applicable UK accounting standards. In preparing the financial statements the CIO follows best practice as set out in the Charities Statement of Recommended Practice (SORP) FRS 102 and complies with the Charities Act 2011.

#### Incoming resources

Income is recognised in the period in which the CIO is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the CIO must fulfil conditions before becoming entitled to it.

Tuition and registration fees are accounted for when due. Fees for extra-curricular activities represent fees charged to parents for activities not forming part of the tuition fees or Early Years Funding Entitlement and are accounted for on a receivable basis. Donations are accounted for as and when received.

#### Resources expended and basis of allocation of costs

Expenditure is included when incurred, inclusive of VAT.

The majority of costs are directly attributable to direct charitable expenditure, in the provision of a Pre-School environment. Costs relating to fundraising and governance are shown separately.

#### Stock

Stock represents school uniform and is held at the lower of cost and net realisable value.

#### Fixed assets

The premises are rented and the Pre-School does not own any significant fixed assets. All expenditure is written off in the year in which it is incurred.

#### Unrestricted funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the CIO.

#### Rounding

For presentation in the financial statements, all values are rounded to the nearest £1 (after calculation).

### 3. Incoming resources from donations

	2017	2016
	£	£
Termly donations	5,255	5,004
Gifted and forfeited deposits	2,260	1,175
Other		0
Gift aid	1,119	967
	<u>8,634</u>	<u>7,146</u>



**4. Incoming resources from charitable activities**

	2017 £	2016 £
<u>Education - EYFE and Fees</u>		
Surrey - EYFE and FEET	85,553	90,191
AM - Fees	4,280	203
PM - Fees	30,907	25,008
Lunch Club	6,838	6,322
Forfeited registration fees	400	450
Other		
	<u>127,977</u>	<u>122,174</u>
<u>Other educational grants</u>		
Surrey - Other income	11,553	2,016
Grants	2,713	2,076
	<u>14,266</u>	<u>4,092</u>
<b>Total</b>	<u>142,243</u>	<u>126,266</u>

**5. Investment income**

	2017 £	2016 £
Bank interest receivable	<u>60</u>	<u>139</u>

**6. Fundraising income (other trading activities)**

	2017 £	2016 £
School uniform	1,129	1,147
Spring Fair	1,250	1,691
Sponsored Bounce	2,147	1,105
Bag2School		13
Photography	292	320
Other fundraising	200	68
Other income	1,479	0
	<u>6,497</u>	<u>4,343</u>

**7. Other Incoming Resources**

	2017 £	2016 £
Other income	<u>7,000</u>	<u>0</u>

This was a bursary from Kingston University for the Manager to complete her EYTS.



**8. Fundraising costs**

	2017 £	2016 £
Spring Fair	394	280
Uniform	990	1,181
Uniform - stock adjustment	(16)	(107)
	<u>1,323</u>	<u>1,354</u>

**9. Education costs**

	2017 £	2016 £
Staff costs	133,635	119,317
Staff training	830	1,087
DBS checks	538	325
Payroll costs	840	696
Premises - rent	13,900	13,900
Premises - maintenance	9,107	646
Staff recruitment	2,580	2,040
Office costs (printer, IT, phone, etc.)	2,842	2,230
Staff uniform	467	824
Large equipment	60	429
Resources for children	4,772	5,645
Events and outings	1,622	1,787
Football coaching	600	1,045
Music lessons	613	700
Other costs	589	1,449
	<u>172,994</u>	<u>152,121</u>

**10. Governance**

	2017 £	2016 £
Independent examination	-200	0
Insurance	1,060	941
	<u>860</u>	<u>941</u>

NB: Negative as we provided £600 but were only charged £400



**11. Trustee Expenses**

	<b>2017</b> <b>£</b>	<b>2016</b> <b>£</b>
Expenses reimbursed to Committee	<u>17</u>	<u>309</u>

**12. Staff costs**

The number of staff employed being:

	<b>2017</b>	<b>2016</b>
Practitioners	11	10
Manager	1	1
Administrator	1	1

Employment costs included in ordinary activities:

	<b>2017</b> <b>£</b>	<b>2016</b> <b>£</b>
Salaries and wages	129,503	115,638
Employer's national insurance	6,867	6,547
Employment Allowance	(2,768)	(2,868)
Employers Pension Contributions	33	0
	<u><b>133,602</b></u>	<u><b>119,317</b></u>

Note: Pension auto-enrolment started on 1st August 2017 so no prior year Employers Pensions

**13. Creditors – Amounts falling due within one year**

	<b>2017</b> <b>£</b>	<b>2016</b> <b>£</b>
Deposits	1,020	850
Registration Fees	2,900	2,100
Accruals and deferred income	400	600
Other items	884	0
	<u><b>5,204</b></u>	<u><b>3,550</b></u>

Note: £884.28 being a prepayment made on 31 August 2017 from Surrey CC for the next financial year 2017/18.



**14. Creditors – Amounts falling due after more than one year**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Deposits	2,800	3,900
	<u><b>2,800</b></u>	<u><b>3,900</b></u>

**15. Unrestricted funds**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Balance as at 1st Sep	64,051	80,576
Surplus (deficit) for year	(10,743)	(16,525)
Balance as at 31 Aug	<u><b>53,308</b></u>	<u><b>64,051</b></u>

**16. Indemnity insurance**

St Martin's Pre-School purchased insurance for the Committee Members during the year to indemnify them against any liabilities arising as a result of negligence on the charity's behalf. This insurance is purchased through the Pre-School Learning Alliance.

**17. Controlling party**

The Pre-School was under the control of the Committee Members, as listed on page 2, throughout the current year.



## Independent Examiner's Report

I report on the financial statements of the charity for the year ended 31 August 2017, which are set out on pages 6 to 12.

### Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 ("the Charities Act") and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act, and
- to state whether particular matters have come to my attention.

This report, including my statement, has been prepared for and only for the charity's trustees as a body. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body for my examination work, for this report, or for the statements I have made.

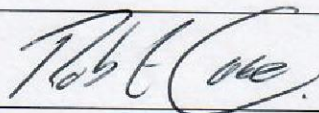
### Basis of independent examiner's report

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

### Independent 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; and
  - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Acthave not been met; or
2. to which, in my opinion, attention should be drawn to enable a proper understanding of the accounts to be reached.

Signature:	
Name:	Robert Case
Date:	1 <sup>st</sup> November 2017.



Relevant professional qualification(s) or body (if any):	Chartered Accountant, Membership number 7982057
Address:	22b Worple Road, Epsom, Surrey KT18 5EF

**Disclosure**

Only complete if the examiner needs to highlight material problems.

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