

Treasurer's Report March 2020 – August 2021

This report covers the 18-month period from the beginning of March 2020 to the end of August 2021. We have now aligned our financial year with the academic year (as previously agreed by Playgroup Committee) so future reports will cover the period from the beginning of September to the end of August. This will allow for clearer reporting and the ability to plan financially for a full academic year rather than the financial year finishing partway through a term as it has in the past.

The whole period of this report was impacted by the COVID19 pandemic to some degree. The setting has responded very well to every challenge set. We have managed to provide an almost continuous service, looking after key worker children whenever needed throughout lock down. Playgroup remains an integral part of the community and has consolidated this position even further during this period. Local Authority funding continued during lockdown which enabled us to retain a viable economic position. The setting was staffed appropriately and flexibly throughout and the slimmed-down, more agile approach to staffing that we'd implemented in the previous period stood us in good stead this year. We utilised the Government's Furlough Scheme when appropriate but had altered our staffing arrangements sufficiently to no longer require this by September 2020.

We have retained a very cautious approach financially during this period. Uncertainty regarding income and the ability to remain open in the face of any COVID outbreak locally required this. By the end of the period we had managed to increase our reserves by almost £8,000 to ensure we had an appropriate buffer in place to manage this very high level of uncertainty. The operational uncertainty still remains to a certain degree and we believe it is appropriate to have this amount in the bank should we need to respond to unforeseen events in the current climate. In cash terms the increase to report is actually higher at just over £13,000, however £3,500 of this is either ring-fenced or accrued spend that has not yet been billed. Additionally £1,750 has been allocated to staff spend in the early part of the next period in recognition of the fact that consistent staffing levels are required at the beginning of the year despite the usual dip in attendance figures.

Our overall bank balance is currently £55,823.30 which remains commensurate with our reserves policy that we should hold between three and six months' operating expenses and leaves us in a slightly healthier position than we were at the time of the last AGM; our sincere thanks go to the whole staff team for pulling together to enable us to weather this storm and to our Committee and supporters for their generosity with time and donations.

Income

- Income for the 18-month period totalled £151,593.79. This represents an 18% overall reduction on last year's income (comparing monthly average as this report covers 18 months rather than the usual 12).
- Clearly the situation in which Playgroup has been operating this year is very different to previous years. We have relied on Local Authority funding bolstered by Government Grants from the Coronavirus Job Retention Scheme (Furlough) and Statutory Sick Pay arrangements when required. Taken as a whole, this publicly-funded income has remained similar to LA funding in the previous period. Income from parent fees has continued to drop from £40,282.89 in 2019/20 to only £34,998.21 for the whole of this 18-month period; a high percentage of our children's hours are local authority funded. This leaves us largely reliant on the fixed hourly rate payable by the LA (as opposed to the rate that we can set ourselves for non-funded children).

Nevertheless we have managed to match our expenditure to income during this period and maximised attendance where appropriate within the COVID operating rules (such as through advertising and the use of ad hoc sessions).

- The number of children in setting has remained at the relatively low level of around 13 children per session – similar to that of September 2019. Our staffing model has been altered to reflect this and the team have responded excellently to new ways of working to support the smaller setting that we have steadily become. Having an overall smaller cohort of children has worked well during pandemic restrictions and enabled the team to implement the required ‘bubble’ arrangements to extremely good effect. We invested in an indoor fence at the beginning of the pandemic with the intention of offering sessions to 18-month olds. This has not yet been appropriate in current circumstances but the equipment has been very useful in keeping our bubbles separate and ensuring all groups of children have safe access to equipment for their needs.
- As noted informally at the last AGM, we have also made changes to our operation to ensure that the setting is as economically viable as possible whilst continuing to offer good value for money to parents. For example, we have reduced our out-of-school offering to 3 days a week from 8am to 5pm as this was operating at a loss and parents’ needs could be met with the reduced offering. Similarly parents have welcomed the change to our standard afternoon sessions so that they now finish at 4pm. This ensured that children attending on an afternoon had the same amount of time and opportunity for playing and learning as those attending a morning, helped parents who required a slightly longer session and made afternoon sessions more financially viable.
- We were pleased to receive a slight increase in our funding from NCC in the Summer Term 2020. The hourly rate for funded 3 and 4 year-olds increased from £4.17 per hour to £4.35, with funded 2 year-olds increasing from £5.23 to £5.31. The funding for 2 year-olds increased again in 2021 taking the hourly rate to £5.39. Unfortunately, the funding for 3 and 4 year olds reduced slightly to £4.31 at this time (a loss in the temporary increase from 2020 caused this despite a small increase to the long term rate). These small changes are very important to the setting as so many of our children are funded by the Local Authority. Overall the changes have not reflected the increase in the cost of goods and services or indeed the changes to the national living wage over the same time period.
- Playgroup Committee also made the decision to increase the hourly fee payable by parents for unfunded hours. In September 2020 this was raised from £4.70 per hour to £4.95. We believe that this continues to represent very good value to parents/carers. In taking this decision the Committee gave consideration to the overall public benefit provided – setting the services that Playgroup offers against the ability of parents/carers to pay for those services. This also remains in line with other local providers. For completeness it should be noted that no further increase was made in September 2021. Despite the ongoing rising costs of operation it was felt that the charge of £4.95 per hour remained appropriate in the current circumstances.

