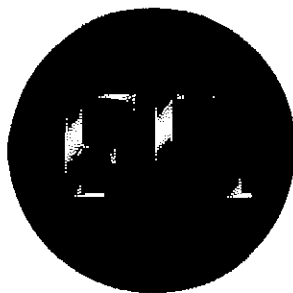


Steps Community Nursery (High Green)
(A company limited by guarantee)

**Financial Statements for the year
ending 31 August 2023**

Charity number: 1097620

Company number: 04334254



Steps Community Nursery (High Green)
Contents of the financial statements

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Steps Community Nursery (High Green)
Legal and administrative details

Registered Charity number 1097620

Registered company number 4334254
company limited by guarantee

Directors (Trustees): Julie Bullman
Sarah Tyler
Lauren Sanderson
Alice Bartlett - appointed 12 November 2020
Jane Simpson - appointed 19 June 2023

Company Secretary Lorraine Hague

Registered office The Campus
Pack Horse Lane
High Green
Sheffield
S35 3HY

Bankers	HSBC	Nationwide Building Society
	49-63 Fargate	Kings Park Road
	Sheffield	Moulton Park
	S1 2HD	Northampton
		NN3 6NW

Independent examiner F Hazlehurst FMAAT
FH Accountancy Services
Anston
Sheffield
S25 4JU

Steps Community Nursery (High Green)
Directors` report (incorporating the Trustees` annual report)
for the year ending 31 August 2023

The trustees and directors present their report with the financial statements of the charity for the year ended 31 August 2023.

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.

Appointment of Trustees

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 strategic direction and policy of the charity.

Objectives 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.

Steps Community Nursery (High Green)
Directors` report (incorporating the Trustees` annual report) continued
for the year ending 31 August 2023

Achievements and performance

The last year has been one of highs & lows, but we are all really pleased to have achieved our aim of moving downstairs – at last! The move in August was a great way to celebrate our 25th year at The Campus.

Everything is gradually returning to the normal we knew before the pandemic, apart from some meetings and training sessions still being online.

A new space became available in The Campus in November 2022 and in January we set about trying to obtain quotes for the work that needed doing to make the move into a bigger space; mainly new children's toilets, a kitchen, and an additional fire door. The trustees had agreed to spend around £30,000 from the reserves we have built up over the last 20+ years, without touching the redundancy reserve pot. We have waited so long to move to a much better area.

We had hoped to move at the end of May but we seemed to take one step forwards and three back, whilst trying to appoint contractors and fulfil all the health & safety requirements. The staff worked really hard to prepare the new area, including painting & cleaning, and we were also very grateful for help from parents, family members, and trustees. It took us three weeks to move everything downstairs but we were determined to give those children who were leaving to go to school, a couple of weeks in the new area. A huge thank you to the whole of the staff team for their hard work, we were all shattered!

In September 2022 following the sad news of the death of HM Queen Elizabeth, we closed on the day of her funeral as a mark of respect.

In December the children were able to join together for the Christmas party, and for the first time in three years the older children performed a traditional nativity for parents, in the Studio. We held our annual Christmas Hamper Raffle and the children again designed Christmas cards for their families to buy, raising a little more money to buy resources & equipment. In May we held a sponsored bounce and raised over £2,000, a fantastic amount and a great help towards purchasing extras for our new area.

In January we received a visit from Kevin Straughan, Director of Education & Skills, and a big advocate for Early Years. We took the opportunity to inform him of all our good work and our long-standing wish to move downstairs, as well as the issues around limited funding. HGDT's CEO joined us to chat about The Campus and its future. Kevin asked us to keep him informed of developments.

In March 2023 the government announced Funded Early Learning hours for 2 year olds from April 2024, and under 2's from the following September. The next few days saw a rise in enquiries, although we await the finer details of the scheme.

Steps Community Nursery (High Green)
Directors` report (incorporating the Trustees` annual report) continued
for the year ending 31 August 2023

Activities and performance continued

In April 2023 the National Minimum Wage (NMW) increased by 9.7% (92p an hour), meaning we had to find over £24,000 additional income! We had no choice but to increase fees by a similar percentage.

We have tried over the years to widen the gap between those staff on NMW and our qualified, experienced staff, however this is becoming increasingly difficult to achieve.

Our staffing has remained steady over the last year with a new lunch assistant joining the team, but we are still not having any luck employing a cleaner. We also welcomed a new trustee to the board, who has extensive HR experience.

Following a very generous donation from one of our past families, we finally signed up to Family in June – ‘A digital platform for early educators and families to collaborate, share the workload, and nurture children together’.

