



**Chestnuts  
Pre-School**

Regd. Charity 295756

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(registered charity no 295756)

**Annual report and accounts**

**Year end 31 July 2018**

**General information**

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Registered charity number

295756

Address

32 Chestnut Avenue  
Wokingham  
Berkshire  
RG41 3RS

Trustees

Agnieszka Jouiile (Chair)  
Dervela Mcelroy (Treasurer)  
Louise Pullen (Secretary)  
Helen Eastwood  
Rebecca Corfield

## **Trustees' report**

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The Trustees are pleased to present their annual report and accounts for the year ended 31 July 2018.

### **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 13<sup>th</sup> 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 2018 the Charity made a small surplus of £536. This profit has gained through favourable mix of funded and non-funded income and fundraising together with strong cost control by the management committee of Chestnuts.

The 2018 charity's reserves are £126,139 as at 31 July 2018. 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 £89,866.46 providing a surplus of £36,272.54. Maintenance and general expenses were high in the previous years and costs are expected to increase in future years in line with the current economic conditions.

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 recent 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.

**Trustees' report (continued)**

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**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 16th October 2018.

**Approval of report**

This report was approved on 20/05/19 and signed on behalf of the Trustees by:

  
Agnieszka Jouille

Chair



## Independent examiner's report to the Trustees of Chestnuts Pre-School

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I report on the accounts of Chestnuts Pre-school for the year ended 31 July 2018.

### 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(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- 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
- to state whether particular matters have come to my attention.

### Basis of independent examiner's statement

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 seeks 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

In connection with my examination, no matter has come to my attention:

- i 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 2011 Act; and
  - to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the 2011 Act;have not been met; or
- ii to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Dahlia Ismail ACA

Date: 21 May 2019

## Principal accounting policies

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### 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

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**Income and expenditure account**

	2018 £	2017 £
<b>Operating income</b>		
Grant funding	88,952	87,549
Fees and charges	<u>31,972</u>	<u>28,645</u>
	<b>120,925</b>	<b>116,194</b>
<b>Other income</b>		
Fundraising	5,874	4,556
Donations	1,217	1,894
Interest	266	227
Indirect grant income	742	1,266
Merchandise and other income	168	<u>100</u>
	<b>8,267</b>	<b>8,043</b>
<b>Direct costs</b>		
Staff costs	106,660	103,431
Teaching equipment and consumables	2,109	1,998
Milk and refreshments	770	<u>724</u>
	<b>(109,539)</b>	<b>(106,153)</b>
<b>Overhead costs</b>		
Rent, rates and insurance	3,956	3,232
Electricity and water	2,549	2,050
Repairs and maintenance	673	2,115
Equipment, stationery and consumables	3,696	3,998
Telephone	568	581
Cleaning and refuse	3,373	2,445
Depreciation	3,346	3,481
Other	958	<u>3,328</u>
	<b>(19,118)</b>	<b>(21,230)</b>
<b>Net surplus/(loss)</b>	<u><b>536</b></u>	<u><b>(3,147)</b></u>

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**Balance sheet**

	2018 £	2017 £
<b>Fixed assets (note 1)</b>		
Buildings	17,545	20,485
Equipment	<u>1,218</u>	<u>1,624</u>
	<b>18,764</b>	<b>22,109</b>
<b>Current assets</b>		
Bank and cash balances	138,043	133,777
Accounts receivable and Prepayments	<u>2,431</u>	<u>2,034</u>
	<b>140,474</b>	<b>135,811</b>
<b>Current liabilities</b>		
Creditors	4,158	2,976
Accruals and deferred income	<u>28,942</u>	<u>29,342</u>
	<b>33,099</b>	<b>32,317</b>
<b>Net current assets</b>	<b>107,375</b>	<b>103,494</b>
<b>Net assets</b>	<b><u>126,139</u></b>	<b><u>125,603</u></b>
<b>Represented by</b>		
Accumulated funds brought forward	125,604	128,750
Surplus for the year	<u>536</u>	<u>(3,147)</u>
<b>Total funds (note 2)</b>	<b><u>126,140</u></b>	<b><u>125,604</u></b>

The annual accounts were approved by the Trustees on 21.5.19 and are signed on their behalf by: 0.00%

  
Agnieszka Jouiille (Chairperson)

  
Dervela McElroy (Treasurer)



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**Notes to the accounts**

**Note 1 - Fixed assets**

	<b>Buildings £</b>	<b>Equipment £</b>	<b>Total £</b>
<u>Cost</u>			
At 1 August 2017	58,796.86	15,297	74,094
Additions			
At 31 July 2018	<b>58,797</b>	<b>15,297</b>	<b>74,094</b>
<u>Depreciation</u>			
At 1 August 2017	38,311.57	13,673	51,984
Charge for the year	2,940	406	3,346
At 31 July 2018	<b>41,251.41</b>	<b>14,078.777</b>	<b>55,330</b>
<u>Net book amount</u>			
At 31 July 2017	20,485	1,624	22,109
At 31 July 2018	<b>17,545</b>	<b>1,218</b>	<b>18,764</b>

**Note 2 - Funds (unrestricted)**

	<b>£</b>
At 1 August 2017	125,604
Net income for the year	536
At 31 July 2018	<b>126,139</b>

**\*\***

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

**Building Rebuild**

	<b>Inflation %</b>	<b>Cost</b>	<b>Inflation</b>	<b>Rebuild</b>	
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	-3,456.40
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