Grants, Donations and Fundraising

- As noted above, we utilised government grant funding this year to fund a small part of our staff during the period of lockdown. In total receiving £7,221.20. In addition we were awarded a

grant from the Co-Op Local Community Fund in Spring 2020 totalling £2,897 – this is noted against the ‘Donations’ line in the profit and loss report to distinguish this from Government grants this year. This has been used to purchase outdoor storage cupboards and outdoor play and learning equipment which has proven invaluable in this period when the emphasis on outdoor activities and fresh air has been greater than ever. We spent half of this grant during the period of this report and have plans for the rest to further enhance the outdoor setting.

- We were also incredibly grateful to Sandi Macleod for very generously donating the £1,300 proceeds from her lockdown doorstep family portrait project to Playgroup. This significant donation has meant that the children were able to benefit from beautiful art and crafts materials at a time that would otherwise have seen us take a more basic approach. We also purchased a Christmas book for every Playgroup child in 2020 with this money and our lovely twinkly festive lights that have delighted the children and given some festive cheer to the setting. A play castle has also been bought with this money and we have approximately £400 remaining for next year to buy more indoor play equipment when the time is right.
- Our ability to fundraise has been dramatically impacted by the pandemic. During 2020 our usual fundraising streams were largely unavailable with ladies’ night, carnival, afternoon tea, fireworks all unable to go ahead. These events usually raise around £2,500 for Playgroup over a year. Nevertheless the Committee has tried very hard to come up with smaller-scale fundraising ideas and have succeeded in raising over £1,000 in this 18-month period. This came from quizzes, a lovely Easter trail that also helped entertain the children in Radcliffe (prizes kindly donated by Little Acorn Designs and Logo me Up), a sunflower growing competition (prize for the winner once again kindly donated by Doodle Art) and a teddy tombola run by staff and committee at the village safari sale.
- We also received a generous donation of £270 from the Bootcamp group that meets in the village. This was a lovely surprise and very much appreciated during this difficult year.

Expenditure

- Overall expenditure has reduced significantly over this period. In both 2018/19 and 2019/20 our expenditure was around £144,000 but in the **18-month** period to August 2021 it has reduced to £138,520.65. Clearly this was impacted to some extent by the closures and part-closures required during periods of lockdown. However it also reflects a continuation of the tighter controls that we implemented in 2019/20 in order to be more cautious all round with our spending. We remain conscious that may be more challenges ahead but have shaped our approach to ensure that we are in the best position possible to deal with them.

Staff Expenditure

- The staff and leadership team at Playgroup remain our biggest asset. They have responded superbly to the challenges thrown at them over the past 2 years and taken in their stride all required changes to the ways of working. We have streamlined our shift patterns and working hours across the team to ensure that we are operating in a lean and economical fashion whilst always maintaining the care and attention that children and parents/carers have come to expect from Playgroup. In addition the setting has benefitted from our Supervisor, June, spending more

of her time in ratio in Playgroup and fitting her managerial workload around that; we remain very grateful for June's flexibility in this regard.

- As planned in last year's report spend on staffing was reduced this period thanks to the above measures. We spent £115,630.27 on staffing (including pension, tax, NI and training) this year, a reduction of over 30% on the previous period (again, comparing the average monthly spend). This reflects the new staffing model implemented last year which has continued to good effect during this period. We have also successfully incorporated an increase in wages in line with national living wage requirements and associated managerial uplift. The planned increase in this area scheduled for April 2022 does give us some cause for concern in terms of funding. Depending on the approach taken this is likely to have an annual impact of between £2k and £4k which is significant for our overall budget. This issue will be considered again by Committee later in the year.
- As noted above, we have been able to utilise the Government Coronavirus Job Retention Scheme ('furlough') for some of our staff during the lockdown period in 2020 which has enabled us to retain the majority of our valued team. Sadly some roles were made redundant but we were able to make this process largely voluntary and the resulting financial impact has enabled us to remain viable.
- We remain committed to training our team to a high standard. Most recent training has by necessity been online or led by June in-setting. In addition, team members have all renewed their Health and Safety qualifications this year and completed targeted online courses where required. There are plans for whole-team training on the next Inset day in February 2022 and provisions have been made in the budget for this.
- We have purchased new uniform for the Playgroup team this year as the previous uniform was worn and in need of replacement. We obtained a good deal from a local supplier and the whole team have been kitted out for less than £500 which we envisage should last for some time – and looks great.

