

STEPS Community Nursery (High Green)

(Registered charity number 1097620)

(Company limited by guarantee. Registered Number 04334254)

FINANCIAL STATEMENTS

for the year ended 31 August 2021

Contents	Page
Legal and administrative information	2
Trustees' report	3-6
Examiner's report	7
Statement of financial activities	8
Balance sheet	9
Notes to the accounts	10-11

STEPS Community Nursery (High Green)

Legal and administrative information

Directors

Julie Bullman
Rachel King
Sarah Tyler

Trustees

Alice Bartlett Appointed 12 November 2020

Company Secretary

Lorraine Hague

Registered Charity number

1097620

Company Ltd by Guarantee number

04334254

Principal address

The Campus
Pack Horse Lane
High Green
Sheffield
S35 3HY

Reporting Accountant

White Rose Accounting for Charities
The Ghyll
Threapland
Aspatria
CA7 2EL

Banks

HSBC
49 - 63 Fargate
Sheffield
S1 2HD

Nationwide Building Society
Kings Park Road
Moulton Park
Northampton NN3 6NW

STEPS Community Nursery (High Green)

Trustee report

The Trustees present their annual report and financial statements for the year ended 31 August 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards for Smaller Entities.

Structure, governance and management

The Charitable Company is governed by the Memorandum and Articles of Association incorporated 4 December 2001, as amended by special resolution dated 25 March 2003 and certificate of change of name date 11 April 2003 and was entered on the Register of Charities effective 21 May 2003.

The company has no share capital. The guarantee of each member is limited to £1.

STEPS is managed by a voluntary management committee and day to day running of the charity is undertaken by the appointed Nursery Manager who manages a team of paid staff.

New Trustees are recruited by invitation and or application. They are representative of the community, (either geographical or of interest). A full induction must be undertaken by all new trustees and a skills analysis completed.

The Trustees meet at regular intervals during the year and are responsible for the strategic direction and policy of the charity.

The trustees who served during the year are listed on page 2 on the report.

Objective and Activities

The objects of Steps Community Nursery are:-

To enhance the development and education of children under statutory school age by encouraging parents to understand and provide for the needs of their children through community groups.

Public benefit statement

The trustees of Steps Community Nursery (High Green) give due consideration to the Charity Commission public benefit guidance, when carrying out activities to meet its aims.

Our beneficiaries are pre-school children and their families. The activities this year continued to meet the aim to enhance the development and education of children of or below statutory school age by encouraging parents to understand and provide for the needs of their children through community groups.

Trustee report

Achievements and performance

FOREWARD

Wow what a year it has been! With the ongoing challenges related to COVID-19, which have affected many of us, I would like to thank everyone, our children and families for supporting us and adapting to the changes needed over this period. Even the Trustee board had to meet over Zoom, so we were still able to hear about the latest news from the nursery, although it's not quite the same as being there in person!

This past year, we welcomed new Trustee, Alice to the board and we continue to encourage other parents and carers to join us.

I am particularly proud of what the nursery continues to achieve around the excellent support for children and their families around special educational needs and disabilities, delivering outstanding child development and supporting your children into their next stage to be school ready.

On behalf of the Trustee board, I would like to thank all of the staff who have yet again, done an exceptional job in their respective roles to make the magic happen at Steps!

We are proud that most of our families come to us following a personal recommendation – and of course we are still beaming to have been rated 'Outstanding' by Ofsted in April 2019.

Sarah Tyler (Director)

ANNUAL REPORT

In September 2020 we were pleased to be able to welcome more children back to nursery although numbers were lower than before Covid -19 hit. Because of this we sadly had to make two part-time staff redundant during the summer.

We struggled with having to keep groups of staff & children in separate bubbles, but staff needed to start taking their annual leave as no one had been anywhere due to lockdowns. It was very difficult to cover staff absences. However, we were very lucky not to have any positive cases in nursery for *almost* a year, until March 2021. We then had to close two rooms for just over a week when three members of staff and one child tested positive. It was a bit of a blow but we haven't had any further cases since then.

The country had several more lockdowns of varying degrees, but nurseries continued to work throughout, providing a very important service for our children. I have nothing but admiration for our staff team, who kept going, supporting each other and supporting children and families. They have been stoic.

The endless risk assessments, hand washing, sanitising, surface cleaning, social distancing and wearing of face coverings in corridors, all became a part of daily life. Although we longed for the good old days, we got on with our jobs.

We were unable to hold a nativity and coffee morning but the children learnt their Christmas songs, dressed up, and we filmed them for parents & grandparents to see. The parties were held in individual rooms.

We were able to raise money through the children's Christmas card designs, and we also held a remote hamper raffle. A big thank you to the parents who donated items for the hamper, and other prizes.

Restrictions and less customers obviously meant loss of income, but when more children returned to nursery and we were able to admit new children, we started to see the effects of the fees increase from April 2020. Whilst staffing costs had been reduced, other costs such as cleaning & hygiene supplies were increasing substantially. We were grateful for the continued temporary reduction in business rates, and for the additional Covid grant from Sheffield City Council.