It enables us to send messages, invoices, observations and photographs directly to parents. We’re all still getting used to it but the parents love it, and it’s much easier and less time-consuming for staff to record children’s development.

For almost a year, HMRC have been conducting an investigation into how our staff salaries were paid. We were told that our staff have to be classed as ‘measured workers’ and we couldn’t pay them an equal amount each month, but have to pay for all the hours worked in a calendar month.

It has been an extremely stressful and upsetting time, and the staff were not happy with the changes to pay dates, and not knowing exactly how much they would be getting paid each month.

In March we had to pay several members of staff an additional lump sum, as well as a fine to HMRC. Despite trying to do the right thing during Covid, and continuing to pay staff a proportion of their salaries when they weren’t working, we were being hit again financially. It was a huge blow to us, making a big hole in our vital funds. In light of this, the trustees decided to appoint a new payroll provider and accountant, to take effect from September

Now we are finally downstairs we enter a new chapter. I will be retiring in March 2024 after 26 years managing the nursery at The Campus, and 4 years prior to that volunteering when we were a playgroup at the local church hall.

I wish the whole team all the very best for the future, and thank them for their hard work and dedication in making this nursery the success it is. Without the fabulous staff we would not be able to offer so many children a good start in life, and support families with the challenges that life throws at them. I am proud that we have made a BIG difference, and the lovely comments we receive from families are testament to this.

Lorraine Hague
Nursery Manager

Steps Community Nursery (High Green)
Directors' report (incorporating the Trustees' annual report) continued
for the year ending 31 August 2023

Chair's Report

The ongoing challenges around funding were exacerbated this year by the impact of a HMRC fine. The impact on us a small charity was huge and had both a financial and mental toll.

Despite these challenges, the staff team have continued to impress and make the big move happen on top of the day job. The new nursery looks fantastic and it gives us more flexibility and a bright new space for the children to enjoy and thrive in.

In addition to delivering the ambition for a better space, myself and the trustees have been planning for the future, and strengthening the board. As a result, we appointed a new trustee, specifically to advise on HR. Jane brings a wealth of expertise to our board in this area. We were not successful in recruiting an additional trustee with finance experience, but are looking at further options to pursue next year, as well as a further drive to encourage new parent trustees to ensure our continued governance sustainability.

I would like to take this opportunity to thank Lorraine for all the hard work, passion and commitment she has given the nursery over nearly three decades! Too many highlights, but I wanted to particularly flag the fantastic achievement of leading the team to achieve the 'outstanding' rating from Ofsted in 2019, which we are all very proud of. Lorraine will be missed by all, and myself and the trustees wish Lorraine a very happy retirement.

Finally, I would like to thank all of the staff and trustees for all their continued hard work. It was amazing to see all the positive comments from the parents of this year's leavers, with children moving on to their next chapter having had the best experience at Steps Community Nursery.

Sarah Tyler
Chair of the Board of Trustees

Future Plans

Plans for the immediate future are to appoint for the new management team, and for them to settle into their new roles.

Steps Community Nursery (High Green)
Directors' report (incorporating the Trustees' annual report) continued
for the year ending 31 August 2023

Financial Review

Income received during the year is £369,847 (2022: £322,649) and this is split between 51% grant funding and 49% self generated income.

Expenditure is shown at £370,906 (2022: £321,653) with a year end carried forward of unrestricted funds of £143,835 (2022: £143,835). This is made up of £50,776 general funds and £92,000 designated funds.

Reserves Policy

The Charitable Company aims to hold unrestricted reserves to the value of three months running costs, based upon the expenditure in the 2022/23 this would be in the region of £92,726. As at 31 August 2023 unrestricted general funds stand at £50,776 (2022: £51,835). The trustees are aware that they need to build their general funds and aim to do so over the next few years.

Additionally we are holding designated funds to the value of £92,000 (2022: £92,000) these are protected funds to cover £86,000 of any future redundancy costs and an additional £6,000 to replace essential equipment. These figures will be reviewed annually.

Steps Community Nursery (High Green)
Directors' report (incorporating the Trustees' annual report) continued
for the year ending 31 August 2023

Trustees' responsibilities for the financial statement

The trustees (who are also directors for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally

Accepted Accounting Practice). Company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company at the end of the year and of the surplus or deficiency for the year then ended.

In preparing those financial statements, the trustees are required to:

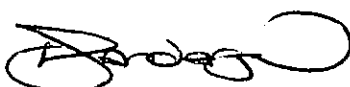
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2019 (FRS102)
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Small company provisions:

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

The trustees declare that they have approved the trustees' annual report and are signed on their behalf by:

Signed 

Print Name: LAUREN SANDERSON
Position: Trustee

Date: 4.12.2023

**Independent examiners report to the trustees of
Steps Community Nursery (High Green) Charitable Company**

I report to the charity trustees on my examination of the accounts of the Charitable Company for the year ended 31 August 2023.