Non-Staff Expenditure

- Non-staff expenditure has remained well controlled this year. Our overall spend was £22,890.38 for the 18-month period which is a significant reduction on previous years. This includes a number of essential but fairly significant items as follows:
 - Just over £500 was spend on upgrading our air-conditioning/heating units which are now guaranteed for 2 years.
 - The indoor fence required for sectioning off parts of the setting to keep 'bubbles' separate costing £240.
 - Over £600 on various items of PPE for staff (this is reflected in both the 'sundries' and 'food and household' lines in the report depending on the item purchased)
 - Almost £2,300 of spend was funded by the ring-fenced donations from Sandi McLeod and the Co-Operative Grant; without this funding these purchases would not have been made.

- There is some activity noted under 'Referred or Refunded Fees' due to the nature of lockdown periods this year. The relatively low level of this (less than £400) is good news and testament to the flexibility that Playgroup offered parents this year. Spend on utilities (electricity and water) is not insignificant at almost £5,700 for the period but this is broadly in line with previous years. We are keeping this under review and always seek the best deal available for the setting. We had accrued spend this period for our water bill which is sent to us from the Infant School as we share their infrastructure. The bill has now been received and we had accrued sufficient to cover this slightly unknown quantity which is good news.

Conclusion and Future Planning

- As we noted in last year's report, we are living with the reality of reduced numbers of children on roll for the foreseeable future – and therefore the new ways of streamlined working will continue to be important in the next financial year and beyond. However we are ever mindful of the pressures that this may put on the leadership team and staff and the Committee will continue to work closely with the Playgroup Team to ensure that the necessary support is in place. Similarly, as the Covid Pandemic continues we will be there to support the setting to ensure it is able to continue operating and supporting families within whatever guidelines are necessary.
- The budget for FY 2021/22 is in place and is achievable; we should be able to break-even but it once again remains unlikely that this year will put us in a position to re-invest significantly in our sink fund. We hope to be able to reinvigorate our fundraising activities and, at the time of writing this report (December 2021), it is pleasing to note that both Ladies' Night and the Fireworks event have gone ahead with great success.
- We do not have plans for any items of significant expenditure in these uncertain times and hope that we are now entering a period of consolidation following a number of significant changes in recent years (for example, our change of location, the new funding regime, offering extended hours etc etc). Our focus this year will be on our core values and safely providing services to the children, parents and carers in our community. Where we can tweak or supplement this offering (for example by accepting children aged 18 months into our setting) we will do so at the appropriate time. And where working with others is most appropriate (for example by working with the local school for the provision of holiday care) that will be the route we take.

Radcliffe on Trent Pre-School Playgroup

Financial Activities

29 February 2020 - 31 August 2021

Bank balance as at 29 February 2020 £42,750.16

Income

Grants	7,221.20
Donations	4,490.77
Fundraising	1,048.80
Miscellaneous	0.01
NCC Government Funding	103,761.70
Parent Fees	34,998.21
Refunds	73.10
Total Income	£ 151,593.79

Expenses

Activities & Materials	1,014.90
Administration	2,129.94
Advertising	152.88
Annual Fixed Costs	3,052.80
Building Repairs/Maintenance	564.86
Contractor Fees	1,777.92
DBS & Update Service	164.10
Equipment Purchases & Repairs	1,013.17
Food & Household	3,253.43
Grant Spending	1,396.82
Insurance	1,788.31
Other Expenditures	155.00
Purchases (PPE)	371.19
Referred or Refunded Fees	373.77
Services (Utilities)	5,680.19
Staff	
DWP	198.56
Pension Payment	3,036.15
Tax & NI	5,631.53
Training	509.75
Uniform	459.67
Wages	105,794.61
Total Staff	£ 115,630.27
Uncategorised Expense	1.10
Total Expenses	£ 138,520.65
Net Income/Expenditure	£ 13,073.14

Bank balance as at 31 August 2021 £55,823.30



Section A

Independent Examiner's Report

**Report to the trustees/
members of**

Charity Name
Radcliffe on Trent Pre-school Playgroup

**On accounts for the year
ended**

18 month period 29 February 2020 to
31 August 2021

**Charity no
(if any)** 1041665

Set out on pages

3

(remember to include the page numbers of additional sheets)

I report to the trustees on my examination of the accounts of the above charity ("the Trust") for the year ended

**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 2011 Act and in carrying out my examination, I have followed the 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 (other than that disclosed below *) in connection with the examination which gives me cause to believe that in, any material respect:

- accounting records were not kept in accordance with section 130 of the Act or
- the accounts do not accord with the accounting records

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in order to enable a proper understanding of the accounts to be reached.

** Please delete the words in the brackets if they do not apply.*

Signed:

Date:

30/5/22

Name:

SIMON DRAYCAN

**Relevant professional
qualification(s) or body
(if any):**

FCCA

Address:

110 BINGHAM ROAD
RADCLIFFE ON TRENT
NG12 2GT

Only complete if the examiner needs to highlight matters of concern (see CC32, Independent examination of charity accounts: directions and guidance for examiners).

Give here brief details of any items that the examiner wishes to disclose.

Radcliffe on Trent Pre-School Playgroup

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