



Broadmayne & West Knighton Preschool Management Committee Annual General Meeting

Report of the Chair for Financial Year August 2022 – July 2023

Author: Sarah Broadbridge, Chair

Date: 21st March 2024

Previous AGM 10th November 2022

Firstly, we would like to apologise for the incredibly late AGM. This is not the first year this has happened, and we have implemented a new system to ensure this doesn't happen next year.

September started with a healthy intake of children, with a growing waiting list for the following year. There was some discussion around ensuring that there is appropriate support for the rise in children with SEN and how to use the space and hours to best support this.

Committee Changes

At the last AGM Paul Molyneux stepped down as chair and Sarah Broadbridge stepped forward from Secretary.

Rachel Marsden stepped forward to become Secretary.

Cat Salkeld joined the Committee.

Everyone else has remained in place.

Staffing

We had a turbulent year staffing wise, with an unusually high turnover of staff. Our biggest change occurred in November 2022 when Karla Joy left the Preschool as admin manager. Sam Bailey stepped up to become sole manager of the Preschool and has transitioned well into this role. There was an obvious need for admin support, however this was a hard position to fill.

Kelly Cake joined in September but had to leave in the January due to personal health reasons.

Laura Sealy Left in December to work at a Preschool closer to home.

Claudia Ngapo left in December to pursue a job as a nanny.

Pauline Pickersgill stepped up to the role of admin support for 1 day a week in February, but after a transitional stage it was felt that the Preschool managers could handle the admin and this position was made redundant in August. Today there is no specific admin role, and this is managed between Sam Bailey and Jess Welch.

Also, in February Jemma Jarvis began as an unqualified member of staff and has become a valued hard-working member of the team. In the same month we let Josie Maskins go.

Millie Naylor started in March and is still working 2 days a week. Both Jemma and Millie are now working towards their childcare NVQs in conjunction with Weymouth College.

Finally, Gemma Harrison joined the team in April, which has helped alleviate issues in staff levels. With all the changes in staff and illnesses in Preschool and the dependents of the staff we found ourselves short staffed over the winter/spring period and explored the option of supply agencies. This was both very expensive and not wholly suitable as the agency staff were not best equipped in our field. We did however have help through school and Anita came to join us as bank staff.

With one sole manager, Jess Welch stepped up to take on ad hoc deputy manager duties.



With Karla's departure we found that there was not a comprehensive handover and inconsistencies within the administration of the Preschool and this year has been a transitional year finding the best way to run the building. Sam has worked hard to make the Preschool up to date technologically and put in place comprehensive systems to make admin much easier.

Fundraising

Both Committee and Preschool staff worked hard throughout the year to raise much needed funds for the Preschool.

In November we held a very successful tabletop sale, raising over £300. The Hobbs family also held a fantastic bonfire party which really brought the community together and raised another £150.

The Preschool staff held several stalls at the Fabs Christmas fair and the Summer Sports event. They also held the notorious Tigger Bounce which always gets the children hopping and the purses opened!

Jess organised a wonderful coronation celebration and more funds were raised through the graduation ceremony.

Several cake sales were interspersed throughout the year and Committee organised a successful Eater trail and play at Preschool. Once again there was a real sense of community, and everyone got a good leg stretch around the village. We also held the annual disco.

Thank you to the staff and the Committee for all this organisation as without these funds raised, we would struggle to buy resources and enhance the learning environment.

Maintenance

Being a not-for-profit charity, Preschool has relied heavily on the generosity of parent support.

Over the year the Committee cleared the garden, with special thanks to Paul Molyneux for the thousands of tip runs that he has done. Also, a huge thank you to Mike Hobbs for his continual maintenance throughout the year.

Committee have dug over the veg plot, taken down the dangerous rotting pergola and replaced the sheds. Thank you also to Chris Willitts for the multiple door fixings and fixing the play equipment ramp.

We are very grateful for all the continuing support from parents!

Administrative Changes

There have been some significant changes this year with the successful introduction of resources fees, which helped to buy several new resources and ensure that we can afford a healthy and varied snack for the children. The cost-of-living crisis and continual underfunding from the government is forever posing Preschool with significant financial challenges, which Sam and the Committee have been working hard to think creatively how to overcome.

We raised the admissions age to 2 years and 6 months to help with the ratios and the ability to offer a Preschool environment rather than that of a nursery.

We introduced a resources fee to help alleviate some of the financial pressures.

We agreed to a staff pay rise of 9.7% and gave a staff bonus in February.

We were pleased to agree to a Senco bonus for the continual hard work in this area.



