



Unaudited Financial Statements

Dreghorn Pre School and Crèche
For the year ended 31 March 2023

Prepared by Accountancy Scotland Limited



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Directory

Dreghorn Pre School and Crèche For the year ended 31 March 2023

Address

25-27 Dreghorn Gardens, Edinburgh, EH13 9NW

Trustees

Sarah Stone
Sandy Towers
Mrs Pamela Davis
Mr John Barry

Principal Office-bearers

Sarah Stone
Sandy Towers
Mrs Pamela Davis
Mr John Barry

Accountants

Accountancy Scotland Limited
Chartered Management Accountants
1 Dalhousie Terrace
Edinburgh
EH10 5NE



Client Approval

Dreghorn Pre School and Crèche For the year ended 31 March 2023

In accordance with the engagement letter, I approve the financial information which comprises the Statement of Financial Activities, the Balance Sheet and the related notes.

I acknowledge my responsibility for the financial information, including the appropriateness of the applicable financial reporting framework as set out in the notes, and for providing Accountancy Scotland Limited with all information and explanations necessary for their compilation.

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Dreghorn Pre School and Crèche

21 December 2023



Accountants' Report

Dreghorn Pre School and Crèche For the year ended 31 March 2023

REPORT TO THE BOARD ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS.

In order to assist you to fulfil your duties under the Companies Act 2006 and the Office of the Scottish Charities Register, I have prepared for your approval the financial statements of Dreghorn Pre School and Crèche for the year ended 2023, which comprise the Statement of Financial Activities and Statement of Balances from the company's accounting records and from information and explanations you have given me. As a practising member of the Chartered Institute of Management Accountants, I am subject to its ethical and other professional requirements which are detailed at <http://www.cimaglobal.com/>.

This report is made solely to the Board of Dreghorn Pre School and Crèche, as a body, in accordance with the terms of my engagement letter dated 1 March 2016. My work has been undertaken solely to prepare for your approval the financial statements of Dreghorn Pre School and Crèche and state those matters that I have agreed to state to the Board, as a body, in this report in accordance with the requirements of the Chartered Institute of Management Accountants as detailed at <http://www.cimaglobal.com/>.

To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than Dreghorn Pre School and Crèche and its Board, as a body, for my work or for this report.

It is your duty to ensure that Dreghorn Pre School and Crèche has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Dreghorn Pre School and Crèche. You consider that Dreghorn Pre School and Crèche is exempt from the statutory audit requirement for the year.

I have not been instructed to carry out an audit or a review of the financial statements of Dreghorn Pre School and Crèche. For this reason, I have not verified the accuracy or completeness of the accounting records or information and explanations you have given to me and I do not, therefore, express any opinion on the statutory financial statements.

Independent Examiner's Report to the Trustees.

I report on the accounts of the charity for the year ended 31 March 2023 which are set out on pages 4 and 5.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The charity trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations do not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

The basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended). 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 the trustees concerning any such matters.

The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently, I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In the course of 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 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
 - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations have not been met,
2. or to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signature..... Date:20/12/2023. Jonathan Brigain CGMA, ACMA, CDir, CMgr.

Accountancy Scotland Limited
1 Dalhousie Terrace
Morningside
Edinburgh



EH10 5NE

Trustees Report

Dreghorn Pre School and Crèche For the year ended 31 March 2023

1. Introduction:

The Trustees present here their annual report including Financial Statements for Dreghorn Pre School and Crèche for the year ended 31 March 2023.

2. Objectives and activities:

The aim of the charity is to advance the education and social development of all children who receive their Early Years education with us and offer a nurturing care experience to all 2-year-olds, preschool, and older children primarily from the armed forces community, with the emphasis on nurture and outdoor play experience, so that they take a constructive place in the Community. The charity also aims to work in partnership to advance the education of parents/carers and other appropriate persons.

3. Achievements and performance:

Dreghorn Preschool and Crèche continue to provide excellent Early Years preschool education and crèche care within the Armed Forces Environment for both Service and civilian children. The City of Edinburgh Education department provide funds for our preschool education and Dreghorn Preschool and Crèche makes this provision free at point of delivery with no additional fees charged.

Dreghorn Preschool and Crèche has capacity for 34 children, up to 10 two-year-old children and 24 three- to five-year-old children and operates on a term time basis following the City of Edinburgh Council School session dates. The trustees are considering moving to a 50-week operation with extended hours to meet parent demand.

