



Pilton Pre-School **Treasurer's Report 2021-2022**

1. Overview

Pilton Pre-school continues to maintain a good financial position largely due to enjoying good occupancy levels as Pilton Pre-school's reputation continues to attract new families. Income this year has been significantly boosted by several successful grant applications

The Profit & Loss statement shows an increase in retained earnings of £6,450, adding to the accumulated reserves.

Fundraising figures continue to look low compared to pre-2020 levels, still affected by the lack of post-pandemic opportunities in 2021. In June 2022 however, we were able to resume our Glastonbury Festival stewarding but the proceeds of this will not be received until the beginning of the 2022 academic year.

2. Bank Accounts

The bank balances as at financial year end are shown below, together with the previous 2 years for comparison.

	31 August 2022	31 August 2021	31 August 2020
Current Account	£3,604.34	£3,892.46	£2,113
Reserve Account	£68,619.05	£62,764.59	£71,940.87

Note re: Reserve Account The last calculated reserve amount in January 2022 was £42,000. The reserves policy states that the reserve amount should ideally be reviewed every 6 months so it was due to be reviewed at the start of Autumn 2022 term.

The committee has continued to support investments for the Pre-school, reducing the reserves where possible. This year there has been a small amount spent of office improvements (new desk & chair) and gazebos for the garden purchased during the heatwave. A further £2000 was agreed to purchase a new computer for the office and £5,000 to replace the old climbing frame in the garden with new outdoor play equipment. These will be actioned as soon as possible in the new academic year.

3. Profit and Loss Statement

A detailed profit and loss statement is included as an appendix to this report.

A summary of income, expenditure and profit taken directly from the accounts in Xero, is shown below, together with the previous 2 years for comparison.

	31 August 2022	31 August 2021	31 August 2020
Income	£106,062	£92,024	£78,741
<i>of which, income from fees/EYE funding</i>	<i>£97,375</i>	<i>£87,640</i>	<i>£65,559</i>
Income from Fundraising	£508	£558	£7,850
Income from Grants	£6,698	£2,098	£750
Other revenue	£1,325	£1,560	£3,979
Operating Expenses	£99,612	£96,494	£66,171
<i>of which, staff salaries</i>	<i>£81,391</i>	<i>£75,384</i>	<i>£56,003</i>
Enrichment courses	£1,231	£549	£1,209
Net Profit/Loss	£6,450	(£4,470)	£12,300

3.1 INCOME

Fees – income is primarily derived from fees income from Early Years Entitlement and a lesser percentage from fee-paying parents. The committee once again agreed to freeze the fee rates this year to remain in-line with other local settings and remain affordable to parents. Fee income has shown a healthy increase again this year as occupancy levels continue to increase, ending the year at almost full occupancy (only 1 space remaining on 1 day). This year we received additional High Needs Funding EYE amounting to £988 which was spent on staffing (salaries).

Fundraising – this year was minimal compared to usual periods due to 2021 events being cancelled due to Covid-19 (Glastonbury Festival, Pilton Show). Fundraising this year came from Class Fundraising (Christmas card sales) and photography commission and a small amount from t-shirt sales at the Easter Trail. We were delighted to be able to run our Easter Trail this year, but in light of our still significant reserves the committee agreed that proceeds this year would go to another charity, Young Lives vs Cancer, in honour of a former pupil. We were delighted to be able to donate £757.56 to this good cause.

Grants - Pilton Pre-school received £6,698 this period in Grants, the most we have ever received. A huge £4,400 grant from the Somerset Community Foundation alongside £500 from Magic Little Grants (received at the very end of the previous accounting year) and the Co-op Community Fund meant that we were able to pay for a member of staff to receive Forest School training and for us to offer Forest School and Yoga free of charge to our families. A further £1,000 was received from the Glastonbury Solidarity Fund via the Somerset Community Foundation which was allocated to our rent expenses.

Other income - £1,105 was received from Somerset County Council for the Early Years Professional Development Programme – a fully funded national training programme focussing on speech, language and communication. This income has funded additional staff hours for 2 members of staff to undertake the training and for bank staff cover as necessary.

3.2 EXPENDITURE

Operating Expenses remained at a similar level to last year, the most significant rise being for Salaries. Salaries increase directly in proportion to occupancy levels and staff received a 6.6% pay increase in April 2022 in line with the National Minimum Wage increase. Salaries again are slightly increased due to EYPDP time (£1,161) and 1:1 staffing for children with additional High Needs Funding (£988).