Thank you for all the contributions and to the hard work from all the Preschool staff who everyday make a huge difference to the education and wellbeing of our children.

Without such dedicated staff, we would not be able to offer such a wonderful environment and we all appreciate what you do day in day out.

Finally, tonight several Committee members will be stepping down from their roles and leaving the Committee for new eyes and fresh blood to inject energy into the Preschool.

I will be stepping down as Chair, Claire Willitts will be stepping down as Treasurer and Rachel Marsden will be stepping down as Secretary. It is obligatory that all these roles are filled, and it is important to have general members of the Committee alongside this.



Broadmayne & West Knighton Preschool

Management Committee Annual General Meeting

Report of the Treasurer for Financial Year August 2022 – July 2023

Author: Claire Willitts, Treasurer

Date: 25th March 2024

The AGM for academic year 2022/2023 has unfortunately been delayed into the Spring due to challenges with accounts being completed following year end. For the previous year it had been possible to bring this back into the Autumn, to suite with the academic year and the appraisal round, which provides a much smoother flow of events, particularly when the Committee is considering investments based on the previous year's performance.

There is an opportunity in the future for Preschool to change how the accounts are being administered to improve the process and expedite the month and year end reports, and subject to any decision made on this, it should be the intention of any new Committee to bring the AGM back into the Autumn term.

As covered in the Chair's report, there was a change of administrative staffing at the beginning of the 2022/23 academic year, and this has created a large amount of additional work for both Preschool Management and Committee teams to try to identify risks, get up to speed with admin processes and seek out administrative data. Despite a handover period, this has been a steep learning curve and new information that affected the administration of the Preschool and has had an impact on finalising the accounts continued to be uncovered throughout the year, which has caused the delays. I would like to note that Sam, and Jess, have taken this on with great enthusiasm, despite it being painful at times and it is certain that the Preschool is now in a better position after their work throughout the year.

As a lesson learned from this experience, the Preschool Management team have continued to share administrative tasks and knowledge more widely amongst the staff team to avoid single points of failure should staffing change or holiday/sickness impact the team going forward, and this will help minimise the risks of knowledge loss in the future. This has been a silver lining to the additional work everyone has had to do on the administration of Preschool over the past 18 months, so thanks to everyone involved as I know it has been painstaking and is still not completely behind us.

This brings me onto the situation with banking for the Preschool.

I have been a signatory on the bank since I started as Treasurer, but not in a card holding capacity and once Karla resigned there was no-one in a card-holding capacity. There was a lengthy transition period where multiple parts of the bank set up needed changing to give current Committee and Management team some access to and control of the bank account (primary contact, authorised signatories, change to Secretary and Chair after the previous AGM, Banking Mandate, online banking accounts, telephone banking accounts, card holders), but have all been subject to specific signatories some dating back to 2010, which have been impossible to contact.

This created an extremely protracted process to have historic contacts removed from the account and new primary contacts established. I am now the primary contact, Chair and Secretary and authorised signatories have now been updated to current Committee members and historic contacts removed, telephone banking has been set up in my name and online banking accounts have been set up for both Sam and myself, so progress is being made. The biggest issue though is that after four attempts to have the Banking Mandate updated to add Sam to it, which needs to happen before a bank card



can be obtained for her, all applications have been rejected due to a mismatch of signatures. Due to GDPR the bank will not tell me, which signatures are incorrect, and it could be one of multiple people, hence the repeated applications being made, despite signatories working for all other aspects of the changes made.

We have several options that the Committee and Management team can consider:

- Continue making applications with different signatories to try to identify which area has not been updated;
- Open a new account.

The opening of a new account is clearly the best option, but without the correct signatories, we cannot close the existing account. This means we would have to transfer the money in the existing account to a newly opened account and leave me as a cardholder on the old account in perpetuity. This is not an ideal solution and there will be some regulatory issues with this when I am no longer a member of the Committee.

If a new account is opened this will have to be opened in the name of the current Chair, Secretary and Treasurer and subsequently transferred to the new Committee, but provided Sam has a card and online access, this should not cause operational issues to Preschool, but just be another administrative burden to the outgoing Committee.

Although as Sarah has highlighted, I wish to stand down as Treasurer, I will not walk away until this is resolved as I know how difficult this could make everything for Preschool if the mess is not sorted out.

The Accounts

The financial performance for the most recent year August 2022 – July 2023 has been positive with accounts showing a profit of £3,384 against an annual turnover of £96,429, which is a .

To contextualise this, the table below shows the financial progression of the Preschool over the past ten years. This year I have added a percentage profit indicator.

