

Registered charity number: 1122943

MAGICAL MOMENTS PLAYGROUP

Operating as MAGICAL MOMENTS DAYCARE

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

Andrew Ogg Limited

Chartered accountants

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FOR THE YEAR ENDED 31 MARCH 2022**

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LEGAL AND ADMINISTRATIVE INFORMATION FOR THE YEAR ENDED 31 MARCH 2022

Registered charity number 1122943

Officers and trustees	Carrie Greenfield	Chair
	Sarah Hare	Treasurer
	Inga Gvaramadze	Secretary
	Phil Hare	Committee Member
	Richard Greenfield	Committee Member
	Debbie Ison	Committee Member

Registered office c/o. St Giles Children's Centre
Lamb Gardens
Lincoln
LN2 4EG

Independent examiner Andrew Ogg Limited
Holme Farm
Spalford
Newark-on-Trent
Nottinghamshire
NG23 7HD

Bankers Santander UK plc
2 Triton Square
Regent's Place
London
NW1 3AN

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2022

The trustees submit their annual report and the financial statements for the year ended 31 March 2022. In preparing the annual report and financial statements of the charity, the trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice, applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS102) (effective 1 January 2019), published on 2 October 2019.

Structure, governance and management

Magical Moments Daycare runs by the Pre-School Learning Alliance Constitution 2008. The setting is run by a voluntary management committee. The Trustees are appointed/re-elected on an annual basis. We allow anyone to express an interest in joining the committee throughout the year. If we feel that we need members, they are invited to the next meeting. AGM meetings are always advertised within the setting and we welcome any interested parties. As a chair I will always meet separately with prospect members to ensure that they understand what is involved and whether they are able to meet the needs. Full safeguarding procedures are followed for committee members with full DBS checks. No committee member is allowed to be in the setting unaccompanied until full confirmation has been received from Ofsted regarding their suitability. The setting is a member of the Pre-school Learning alliance and we are an agreed provider of Early Years Education for Lincolnshire County Council

The trustees are responsible for preparing the annual report and financial statements in accordance with applicable laws and regulations.

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing these statements,

- select suitable accounting policies and then 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.

The trustees are responsible for keeping accounting records that disclose with reasonable accuracy the financial position of the charity and which enable them to ensure that the financial statements comply with applicable law, regulations, and the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking steps for prevention and detection of

The trustees together with the executive committee have made assessments of the major and financial operating risks that the charity faces and have put in place controls to mitigate or eliminate these risks. They have regular meetings to review the position of the trust and the level of reserves.

Objectives and activities

The aim of the setting is to enhance the development and education of children from 6 weeks to 5 years by offering appropriate play, education and care facilities along with experiences that otherwise they may not encounter. We welcome all children regardless of faith, gender, circumstances, disability or family background. We are an inclusive setting. Children will learn through play and environment that enables us to cover the areas of Early Years Curriculum.

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

In explaining how the activities of the charity meet the public benefit of its work, the trustees have met the requirements of the Charities Act 2011.

Achievements and performance

We always aim to run on a full roll of children. We have 59 on roll, 33 of those are funded children of which 4 pay additional top up fees. We have 26 private fee paying children on roll. Overall, this is ten fewer children than last year and a significant amount have opted for not topping up hours in comparison to last year. We also have fewer private funded children. Overtime this impacts the finances of the setting. We have opted to operate a very flexible approach to sessions so that we can meet the needs of the area we are in and working families along with the wrap around facility that we do with the nursery school next door to us. We have opted to do stretched funding so this can also accommodate childcare into the school holidays. We have made it our mission to ensure we can offer the best possible solutions to meet all parental needs. We have ensured that opportunities for pupil premium children are met with separate/smaller sessions for children with additional needs and also doing outside activities such as community gardening groups. We hold an annual sports day for all children and invite parents along. We hold various celebrations throughout the year. Now that the pandemic restrictions are lifted, we are encouraging parents, carers and other family members to take an active role in all celebrations held.

All policies are reviewed on an annual basis and available for anyone to read at any time of the year.

Staffing is still a huge issue due to illness and requiring cover. We continue to have issues with recruitment; this is a national issue. We have not managed to fully replace all staff lost from the large staff turnover in the last year. We have lost staff members due to long term sickness, generally moving on to other settings, and some staff members have left the sector altogether. There is current national shortage of trained Early Years Practitioners which is proving very difficult to recruit across the country. We are always actively looking to try and recruit more bank staff so that this can help alleviate issues when our regular employed staff require time away. We do find that the recruitment of bank staff is very difficult as people more and more and, understandably so, are wanting a fixed term contract than remaining on bank status.

