

Charity Registration No. 1149154

Company Registration No. 08221310 (England and Wales)

ST STEPHENS PRE-SCHOOL (COLCHESTER)
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 26 SEPTEMBER 2017
PAGES FOR FILING WITH REGISTRAR

ST STEPHENS PRE-SCHOOL (COLCHESTER)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs A Mcqitty Miss C Palmer Mrs C Barker
Charity number	1149154
Company number	08221310
Registered office	St Stephens Church Centre Canterbury Road Colchester Essex UK CO2 7RY
Independent examiner	LB Group (Colchester) Suite E2, 2nd Floor The Octagon Middleborough Colchester Essex CO1 1TG

ST STEPHENS PRE-SCHOOL (COLCHESTER)

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ST STEPHENS PRE-SCHOOL (COLCHESTER)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 26 SEPTEMBER 2017

The trustees present their report and financial statements for the year ended 26 September 2017.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

The company ceased to trade on 31 August 2017 and transferred to a Community Interest Company at the beginning of the new term, i.e. 1 September 2017.

Objectives and activities

The ongoing aims and objectives the charity strives to meet are detailed as follows:

1. To provide an environment for children where they can be safely cared for and that is beneficial to their health, development and well being.
2. To provide high quality creative play and education for children primarily below statutory school age.
3. To provide adequate staff training to meet our aims and objectives and help staff develop their full potential.
4. To work in partnership with families and carers to help children to learn and develop.
5. To further our charitable purposes for the public benefit adding to the life and well being of the local community.
6. To offer children and their parents a service that promotes equality and values diversity.
7. To be mindful of equal opportunities and to support children with learning difficulties and disabilities.
8. Be responsible in the handling of money and to encourage and support fund raising by staff, parents and friends.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

During the year the Charity had significant expansion of their pre-school. It increased from 27 place setting to an 80 place setting currently. The Charity has worked hard in order to increase the reputation of the pre-school and increase pupil numbers. Additionally, the Charity has supported the development of their staff through this process by encouraging professional development. They have spent a proportion of funds on the aesthetics of the pre-school in order to make it a fun, clean and dynamic environment for the children to be in.

The objective for the upcoming year is for the Charity to hold the assets which will be loaned to the Community Interest Company. The pre-school will trade through the Community Interest Company from 1 September 2017.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the charity continues and that the appropriate training is arranged. It is the policy of the charity that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Achievements and performance

A key achievement for the charity during the year is an increase in the number of children in attendance at the pre-school due to word of mouth from previous happy parents and carers. Also all staff have been kept up to date with regular training and the charity ensures that all permanent staff members hold at least a level 3 NVQ in childcare to ensure a high quality of care.

ST STEPHENS PRE-SCHOOL (COLCHESTER)

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 26 SEPTEMBER 2017

Financial review

The charity's financial position has stabilised and remained healthy since last year. As an overview significant amount of funds have been spent on equipment and toys. During this financial year they have gradually replaced lots of the equipment, ensuring it is safe and up to date for the children.

The majority of funding comes from Essex County Council through grants and subsidies with additional fees paid by parents who can use childcare vouchers to mitigate the cost.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees considers 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. This level of reserves has been exceeded throughout the year.

The trustees has assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Plans for the future

It is clear that the accounting side of the business was not managed at an acceptable level in prior year, however, the current management team and committee have worked extremely hard to get it to an acceptable and workable level for the current and future years. Parents have commented on how nice the preschool is looking due to new equipment, staff morale has been boosted, and the general day to day running of the preschool is going smoothly and efficiently. The current amount of pupils attending the pre school has nearly tripled, which is a clear reflection of how far the company has developed and thrived over the last period.

