

Morley Under Fives Pre-School

Treasurer's Report

For the Year ended 31st August 2021

Financial results

The accounts for the year show that the Pre-School made a loss of £3873. This loss can be mainly attributed to the COVID 19 pandemic and the significant challenges this presented to the preschool. Reserves of the Pre-School at 31st August 2021 were £30,554.92.

Comments on the year

The coronavirus pandemic has had a significant impact on the finances of the pre-school this year. Due to the national lockdowns the preschool and out of school club were closed on a number of occasions.

As there were a number of lockdowns this resulted in the pre-school being open and then closed and then open again. This caused instability in terms of the provision we were able to offer families. Other contributing factors to the unpredictable use of our service include: the legal requirements for COVID isolation and the increase of parents working from home and not always needing the childcare they otherwise would. On occasions the committee took the decision to open despite the numbers being low and consequently not being financially viable in order to encourage a sense of reliability in terms of the childcare service we offer and not to lose business to other providers.

We were able to make use of the job retention scheme and received additional Early Years funding from the Local Authority as compensation for lost income due to the pandemic.

The numbers of children booked in were certainly lower at the beginning of this year. The numbers appear to have increased throughout the year and since returning after the last lockdown in May have picked up significantly.

The effects of the pandemic appear to be settling and the projected numbers for the coming year 2021/22 look to be very healthy.

In April 2021 the National Living Wage increased and consequently all staff wages were increased as well as increasing the preschool and out of school club fees to compensate for the additional cost of wages and general increase in other costs.

For the coming year 2021-22 we expect to have monthly management accounts and will be working towards having a yearly budget in place. Without the regular management accounts and a budget in place it has been difficult to accurately assess our financial position this year. However, the Committee, Manager and Finance Officer have all worked together to ensure that we maximise income and only spend where absolutely necessary.

Looking more closely at the accounts for this year we can see that due to the pandemic there is a significant decrease in income for paid pre-school places as well as funded pre school places. There has been a reduction in spending in a number of key areas such as rent, heat and light/ repairs, renewals and maintenance/ consumables which can be attributed to the pre-school not being open for significant periods. The resources cost is £1287 higher than

last year, however some of these resources will be linked to specific child funding, where the funding received is included in the 'general' funding pot.

In September 2021 the pre-school began making full time use of Kashflow accounting software. There has been a transition this year from the old accounting record system to using Kashflow, we have experienced minor teething problems as our Finance Officer, Treasurer and accountant fully familiarise themselves with this system and understand how it was set up. We expect this next year to be smoother and to fully make use of its features including setting up a yearly budget.

We are aware that a significant number of our children who are due to leave in July 2022 are funded. We are looking to review this situation in the new year to ensure that maximise the opportunities to fill spaces to ensure continued success and viability of the pre-school.

Developments for the future

- Ensure that monthly management accounts are available to be able to accurately assess the pre-schools financial position on a regular basis.
- Ensure we fully familiarise ourselves with the Kashflow software and use its features to support the Pre-schools accounting procedures.
- Create a yearly budget which can be used alongside the information produced by our accounting software to ensure we remain within budget. This will support the manager and committee in making decisions about spending.
- Review pre-school numbers in the new year (2022) to ensure that we maximise occupancy for September 2022.

Gemma Lawrence
Treasurer

**MORLEY UNDER FIVES PRESCHOOL
UNAUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2021**

**Morley Under Fives PreSchool
Contents of the Unaudited Accounts
For The Year Ended 31 August 2021**

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**Morley Under Fives PreSchool
Business Details
For The Year Ended 31 August 2021**

Accountants

Kerry Butcher Accountancy Services
Exchange House
Exchange Street
Attleborough
NR17 2AB

**Morley Under Fives PreSchool
Accounts Approval Statement
For The Year Ended 31 August 2021**

I approve these un-audited accounts which comprise a Profit and Loss Account, Balance Sheet and related notes.
I acknowledge my responsibility for the accounts including the provision of all the information and explanations necessary for the completion.