STEPS Community Nursery (High Green)

Trustee report

April 2021 saw a 2.2% increase in the National Minimum Wage, and the age lowered from 25 to 23 years. As the hourly funding rate for Funded Early Learning is not increasing at the same rate, we again had to increase fees for paying parents. We are however finding that very few families of 3 & 4 year olds are paying for additional hours, only using their funded hours between 9am & 3pm.

We really need to continue widening the pay gap between the unqualified, inexperienced staff, and our hugely experienced, knowledgeable nursery practitioners. Following a good start to 2021, where our income improved; I was able to conduct a salary review and make a further small increase towards the end of the financial year.

We have struggled to recruit this year for three roles, with very few applications of a poor standard, and with little relevant experience. However our sector is not alone in suffering recruitment problems.

This year's AGM was held via Zoom which caused us quite a few logging-on issues! I gave a short PowerPoint presentation covering the main points of the 2019 to 2020 Financial Statements, and we were able to have a general update discussion following completion of the statutory requirements.

Again, no parents attended, other than those who are trustees.

In August of this year we suffered a bad flood in our Red & Blue rooms, and the corridor, due to a burst pipe under the sink! The carpets and a lot of furniture and equipment had to be disposed of. The children in attendance through the summer holiday had to be moved to another room down the corridor. Thankfully our insurance company were very good and arranged for a specialist team to dry the rooms out.

Following a lot of very hard work by the staff, and the help and co-operation of HGDT, we were able to have new carpets fitted and re-open the rooms in time for the start of the Autumn term.

We also received financial reimbursement within a few weeks and we have been able to order new pieces of furniture and equipment.

There have been quite a few changes of staff in the centre this year and HGDT has a new CEO, building Manager, and Community Engagement Manager. We hope to continue to work closely with the team to progress our move downstairs to a more suitable part of the building.

Lorraine Hague

September 2021

Financial review

Income for the year is shown at £316,747 (2020: £300,537) and this is split between 46% grant funding and 54% self generated income.

Expenditure is shown at £311,149 (2020: £304,350) with a year end carried forward of unrestricted funds balance of £142,840 (2020: £137,243)

Trustee report

Reserves Policy

The Company aims to hold unrestricted reserves to the value of three months running costs, based upon the expenditure in 2020/21 this would be in the region of £78,000. As at 31 August 2021 unrestricted funds stand at £62,840

Additionally we are holding designated funds to the value of £80,000 these are protected funds to cover £74,000 of any future redundancy costs and an additional £6,000 to replace essential equipment. These figures will be reviewed annually.

Trustees responsibilities for the financial statements

Company and charity law requires the trustees to prepare financial statements for each financial period which show the state of affairs of the charity and of net income or expenditure of the charity for that period. In preparing those financial statements, the Trustees are required to:

- ☐ select suitable accounting policies and apply them consistently;
- ☐ make judgements and estimates that are reasonable and prudent.
- ☐ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.
- ☐ state whether applicable accounting standards of recommended practice have been followed subject to any departures disclosed and explained in the financial statements.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable the Trustees to prepare financial statements. The Trustees are responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention of fraud and other irregularities.

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

This report was approved by the Trustees on 16.5.22 and is signed on their behalf by:



Lorraine Hague
Company Secretary

STEPS Community Nursery (High Green)

Independent Examiner's report on the Accounts of STEPS Community Nursery (High Green) for the year ended 31 August 2021

I report on the accounts of the company for the year ended 31 August 2021, which are set out on pages 8 to 11.

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 report

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 seeking 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:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed: _____

Paul Simpson ACA
White Rose Accounting for Charities
The Ghyll
Threapland
Aspatia
CA7 2EL

Date: _____

17/5/2022

STEPS Community Nursery (High Green)

Statement of financial activities for the year ended 31 August 2021

	Notes	Unrestricted funds	Restricted funds	Total 2021	Total 2020
		£	£	£	£
Incoming resources	1				
Grants	2	2,700	144,109	146,809	171,747
Fees		163,285	-	163,285	125,363
Fundraising		2,458	-	2,458	1,099
Additional charges		-	-	-	93
Milk		1,035	-	1,035	1,208
Sundry income & donations		2,884	-	2,884	312
Bank interest		276	-	276	715
Total incoming resources		172,638	144,109	316,747	300,537
Resources expended					
Staff	3	121,519	143,353	264,872	259,541
Training		-	756	756	456
Travel		16	-	16	129
Accommodation		34,722	-	34,722	34,633
Refurbishment, repairs and maintenance		-	-	-	-
Equipment, books and software		538	-	538	1,223
Play materials		1,762	-	1,762	284
Fundraising expenses		-	-	-	564
Cleaning & hygiene		1,733	-	1,733	1,810
Milk and refreshments		3,188	-	3,188	2,157
Subscription & insurance		2,122	-	2,122	1,742
Administration and office costs		443	-	443	207
Telephone		332	-	332	353
DBS checks		95	-	95	-
Activities & events		70	-	70	157
Nappy Unit		-	-	-	349
Independent examination		500	-	500	550
Advertising and recruitment		-	-	-	70
Other Expenses		-	-	-	126
Total resources expended		167,040	144,109	311,149	304,350
Net incoming/(outgoing)resources		5,598	-	5,598	(3,814)
Fund balances brought forward		137,243	-	137,243	141,058
Fund balances carried forward	7	142,840	-	142,840	137,243