Enrichment activities - We were pleased to re-introduce Forest School and Yoga this academic year following the Covid-19 restrictions of previous years. We were successful in our grant application to Somerset Community Foundation which meant we were able to offer these activities free of charge to parents. We again offered enrichment activities for the school leavers at the end of term (Zoolab, & bouncy castle) and continued to provide our regular cooking activities too.

4. Projected Future Revenue & Opportunities

As per previous years, the biggest revenue generator will be fees/EYE funding. Pre-school's occupancy levels for the 2021-2022 period were excellent – we were at full capacity for all but one session. Consistent levels of new enquiries mean that we look forward to good occupancy again next year. We have not yet re-introduced Open Days to attract new families, but hope to do so next year.

5. Projected Future Expenses and Risks

As has been obvious for some time, a large proportion of fundraising income continues to be linked to Glastonbury Festival and Pilton Party and the committee and Business Manager need to continue to source other fundraising and grant opportunities.

Annual increases to National Insurance, PAYE and pension contributions continue to affect our operating expenses year on year. The committee should be mindful of the Government's stated commitment of the National Living Wage reaching two-thirds of median earnings before the next election in 2024 – should Early Years Entitlement funding rates continue to remain at their current low level (highly likely) then this would have an impact on the setting's finances as our fees/funding income (£97,375) does not quite cover current operating expenses (£99,612) and we are reliant on fundraising/grants/reserves to cover the shortfall.

At the close of the financial year, the UK began to face general cost of living increases, in particular regarding energy prices. There is a risk that these will be passed on to the Pre-school in the form of increased rent charges.

6. Summary

Pilton Pre-school concludes this financial year yet again in a good financial position. As stated in previous years, the Early Years sector in general faces many financial challenges and it is widely acknowledged that many settings are struggling or closing. The committee should continue to seek opportunities to increase revenue (particularly grants and fundraising) to ensure ongoing financial viability and continue to carefully monitor income and expenditure throughout the year. The committee is committed to reducing the accumulated reserves in a manner which benefits the children, staff and setting for both the current and future generations.

Report presented to AGM compiled by Teresa England (Business Manager) and reviewed by Tamsin Walton (Treasurer), 20th October 2022

Appendices (1) Profit & Loss statement 1 September 2021 – 31 August 2022
 (2) Balance Sheet as of 31 August 2022

Accounts have undergone independent examination by Nicola Hooper for submission to the Charity Commission, report dated 22/10/22.

Profit and Loss

Pilton Pre-school 1 September 2021 to 31 August 2022

31 Aug 22

Income

Donations	116
Fees	19,733
Funding EYES	77,642
Fundraising	508
Grants	6,698
Interest Income	39
Other Revenue	1,325
Total Income	106,062

Gross Profit	106,062
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Less Operating Expenses

Advertising & Marketing	256
Audit & Accountancy fees	1,138
Bank Fees	12
Enrichment Courses	1,231
Fundraising Expenses	281
Grant Expenditure	297
Insurance	804
IT Software and Consumables	186
Legal Expenses	39
Ofsted	50
Pensions Costs	1,475
Postage, Freight & Courier	3
Printing & Stationery	154
Rent	3,900
Repairs & Maintenance	514
Resource consumables	3,239
Salaries	81,391
Staff Training	1,282
Staff Welfare + Travel	2,096
Subscriptions	210
Telephone & Internet	489
Waste	565
Total Operating Expenses	99,612

Net Profit	6,450
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Balance Sheet

Pilton Pre-school As at 31 August 2022

31 Aug 2022

31 Aug 2021

Assets

Bank		
Petty Cash	81	108
Pilton Preschool	3,604	3,892
Pilton Preschool Reserve a/c	68,619	62,765
Total Bank	72,305	66,765
Fixed Assets		
Computer Equipment	1,476	1,476
Office Equipment	5,422	4,951
Total Fixed Assets	6,897	6,427
Total Assets	79,202	73,192

Liabilities

Current Liabilities		
Accounts Payable	56	28
Income in Advance	420	889
Total Current Liabilities	476	918
Total Liabilities	476	918
Net Assets	78,726	72,274

Equity

Current Year Earnings	6,452	(4,470)
Retained Earnings	72,274	76,744
Total Equity	78,726	72,274