Finances

We were hit with large rent and service charge bills this year; these invoices were received after making the decision to improve the nursery environment. We have also been affected by higher staffing costs due to employees having to work extra to cover sickness and staff shortages and we have done our best to have some schemes in place to help with staff retention and ensure that staff do feel valued. We have started to see the effect of inflation on the cost of goods that we purchase, especially food. This again has had a negative impact on the financial position and will continue to do so. We will nevertheless strive to keep our fees as low as possible as we are serving a deprived area.

We have ended the 2021-22 financial year with a balance in the bank current account of £54,553, which is significantly less than the previous financial year. This is due to the investment that we have made to the premises that we rent with the full fitting of new carpet and fully decorated throughout. We have also replaced and updated some of the resources and equipment. We have been hit very hard with the issuing of rent and service charge bills. These were not prioritised by the landlord in the previous year and we have had to have a large outlay of funds to bring this up to date. We have managed to maintain our reserve funds as there has been no reason to access these funds throughout the year. We have met all needs of the setting.

Reserves

As we are a not-for-profit organisation, we have a reserve fund that holds £20,000. This is planned to grow over time to enable us to carry the business through difficult times. Due to the larger outgoings this financial year, we have not placed any further funds into the deposit account. This is something that we will be looking to do in future. We hold this reserves fund to enable us to operate if there is a drop in income or to see the setting through any form of difficult time. The funds can be accessed at any time.

ON BEHALF OF THE BOARD:

Carrie Greenfield

Trustee - Chair

14 February 2023

A handwritten signature in cursive script, appearing to read 'Greenfield', written in black ink.

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF MAGICAL MOMENTS PLAYGROUP

I report to the trustees on my examination of the accounts of Magical Moments Playgroup (the Charity) for the year ended 31 March 2022.

Responsibilities and basis of report

As the charity trustees of the Charity 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 Charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all 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 in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent

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

Andrew Ogg FCA
Director

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Chartered Accountants
Holme Farm
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NG23 7HD

14 February 2023

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STATEMENT OF FINANCIAL ACTIVITIES incorporating the INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
INCOME FROM:		
Local Authority funding	132,869	171,205
Private fees	89,253	58,875
Fundraising	74	219
Coronavirus Job Retention Scheme	-	9,564
Trips	-	-
	-	-
Total income	222,196	239,863
EXPENDITURE ON:		
<u>Charitable activities</u>		
Staff costs	214,557	187,852
Training	892	45
Premises expenses	10,149	1,972
Groceries and cleaning supplies	8,211	4,827
Children's gifts and party items	334	164
Activity materials and resources	4,073	3,215
Trips	124	-
Repairs and maintenance	8,791	2,970
Voucher scheme	4,250	1,725
-	-	-
	251,381	202,770
<u>Raising funds</u>		
Fundraising	-	-
	-	-
<u>Other costs</u>		
Accountancy and independent examination	500	900
Telephone	250	185
Travel expenses	119	84
Advertising and website	281	281
Printing and stationery	903	1,723
Bank charges	360	360
Other expenses	3,513	665
	5,926	4,198
Total expenditure	257,307	206,968
NET INCOME/(EXPENDITURE)	(35,111)	32,895

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BALANCE SHEET AT 31 MARCH 2022

	Note	2022 £	2021 £
FIXED ASSETS			
Tangible assets		-	-
CURRENT ASSETS			
Bank current account		54,553	90,993
Petty cash		1,079	150
Bank deposit account		20,000	20,000
		<u>75,632</u>	<u>111,143</u>
CREDITORS			
Amounts falling due within one year		500	900
NET CURRENT ASSETS (LIABILITIES)		<u>75,132</u>	<u>110,243</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		75,132	110,243
NET ASSETS		<u>75,132</u>	<u>110,243</u>
UNRESTRICTED FUNDS			
At 1 April 2021		110,243	77,348
Net incoming/(outgoing) resources		(35,111)	32,895
TOTAL FUNDS		<u>75,132</u>	<u>110,243</u>

These financial statements were approved by the board of trustees on 14 February 2023 and were signed on its behalf by:



Carrie Greenfield - Chair

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1 ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

a) Accounting convention

The financial statements have been prepared under the historical cost convention.

b) Incoming resources

All incoming resources are included on the income and expenditure account when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

c) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of the resources,

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out by officers. Management and administration costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

d) Taxation

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

2 TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the years ended 31 March 2021 and 2022

Trustees' expenses

There were no trustees' expenses paid for the years ended 31 March 2021 and 2022.

3 ULTIMATE CONTROLLING PARTY

The trustees appointed to the management committee control the charity.