

REGISTERED CHARITY NUMBER: 1155711

Report of the Trustees and  
Unaudited Financial Statements for the Year Ended 31 August 2018  
for  
St Martin's Pre-School

Mary Ryan t/a Ark Accountancy  
Chartered Certified Accountant  
31 Cheam Road  
Ewell  
Epsom  
Surrey  
KT17 1QX

St Martin's Pre-School

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for the Year Ended 31 August 2018

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## St Martin's Pre-School

### Report of the Trustees for the Year Ended 31 August 2018

The trustees present their report with the financial statements of the charity for the year ended 31 August 2018. The trustees have adopted the provisions of 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) (effective 1 January 2015).

#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives and aims**

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 they start school. The strategy to achieve this is to provide for a high quality of staff ratio to children, 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.



## St Martin's Pre-School

### Report of the Trustees for the Year Ended 31 August 2018

#### **ACHIEVEMENT AND PERFORMANCE**

##### **Charitable activities**

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.

The Pre-School showed a deficit of £89 (2017 deficit of £10,743) for the year, as summarised below:

	31.8.18 £	31.8.17 £
Total incoming resources	169,796	164,435
Total resources expended	169,885	175,178
Surplus/(deficit) for the year	(89)	(10,743)
Fund balances at beginning of year	53,308	64,051
Fund balances at end of year	53,219	53,308

The Pre-School continues to face a challenging financial environment. Over the previous two financial years 2015/16 and 2016/17 reserves had significantly depleted. This was due in part to capital expenditure to improve the Pre-School environment, but also increased costs arising from recruitment, pension auto-enrolment and long-term sickness.

This year the Pre-School received a small increase in Universal Funding from Surrey County Council and this, combined with Deprivation Funding for the first time, resulted in a slightly better financial position than expected with a deficit of just under £100.

Expenditure relating to staffing has increased due to the introduction of pension auto-enrolment, the increase in the national minimum wage, together with higher than expected costs related to the recruitment of new practitioners and the turnover of staff.

Over the past year, the Pre-School has needed to rely heavily on parent generosity to ensure our costs were covered. A key cost saving activity implemented this year resulted in the Pre-School reducing expenditure on consumables and day to day items, by requesting parents to donate items each term. This was very successful and well supported by the parents.

Parents' voluntary donations and the increased emphasis on fundraising by the Committee, resulted in £10,000 being raised.

#### **FINANCIAL REVIEW**

##### **Investment policy and objectives**

The CIO invests 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.



## St Martin's Pre-School

### Report of the Trustees for the Year Ended 31 August 2018

#### **FINANCIAL REVIEW**

##### **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 deficit in both this and the last two financial years, the Committee agreed that it needed to continue to mitigate for additional challenges, especially those relating to staff pension auto-enrolment, longer term staff absence, recruitment costs and the overall financial position.

The policy was updated in 2017 to achieve free reserves to cover four month's 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 2018/19 Committee will be looking to increase its fundraising activities, aimed at specific events/outings or purchases for the children/setting throughout the year.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing document**

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

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

##### **Recruitment and appointment of new trustees**

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.

##### **Organisational structure**

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.

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

##### **Induction and training of new trustees**

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.

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

##### **Registered Charity number**

1155711

##### **Principal address**

St Martin's Children's Centre  
Worple Road  
Epsom  
Surrey  
KT18 7AA

St Martin's Pre-School

Report of the Trustees  
for the Year Ended 31 August 2018

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Trustees**

Mrs A Phillips  
Mrs E Campbell  
Mrs K Williams  
Mrs L Walsh  
Mrs L Taylor  
G Bond  
Mrs H Farhangian  
Mrs K Doughty

**Independent examiner**

Mary Ryan t/a Ark Accountancy  
Chartered Certified Accountant  
31 Cheam Road  
Ewell  
Epsom  
Surrey  
KT17 1QX

**Bankers**

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

Approved by order of the board of trustees on 29 November 2018 and signed on its behalf by:



Mrs A Phillips - Trustee



Independent Examiner's Report to the Trustees of  
St Martin's Pre-School

**Independent examiner's report to the trustees of St Martin's Pre-School**

I report to the charity trustees on my examination of the accounts of the St Martin's Pre-School (the Trust) for the year ended 31 August 2018.