Date

**Morley Under Fives PreSchool
Accountant's Report
For The Year Ended 31 August 2021**

In accordance with the engagement letter dated 27 November 2019, we have prepared the accounts, which comprise the Profit and Loss account, the Balance Sheet and the related notes, from the accounting records, information and explanations provided to us.

This report is made to you in accordance with the terms of our engagement. Our work has been undertaken to enable us to prepare the accounts on your behalf and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than to you, the client, for our work or for this report.

You have approved and acknowledged your responsibility for these accounts.

We have not been instructed to complete an audit of the accounts. For this reason, we have not verified the accuracy or completeness of the accounting records, information or explanations you have provided. Therefore we do not express any opinion on the accounts.

Signed

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Kerry Butcher Accountancy Services
Exchange House
Exchange Street
Attleborough
NR17 2AB

**Morley Under Fives PreSchool
Profit and Loss Account
For The Year Ended 31 August 2021**

	2021		2020	
	£	£	£	£
Turnover				
Pre-school Income		6,608		9,978
Out of School Club Income		19,573		18,541
Funding		35,483		42,857
Fundraising Activities		490		495
School Lunches Income		670		-
		<u>62,824</u>		<u>71,871</u>
Cost of Sales				
Refreshments	1,085		777	
Resources	2,559		1,272	
School Lunch Costs	715		-	
Consumables	403		1,113	
Wages and salaries	<u>60,391</u>		<u>59,967</u>	
		<u>65,153</u>		<u>63,129</u>
GROSS PROFIT		(2,329)		8,742
Other Operating Income				
Job retention scheme income	<u>3,955</u>		<u>-</u>	
		<u>3,955</u>		<u>-</u>
		<u>1,626</u>		<u>8,742</u>
Other Income				
Interest Received		<u>31</u>		<u>152</u>
		<u>1,657</u>		<u>8,894</u>
Expenditure				
Rent Rates Heat and Light	1,766		2,473	
Premises insurance	556		222	
Repairs, renewals and maintenance	287		897	
Training	664		360	
Accountancy fees	1,721		2,340	
Memberships and Subscriptions	279		375	
Outings and Gifts	<u>101</u>		<u>120</u>	
		<u>5,374</u>		<u>6,787</u>
		(3,717)		2,107
Depreciation				
Depreciation	<u>156</u>		<u>222</u>	
		<u>156</u>		<u>222</u>
NET LOSS		<u>(3,873)</u>		<u>1,885</u>

**Morley Under Fives PreSchool
Balance Sheet
As at 31 August 2021**

		2021	2020
	Notes	£	£
FIXED ASSETS			
Tangible Assets	2	622	778
CURRENT ASSETS			
Trade debtors		-	1,386
Other Debtors and Prepayments		612	444
Cash at bank and in hand		44,759	50,627
		<u>45,371</u>	<u>52,457</u>
CURRENT LIABILITIES			
Other Taxes and Social Security		279	365
Net wages		4,789	5,146
Rent Creditor		1,425	1,900
Accruals and deferred income		450	2,901
		<u>6,943</u>	<u>10,312</u>
NET CURRENT ASSETS		<u>38,428</u>	<u>42,145</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>39,050</u>	<u>42,923</u>
NET ASSETS		<u>39,050</u>	<u>42,923</u>
CAPITAL ACCOUNT			
Balance at 1 September 2020		42,923	41,038
Profit/(Loss) for the period/year		<u>(3,873)</u>	<u>1,885</u>
Balance Carried Forward	3	<u>39,050</u>	<u>42,923</u>

**Morley Under Fives PreSchool
Notes to the Accounts
For The Year Ended 31 August 2021**

1. Accounting Policy

These unaudited accounts have been completed in accordance with UK Generally Accepted Accounting Practice guidelines and provides sufficient and relevant information to enable completion of a tax return.

2. Tangible Assets

	Computer Equipment £
Cost	
As at 1 September 2020	1,000
As at 31 August 2021	1,000
Depreciation	
As at 1 September 2020	222
Provided during the period	156
As at 31 August 2021	378
Net Book Value	
As at 31 August 2021	622
As at 1 September 2020	778

**MORLEY UNDER FIVES PRESCHOOL
UNAUDITED ACCOUNTS
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