



## Broadmayne & West Knighton Preschool

### Management Committee Annual General Meeting

#### **Report of the Chair for Financial Year August 2020 – July 2021**

Author: Paul Molyneux, Chair

Date: Thursday 24th March 2022

We must apologise for the delay yet again, this has been due to waiting on the accountant completing the accounts for the 2<sup>nd</sup> year in a row. This is something we will aim to change and hope to have the AGM by December 2022.

I will do a quick refresher as this report focuses on Summer 2020 onwards.

The summer of 2020 was during the easing of some covid restrictions but during the height of the pandemic. Preschool had a big garden tidy with staff and committee members and their families and children.

September 2020 was when the preschool reopened with Covid measures in place after being closed since the first lockdown.

This was a large task for the staff with many Risk assessments to complete. This also included new routes around the building and new routines for drop off and collection. The staff did an amazing job over the summer completing this, and making sure we could open and everyone felt as safe possible.

The old ramp and decking outside had reached the end of its useable life and we finally got agreement from Dorset Council to have this replaced. This was agreed but not installed during this reporting period.

We have been awaiting a new lease from Dorset Council and this is still on going.

#### Fund raising

Serco Foundation donated a total of £2000, which we put towards a fence in the garden to separate the lawn from the play area.

Preschool was donated a lovely boat which came from a local family whose children went to the preschool.

The staff organised a Tigger bounce which raised over £700, don't forget your forms for this April's bounce.

There was a Christmas Raffle and children's party organised by the staff, which had to take place following the covid rules of 2020.

In Easter we ran a colouring competition with help from the village shop. Easter Eggs were donated by parents and local businesses. We are hoping to do a similar event this year, more details to follow.

### Staff

Hannah Ogden resigned as manager due to family commitments.  
Sam Mannion stepped up and became the Deputy Manager  
Karla Joy took on the role of Preschool Manager  
Jess stepped up to become Room Lead  
Helen Da Souza returned.

### Committee Changes:

New Members:

Lottie De Courcy  
Rebecca Mustoe  
Madi Gardener  
Sarah Broadbridge  
Paul Molyneux and Claire Willitts stayed on as Chair and Treasurer

Next AGM before Christmas 2022.



## Broadmayne & West Knighton Preschool

### Management Committee Annual General Meeting

#### Report of the Treasurer for Financial Year August 2020 – July 2021

Author: Claire Willitts, Treasurer

Date: Thursday 24<sup>th</sup> March 2022

As mentioned in the Chair's report, we find ourselves holding the AGM for 2020-2021 financial year some months later than planned. We felt it important to wait until the accounts were fully audited because of the financial difficulties facing the Preschool at the time of the last AGM and the unpredictable nature of the pandemic.

We are now pleased to report a much-improved financial position last year than in both 2018-2019 and 2019-2020.

The accounts for year ending July 2021 show a profit of £27,001.00 against an annual turnover of £95,915.00. As a proportion of turnover, the profit demonstrates the Preschool has had a financially efficient year.

To contextualise this, the table below shows the financial progression of the Preschool over the past five years.

YEAR	INCOME	OUTGOINGS	PROFIT
2017	£79,300	£71,900	<b>£7,400</b>
2018	£69,200	£75,200	<b>-£6,000</b>
2019	£78,780	£100,808	<b>-£21,938</b>
2020	£58,504	£54,226	<b>£4,238</b>
2021	£95,915	£68,914	<b>£27,001</b>

The positive operating profit is an indicator that the spending restrictions implemented in 2019-2020 have been effective in bringing stability to the finances without negatively impacting the ability of the Preschool to deliver the experiences needed by the children.

We are confident that the changes made to staffing ratios to ensure expenditure does not surpass income have also been effective having now been in place for a full academic year 2020-2021. There remains some concerns over the practicalities of managing numbers across the extensive footprint of the Preschool building, which has always been challenging, but whilst attendance numbers and therefore staffing remains high, this is not causing problems.

To attempt to resolve this situation long-term and to avoid a repeat situation of staff costs exceeding income levels, investigation was made into the potential to increase the capacity cap placed on the Preschool by Ofsted. This cap is currently 20 children per session. If this cap could be increased and places filled this would require a greater number of staff for each session, which would elevate staffing levels above the minimum required to effectively manage the footprint of the building whilst still retaining operation within the Ofsted ratios, which in turn would ensure the balance of costs versus income remains viable.