**Responsibilities and basis of report**

As the charity trustees of the Trust 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 Act and in carrying out my examination I have followed all 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 in respect of the Trust as required by section 130 of the Act; or
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 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 confirm that there are no other matters to which your attention should be drawn to enable a proper understanding of the accounts to be reached.

Mary E Ryan  
Mary Ryan t/a Ark Accountancy  
Chartered Certified Accountant  
31 Cheam Road  
Ewell  
Epsom  
Surrey  
KT17 1QX

29 November 2018

St Martin's Pre-School

Statement of Financial Activities  
for the Year Ended 31 August 2018

	Notes	31.8.18 Unrestricted fund £	31.8.17 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies		9,060	8,634
<b>Charitable activities</b>			
Education		154,416	149,243
Other trading activities	2	6,293	6,498
Investment income	3	27	60
<b>Total</b>		<u>169,796</u>	<u>164,435</u>
<b>EXPENDITURE ON</b>			
Raising funds		475	1,323
<b>Charitable activities</b>			
Education		<u>169,410</u>	<u>173,855</u>
<b>Total</b>		<u>169,885</u>	<u>175,178</u>
<b>NET INCOME/(EXPENDITURE)</b>		<u>(89)</u>	<u>(10,743)</u>
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>		53,308	64,051
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>53,219</u></u>	<u><u>53,308</u></u>

The notes form part of these financial statements



St Martin's Pre-School

Balance Sheet

At 31 August 2018

	Notes	31.8.18 Unrestricted fund £	31.8.17 Total funds £
<b>CURRENT ASSETS</b>			
Stocks	7	412	399
Cash at bank		61,475	60,914
		<u>61,887</u>	<u>61,313</u>
<b>CREDITORS</b>			
Amounts falling due within one year	8	(5,663)	(5,205)
<b>NET CURRENT ASSETS</b>		<u>56,224</u>	<u>56,108</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		56,224	56,108
<b>CREDITORS</b>			
Amounts falling due after more than one year	9	(3,005)	(2,800)
<b>NET ASSETS</b>		<u>53,219</u>	<u>53,308</u>
<b>FUNDS</b>	10		
Unrestricted funds		53,219	53,308
<b>TOTAL FUNDS</b>		<u>53,219</u>	<u>53,308</u>

The financial statements were approved by the Board of Trustees on 29 November 2018 and were signed on its behalf by:



Mrs A Phillips -Trustee

The notes form part of these financial statements

## **1. ACCOUNTING POLICIES**

### **Basis of preparing the financial statements**

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

### **Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

### **Allocation and apportionment of costs**

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

### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

### **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.

### **Fund accounting**

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

The charity does not have any restricted funds.

### **Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

### **Pension costs and other post-retirement benefits**

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.



Notes to the Financial Statements - continued  
for the Year Ended 31 August 2018

**2. OTHER TRADING ACTIVITIES**

	31.8.18	31.8.17
	£	£
School uniforms	1,018	1,129
Spring Fair	1,375	1,250
Sponsored Bounce	1,870	2,147
Photography	317	292
Other fundraising	1,713	1,680
	<u>6,293</u>	<u>6,498</u>

**3. INVESTMENT INCOME**

	31.8.18	31.8.17
	£	£
Deposit account interest	27	60
	<u>27</u>	<u>60</u>

**4. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 August 2018 nor for the year ended 31 August 2017.

**Trustees' expenses**

Expenses reimbursed to members of the Committee in year were £37 (2017 £37)

**5. STAFF COSTS**

The average monthly number of employees during the year was as follows:

	31.8.18	31.8.17
Practitioners	11	11
Manager	1	1
Administrator	1	1
	<u>13</u>	<u>13</u>

No employees received emoluments in excess of £60,000.

**6. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £
<b>INCOME AND ENDOWMENTS FROM</b>	
Donations and legacies	8,634
<b>Charitable activities</b>	
Education	149,243
Other trading activities	6,498
Investment income	60
<b>Total</b>	<u>164,435</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2018

6. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £
<b>EXPENDITURE ON</b>	
Raising funds	1,323
Charitable activities	
Education	173,855
<b>Total</b>	175,178
<b>NET INCOME/(EXPENDITURE)</b>	(10,743)
<b>RECONCILIATION OF FUNDS</b>	
Total funds brought forward	64,051
<b>TOTAL FUNDS CARRIED FORWARD</b>	53,308

7. STOCKS

	31.8.18 £	31.8.17 £
Stocks	412	399

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.18 £	31.8.17 £
Other creditors	5,663	5,205