Responsibilities and basis of report

As the charity trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) of the 2011 Act.

Independent examiner's statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Association of Accounting Technician, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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

Signed:



Date: 5/12/23

Faye Hazlehurst FMAAT
FH Accountancy Services

Steps Community Nursery (High Green)
Statement of Financial Activities (including Income and Expense Account)
for the year ending 31 August 2023

		Unrestricted Funds	Restricted Funds	2023 Total	2022 Total
		£	£	£	£
INCOMING RESOURCES					
Grants	2	402	189,103	189,505	139,158
Fees		171,840	-	171,840	174,456
Fundraising		2,705	-	2,705	471
Milk		2,582	-	2,582	2,117
Sundry income		599	-	599	5,952
Bank interest		2,617	-	2,617	495
TOTAL INCOMING RESOURCES		180,744	189,103	369,847	322,649
RESOURCES EXPENDED					
Staff	3	85,419	186,899	272,318	271,113
Training & travel		46	-	46	664
Bank charges		30	-	30	-
Rent, rates & room hire		37,000	-	37,000	36,269
Equipment, books and software		1,857	2,204	4,060	1,740
Play materials		2,254	-	2,254	563
Cleaning & hygiene		1,903	-	1,903	1,641
Milk and refreshments		4,124	-	4,124	4,401
Subscription & insurance		1,831	-	1,831	2,028
Administration and office costs		745	-	745	456
Refurbishment & Maintenance		37,324	-	37,324	-
Telephone		1,023	-	1,023	690
DBS checks		182	-	182	188
Activities & events		210	-	210	169
Nappy Unit		-	-	-	337
Professional fees		1,159	-	1,159	530
Advertising and recruitment		-	-	-	190
Penalties & fines		6,577	-	6,577	-
Other expenses		120	-	120	675
TOTAL EXPENDED RESOURCES		181,803	189,103	370,906	321,654
Net income/expenditure		(1,059)	-	(1,059)	995
Transfers between funds		-	-	-	-
Net movement in funds		(1,059)	-	(1,059)	995
Total funds brought forward		143,835	-	143,835	142,840
Total funds carried forward		142,776	-	142,776	143,835

Steps Community Nursery (High Green)
Balance Sheet
as at 31 August 2023

	Notes	2023 £	2022 £
Current assets			
Debtors	4	5,677	2,172
Cash at Bank and in hand		169,772	177,959
Total assets		<u>175,449</u>	<u>180,131</u>
Liabilities			
Creditors - due within one year	5	(32,673)	(36,296)
Total liabilities		<u>(32,673)</u>	<u>(36,296)</u>
Net current assets/(liabilities)		142,776	143,835
Net assets		<u>142,776</u>	<u>143,835</u>
Represented by:			
General funds		50,776	51,835
Designated funds	7	92,000	92,000
Restricted funds	6	-	-
Total Charity funds		<u>142,776</u>	<u>143,835</u>

The notes on the following pages form part of these financial statements.

For the period ending 31st August 2023, the company is entitled to the audit exemption under 477 of the Companies Act 2006. The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

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.

These financial statements were approved and signed by the Board of directors.

Signed:

Print name:

Director

SARAH TYLER

Date:

4/12/2023.

Steps Community Nursery (High Green)
Notes to the financial statements
for the year ending 31 August 2023

1 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities - Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS102)) and the Companies Act 2006.

The charity meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant account policy notes.

Funds

Unrestricted funds are funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise of unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund.

Incoming Resources

All income is included in the Statement of Financial Activities when the charity is entitled to the income, the receipt is probable and the amount can be measured reliably.

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

Donated services, assets and facilities are included as income at fair value where it is practical to quantify and the value can be measured reliably. A corresponding amount is recognised as expenditure or an asset as appropriate. No amounts are included for the value of services provided by volunteers which is in line with SORP (FRS102).

Donations and legacies are accounted for when they are receivable.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Steps Community Nursery (High Green)
Notes to the financial statements
for the year ending 31 August 2023

Expenditure

All expenditure is accounted for on an accruals basis and has been classified using the natural classification.

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Leases

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

Going Concern Note

The financial statements have been prepared on a going concern basis. The trustees have considered the level of funds held and the expected level of income and expenditure for the 12 months following the authorising of these financial statements and consider the going concern basis appropriate.

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the SOFA in the period to which they relate.

Tax

The charity is exempt from corporation tax on income from its charitable activities.

