

Charity registration number: 1194058

St Margaret's Nursery

Annual Report and Financial Statements

for the Year Ended 31 March 2024

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

St Margaret's Nursery

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St Margaret's Nursery

Reference and Administrative Details

Trustees	Ms L Willis
	Ms K Harper
	Ms J Dunigan
	Ms V D Lourenco
	Ms C Perry
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 2024.

Objectives and activities

Objects and aims

St. Margarets Nursery is at the heart of our local community, providing early years education for all eligible children in the area.

As a non-profit organisation we are proud of the service we provide to local families and the fun, nurturing, safe learning environment we offer our children.

The Nursery delivers public benefit by:

- Preparing pre-school children for entry to the statutory education system and acting as a feeder for two local primary schools
- Providing informal opportunities for parents to make new friends and acquaintances
- Offering workshops or resources to help parents understand the importance of early learning and how they can support their child's cognitive, social, and emotional development at home
- Providing inclusive education that caters to children with diverse learning needs, including those with disabilities or developmental delays, ensuring that all children can participate and benefit from learning opportunities.
- Fostering community connections and access to local services, particularly if they are navigating complex systems like special education or healthcare for children with disabilities.
- Our fundraising events create opportunities for the entire community to connect, engage, and collaborate with us, fostering a sense of unity and shared purpose.

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.

St Margaret's Nursery

Trustees' Report (continued)

Achievements and performance

St Margarets Nursery is monitored by Ofsted and we were pleased to receive a verdict of “GOOD” at our latest inspection in July 2023. The Ofsted inspector praised the management for displaying strong leadership skills, effective safeguarding and creating an environment where the children thrive, feel emotionally secure and display high levels of engagement.

Child numbers remained consistent in 2023, despite a decrease in fee-paying children. This was offset by an increase in the number of funded children, reflecting the uptake of government-supported childcare programs. We anticipate this trend will persist into 2024/25, driven by the government’s initiative to provide free childcare for working families, specifically through the extension of funded hours for 2-year-olds.

There was a significant expenditure of £47K on the extensive refurbishment of the portacabin. This cost has been capitalised in the accounts. This means that rather than being recorded as an immediate expense on the income statement, the cost is capitalised on the balance sheet as an asset. This allows the Nursery to spread the cost over the useful life of the asset through depreciation, which can provide a better reflection of the asset's value over time. The aim of this refurbishment was to enhance the building’s functionality, safety, and longevity, ensuring it remains fit for purpose for the foreseeable future.

The refurbishment included a complete overhaul of the exterior, where the building was fully stripped and updated with durable materials to improve both aesthetics and resilience. Special attention was given to maintaining the integrity of the structure, ensuring that it is watertight and fully protected from environmental factors.

In addition, two new fire doors were installed, improving the safety of the building in line with current fire safety regulations. These upgrades have transformed the portacabin into a more secure and sustainable environment, ready to serve its intended purpose in the long term.

Another significant increase is a £5K rise in the wage bill. In April 2023 the minimum wage increased by 9.7%, with a further increase of 10% in April 2024.

Staff wages account for about three-quarters of provider costs so any increase in minimum wage has a huge impact on our budget. Sadly, the government’s recent changes to early Years Funding have done little to make up for years of underfunding of the sector and we can only hope that the government commits to additional funding for the childcare sector going forward. Many nurseries and pre-schools are having problems in recruiting and retaining high quality staff. We realise that the success of the nursery depends on having a qualified, valued and committed workforce. In order that we continue to retain our staff we feel that paying a fair wage is essential, the nursery and management will have to be very prudent in managing staff number and hours if we are to continue to remain sustainable. The trustees will continue to review and optimize the budget to identify areas for cost savings without compromising quality and consider alternative funding sources or grants available for early years education. We will aim to implement flexible staffing models to adjust hours based on demand and offer professional development opportunities to enhance staff skills and retention.

The nursery has focused on establishing and nurturing relationships with the adjacent primary school, the wider community, and parents and carers throughout the year. These connections are crucial for maintaining a positive profile in the community, as most of the nursery's enrolment comes through word of mouth.

