

Charity registration number: 1194058

St Margaret's Nursery

Annual Report and Financial Statements

for the Year Ended 31 March 2022

Beresfords
Chartered Certified Accountants
1-2 Rhodium Point
Spindle Close
Hawkinge
Folkestone
Kent
CT18 7TQ

St Margaret's Nursery

Contents (continued)

Reference and Administrative Details	1
Trustees' Report	2 to 4
Statement of Trustees' Responsibilities	5
Independent Examiner's Report	6
Statement of Financial Activities	7
Balance Sheet	8
Notes to the Financial Statements	9 to 16

St Margaret's Nursery

Reference and Administrative Details

Trustees	Ms I Gladstone
	Ms L Willis
	Ms K Harper
	Ms J Dunigan
Charity Registration Number	1194058
Principal Office	Sea Street
	St. Margarets-At-Cliffe
	Dover
	Kent
	CT15 6SS
Independent Examiner	Beresfords
	Chartered Certified Accountants
	1-2 Rhodium Point
	Spindle Close
	Hawkinge
	Folkestone
	Kent
	CT18 7TQ

St Margaret's Nursery

Trustees' Report

The trustees present the annual report together with the financial statements of the charity for the year ended 31 March 2022.

Objectives and activities

Objects and aims

The charity works for the public benefit having as its objects the development and education of children and young people in particular by:

1. Promoting their care and safety,
2. Promoting their education and promoting parent involvement,
3. Promoting their health and well being,
4. Providing services to support them and their families and carers,
5. Providing services to individuals holding membership of the CIO; and
6. Furthering the aims of the pre-school alliance.

Public benefit

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Achievements and performance

This has been another challenging year for the nursery. A great deal of this year's business has been concerned with the transfer to the new Charitable Incorporated Organisation (CIO), St Margarets Nursery.

The process was lengthy and complicated, involving many meetings, forms and worries. Not only did we have to register the new charity with the Charity Commission, but we had to re-register with Ofsted and KCC, open new bank accounts, transfer employment of all employees to the new charity, set up a new PAYE reference with HMRC, close the old PAYE scheme, set up a new pension scheme remove the old charity from the register etc. The Charity Commission approved registration on the 9th April 2021 and Ofsted on the 27th July 2021. All assets have been transferred to the new CIO. As part of the change the Nursery has adopted the Pre-School Learning Alliance Model CIO constitution for Childcare Providers 2013.

Owing to Covid 19 restrictions the Breakfast Club was forced to temporarily close, and after careful consideration the Trustees decided that it would be prudent for the Breakfast Club to close on a permanent basis as it was making a loss. The neighbouring school agreed to run the club from their own site.

As part of the changes, we applied to increase our registration to 40 (from 30) children a day, which will hopefully allow us to increase our income in the future.

KCC have been slow in granting the new lease, with complications involving a boundary fence holding up proceedings. Hopefully this has now been sorted and we will soon be able to sign the new lease with a proposed term of 15 years. There have been considerable costs involved this year in obtaining the necessary certificates required for statutory compliance in order to progress the lease, along with a backdated rent bill of £3.5K from KCC. However, once the lease is signed this will hopefully reduce costs and lessen bureaucracy and provide greater security and sustainability going forward.

The wage bill has been significantly higher than in previous years. This is due to a combination of a 2.2% pay rise given to staff in April 2021 and an increase in staffing hours. Due to Covid restrictions we had to split the cohort into two rooms for a large proportion of the academic year, which resulted in increased staffing levels. There was also an increased wage cost resulting from the additional work required to change to the new CIO. We realise the importance of having a valued and well qualified work force and have spent £2.4K on staff training this year.

St Margaret's Nursery

Trustees' Report (continued)

In April 2022 the government increased the minimum wage from £8.91 to £9.50 per hour, and as Trustees we have a legal obligation to increase our staff's wages in line with this. The increase in staff wages means that we have had to increase nursery fees to cover this cost. It is regrettable that we have had to make these increases, we have a limited capacity with no receipt of direct government funding to subsidise our facilities. Government cuts have resulted in any support we had through Kent County Council being removed. The fee change is therefore essential to ensure that the Nursery continues to run as a sustainable and viable venture to safeguard its future in providing for the children now and in the future.

For Government funded schemes, (i.e., those children in receipt of the government vouchers), the rate that the nursery receives from the Government will increase to £4.61 (from £4.44) an hour. This funding is intended to cover delivery of the Early Years Foundation Stage, it does not unfortunately pay for any additional services such as snacks, trips, consumables etc. Nor will it cover the increase in wages. Like the majority of nurseries in our area we have had to make the unenviable decision to ask those parents who are in receipt of Government Funding to pay a voluntary contribution of £1 per day, or 50p per half day towards consumables, to make up the shortfall.