We continue providing all our children with healthy nutritional lunches and snacks. These are supplied by Little Lunches Ltd a fully accredited industry leader providing children's healthy food. Collaborating with parents is one of our priority items and we have been engaging in partnership with parents to build stronger relationships with communication being the key.

We have a strong focus on staff training and all staff has participated in a variety of courses. We continue to develop our forest school's activities and with our quality wet suits and jackets for all our children we have enjoyed weekly activities in the surrounding woodlands and in our superb gardens. We are incredibly grateful to the British Army who have provided us with a dedicated woodland area where we can safely enjoy outdoor forest activities.

Our extensive garden area includes a large outdoor cabin, bark paths, all weather astro turf play areas, new sand, mud play sections and wildflower meadow. Our children love playing and learning in the gardens and in the forest all year round.

In June 2023 Dreghorn Preschool & Crèche received wonderful "Very Good" grades across all four areas inspected by the Care Inspectorate. This followed a disappointing inspection in December 2022 and subsequent management reorganisation.

We are grateful to our manager and her staff team, who are all fully qualified practitioners, for all the exceptional care and education they provide to all of our children and parents which has been fully recognised by the Care Inspectorate.

4. Financial review:

Dreghorn Pre School and Crèche's principal source of income comes from the City of Edinburgh Council for preschool education which traditionally the charity has provided free of charge to 3- and 4-year-old children.

Dreghorn Pre School and Crèche has accumulated unrestricted fund reserves of £20,136.46 and bank balances amounting to £23,934.96. The reserves are in place to support the working capital of the charity and to provide a contingency fund to ensure that, in the event of closure, the charity would be able to meet its obligations including redundancy costs under employment law.

Revenue during the year under review is similar to the previous year and largely comprises funding received from City of Edinburgh Council for the provision of 1140 hours preschool education. Some exceptional non-recurring funding was received in the previous year and its absence has been offset by additional funding for an increase in the number of children attending the setting.

Expenditure has increased reflecting high inflation rates and increased staff numbers required to accommodate the increase in the number of children. Key components of our cost base including staff costs, where we follow increases in the Living wage, and food provision have increased in excess of that rate. Overall, this year has been difficult financially and we have recorded a small net deficit for the year of £11,412 compared with the previous year's deficit of £1,860.

The Trustees continue to monitor our financial position which has been adversely impacted by a



reduction in numbers from August 2023 following a disappointing inspection report in December 2022. This has resulted in a difficult financial position which the trustees are managing including realigning staff numbers to children attending. The trustees had to use some of the reserve funds during this period. The impact of the very good June 2023 inspection report and the exceptional efforts of our manager have improved the position and more healthy numbers, and a more stable financial position are predicted from January 2024.

5. Structure, governance, and management:

Dreghorn Pre School and Crèche is an unincorporated Scottish Charity with no subsidiaries. Trustees volunteer and are then elected to the board, based on their skills and experiences, no remuneration is paid to the trustees. Executive decisions are made, in line with existing policies, during regular board meetings with external advisers used as required.

6. Reference and administrative details:

Dreghorn Pre School and Crèche has been registered as a charity in Scotland (Registration number SC013346) since 12 February 1982. The address of the principal office of the charity is: 25/27 Dreghorn Gardens, Edinburgh, EH13 9NW.

The Trustees who served during the period are:

Mr Sandy Towers - Chair
Mrs Pamela Davis- Secretary
Mrs Sarah Stone
Mr John Barry

These trustees are responsible for running of the charity and are supported by Hellen Mullen the manager of Dreghorn Pre School and Creche who is responsible for the day-to-day operation. We are extremely grateful for the contribution made to the charity by Lt. Col. Lorne Campbell, Commander Edinburgh Garrison British Army, contributing enormously to the Charity's stability and development and assisting in maintaining its reputation as a high-quality provider of childcare and education.

7. Auditors:

No Audit expenditure was incurred as no Auditor was appointed, nor was any Audit work undertaken for. A unanimous resolution was passed by the company that no auditor would be appointed for the ensuing year.

8. Trustees'; Disclosures:

There was no remuneration paid to or transactions involving the trustees of Dreghorn Pre School. Little Lunches Ltd the company that supplies meals and snacks is partly owned by a family member of the Chair. The Chair is not involved, financial or otherwise, in that company and does not participate in any Trustee discussions or commitments regarding that business arrangement. For and on behalf of the Board of Trustees.