The Trustees recognise and appreciate the invaluable contributions made by volunteers in various capacities, especially in fundraising activities. This appreciation extends to the Trustees themselves, who generously dedicate their time voluntarily. Additionally, the staff's commitment to contributing beyond their paid hours is also acknowledged and valued.

St Margaret's Nursery

Trustees' Report (continued)

Financial review

Policy on reserves

The charity has a formal policy of holding sufficient working capital and contingency funds in reserve to ensure the sustainability of the charity. In addition, the policy requires the charity to work towards building sufficient reserves to cover statutory & contractual costs in the event of winding up.

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.

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 18.11.24 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 18.11.24 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 2024.

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

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: 25/11/24

St Margaret's Nursery

Statement of Financial Activities for the Year Ended 31 March 2024

	Note	Unrestricted funds £	Total 2024 £
Income and Endowments from:			
Donations and legacies	2	5,819	5,819
Charitable activities	3	147,041	147,041
Investment income	4	2,214	2,214
Other income		3,520	3,520
Total income		<u>158,594</u>	<u>158,594</u>
Expenditure on:			
Charitable activities	5	(142,960)	(142,960)
Other expenditure	6	<u>(8,029)</u>	<u>(8,029)</u>
Total expenditure		<u>(150,989)</u>	<u>(150,989)</u>
Net income		<u>7,605</u>	<u>7,605</u>
Net movement in funds		7,605	7,605
Reconciliation of funds			
Total funds brought forward		<u>191,374</u>	<u>191,374</u>
Total funds carried forward	17	<u>198,979</u>	<u>198,979</u>
	Note	Unrestricted funds £	Total 2023 £
Income and Endowments from:			
Donations and legacies		14,033	14,033
Charitable activities		126,403	126,403
Investment income	4	<u>801</u>	<u>801</u>
Total income		<u>141,237</u>	<u>141,237</u>
Expenditure on:			
Charitable activities		(149,580)	(149,580)
Other expenditure	6	<u>(6,107)</u>	<u>(6,107)</u>
Total expenditure		<u>(155,687)</u>	<u>(155,687)</u>
Net expenditure		<u>(14,450)</u>	<u>(14,450)</u>
Net movement in funds		(14,450)	(14,450)
Reconciliation of funds			
Total funds brought forward		<u>205,824</u>	<u>205,824</u>
Total funds carried forward	17	<u>191,374</u>	<u>191,374</u>

All of the charity's activities derive from continuing operations during the above two periods.
The funds breakdown for 2023 is shown in note 17.

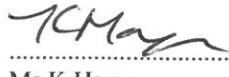
St Margaret's Nursery

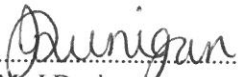
(Registration number: 1194058)
Balance Sheet as at 31 March 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	13	98,935	59,719
Current assets			
Debtors	14	1,615	2,085
Investments		62,716	75,502
Cash at bank and in hand		41,642	55,530
		<u>105,973</u>	<u>133,117</u>
Creditors: Amounts falling due within one year	15	<u>(5,929)</u>	<u>(1,462)</u>
Net current assets		<u>100,044</u>	<u>131,655</u>
Net assets		<u>198,979</u>	<u>191,374</u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>198,979</u>	<u>191,374</u>
Total funds	17	<u>198,979</u>	<u>191,374</u>

The financial statements on pages 7 to 17 were approved by the trustees, and authorised for issue on 15.11.24, 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 2024

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 2024 (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.

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 2024 (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 2024 (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 2024 £	Total 2023 £
Donations and legacies;			
Donations	5,319	5,319	11,390
Grants receivable	500	500	2,643
	5,819	5,819	14,033

3 Income from charitable activities

	Unrestricted funds General £	Total 2024 £	Total 2023 £
Nursery income	147,041	147,041	126,403
	147,041	147,041	126,403

4 Investment income

	Unrestricted funds General £	Total 2024 £	Total 2023 £
Interest receivable and similar income;			
Interest receivable on bank deposits	2,214	2,214	801
	2,214	2,214	801