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.8.18 £	31.8.17 £
Trade creditors	3,005	2,800

10. MOVEMENT IN FUNDS

	At 1.9.17 £	Net movement in funds £	At 31.8.18 £
<b>Unrestricted funds</b>			
General fund	53,308	(89)	53,219
<b>TOTAL FUNDS</b>	53,308	(89)	53,219



Notes to the Financial Statements - continued  
for the Year Ended 31 August 2018

**10. MOVEMENT IN FUNDS - continued**

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	169,796	(169,885)	(89)
<b>TOTAL FUNDS</b>	<u>169,796</u>	<u>(169,885)</u>	<u>(89)</u>

**Comparatives for movement in funds**

	At 1.9.16 £	Net movement in funds £	At 31.8.17 £
<b>Unrestricted Funds</b>			
General fund	64,051	(10,743)	53,308
<b>TOTAL FUNDS</b>	<u>64,051</u>	<u>(10,743)</u>	<u>53,308</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	164,435	(175,178)	(10,743)
<b>TOTAL FUNDS</b>	<u>164,435</u>	<u>(175,178)</u>	<u>(10,743)</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.9.16 £	Net movement in funds £	At 31.8.18 £
<b>Unrestricted funds</b>			
General fund	64,051	(10,832)	53,219
<b>TOTAL FUNDS</b>	<u>64,051</u>	<u>(10,832)</u>	<u>53,219</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2018

**10. MOVEMENT IN FUNDS - continued**

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	334,231	(345,063)	(10,832)
<b>TOTAL FUNDS</b>	<u>334,231</u>	<u>(345,063)</u>	<u>(10,832)</u>

**11. RELATED PARTY DISCLOSURES**

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.

**12. ULTIMATE CONTROLLING PARTY**

The Pre-School was under the control of the Committee Members, who are also Trustees



St Martin's Pre-School

Detailed Statement of Financial Activities  
for the Year Ended 31 August 2018

	31.8.18 £	31.8.17 £
<b>INCOME AND ENDOWMENTS</b>		
<b>Donations and legacies</b>		
Donations, gifts & forfeited deposits	7,719	7,515
Gift aid	1,341	1,119
	<hr/>	<hr/>
	9,060	8,634
<b>Other trading activities</b>		
School uniforms	1,018	1,129
Spring Fair	1,375	1,250
Sponsored Bounce	1,870	2,147
Photography	317	292
Other fundraising	1,713	1,680
	<hr/>	<hr/>
	6,293	6,498
<b>Investment income</b>		
Deposit account interest	27	60
<b>Charitable activities</b>		
Surrey EYFE & FEET fees	110,847	85,553
Other fees	27,585	35,587
Lunch club	7,042	6,837
Other income	1,397	7,000
Grants	7,545	14,266
	<hr/>	<hr/>
	154,416	149,243
<b>Total incoming resources</b>	<hr/>	<hr/>
	169,796	164,435
<b>EXPENDITURE</b>		
<b>Other trading activities</b>		
Spring Fair	268	394
Uniforms	207	929
	<hr/>	<hr/>
	475	1,323
<b>Charitable activities</b>		
Wages	126,618	129,503
Social security	3,380	4,099
Pensions	951	33
Other operating leases	14,038	13,900
Printing, stationery, IT, telephone, subs, charges	2,970	2,842
Sundries	1,999	589
Staff training	1,319	830
DBS checks	117	538
Payroll costs	1,823	840
Premises maintenance	4,141	9,107
Carried forward	157,356	162,281

This page does not form part of the statutory financial statements

St Martin's Pre-School

Detailed Statement of Financial Activities  
for the Year Ended 31 August 2018

	31.8.18	31.8.17
	£	£
<b>Charitable activities</b>		
Brought forward	157,356	162,281
Staff recruitment	1,260	2,580
Staff uniforms	-	467
Large equipment	388	60
Resources for children	4,903	4,772
Events & outings	1,870	1,622
Football coaching	1,300	600
Music lessons	544	613
	<hr/>	<hr/>
	167,621	172,995
<b>Support costs</b>		
<b>Finance</b>		
Insurance	989	1,060
<b>Governance costs</b>		
Independent examiner's fee	800	(200)
	<hr/>	<hr/>
<b>Total resources expended</b>	169,885	175,178
	<hr/>	<hr/>
<b>Net expenditure</b>	(89)	(10,743)
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