Steps Community Nursery (High Green)
Notes to the financial statements
for the year ending 31 August 2023

Analysis of Income

	Unrestricted Funds	Restricted Funds	Total 2023	Total 2022
	£	£	£	£
2 Grants				
SCC - Nursery Education Funding	-	173,754	173,754	122,920
SCC Special Needs	-	15,349	15,349	13,608
SCC - Covid Business Grant	-	-	-	2,630
	<u>-</u>	<u>189,103</u>	<u>189,103</u>	<u>139,158</u>
 Total 2022	 <u>2,630</u>	 <u>136,528</u>	 <u>139,158</u>	

	Total 2023	Total 2022
	£	£
3 Staff Costs		
Salaries	259,341	246,266
Employers national insurance	13,315	17,785
Employers allowance	(5,000)	(4,000)
Employer pension contributions	3,914	10,332
Payroll costs	748	730
	<u>272,318</u>	<u>271,113</u>

The figure for pension contributions for 2022 includes employee pension contributions.

The average number of employees during the year was 21 (2022: (21), all of whom were engaged in activities in furtherance of the objects of the charity.

No employee receive emoluments in excess of £50,000 per year (2022: none).

Steps Community Nursery (High Green)
Notes to the financial statements (continued)
for the year ending 31 August 2023

4 Debtors	2023	2022
	£	£
Fees	4,576	1,206
Prepayments and accrued income	1,100	966
	<u>5,677</u>	<u>2,172</u>
 5 Creditors	 2023	 2022
	£	£
Fees in advance	302	5,251
Grants received in advance	28,595	30,515
Accruals	1,882	530
Taxation & Social Security	287	-
Creditors	900	-
Other creditors	707	-
	<u>32,673</u>	<u>36,296</u>

Other creditors is the balance owed on the credit card at the end of the financial year.

Steps Community Nursery (High Green)
Notes to the financial statements (continued)
for the year ending 31 August 2023

6 Movement in funds	Opening balance	Incoming resources	Resources expended	Transfers	Closing balance
Restricted funds	£	£	£	£	£
SCC - Nursery Education Funding	-	173,754	173,754	-	-
SCC Special Needs	-	15,349	15,349	-	-
	-	189,103	189,103	-	-
<hr/>					
2022	Opening balance	Incoming resources	Resources expended	Transfers	Closing balance
	£	£	£	£	£
SCC - Nursery Education Funding	-	122,920	122,920	-	-
SCC Special Needs	-	13,608	13,608	-	-
SCC Covid grant	-	2,630	2,630	-	-
	-	139,158	139,158	-	-

Sheffield City Council - Nursery Education Funding

Education funding grant received for free education for children in the nursery care

Sheffield City Council - Special Needs

Grant received towards children in the nursery care who have been assessed with Special Needs.

7 Movement in funds	Opening balance	Incoming resources	Resources expended	Transfers	Closing balance
Designated funds	£	£	£	£	£
	-	-	-	-	-
Future redundancy costs & winding up	86,000	-	-	-	86,000
Equipment costs	6,000	-	-	-	6,000
	92,000	-	-	-	92,000
<hr/>					
2022	Opening balance	Incoming resources	Resources expended	Transfers	Closing balance
	£	£	£	£	£
Future redundancy costs & winding up	86,000	-	-	-	86,000
Equipment cost	6,000	-	-	-	6,000
	92,000	-	-	-	92,000

Steps Community Nursery (High Green)
Notes to the financial statements (continued)
for the year ending 31 August 2023

8 Analysis of net assets by fund

	Unrestricted funds	Designated funds	Restricted funds	Total funds
	£	£	£	£
Current assets	83,449	92,000	-	175,449
Current Liabilities	(32,673)	-	-	(32,673)
	<u>50,776</u>	<u>92,000</u>	<u>-</u>	<u>142,776</u>

	Unrestricted funds	Designated funds	Restricted funds	Total funds
	£	£	£	£
2022				
Current assets	88,131	92,000	-	180,131
Current Liabilities	(36,296)	-	-	(36,296)
	<u>51,835</u>	<u>92,000</u>	<u>-</u>	<u>143,835</u>

9 Trustees remuneration and expenses

The trustees were not paid or received any other benefits or reimbursed expenses during the year. (2022: £nil).

10 Related party transactions

The daughter of a trustee's was employed by the charity under the same terms and conditions of other staff members, her employment ended in September 2022.

One trustee is employed by High Green Development Trust, the charity's landlord.

The son of the General Manager provides ICT services, including website updates, during the year he was paid £60 for services to the charity.

Two trustees have children that attend the nursery setting, normal fees are applied.

11 Independent examination and accountancy services

During the period, the cost of the independent examination and accountancy services was £795 (2022: £530).