We have spent £5.7K on repairs to the nursery including a new fire door and replacing one of the ramps. We are planning further repairs to the other two ramps and we predict that there will be considerable expenditure on the upkeep of the nursery building in the coming years.

We will continue to be prudent with our expenditure and look on building on our fundraising experience. We will also have to explore other funding options to cover these costs, be this a grant or negotiating with KCC. Without the continued support from staff, parents, committee members and members from our local community these costs would have been considerably higher. We will endeavour to foster these good relationships over the coming months. We understand that the current economic climate will continue to bring additional challenges to operating in the child care sector and the Trustees and Nursery management will have to continue to be prudent in any decision making.

For the academic year ending June 2022, we lost 27 to primary school, and at the beginning of academic year September 2022 we have 30 new starters. The majority of these new starters are only 2 years old so they will initially be doing fewer hours resulting in a reduced income for the first year, however hopefully by academic year 2023 their hours will have increased considerably. We will consider avenues to increase our income, and if needed make difficult decisions to ensure the nursery remains sustainable. We are committed to deliver as high a standard as we can and whenever possible provide more than the minimum for the children. The Trustees will continue to work closely with the nursery manager to ensure that we always have the children's best interests at heart.

Financial review

Policy on reserves

Unrestricted reserves stand at £205,326 as at 31st March 2022 and is deemed adequate for the short term and may be required in the future should the mobile units need relocating.

Structure, governance and management

Nature of governing document

The charity is governed by the constitution adopted on 9th April 2021 on formation of the charity as a Charitable Incorporated Organisation. The charity is constituted under association.

St Margaret's Nursery

Trustees' Report (continued)

Recruitment and appointment of trustees

The management of the charity is the responsibility of the trustees who are elected and co-opted under the terms of the constitution. They are appointed or reappointed annually at the annual general meeting.

The annual report was approved by the trustees of the charity on 10.11.22 and signed on its behalf by:


.....
Ms L Willis
Trustee

St Margaret's Nursery

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these 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;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008, and the provisions of the constitution. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the trustees of the charity on 10.11.22 and signed on its behalf by:


.....
Ms L Willis
Trustee

St Margaret's Nursery

Independent Examiner's Report to the trustees of St Margaret's Nursery

I report to the trustees on my examination of the accounts of St Margaret's Nursery for the year ended 31 March 2022.

Responsibilities and basis of report

As the charity trustees of St Margaret's Nursery 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 St Margaret's Nursery'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.

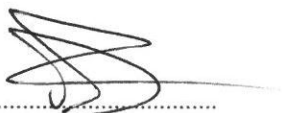
Independent examiner's statement

Since St Margaret's Nursery'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 Association of Chartered Certified Accountants, which is one of the listed bodies.

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 St Margaret's Nursery 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 accounting 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 reached.



.....
Mr D Payne FCCA
Beresfords
Chartered Certified Accountants
1-2 Rhodium Point
Spindle Close
Hawkinge
Folkestone
Kent
CT18 7TQ

Date: 10/11/22

St Margaret's Nursery

Statement of Financial Activities for the Year Ended 31 March 2022

	Note	Unrestricted funds £	Total 2022 £
Income and Endowments from:			
Donations and legacies	2	224,683	224,683
Charitable activities	3	128,829	128,829
Investment income	4	742	742
Total income		<u>354,254</u>	<u>354,254</u>
Expenditure on:			
Charitable activities	5	(142,268)	(142,268)
Other expenditure	6	(6,162)	(6,162)
Total expenditure		<u>(148,430)</u>	<u>(148,430)</u>
Net income		<u>205,824</u>	<u>205,824</u>
Net movement in funds		<u>205,824</u>	<u>205,824</u>
Reconciliation of funds			
Total funds carried forward	17	<u><u>205,824</u></u>	<u><u>205,824</u></u>

All of the charity's activities derive from continuing operations during the above period.