YEAR	INCOME	OUTGOINGS	PROFIT	% PROFIT
2014	£83,100	£73,000	£10,100	12.15
2015	£77,600	£71,900	£5,700	7.35
2016	£79,400	£83,400	-£4,000	-5.04
2017	£79,300	£71,900	£7,400	9.33
2018	£69,200	£75,200	-£6,000	-8.67
2019	£78,780	£100,808	-£21,938	-27.85
2020	£58,504	£54,226	£4,238	7.24
2021	£95,915	£68,914	£27,001	28.15
2022	£95,620	£89,905	£5,715	5.98
2023	£96,429	£93,045	£3,384	3.51



Evaluation of the Accounts

In 2021-2022 Preschool turned over just £800 less than in the current year, with a profit of £5,715 compared to £3,384 in 2022-2023.

This is indicative of stability in the Preschool, with turnover largely static, thanks to a consistent level of booked capacity. For the past two years Preschool has largely been regarded as 'full' allowing for obvious fluctuations in intake depending on the term when the children turn three and can access government funding for preschool education. It was a conscious decision to retain some places vacant at the start of the year to provide fair access to children turning three later in the academic year, but with waiting lists increasing, it is important that the parents are aware that spaces will become ever more limited and should be booked as far in advance as possible. The increase in numbers is thought to be because several local settings and childminders have ceased trading in recent times and BWKPS has a strong reputation in the area. With additional government funding being made available to encourage parents to return to work sooner from Autumn 2023 onwards, demand should only increase.

In previous years we have considered expanding the size of the Preschool in terms of the numbers it is certified to hold, but the physical changes required to the building are considerable and they have been assessed but ruled out several times as they would not present value for money. Whilst profits are modest, this remains an unlikely way forward.

Although this year's turnover has been consistent with the previous year, the split between local authority funding and fees has shifted. As Sarah has mentioned the decision was taken to increase the enrolment age from 2 years to 2 years 6 months, which was a risk as more fee income is generated by fee paying 2-year-olds than 3-year-olds, but all parties agreed this was needed to bring some stability to the cohorts and to give staff much needed time to focus on the preschool education of the older children.

To balance this drop in fee income a voluntary resources fee was introduced payable by parents of children who attended funded sessions at a rate of £1.50p per session, where a session is one morning or one afternoon. This was a difficult decision by Committee and Preschool, especially amidst the cost-of-living crisis, but the accounts demonstrate how critical this has been. The income generated by fees paid by parents (not funded by the local authority) increased from £16,595 in 2021-2022 to £21,097 in the current year, which is an increase of £4,502. This increase exceeds the level of profit that the Preschool generated this year, and with all other costs being broadly comparable to the previous year, it demonstrates that without this resources fee the Preschool would have made a loss this year.

It is important that the Preschool makes parents aware that this is how challenging Early Years funding is and how important decisions like the resources fees, fundraising and other donations by parents are to our Preschool being able to continue to provide the excellent care and service it does to our families. It also shows how important strong management of finances by Preschool and Committee is to making this successful.

The marginally reduced profits this year can be partly explained by an increase of £1,300 in utility bills. We had been expecting an increase of circa £1,000 in this area, so this is even more inflated than expected. Other clear areas where prices have increased are those that were also expected as they are associated to cost of living, for example groceries for children's snack, and learning/play resources. With the rebrand of the Preschool there was also an upfront spend on new uniform.



In previous years we had calculated that we needed approximately £11,000 per year in running costs in addition to staffing, and this £11,000 was generally regarded as fixed costs, varying slightly year on year. The accounts for the last two years now show this has increased to more in the region of £13,000 - £14,000 per year and this should be factored into any budgeting moving forward. This is a reasonable assessment given the huge increases in utilities and cost of living items that impact the Preschool.

Staff costs have held static this year, which shows strong management by the Preschool team to reduce unnecessary overtime compared to last year. Given the increase in wages that was implemented in 2023 it is positive that staff costs have remained consistent, as the profit margin shows there is little room for cost increases.

In this year the Preschool made only modest investments in resources and gained the benefit of parental support with changes to the garden at nil cost. The largest investment has been a fair increase in staff wages in proportion to the National Minimum Wage increase. It is now reasonable to consider this year's profits as the investment fund for the next round of resource enhancements for the benefit of our children.

Generally, the accounts show that we are achieving some financial consistency, which is important for a good business and helps the Preschool and Committee team to get the best understanding of what is needed to be successful and to know where our risks are. With the Preschool forecast to be full again this year this is a good time to fix an annual budget, which has not been possible in recent years due to the financial recovery after a period of deficit, and the instability caused by the pandemic, changes to the funding landscape and varying staffing model. This is another reason why it will be important to improve the accounting process and bring the accounts back into the Autumn term, as it is not possible to forecast a budget without knowing current financial performance.