Structure, governance and management

The charity is a company limited by guarantee operating as a preschool in the local community. It ceased trading on 31 August 2017 and in future will carry on to trade as a community interest company.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Mrs K Bradley (Resigned 19 September 2017)

Mrs R De Souza (Resigned 19 September 2017)

Mrs A Mcqitty

Miss C Palmer

Mrs C Barker

Mrs K Tsvetanova (Resigned 19 September 2017)

Trustees are appointed by existing members based on their merit and value to the charity. In order to be eligible for appointment the trustees must be a member or affiliate member of the preschool, available to attend meetings, DBS suitable and receive a majority vote of approval from existing Trustees.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The operation of the preschool is overseen on a day to day basis by the manager. Overall direction for the charity is decided by the chairperson, Miss C Palmer, with decisions backed by the committee.

ST STEPHENS PRE-SCHOOL (COLCHESTER)

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 26 SEPTEMBER 2017

The charity works closely with other preschools and children centres, who themselves are registered charities, in order to meet their own charitable objectives. The charities referred to above are as follows:

- St James' pre-school
- Barnados Children's Centre
- St Stephen's Church Centre
- Puddleducks
- Oaklea Montessori Nursery Community Interest Company.

The trustees' report was approved by the Board of Trustees.

Chrissie Palmer

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Miss C Palmer

Trustee

Dated: 24-09-18

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ST STEPHENS PRE-SCHOOL (COLCHESTER)

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF ST STEPHENS PRE-SCHOOL (COLCHESTER)

I report on the financial statements of the charity for the year ended 26 September 2017, which are set out on pages 5 to 12.

Respective responsibilities of trustees and examiner

The charity's trustees, who are also the directors of St Stephens Pre-school (Colchester) for the purposes of company law, are responsible for the preparation of the financial statements. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- (i) examine the financial statements under section 145 of the 2011 Act;
- (ii) to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- (iii) to state whether particular matters have come to my attention.

Basis of independent examiner's report

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

Independent examiner's statement

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

In connection with my examination, no other matter except that referred to in the previous paragraph has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - (ii) to prepare financial statements which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities; have not been appropriately satisfied for the year ended 30 September 2015.
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

LB Group (Colchester)

Magnus Baird ACCA
Suite E2, 2nd Floor
The Octagon
Middleborough
Colchester
Essex
CO1 1TG

Dated:

ST STEPHENS PRE-SCHOOL (COLCHESTER)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 26 SEPTEMBER 2017

	Notes	2017 £	2016 £
Income from:			
Charitable activities	3	119,683	108,107
Investments	4	15	2
Total income		<u>119,698</u>	<u>108,109</u>
Expenditure on:			
Direct costs	5	118,893	87,437
Governance costs	6	11,556	4,033
Total resources expended		<u>130,449</u>	<u>91,470</u>
Net (expenditure)/income for the year/ Net movement in funds		(10,751)	16,639
Fund balances at 28 September 2016		<u>73,095</u>	<u>56,456</u>
Fund balances at 26 September 2017		<u><u>62,344</u></u>	<u><u>73,095</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

ST STEPHENS PRE-SCHOOL (COLCHESTER)**STATEMENT OF FINANCIAL POSITION****AS AT 26 SEPTEMBER 2017**

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	8		4,426		1,568
Current assets					
Debtors	9	420		420	
Cash at bank and in hand		60,011		74,201	
		<u>60,431</u>		<u>74,621</u>	
Creditors: amounts falling due within one year	10	<u>(2,513)</u>		<u>(3,094)</u>	
Net current assets			57,918		71,527
Total assets less current liabilities			<u>62,344</u>		<u>73,095</u>
Income funds					
Unrestricted funds			62,344		73,095
			<u>62,344</u>		<u>73,095</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 26 September 2017. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 24-09-18

Chrissie Palmer

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Miss C Palmer
Trustee

Company Registration No. 08221310

ST STEPHENS PRE-SCHOOL (COLCHESTER)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 26 SEPTEMBER 2017

1 Accounting policies

Charity information

St Stephens Pre-school (Colchester) is a private company limited by guarantee incorporated in England and Wales. The registered office is St Stephens Church Centre, Canterbury Road, Colchester, Essex, CO2 7RY, UK.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

1.3 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.4 Resources expended

All expenditure is accounted for on an accruals basis and is recognised when there is a legal or constructive obligation to pay. Expenditure has been classified under headings that aggregate all costs related to the category.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity; this includes the preparation of this annual report and financial statements, and costs linked to the strategic management of the charity.