St Margaret's Nursery
(Registration number: 1194058)
Balance Sheet as at 31 March 2022

	Note	2022 £
Fixed assets		
Tangible assets	13	65,826
Current assets		
Debtors	14	1,939
Investments	15	74,471
Cash at bank and in hand		<u>68,885</u>
		145,295
Creditors: Amounts falling due within one year	16	<u>(5,297)</u>
Net current assets		<u>139,998</u>
Net assets		<u><u>205,824</u></u>
Funds of the charity:		
Unrestricted income funds		
Unrestricted funds		<u>205,824</u>
Total funds	17	<u><u>205,824</u></u>

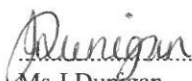
The financial statements on pages 7 to 16 were approved by the trustees, and authorised for issue on 10.11.22, and signed on their behalf by:



 Ms L Willis
 Trustee



 Ms K Harper
 Trustee



 Ms J Dunigan
 Trustee

St Margaret's Nursery

Notes to the Financial Statements for the Year Ended 31 March 2022

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation

St Margaret's Nursery meets the definition of a public benefit entity under FRS 102. The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Investment income

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

St Margaret's Nursery

Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £250.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Portacabin	12 years straight line
Equipment	15% on reducing balance

Current asset investments

Current asset investments are included at the lower of cost and net realisable value / market value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

St Margaret's Nursery

Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

Trade creditors

are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the charity.

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

St Margaret's Nursery

Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

2 Income from donations and legacies

	Unrestricted funds General £	Total 2022 £
Donations and legacies;		
Donations	4,191	4,191
Transfer of assets from unincorporated charity	217,748	217,748
Grants receivable	2,744	2,744
	<u>224,683</u>	<u>224,683</u>

3 Income from charitable activities

	Unrestricted funds General £	Total 2022 £
Nursery income	<u>128,829</u>	<u>128,829</u>

4 Investment income

	Unrestricted funds General £	Total 2022 £
Interest receivable and similar income;		
Interest receivable on bank deposits	<u>742</u>	<u>742</u>

St Margaret's Nursery

Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

5 Expenditure on charitable activities

	Unrestricted funds General £	Total 2022 £
Staff costs	112,478	112,478
Nursery materials and sundries	1,425	1,425
Trips	429	429
Food	5,391	5,391
Staff training	2,014	2,014
Property rent	2,852	2,852
Insurance	1,645	1,645
Repairs and maintenance	5,706	5,706
Security	2,311	2,311
Play equipment	1,320	1,320
Telephone	815	815
Computer expenses	3,407	3,407
Subscriptions and registrations	394	394
Sundry expenses	490	490
Advertising	91	91
Bad debts	888	888
Bank charges	6	6
Governance costs	606	606
	<u>142,268</u>	<u>142,268</u>

6 Other expenditure

	Unrestricted funds General £	Total 2022 £
Depreciation, amortisation and other similar costs	6,162	6,162
	<u>6,162</u>	<u>6,162</u>

St Margaret's Nursery

Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

7 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Total 2022 £
Independent examiner fees		
Examination of the financial statements	606	606
	<u>606</u>	<u>606</u>

8 Net incoming/outgoing resources

Net incoming/outgoing resources for the year include:

	2022 £
Depreciation of fixed assets	<u>6,162</u>

9 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

10 Staff costs

The aggregate payroll costs were as follows:

	2022 £
Staff costs during the year were:	
Wages and salaries	111,533
Pension costs	945
	<u>112,478</u>

No employee received emoluments of more than £60,000 during the year

11 Independent examiner's remuneration

	2022 £
Examination of the financial statements	<u>606</u>

St Margaret's Nursery

Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

12 Taxation

The charity is a registered charity and is therefore exempt from taxation.

13 Tangible fixed assets

	Portacabin £	Equipment £	Total £
Cost			
Additions	69,541	2,447	71,988
At 31 March 2022	<u>69,541</u>	<u>2,447</u>	<u>71,988</u>
Depreciation			
Charge for the year	5,795	367	6,162
At 31 March 2022	<u>5,795</u>	<u>367</u>	<u>6,162</u>
Net book value			
At 31 March 2022	<u><u>63,746</u></u>	<u><u>2,080</u></u>	<u><u>65,826</u></u>

14 Debtors

	2022 £
Trade debtors	12
Prepayments	<u>1,927</u>
	<u><u>1,939</u></u>

15 Current asset investments

	2022 £
Cash deposits	<u><u>74,471</u></u>

16 Creditors: amounts falling due within one year

	2022 £
Trade creditors	462
Other creditors	4,229
Accruals	<u>606</u>
	<u><u>5,297</u></u>

St Margaret's Nursery

Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

17 Funds

	Incoming resources £	Resources expended £	Balance at 31 March 2022 £
Unrestricted funds			
General	<u>354,254</u>	<u>(148,430)</u>	<u>205,824</u>

18 Analysis of net assets between funds

	Unrestricted funds General £	Total funds at 31 March 2022 £
Tangible fixed assets	65,826	65,826
Current assets	145,295	145,295
Current liabilities	<u>(5,297)</u>	<u>(5,297)</u>
Total net assets	<u>205,824</u>	<u>205,824</u>