



Registered charity no.1035144

Ofsted no.127613

Introduction

This report details the work carried out by St Michael's Pre-school during the year starting 1 April 2018 and ending 31 March 2019.

St Michael's is a committee-run pre-school, which has adopted and is working to the Pre-school Learning Alliance constitution. The setting is Ofsted registered (reference 127613). The pre-school operates from rented premises, at St Michael's and All Angels Church Hall, 2 High Road, Wilmington, Kent, DA2 7EG.

It currently offers sessional child care places for children aged between two and five years, Monday to Friday, from 9.15am to 12.15pm, during school term times. During the summer term, the pre-school offers a lunch club session to the children starting school in September. It focuses on key skills to promote school readiness.

The pre-school employs ten members of staff on a part-time basis (two of those are volunteers) and is licensed to have a maximum of 30 children per session.

Committee members

For the period up to 31 March 2018, St Michael's Pre-school committee members were:

- Nicola Guthrie – Chair
- Sherilee Langrish – Secretary
- Emmas Smith – Treasurer
- Maria John – committee member
- Kerry Ridley – committee member.

Fund raising and grants

A variety of fundraising events were held throughout the year, involving the children and families who attend the pre-school. These included a bike and bounce fundraiser, name the bear competition, photograph sales commission, cake sales and dress up days.

Over the Christmas period, a range of events helped to raise funds – a chocolate tombola at the church fair, refreshments and raffle at the Christmas party. A local business, J Clubb, also made a donation.

The total income from fundraising this year was £1673.68.

Events and parent partnership

The children have had the opportunity to take part in several events and celebrations over the past year, at pre-school. There have been parades, parties and craft sessions. No external trips occurred.

This year, the pre-school continues its family open mornings, at least once a term. These provide an opportunity for parents and carers to be involved in their children's learning and strengthen their relationship with staff.

Finances

A copy of the audited financial accounts is attached. A meeting of the committee was held on 15 October 2019, to approve them.

Conclusion

2018/9 continued to be a time of change for St Michael's Pre-school, with ongoing improvements to the provision, investment in new resources and two new staff members recruited in January 2019 to replace outgoing staff (although recruitment delayed to support ratios and financial position).

Staff and committee members continued to work to improve the facilities and experience offered to the children. Funds raised during the year, were put towards equipment and resources. Staff also undertook mandatory training, including safeguarding and child protection, food hygiene, first aid, and had free access a suite of continued professional development courses through Educare (portal provided by the early years alliance).

The pre-school continued used its termly newsletter and Facebook page to keep connected with parents and give them an insight into, day to day activities. Parent review meetings were held regularly to update on children's individual progress, next steps and transitions. Termly open mornings and events offered parents a more informal opportunity to be involved with their child's learning.

St Michael's continues to support the needs of the local community by providing safe, stimulating and affordable pre-school education, with the help of a dedicated and professional staff and committee. It is hoped this will continue to be the case for the forthcoming year – although, due to rising business costs and capped funding rates, the committee will need to give specific focus to future sustainability.

ST MICHAEL'S PRE-SCHOOL
INCOME & EXPENDITURE

INCOME:	<u>2018/19</u>	<u>2017/18</u>
Interest Received- Savings Account	15.83	4.58
Book Club	68.50	-
Fees	13,059.40	12,896.58
Funding	45,164.69	39,798.63
Fundraising Income	1,673.68	3,628.93
Uniform	354.00	329.50
Resources Income	2,960.00	3,238.00
Other Income	78.12	22.39
Photography	-	202.50
TOTAL INCOME	<u>63,374.22</u>	<u>60,121.11</u>

EXPENDITURE:	<u>2018/19</u>	<u>2017/18</u>
Craft	281.12	268.37
Equipment	1,822.61	181.23
Entertaining	273.55	-
Insurance	711.79	885.14
Miscellaneous	189.86	217.23
Post Office	25.60	48.39
Books & Publications	77.77	40.00
Rent	5,992.50	5,816.25
Salaries	51,470.32	51,587.69
Subscriptions and DBS	774.31	183.28
Stationery/office equipment	826.49	729.64
Supplies-Milk Food	434.18	354.48
Telephone	102.50	110.00
Accounting	120.00	120.00
Cleaning	269.42	231.70
Uniform	434.30	220.80
Photographs	-	35.02
Advertising	50.00	-
Staff courses	1,229.90	329.95
Staff mileage	-	61.88
Computer costs	368.99	89.99

TOTAL EXPENDITURE	<u>65,455.21</u>	<u>61,511.04</u>
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EXCESS OF EXPENDITURE OVER INCOME	<u>- 2,080.99</u>	<u>- 1,389.93</u>
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Previous year balance B/fwd	17,100.11	18,490.04
excess/deficit in year -	2,080.99	- 1,389.93
This year balance C/fwd	<u>15,019.12</u>	<u>17,100.11</u>

Funded by	Current A/C	4,330.10	6,444.20
	Deposit A/C	10,197.70	10,181.87
	Petty Cash	33.09	15.81
		<u>14,560.89</u>	<u>16,641.88</u>

 On the basis of records, information and explanations supplied to us I have independently reviewed and approved these accounts.

Joanna McGovern MBA, FCCA, FMAAT, ATT (Fellow)
12 Old Bexley Lane, Bexley, Kent, DA5 2BN

T: 01322 555530 | M: 07595 123451 | E: bex@aims.co.uk | W: www.aims.co.uk

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St Michael's Pre-school **Registered charity no.1035144** **Ofsted no.127613**

16 September 2019

Report from the Accountant to the Committee to accompany the income and expenditure account

The accounts for the year ended 31 March 2019* follow, they show a loss for the year of £2,081, in comparison to a loss the previous year of £1,390. The figures need to be smoothed for restricted income and expenditure to be compared like for like as during 2018 the school was awarded a grant. A large element of the grant funding was actually spent on equipment in 2019. The revised figures would approximately show 2019 loss as £1,259 and 2018 as £2,212. Comparing the figures in this way shows that the trend is improving and that the gap between income and expenditure actually closing.

This reflects the decision the school committee implemented in 2018 to incrementally increase prices after many years of static fees.

However the school is facing regular cost rises, for example the impact each year on minimum/living wage, the burden of auto-enrolment pensions, and increased compliance training, which means that they must constantly be cost monitoring. Generally costs are kept low and to those necessary.

Based on the pre-school opening hours, the maximum capacity of the school is 17,400** child learning hours. Of this 17,100 is available for government funding. The average claim for the funded hours is £2.64 per hour, and for parent paid is just £0.75 more. Reviewing these income figures in this manner enables comparison. The largest costs for rent and staffing alone cost an average of £3.30 per hour. And with all other costs this rises to £3.75. So income is still not higher enough.

The school charges £5 per hour and claims funding at £4 per hour, these figures compared with the averages above equate to a average capacity of 67%, this means that the greatest fixed costs of rent and staffing are $\frac{2}{3}$ under utilised. This gap needs to be covered to increase capacity to 93%, or 28 children per session and together the committee need to consider ways to fully book all the places, perhaps by extending hours where feasible.

As the average charge by local day-care centres is £8.50 per hour (although including food) management need to consider further price increases to the parents.

If these gaps are not covered then the school is not sustainable; this is the 7th consecutive year making such a loss, with hardly any contingency funds, and so the reserves will last only c.8 years without change.

* please note that the accounts cut off at the end of the term nearest to this date in order that year on year the comparisons are always for 6 complete terms.

** includes lunch club sessions which run in the summer term.

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