ST STEPHENS PRE-SCHOOL (COLCHESTER)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 26 SEPTEMBER 2017

1 Accounting policies (Continued)

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	25% Reducing balance
Computers	25% Reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.6 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.9 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.10 Reporting period length

The company ceased trading on 31 August 2017, therefore the final accounts only reflect an eleven month reporting period. This should be taken into consideration when evaluating against previous sets of accounts and preparing future budgets.

ST STEPHENS PRE-SCHOOL (COLCHESTER)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 26 SEPTEMBER 2017

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Charitable activities

	Essex County Council	Milk	Other income	Total 2017	Total 2016
	£	£	£	£	£
Incoming resources from charitable activities	119,456	227	-	119,683	108,107
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

4 Investments

	2017	2016
	£	£
Interest receivable	15	2
	<u> </u>	<u> </u>

5 Raising funds

	2017	2016
	£	£
<u>Activities undertaken directly</u>		
Repairs	8,868	1,902
Subscriptions	140	442
Advertising	1,645	1,184
Depreciation	1,316	392
Rent	12,110	7,967
Printing, postage and stationery	52	300
Sundry	673	519
Direct Costs	8,169	5,980
Staff Costs	84,457	68,751
Uniform	1,463	-
Depreciation and impairment	1,463	-
	<u> </u>	<u> </u>
Activities undertaken directly	118,893	87,437
	<u> </u>	<u> </u>

ST STEPHENS PRE-SCHOOL (COLCHESTER)**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 26 SEPTEMBER 2017****5 Raising funds (Continued)**

	118,893	87,437
	<u> </u>	<u> </u>

For the year ended 27 September 2016

Activities undertaken directly		87,437
		<u> </u>

6 Governance costs

	2017	2016
	£	£

Insurance	446	336
Telephone	108	121
Legal and professional	1,489	358
Accountancy	789	2,577
Bank charges	-	4
Training	7,970	637
Sundry	754	-

	<u> </u>	<u> </u>
	11,556	4,033

	<u> </u>	<u> </u>
	11,556	4,033
	<u> </u>	<u> </u>

7 Employees**Number of employees**

The average monthly number employees during the year was:

	2017	2016
	Number	Number

	11	10
	<u> </u>	<u> </u>

Employment costs

	2017	2016
	£	£

Wages and salaries	94,546	68,751
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	<u> </u>	<u> </u>
	94,546	68,751
	<u> </u>	<u> </u>

There were no employees whose annual remuneration was £60,000 or more.

ST STEPHENS PRE-SCHOOL (COLCHESTER)**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 26 SEPTEMBER 2017****8 Tangible fixed assets**

	Fixtures, fittings & equipment £	Computers £	Total £
Cost			
At 28 September 2016	-	1,960	1,960
Additions	680	4,248	4,928
Disposals	-	(910)	(910)
	<u>680</u>	<u>5,298</u>	<u>5,978</u>
At 26 September 2017	680	5,298	5,978
Depreciation and impairment			
At 28 September 2016	-	392	392
Depreciation charged in the year	156	1,160	1,316
Eliminated in respect of disposals	-	(156)	(156)
	<u>156</u>	<u>1,396</u>	<u>1,552</u>
At 26 September 2017	156	1,396	1,552
Carrying amount			
At 26 September 2017	<u>524</u>	<u>3,902</u>	<u>4,426</u>
At 27 September 2016	<u>-</u>	<u>1,568</u>	<u>1,568</u>

9 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Other debtors	420	420
	<u>420</u>	<u>420</u>

10 Creditors: amounts falling due within one year

	2017 £	2016 £
Other taxation and social security	533	1,114
Accruals and deferred income	1,980	1,980
	<u>2,513</u>	<u>3,094</u>

ST STEPHENS PRE-SCHOOL (COLCHESTER)**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 26 SEPTEMBER 2017**

11 Related party transactions**Remuneration of key management personnel**

The remuneration of key management personnel is as follows.

	2017	2016
	£	£
Aggregate compensation	7,166	14,813