

Treasurer's Report **AGM 20th February 2024**

Lindley Pre-school CIO

Financial Year 1st September 2022 – 31st August 2023

Both income and expenditure increased significantly for our final year as Lindley Preschool Playgroup. We closed the financial year with total income received of £227,870 and expenditure incurred of £218,847. This results in a surplus of £9,023.

The accounts for the year have been independently audited by an Accountant and all figures below relate to the figures submitted in the final accounts for the year.

INCOME

Total income for the year was £265,635.

The main source of income came from NEF funding which was £183,155 for the year (an increase of £14,684 from 2021/22).

Income with regards to fees was £49,591 (an increase of £8,406 from 2021/22). Our wraparound service expanded from January 2023 to include Monday which has contributed to the rise in income from NEF and fees.

SEN income of £29,850 was received (an increase of £12,030 from 2021/22).

Fundraising activities over the year raised £1,743 and we accrued £1,059 in bank interest from our business savings account.

EXPENDITURE

Total expenditure for the year was £248,286.

The main item of expenditure for the year was with regards to wages and admin costs (£199,279) and increase of £23,685 from 2021/22. These will be increasing each year as we have put up our hourly rates for staff to ensure we are paying over the amount of the National Living Wage. It is also higher due to the extra staffing needed to support our SEN children.

Our rent for the year was £26,091 (an increase of £4,747 from 2021/22). This is mainly due to using the downstairs room more for full time wraparound care, more sessions for 2 year olds and a price increase.

Other main costs for the year were as follows:-

Resources - £6,238 – used to improve the provision both upstairs, downstairs and for the outdoor area.

Trips and Entertainment - £2,729 – We paid for every preschool child to visit Cockfields Farm in July. We also had PJ drama visit Preschool for a session a week all year. We funded family events during the year such as Mothers Day / Fathers Day, Coronation day celebration, Christmas Party and Graduation ceremony.

Staff Wellbeing - £2,758 – This is of high priority to us and is made up of staff gift vouchers, refreshments for training days, Christmas and year end meal and flowers and gifts to mark special events.

Other items of expenditure have been largely the same as in previous years apart from our Accountancy fees due to the wages processing being now done in-house.

SUMMARY

Lindley Pre-school CIO has had a healthy year financially during its first year of transitioning to a CIO. We closed the year with a balance of £115,927 in the bank accounts taking into account accruals and creditors. We ideally need to keep a term's running costs in reserve, and based on last year's figures, a term's running costs would be about £85,000. The reserve amount we need to hold is likely to increase during 2023/24 as costs are increasing, mainly staffing.

As discussed in previous committee meetings, we are committed to investing in staff's Continual Professional Development over the coming years and have set a budget of £4000 over the next 2 years (in addition to mandatory training) to use where staff show an interest in pursuing areas to enhance their knowledge and improve our provision.

We also would like to improve our outdoor and woodland area and can invest up to £15,000 to do this (maybe looking at a permanent outdoor structure if agreed with the Church). The outdoor fence needs to be replaced and church have agreed with this although we still need to agree on exact specifications.

Due to the nature of our business and the uncertainty surrounding occupancy we need to have healthy reserves to be able to avoid redundancies for our permanent staff where we might have a drop in numbers, hence drop in fees and funding for a length of time.

Fee increases will be necessary for September 2024, but these will be reviewed before Easter when we know what the Kirklees Funding rates will be. We will also review our consumable contribution charge which was brought in from September 2023.

We are currently very uncertain about how new SEN funding rules will change from April 2024 and this will have an impact on our staffing if this is to drop as we have some staff contracted until the end of July. We will no longer be able to employ staff on as many hours to be one to one with our SEN children if we do not receive appropriate funding after this.