Following discussion with the Early Years Advisor, this increase was found to be unrealistic without significant and costly changes to the layout of the building, particularly relating to the shared bathroom between the two rooms. As such, this was not pursued and the risk of needing to staff above income levels remains if attendance numbers fall in the future.

Profit aside, the accounts also show a sizeable increase in turnover. This is indicative of growing demand in our area for Preschool spaces and a positive return to Preschool settings following the pandemic. The nature of the sector means that we see peaks and troughs in attendance numbers dependent on external factors such as high and low birth rate years, geographical migration of families and availability of places at other settings, meaning that turnover will always vary year-on-year. Currently this trend for high attendance continues into the next financial year.

Discussions with Dorset Council continue around the tenancy of the building and a new long-term lease will be signed to reflect the change in occupation of the building, where this was previously shared with the Children's Centre. I can confirm there is currently no rental charge attached to this lease, but that the Council are expecting Preschool to accept responsibility for all operating and non-structural maintenance costs. This makes it more crucial for us to be able to rely on parents to help with maintenance and upkeep of the building. We are yet to receive detailed lease terms and will be looking to limit our liability for repair and maintenance particularly given the building is a prefabricated unit with a limited life.

As part of the process of lease renewal we will be seeking new Holding Trustees to sign the lease on behalf of Preschool. These Trustees have no management responsibility, but as an unincorporated charity the Preschool cannot hold a Title Deed for a leased property in its own name and rely on members of the community to hold it on its behalf. This may sound onerous, but it is a common practise and is a very limited role in signing the deed. Our current Holding Trustees have been in place for almost 10-years and now wish to pass this over when we sign the new lease, so if anyone is willing to act as a Holding Trustee please contact me.

Whilst the accounts paint a positive picture of financial progress, there remain risks to the operation as outlined above. Taking account of these risks and learning lessons from misplaced spending of profits pre-2019, it is recommended that a Reserves Policy is drafted for the Preschool to establish a reasonable financial reserve of funds to protect the Preschool finances. This reserve would be available to supplement income if staffing costs needed to exceed income to effectively manage the Preschool setting with low numbers, or if the building required significant investment that would not be borne by the Council.

As a charity, the Preschool cannot hold reserves without this policy and appropriate justification to the Charities Commission as to why reserves are required. The practicalities of the building and the variable nature of the sector are deemed to be acceptable reasons for needing a reserve. The policy will be drafted by the Treasurer in the next financial year for Committee approval.

Discussions have been held between Committee and Preschool Management to agree on an appropriate level of investment in new resources that can be funded from the operating profit generated without compromising our financial stability. This is a satisfying outcome for all the hard work put in by the staff managing through with limited spending and investment in the previous year.

We would particularly like the children of the families who were with us during the 2020-2021 period to benefit from the investments before they leave to start school.

Fundraising remained quite limited during this period due to social distancing restrictions in the latter part of the pandemic. The staff did a fantastic job of fundraising for the Preschool as they were able to hold parties and undertake activities with the children whilst families had to remain distanced from the setting. Between staff and Committee, a Preschool fundraising What's App group was set up and Sarah, our Committee Secretary agreed regular slots in the school bake sale calendar for us in the summer term 2021. In total, this and the initiatives mentioned by Paul raised £1,500 in this period, in addition to the £2,000 of Serco grant funding that Paul secured.

Moving into the next financial year and the hopeful recruitment of new Committee members, we wish to return the focus of the Committee to fundraising initiatives, especially as our numbers are high and we have a captive audience!

Now half-way through the new financial year, the Preschool is again almost at full capacity, so we forecast a positive year for the 2022 accounts. As a charity-run Preschool we have no desire to turn large profits, only sufficient to ensure we are stable and can survive unforeseen events. We therefore intend to make some reasonable investments of anticipated profits into resources and projects that will benefit the children and enable us to retain our position as a well-resourced, well-managed and desirable village Preschool.

This report will be appended to the minutes of the meeting for reference.