It is justified to forecast that the Preschool can continue to meet the demand and expectations of our community and to remain on a positive financial footing in the immediate term, providing we continue to closely manage our cost base and make sensible investments in staffing and resources alongside close monitoring of our projected income based on the admissions list.

Challenges to stability

In terms of challenges to the financial stability of the Preschool, there remain a number, but we have taken active steps in the last 12 months to mitigate these in response to risks discussed in the Treasurer's Report last year;

- Demand could drop as the nature of education means this is dependent on low and high birth rates each year – this is largely inevitable and a good reason why the Preschool maintains a reserve to deal with unprofitable years if they are as a result of a fall in attendance to the point of loss of profit e.g., minimum staffing ratios outweigh funding income, which we have seen in the past. Data is available on birth rate years so this can be foreseen;
- Additional needs of future cohorts could push staffing ratios beyond viability – this was part of the reason for increasing the enrolment age to make cohorts more manageable as a group. It is hoped that the cohorts that have suffered the impact of the pandemic will be through Early Years in the next two years, but it is impossible to know if it is this clear cut;



- Cost of living increases could see staff seek alternative employment – staff pay rises have been prioritised for spend and given in proportion to National Minimum Wage increases for the previous two years, which the current Committee is committed to continuing within the bounds of profitability, though we all acknowledge that Early Years is a poorly paid profession compared to what the staff contribute for our children;
- Increases in the National Minimum Wage force further fee increases – covered in more detail below;
- Changes at Dorset Council could produce changes to charities relief for rent under the new lease making the lease unaffordable – covered in more detail below.

National Minimum Wage Changes

Committee has made conscious decisions to use increased profitability and financial stability of the Preschool to reward staff for the excellent job they do looking after our children. In previous years the fee increases and resources fee has helped to balance this increased cost as discussed above.

Should minimum wage levels continue to increase, there will need to be a corresponding increase in fees to ensure Preschool avoids being in deficit. For example, should National Minimum Wage increase by more than 4.4% in April 2024 and the Committee agree that this should be reflected proportionately in staff wages, then with no other costs increasing beyond the current year the Preschool would be running at a loss. It is likely the wage increase will exceed 4.4% this year, so the new Committee will need to consider how this is managed.

Lease

The Council opened discussions in 2019 about a new lease, following changes to the split of space between Preschool and SureStart, who previously shared occupation of the building. In that time there have been numerous Council solicitors allocated to the matter, but we are again left with no solicitor currently dealing with the matter on behalf of the Council following staffing changes. Pengillys solicitors has kindly taken on the matter on behalf of Preschool as a nil cost commission, so thanks to Matthew and Becca Rimmer and Pengillys solicitor for working on our behalf. In this last year, the Council have at least acted on the dilapidated fence in the rear garden, which Preschool has been raising for the past year.

At last year's AGM we reported that we had found new Holding Trustees to hold the lease at the Land Registry, but as more time has passed without this being finalised this commitment needs to be revisited with all parties when the lease is ready to progress. As things stand, we are not expected to pay any rent for the lease due to the policy the Council has to offer otherwise unused buildings to charities rent-free. There is no suggestion that this will change but it is a risk that we are aware of and are working with Pengillys to ensure the terms of any new lease adequately protect us from this risk over the life of the lease.

Grants & Fundraising

In the 2022-2023 year we generated £1,756 of fundraising from events including the following:

- Termly cake sales;
- Easter trail and garden party;
- Coronation party;



- Tigger Bounce;
- Tabletop sale;
- Disco;
- Raffle;
- Tea towels

Thanks to all the staff and Committee members that take on these events as it is surprising how much time it takes to pull these things together and the energy it needs to market and support the activities. Thanks also to all the families that have engaged with the events and contributed to these funds and all the resources we ask for across the year.

Cash Reserve

The Preschool continues to hold a moderate cash reserve from profits in the last three years. As a charity we do not run to generate profits and only aim to produce profits to protect us from potential increases in unfixed costs, such as a drop in income due to attendance numbers or other unforeseen events. We are also required to hold a reasonable reserve to cover the cost of winding up should the worst happen. Although we are not adding much to this reserve this year with profits relatively low, this is currently in a healthy position to offer us support to make other financial decisions based on external variables.

