



		We employ a team of dedicate, qualified and experienced staff; and are funded through various routes including public funding, parents fees, donations and fundraising. [See Financial Review.]
Statement confirming whether the trustees have had regard to the guidance issued by the Charity Commission on public benefit	Para 1.18	Yes, the trustees have had regard to Charities Commission guidance on public benefit.

**Additional information (optional)**

You may choose to include further statements where relevant about:

	SORP reference	
Policy on grant making	Para 1.38	The Nursery does not give grants
Policy on social investment including program related investment	Para 1.38	See the summary of the purposes of the charity
Contribution made by volunteers	Para 1.38	Volunteers run the committee, fundraising, and a number of back-office functions of the Nursery, including: HR (assisting with recruitment and performance), payroll, financial management & oversight, book-keeping, development of policies.
Other		

**Achievements and Performance**

	SORP reference	

<p>Summary of the main achievements of the charity, identifying the difference the charity's work has made to the circumstances of its beneficiaries and any wider benefits to society as a whole.</p>	<p>Para 1.20</p>	<p>See Annex 1: Chair and Manager's annual reports</p>
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**Additional information (optional)**

You may choose to include further statements where relevant about:

<p>Achievements against objectives set</p>	<p>Para 1.41</p>	
<p>Performance of fundraising activities against objectives set</p>	<p>Para 1.41</p>	
<p>Investment performance against objectives</p>	<p>Para 1.41</p>	
<p>Other</p>		

## Financial Review

Review of the charity's financial position at the end of the period	Para 1.21	<p>At the end of the period 01/09/2020 to 31/08/2021 the Nursery had:</p> <ul style="list-style-type: none"> <li>• Received income of £123,991.36</li> <li>• Made expenditure of £103,278.46</li> <li>• Net (gain) for the year of £20,712.90</li> <li>• Carried forward a bank balance of £86,950.17 into the next financial year (Sept21-Aug22).</li> </ul>
Statement explaining the policy for holding reserves stating why they are held	Para 1.22	<p>The Committee reviewed the nursery's financial controls and reserves policies (in 20/21) in the light of the pandemic: we had placed re-investment of reserves into the educational purposes and infrastructure nursery on hold for previous year (19/20) due to pandemic-related funding uncertainties (such as further unforeseen temporary closures).</p> <p>Given the apparent surplus in the bank, and being set up as a Charity that we should not retain more than we need, the time was right to develop a policy on an appropriate amount of reserves to retain, which would allow us to cover, in the worst-case: costs of closure and redundancy, plus between 3-6 months of running costs to cover other scenarios.</p> <p>Other scenarios might include for example, unforeseen large maintenance spend or other day to day operational costs in excess of budget; an unexcepted fall in income while nursery adapts its funding model to suit the cause; and large fluctuations in cash flow. The policy has been developed in line with guidance issued by the Charities Commission and the Pre-School Learning Alliance; and aligned with reserves policies held by other nurseries.</p>
Amount of reserves held	Para 1.22	
Reasons for holding zero reserves	Para 1.22	N/A
Details of fund materially in deficit	Para 1.24	N/A
Explanation of any uncertainties about the charity continuing as a going concern	Para 1.23	N/A

**Additional information (optional)**

You may choose to include further statements where relevant about:

The charity's principal sources of funds (including any fundraising)	Para 1.47	The Nursery receives funding from: <ul style="list-style-type: none"><li>• The local authority (Surrey County Council) per child per hour for children eligible for public funding;</li><li>• Parents pay fees for children not eligible for public funding (those under 3) (or where funded children are exceeding their funded hours);</li><li>• Voluntary contributions from parents for our forest school lessons;</li><li>• Donations;</li><li>• Fundraising by the parent-led committee of volunteers (Christmas Fayre, village fete, ad-hoc events, etc).</li></ul>
Investment policy and objectives including any social investment policy adopted	Para 1.46	The nursery maintains a policy of reinvesting additional reserves to ensure the continued functioning and future of the nursery, whether this be in the form of staffing, infrastructure or educational resources.
A description of the principal risks facing the charity	Para 1.46	Should there be a fall in children registering for the nursery, our funding will decrease.
Other		

## Structure, Governance and Management

Description of charity's trusts:		
Type of governing document (trust deed, royal charter)	Para 1.25	Constitution
How is the charity constituted? (e.g unincorporated association, CIO)	Para 1.25	Unincorporated associated
Trustee selection methods including details of any constitutional provisions e.g. election to post or name of any person or body entitled to appoint one or more trustees	Para 1.25	Election to post at Annual General Meeting

### Additional information (optional)

You may choose to include further statements where relevant about:

Policies and procedures adopted for the induction and training of trustees	Para 1.51	N/A
The charity's organisational structure and any wider network with which the charity works	Para 1.51	N/A
Relationship with any related parties	Para 1.51	N/A
Other		N/A

### Reference and Administrative details

Charity name	St Michael's Community Nursery
Other name the charity uses	St Michael's Nursery
Registered charity number	1022982



Name of trustees holding title to property belonging to the charity

Trustee name	Dates acted if not for whole year	

## Funds held as custodian trustees on behalf of others

Description of the assets held in this capacity	
Name and objects of the charity on whose behalf the assets are held and how this falls within the custodian charity's objects	
Details of arrangements for safe custody and segregation of such assets from the charity's own assets	

### Additional information (optional)

#### Names and addresses of advisers (Optional information)

Type of adviser	Name	Address
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#### Name of chief executive or names of senior staff members (Optional information)

Hilary Budd (Manager)
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## Exemptions from disclosure

Reason for non-disclosure of key personnel details

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## Other optional information

### Annex 1: Manager, Chair and Treasurer annual reports 01/09/2020-31/08/2021

#### Managers' Report

Our autumn term (2020) started very positively. Staff were well and our management of Covid appeared to be robust in protecting the nursery community. We have however now had a couple of cases, but we don't believe the nursery was the place the virus spread as cases are unrelated and appear isolated.