St Margaret's Nursery

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

5 Expenditure on charitable activities

	Unrestricted funds General £	Total 2024 £	Total 2023 £
Staff costs	118,494	118,494	113,310
Nursery materials and sundries	2,043	2,043	1,198
Trips	1,061	1,061	2,873
Food	5,805	5,805	3,985
Staff training	318	318	155
Property rent	2,850	2,850	2,850
Insurance	1,729	1,729	1,771
Repairs and maintenance	2,230	2,230	14,528
Security	1,677	1,677	2,368
Play equipment	615	615	508
Telephone	996	996	998
Computer expenses	3,268	3,268	2,859
Subscriptions and registrations	457	457	427
Sundry expenses	480	480	541
Advertising	301	301	572
Bank charges	-	-	1
Governance costs	636	636	636
	<u>142,960</u>	<u>142,960</u>	<u>149,580</u>

6 Other expenditure

	Unrestricted funds General £	Total 2024 £	Total 2023 £
Depreciation, amortisation and other similar costs	8,029	8,029	6,107
	<u>8,029</u>	<u>8,029</u>	<u>6,107</u>

St Margaret's Nursery

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

7 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Total 2024 £	Total 2023 £
Independent examiner fees			
Examination of the financial statements	636	636	636
	<u>636</u>	<u>636</u>	<u>636</u>

8 Net incoming/outgoing resources

Net incoming/(outgoing) resources for the year include:

	2024 £	2023 £
Depreciation of fixed assets	<u>8,029</u>	<u>6,107</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:

	2024 £	2023 £
Staff costs during the year were:		
Wages and salaries	117,248	112,207
Pension costs	<u>1,246</u>	<u>1,103</u>
	<u>118,494</u>	<u>113,310</u>

The monthly average number of persons (including senior management / leadership team) employed by the charity during the year expressed as full time equivalents was as follows:

	2024 No	2023 No
Average number of employees	<u>13</u>	<u>13</u>

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

St Margaret's Nursery

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

11 Independent examiner's remuneration

	2024 £	2023 £
Examination of the financial statements	<u>636</u>	<u>636</u>

12 Taxation

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

13 Tangible fixed assets

	Portacabin £	Equipment £	Total £
Cost			
At 1 April 2023	69,541	2,447	71,988
Additions	<u>47,245</u>	<u>-</u>	<u>47,245</u>
At 31 March 2024	<u>116,786</u>	<u>2,447</u>	<u>119,233</u>
Depreciation			
At 1 April 2023	11,590	679	12,269
Charge for the year	<u>7,764</u>	<u>265</u>	<u>8,029</u>
At 31 March 2024	<u>19,354</u>	<u>944</u>	<u>20,298</u>
Net book value			
At 31 March 2024	<u>97,432</u>	<u>1,503</u>	<u>98,935</u>
At 31 March 2023	<u>57,951</u>	<u>1,768</u>	<u>59,719</u>

14 Debtors

	2024 £	2023 £
Trade debtors	-	90
Prepayments	<u>1,615</u>	<u>1,995</u>
	<u>1,615</u>	<u>2,085</u>

St Margaret's Nursery

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

15 Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	710	826
Other creditors	4,583	-
Accruals	636	636
	<u>5,929</u>	<u>1,462</u>

16 Pension and other schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £1,246 (2023 - £1,103).

17 Funds

	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Balance at 31 March 2024 £
Unrestricted funds				
General	<u>191,374</u>	<u>158,594</u>	<u>(150,989)</u>	<u>198,979</u>
	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Balance at 31 March 2023 £
Unrestricted funds				
General	<u>205,824</u>	<u>141,237</u>	<u>(155,687)</u>	<u>191,374</u>

18 Analysis of net assets between funds

	Unrestricted funds General £	Total funds at 31 March 2024 £
Tangible fixed assets	98,935	98,935
Current assets	105,973	105,973
Current liabilities	<u>(5,929)</u>	<u>(5,929)</u>
Total net assets	<u>198,979</u>	<u>198,979</u>

St Margaret's Nursery

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

	Unrestricted funds General £	Total funds at 31 March 2023 £
Tangible fixed assets	59,719	59,719
Current assets	133,117	133,117
Current liabilities	<u>(1,462)</u>	<u>(1,462)</u>
Total net assets	<u>191,374</u>	<u>191,374</u>