CHARITY COMMISSION  
FOR ENGLAND AND WALES

Charity Name Broadmayne & West Knighton Pre-School	No (if any) 292766
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## Receipts and payments accounts

For the period from	Period start date 01 August 2020	To	Period end date 31 July 2021
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### Section A Receipts and payments

	Unrestricted funds to the nearest £	Restricted funds to the nearest £	Endowment funds to the nearest £	Total funds to the nearest £	Last year to the nearest £
<b>A1 Receipts</b>					
DCC funded fees	79,721	-	-	79,721	46,204
Other fees	11,887	-	-	11,887	10,458
Trips, lunches and clothes	28	-	-	28	60
Fundraising receipts	1,517	-	-	1,517	1,366
Bank interest	1	-	-	1	21
Grants	2,000	-	-	2,000	-
Coronavirus Job Retention Scheme	621	-	-	621	-
Sundry receipts and donations	139	-	-	139	394
<b>Sub total (Gross income for AR)</b>	<b>95,915</b>	<b>-</b>	<b>-</b>	<b>95,915</b>	<b>58,504</b>
<b>A2 Asset and investment sales, (see table).</b>					
	-	-	-	-	-
<b>Sub total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total receipts</b>	<b>95,915</b>	<b>-</b>	<b>-</b>	<b>95,915</b>	<b>58,504</b>
<b>A3 Payments</b>					
Staff wages	58,021	-	-	58,021	41,961
Staff pensions	946	-	-	946	514
Staff training and checks	516	-	-	516	341
Sub-contractor	-	-	-	-	3,165
Uniform	32	-	-	32	94
Milk & Groceries	509	-	-	509	303
Classroom supplies & equipment	752	-	-	752	573
Sundry expenses	685	-	-	685	273
Repairs and maintenance	606	-	-	606	400
Utilities	1,924	-	-	1,924	2,522
Insurance	738	-	-	738	726
Telephone	1,602	-	-	1,602	1,073
Professional fees	1,248	-	-	1,248	1,607
Advertising	126	-	-	126	437
Independent examiner fee	420	-	-	420	-
Fundraising costs	1	-	-	1	-
Subscriptions & registrations	117	-	-	117	237
<b>Sub total</b>	<b>68,243</b>	<b>-</b>	<b>-</b>	<b>68,243</b>	<b>54,226</b>
<b>A4 Asset and investment purchases, (see table)</b>					
Purchases of assets	671	-	-	671	-
<b>Sub total</b>	<b>671</b>	<b>-</b>	<b>-</b>	<b>671</b>	<b>-</b>
<b>Total payments</b>	<b>68,914</b>	<b>-</b>	<b>-</b>	<b>68,914</b>	<b>54,226</b>
<b>Net of receipts/(payments)</b>	<b>27,001</b>	<b>-</b>	<b>-</b>	<b>27,001</b>	<b>4,278</b>
<b>A5 Transfers between funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>A6 Cash funds last year end</b>	<b>23,340</b>	<b>-</b>	<b>-</b>	<b>23,340</b>	<b>23,340</b>
<b>Cash funds this year end</b>	<b>50,341</b>	<b>-</b>	<b>-</b>	<b>50,341</b>	<b>27,618</b>

## Section B Statement of assets and liabilities at the end of the period

Categories	Details	Unrestricted funds to nearest £	Restricted funds to nearest £	Endowment funds to nearest £
<b>B1 Cash funds</b>	HSBC current account	37,683	-	-
	HSBC savings account	12,655	-	-
	Cash	3	-	-
	<b>Total cash funds</b>	<b>50,341</b>	<b>-</b>	<b>-</b>
	(agree balances with receipts and payments account(s))	OK	OK	OK
<b>B2 Other monetary assets</b>	Details	Unrestricted funds to nearest £	Restricted funds to nearest £	Endowment funds to nearest £
	Prepayments	667	-	-
		-	-	-
		-	-	-
		-	-	-
<b>B3 Investment assets</b>	Details	Fund to which asset belongs	Cost (optional)	Current value (optional)
			-	-
			-	-
			-	-
			-	-
			-	-
<b>B4 Assets retained for the charity's own use</b>	Details	Fund to which asset belongs	Cost (optional)	Current value (optional)
	Outdoor equipment, sheds, bench etc	Unrestricted	19,253	1,007
	Indoor furniture and equipment	Unrestricted	9,057	2,375
			-	-
			-	-
			-	-
			-	-
			-	-
<b>B5 Liabilities</b>	Details	Fund to which liability relates	Amount due (optional)	When due (optional)
	Examiner's fee	Unrestricted	215	
	Sundry creditors	Unrestricted	1,398	
			-	
			-	
			-	
Signed by one or two trustees on behalf of all the trustees		Signature	Print Name	Date of approval