

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 2023**

Andrew Ogg Limited

Chartered accountants

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FOR THE YEAR ENDED 31 MARCH 2023**

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LEGAL AND ADMINISTRATIVE INFORMATION FOR THE YEAR ENDED 31 MARCH 2023

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

MAGICAL MOMENTS PLAYGROUP

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The trustees submit their annual report and the financial statements for the year ended 31 March 2023. 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, the trustees are

- 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 fraud

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 2023

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. At the point of March 2023 we had 64 on roll, 32 of those are funded children of which 11 pay additional top up fees. We have 32 private fee paying children on roll. Overall, this is an increase of 5 children from last year. We have 7 more funded children topping up fees in comparison to last year. Some of the numbers of children have fluctuated throughout the year. It has not been a consistent flow. This is down to many reasons, such as the inability to accept children due to ratio and the cost of the childcare for parents. 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.

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 are still having 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 have managed to recruit some bank staff, however, that can also prove difficult when they are asked at very short notice if they can work.

Finances

Financially, things have been a balancing act for this year. We have made a loss this year, which is not the intention of the setting. We have been impacted with higher staffing costs due to staff 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 been hugely impacted with the cost of living crisis and with the cost of food being what it is but funding levels remaining the same. It becomes very difficult to balance the books when a rate does not cover the cost. We have also had to implement higher wage rises to factor in the National Minimum Wage increase. We also pay above this rate for our practitioners, whilst it may not be a huge amount over the minimum wage it still impacts the finances. We strive to keep our fees as low as possible as we are serving a deprived area.

We have ended the 22/23 financial year with a balance in the bank of £27,040. This amount is significantly less than the previous financial year. This is due to the low funding that is granted per child and the cost of care rising, the increase in NLW is one of the biggest impacts to our business and the huge cost of groceries to ensure all children receive a hot and nutritious meal and allows us to centime with the Healthy Schools Status. We have made the decision to increase the fees for all fee-paying children. We have tried to keep our fee increase to a minimum so that this does impact our families too much. We have managed to maintain our reserve funds, 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 will grow over time but also 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 moving forward. 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. This can be accessed at any time.

ON BEHALF OF THE BOARD:



Carme Greenfield

Trustee - Chair

26 January 2024

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 2023.

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 examination.

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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Holme Farm
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NG23 7HD

26 January 2024

MAGICAL MOMENTS PLAYGROUP

STATEMENT OF FINANCIAL ACTIVITIES incorporating the INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2023

	2023 £	2022 £
INCOME FROM:		
Local Authority funding	123,045	132,869
Private fees	86,887	89,253
Fundraising	2,650	74
Trips	1,266	-
Other income	200	-
Bank interest	170	-
Total income	214,218	222,196
EXPENDITURE ON:		
<u>Charitable activities</u>		
Staff costs	212,643	214,557
Training	969	892
Premises expenses	5,953	10,149
Groceries and cleaning supplies	7,036	8,211
Children's gifts and party items	524	334
Activity materials and resources	4,695	4,073
Trips	1,029	124
Repairs and maintenance	1,246	8,791
Voucher scheme	2,725	4,250
-	-	-
	236,820	251,381
<u>Raising funds</u>		
Fundraising	-	-
	-	-
<u>Other costs</u>		
Accountancy and independent examination	500	500
Telephone	160	250
Travel expenses	201	119
Advertising and website	257	281
Printing and stationery	1,819	903
Bank charges	360	360
Other expenses	1,240	3,513
	4,537	5,926
Total expenditure	241,357	257,307
NET INCOME/(EXPENDITURE)	(27,139)	(35,111)

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BALANCE SHEET AT 31 MARCH 2023

	Note	2023 £	2022 £
FIXED ASSETS			
Tangible assets		-	-
CURRENT ASSETS			
Bank current account		27,040	54,553
Petty cash		1,283	1,079
Bank deposit account		20,170	20,000
		<u>48,493</u>	<u>75,632</u>
CREDITORS			
Amounts falling due within one year		500	500
NET CURRENT ASSETS (LIABILITIES)		<u>47,993</u>	<u>75,132</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		47,993	75,132
NET ASSETS		<u>47,993</u>	<u>75,132</u>
UNRESTRICTED FUNDS			
At 1 April 2021		75,132	110,243
Net incoming/(outgoing) resources		(27,139)	(35,111)
TOTAL FUNDS		<u>47,993</u>	<u>75,132</u>

These financial statements were approved by the board of trustees on ~~26~~ January 2024 and were signed on its behalf by:



Carrie Greenfield - Chair

MAGICAL MOMENTS PLAYGROUP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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 2022 and 2023.

Trustees' expenses

There were no trustees' expenses paid for the years ended 31 March 2022 and 2023.

3 ULTIMATE CONTROLLING PARTY

The trustees appointed to the management committee control the charity.