Chair of Trustees _____

Dated this:



Statement of Financial Activities

Dreghorn Pre School and Crèche For the year ended 31 March 2023

	NOTES	2023	2022
A1 Revenue (Unrestricted)			
Additional Support Funding		1,045	-
Creche - Lunch Club		1,654	958
Creche Afternoon		210	-
Creche Fees		17,751	14,205
Donations		367	-
Education funding		163,735	167,955
Interest Income		38	4
Pre School afternoon session		30	435
Pre-school non funded - lunch club		90	84
Pre-school non-funded fees		15	75
Pre-school snack		1,034	1,821
Total A1 Revenue (Unrestricted)		185,969	185,537
A3. Expenditure (Unrestricted)			
Gross trading payments			
Repairs & Maintenance		2,310	70
Total Gross trading payments		2,310	70
Payments relating directly to charitable activities			
Advertising & Marketing		299	454
Care and learning alliance		-	17
Cleaning		1,750	2,655
Consumables		-	24
Disclosure Scotland - PVG Scheme		77	231
Educational visits		1,046	212
Employer's Allowance claimed		(5,000)	(5,399)
Employers National Insurance		8,153	5,399
Equipment		6,907	33,811
Insurance		496	20
IT Software and Consumables		1,755	1,169
Pensions Costs		497	3,625
Postage, Printing & Stationery		1,114	814
Purchases Food		24,413	19,193
Staff Training		1,709	5,376
Telephone & Internet		1,447	952
Total Payments relating directly to charitable activities		44,664	68,552
Grants and donations			
Direct Wages		147,338	116,998
Total Grants and donations		147,338	116,998
Governance costs			
Agency Labour		1,173	204



	NOTES	2023	2022
Audit & Accountancy fees		1,200	1,200
Legal Expenses		360	100
Total Governance costs		2,733	1,504
Depreciation		130	159
Finance Charges		124	114
Interest Payable		82	-
Total A3.Expenditure (Unrestricted)		197,382	187,396
Net Surplus (deficit) (Unrestricted)		(11,412)	(1,860)



Balance Sheet

Dreghorn Pre School and Crèche As at 31 March 2023

	NOTES	31 MAR 2023	31 MAR 2022
Fixed Assets			
Tangible assets	2	593	724
Total Fixed Assets		593	724
Current assets			
Debtors		524	73
Cash at bank and in hand		23,935	32,142
Total Current assets		24,459	32,215
Creditors: amounts falling due within one year			
Trade creditors		1,577	210
Other creditors		3,339	1,180
Total Creditors: amounts falling due within one year		4,916	1,389
Net current assets (liabilities)		19,543	30,825
Total assets less current liabilities		20,136	31,549
Net Assets		20,136	31,549
Capital			
Capital account	3	20,136	31,549
Total Capital		20,136	31,549



Notes to the Financial Statements

Dreghorn Pre School and Crèche For the year ended 31 March 2023

1. Accounting Policies

Basis of preparing the financial statements

The financial statements have been compiled on a basis which enables profits to be calculated in accordance with generally accepted accounting practice and which provides sufficient and relevant information to enable the completion of a tax return.

Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts.

Tangible fixed assets

Depreciation is provided, at the following annual rates in order to write off each asset over its estimated useful life.

Account	Method	Rate
Computer Equipment	Diminishing Value (100%)	18%

Stocks and work in progress

Stocks and work-in-progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads. Work-in-progress is reflected in the accounts on a contract by contract basis by recording turnover and related costs as contract activity progresses.

Intangible Assets

Intangible fixed assets (including purchased goodwill and patents) are amortised at rates calculated to write off the assets on a straight-line basis over their estimated useful economic lives. Impairment of intangible assets is reviewed where circumstances indicate that the carrying value of an asset may not be fully recoverable.

Investments

Fixed asset investments are stated at cost less any provision for diminution in value.

2023 2022

2. Tangible Assets

2023 2022

3. Capital Account

Capital

Opening Balance	31,549	33,408
Current year earnings	(11,412)	(1,860)



	2023	2022
Accumulated GPF	-	(3,047)
Contingency fund	-	3,047
Total Capital	20,136	31,549
Total Capital Account	20,136	31,549



Depreciation Schedule

Dreghorn Pre School and Crèche For the year ended 31 March 2023

NAME	COST	OPENING VALUE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING VALUE
Computer Equipment						
Electronic white board	3,540	724	-	-	130	593
Total Computer Equipment	3,540	724	-	-	130	593
Total	3,540	724	-	-	130	593