STEPS Community Nursery (High Green)

Balance Sheet as at 31 August 2021

Company Number: 04334254		2021	2020
	Notes	£	£
Current assets			
Debtors	4	307	4,933
Prepayments	5	945	942
Balance at bank and cash in hand		167,719	163,297
Total current assets		168,971	169,172
Creditors: amounts falling due within one year	6	(26,131)	(31,929)
Net current assets/(liabilities)		142,840	137,243
Total assets less current liabilities		142,840	137,243
Net assets		142,840	137,243
Represented by			
Unrestricted general fund		62,840	51,433
Designated funds		80,000	85,810
		142,840	137,243

For the year ending 31 August 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities;

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

This report was approved by the Trustees on 16.5.22 and is signed on their behalf by:

Sarah Tyler
Trustee



Notes to the accounts**for the year ended 31 August 2021****1 Accounting policies:-****(a) Basis of preparation**

The Financial Statements have been prepared in accordance with the Companies Act 2006, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS102 (effective from January 2015 and updated with effect from January 2016) - (the Charities SORP (FRS102)), as modified for smaller charities.

The Charity meets the definition of a public benefit entity as defined under FRS102.

(b) Accounting for income

Donations and sundry income are accounted for on receipts basis. Grant income and fee income are accounted for on an accruals basis, insofar as it is prudent to do so.

(c) Accounting for purchases with an expected life of more than one year

It has been considered prudent to write off the costs of such items in the year of purchase

2 Grants

Grants received during the year were:-

	Unrestricted £	Restricted £	Total £
Sheffield City Council - Nursery Education Funding	-	128,850	128,850
SCC Special Needs	-	12,517	12,517
SCC - Covid Business Grant	2,700	-	2,700
SCC - Training	-	2,000	2,000
HMRC Coronavirus Job Retention Scheme	-	742	742
	<u>2,700</u>	<u>144,109</u>	<u>146,809</u>

3 Staff numbers and costs:-

	£
Wages and salaries	243,627
Employers National Insurance	12,204
Pension	8,278
Payroll costs	763
	<u>264,872</u>

The average number of employees during the year was 22, all of whom were engaged in activities in furtherance of the objects of the charity.

No employees received emoluments in excess of £50,000 per year

Trustees are not remunerated. No trustees received reimbursement of out-of-pocket expenses.

STEPS Community Nursery (High Green)

Notes to the accounts (continued) for the year ended 31 August 2021

4 Debtors:-

These refer to monies being due to the charity at the year end.

They are in respect of:-

	2021	2020
	£	£
Fees	307	1,394
HMRC Coronavirus Job Retention Scheme	-	3,539
	<u>307</u>	<u>4,933</u>

5 Prepayments:-

These are services and expenses that have been paid for in advance but not used during the accounting period. They are in respect of:

	2021	2020
	£	£
Insurance	945	942
	<u>945</u>	<u>926</u>

6 Creditors and accruals

These are expenses owed by the group but not paid during the accounting period. They are in respect of:

	2021	2020
	£	£
Fees in advance	7,430	5,509
Grant in advance	18,201	25,870
Independent examination	500	550
	<u>26,131</u>	<u>31,929</u>

7 Restricted funds

	Opening balance 01/09/20 £	Incoming resource s £	Outgoing resources £	Closing balance 31/08/21 £
Sheffield City Council - Nursery Education Funding	-	128,850	(128,850)	-
SCC Special Needs	-	12,517	(12,517)	-
SCC - Training		2,000	(2,000)	
HMRC Coronavirus Job Retention Scheme		742	(742)	
	<u>-</u>	<u>144,109</u>	<u>(144,109)</u>	<u>-</u>

Notes to the accounts (continued)
for the year ended 31 August 2021

4	Debtors:- These refer to monies being due to the charity at the year end. They are in respect of:-	2021	2020
		£	£
5	Prepayments:- These are services and expenses that have been paid for in advance but not used during the accounting period. They are in respect of:-	2021	2020
		£	£
6	Creditors and accounts:- These are expenses owed by the group but not paid during the accounting period. They are in respect of:-	2021	2020
		£	£
7	Fixed Asset Funds	2021	2020
		£	£
	Independent welfare group	2021	2020
		£	£
	Grant in advance	2021	2020
		£	£
	Fees in advance	2021	2020
		£	£
	HillRC Coronavirus Job Retention Scheme	2021	2020
		£	£
	SOC - Training	2021	2020
		£	£
	SOC Social Needs	2021	2020
		£	£
	Sheffield City Council - Nursery Education Fund	2021	2020
		£	£
	Opening balance	2021	2020
		£	£
	Incoming resources	2021	2020
		£	£
	Outgoing resources	2021	2020
		£	£
	Closing balance	2021	2020
		£	£