Concluding Points

In consideration of all the above, it is felt that the 2022-2023 accounts are an accurate and useful reflection of the genuine annual operating cost of the Preschool since the huge changes that have impacted the country since the pandemic. This is based on the footprint of the building that determines how we can staff the rooms and the garden, the needs produced by the mix of 2- and 3-4-year-olds, and the management and staffing levels needed to meet Ofsted requirements. The last two years also show consistency in the income potential when we have full sessions. Based on these numbers, the Preschool continues to be very much viable.

During my time as Treasurer, my objective has been to keep the Preschool in a viable position by making sure our running costs do not outweigh our fee income and not relying on cash reserves or fundraising to cover our day-to-day operating costs. The Committee has been very supportive of that strategy, and I hope it has been successful in putting Preschool on a stable footing through what has been almost five very turbulent years. The balance of fulfilling the needs of the curriculum, meeting the expectations of our families, keeping the charity open and viable and supporting staff to do the really important work that the school need them to do in preparing our children for school is undoubtedly a difficult one, and I will be happy to spend time handing over all the history, data, documents and knowledge that I have gained through this role to any new incoming Treasurer.

The 2022-2023 audited accounts can be found appended to this report.

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



CHARITY COMMISSION
FOR ENGLAND AND WALES

Charity Name	No (if any)
Broadmayne & West Knighton Pre-School	292766

CC16a

Receipts and payments accounts

For the period from	Period start date	To	Period end date
	01 August 2022		31 July 2023

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 £
A1 Receipts					
DCC funded fees	71,449	-	-	71,449	76,863
Other fees	21,097	-	-	21,097	16,595
Trips, lunches and clothes	1,413	-	-	1,413	-
Fundraising receipts	1,756	-	-	1,756	1,522
Bank interest	119	-	-	119	4
Grants	-	-	-	-	400
Coronavirus Job Retention Scheme	-	-	-	-	135
Sundry receipts and donations	595	-	-	595	101
Sub total (Gross income for AR)	96,429	-	-	96,429	95,620
A2 Asset and investment sales, (see table).					
	-	-	-	-	-
Sub total	-	-	-	-	-
Total receipts	96,429	-	-	96,429	95,620
A3 Payments					
Staff wages	74,644	-	-	74,644	74,510
Staff pensions	1,662	-	-	1,662	1,548
Staff training and checks	417	-	-	417	671
Uniform	748	-	-	748	-
Milk & Groceries	1,216	-	-	1,216	613
Classroom supplies & equipment	2,293	-	-	2,293	2,049
Sundry expenses	731	-	-	731	376
Repairs and maintenance	945	-	-	945	1,795
Utilities	4,290	-	-	4,290	2,915
Insurance	796	-	-	796	741
Telephone	899	-	-	899	423
Professional fees	1,074	-	-	1,074	1,236
Bank charges	71	-	-	71	37
Trips	80	-	-	80	-
Independent examiner fee	215	-	-	215	215
Fundraising costs	270	-	-	270	745
Subscriptions & registrations	154	-	-	154	158
Sub total	90,505	-	-	90,505	88,032
A4 Asset and investment purchases, (see table)					
Purchases of assets	2,540	-	-	2,540	1,874
Sub total	2,540	-	-	2,540	1,874
Total payments	93,045	-	-	93,045	89,906
Net of receipts/(payments)	3,384	-	-	3,384	5,714
A5 Transfers between funds	-	-	-	-	-
A6 Cash funds last year end	56,055	-	-	56,055	50,341
Cash funds this year end	59,439	-	-	59,439	56,055

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 £
B1 Cash funds	HSBC current account	46,658	-	-
	HSBC savings account	12,778	-	-
	Cash	3	-	-
	Total cash funds	59,439	-	-
	(agree balances with receipts and payments account(s))	OK	OK	OK
B2 Other monetary assets	Details	Unrestricted funds to nearest £	Restricted funds to nearest £	Endowment funds to nearest £
	Trade Debtors	1,310	-	-
	Prepayments	720	-	-
		-	-	-
		-	-	-
B3 Investment assets	Details	Fund to which asset belongs	Cost (optional)	Current value (optional)
			-	-
			-	-
			-	-
			-	-
B4 Assets retained for the charity's own use	Details	Fund to which asset belongs	Cost (optional)	Current value (optional)
	Outdoor equipment, sheds, bench etc	Unrestricted	22,554	3,500
	Indoor furniture and equipment	Unrestricted	10,169	949
			-	-
			-	-
			-	-
			-	-
B5 Liabilities	Details	Fund to which liability relates	Amount due (optional)	When due (optional)
	Examiner's fee	Unrestricted	220	
	Sundry creditors	Unrestricted	3,386	
			-	
			-	
Signed by one or two trustees on behalf of all the trustees		Signature	Print Name	Date of approval