Reflecting back I would suggest that we didn't think we would be in the position we are!

Last year pre vaccinations and the persistent failure of government to have the same protective factors in early years as in schools, staff felt rather vulnerable and somewhat un appreciated, not by our parents, who wholeheartedly supported our Covid protection efforts, but by government: we were expected to operate a service as a care sector, but not given care sector priority for vaccines. Staff will tell you how I actually took 'yellow Ted' home at Christmas, as I really didn't know if I would be back in the New Year. Needless to say, Covid had a significant impact on staff morale. We do however truly appreciate this has been recognised and the wellbeing gifts from committee members have indeed been uplifting.

Looking ahead to recruiting new children and how live 'look see' visits had declined. The website was given a significant boost by a parent volunteer, now including a virtual tour. We are very happy with the length and tone and it is also more manageable for us to amend and update.

The same volunteers skills were also utilised for our Nativity! Obviously, restrictions in place at the time did not allow a live performance so using film taken by us in the nursery, edited and spliced to create a video for all parents to download.

January was interesting! Our funding had been supported at pre-covid levels for the last two terms, but this was due to end for the spring of 2021. Whilst a covid surge put schools back in bubbles, early years it was suggested, could continue at full capacity. However, several parents, quite sensibly, decided to withdraw their children as they had vulnerable relatives at home. Suddenly we were faced with a bit of a funding crisis! We tried to fill the gaps with existing children taking extra days, eventually government relented and continued to fund us for those that remained on our books but were currently not attending. Causing anxiety over finances, job security and health of staff.

Our theme as the new year started was space, we covered bikes and trikes in foil to become moon buggies, designed aliens in many mediums, and got thoroughly grubby with ash moon dust. It snowed at the end of January, just enough to build a snowman and have sledge races. We used the Colour monster book to help explore feelings, leading nicely into valentine's day and gifting of pretty primroses to somebody we love. After half term we had several weeks of traditional stories. Always an underestimated and very popular theme. From playing with dry oats, designing bridges and trolls, climbing beanstalks, and building pigs houses, we eventually selected (probably because of the sustained interest in our hatched chicks) Chicken Licken to be our end of term show, albeit not quite the end of term to celebrate and say goodbye to a child who had been with us at nursery 9 months longer than expected, (choosing to stay with us whilst waiting for the right specialist placement). We spent several weeks designing and creating shields as his favourite activity was pretending to be a knight. It was very heart wrenching to see him go, having seen such significant progress in his development during his time with us. His parents have been fabulous advocates for the nursery and we've really appreciated all the time they have contributed over the last three years.

A new acquisition: our Committee Secretary and her husband undertook a virtual bike ride all the way to Paris to raise funds for our fantastic new touch screen smart board/computer. It was my pleasure to facetime in for early morning encouragement! What a legacy!

Guidelines and sensible planning allowed us to have an end of term! We held two sports days: for older and younger children separately and will consider this as a new way forward. The weather held for us, and we were able to hold an end of term show for older children parents and committee members, finally saying goodbye with Gordon the magician and a fabulous end of term party.

During the summer, staff had several wellbeing days at Buckland Park Lake, relax and refreshed ready for the new term.

Another challenging year for our committee with plenty of opportunities to solve problems. I thank you all wholeheartedly and would have not survived the past 18 months without your unwavering support.

### **Chair's Report**

This Chair's Report officially begins with thanks to Hilary as manager, who, for a second year has had to navigate early years provision through Covid lockdown periods. Hilary always has the welfare of the nursery children at the forefront of her decision making, and it is this personal touch that makes her so special. To our team of nursery staff members, who have continued to welcome our children in challenging circumstances and who have taken continually evolving events in their stride under Hilary's leadership. And to our nursery committee. Thank you for your time, your unwavering support and commitment to the nursery. In particular, I would like to thank our core committee – our Treasurer Sal, who has worked closely with Izzy Wallace to make improvements to our finance processes, and to Kate Sartorius whose organisation as secretary is admirable! However, everyone has played a key part in the running of the nursery. Fiona, thank you for your Ofsted contribution; Becky to managing the payroll each month, Verity for your support in fundraising (the administration for the Christmas Fair is underway!) and Louise for your time considering the GDPR.

### ***Covid and 'The New Normal'***

Last winter brought more uncertainty regarding Covid, but early years settings remained open, and it was a beacon of light to parents, and indeed staff, to be able to function as normally as possible last winter. Now Covid rules have relaxed a little, but I'd like to thank everyone – staff, parents and children – who adapted so willingly and with such a positive and understanding attitude.

I stand down as Chair this evening having led two years' of committee meetings online, and not one in person! However, it became apparent that this move actually increased attendance at our meetings, with full committee attendance a regular occurrence! During lockdown 3 our covid procedures became routine, and some have been very positive changes: parents became accustomed to our new streamlined dropping off and collection routines, and the installation of a new sink outside for handwashing has certainly prevented the spread of all those germs! We are indebted to our local community – local builder Jason Carpenter installed our sink for free, including materials.

Over the past year we have once more navigated challenging times, but with a more informed, certain and confident approach. We did the very best we could in challenging circumstances, and are indebted to the support of staff and parents in facilitating different events. For example, Mark Sartorius kindly filmed our nativity 'Oopsie Daisy Angel', and it was lovely to showcase the singing of our children in some way at Christmas time. Thank you to Mark for enabling this to happen.

We were thrilled when more normal times enabled us to run our new parents evening in person, and we were delighted to hold our sports day and leavers party almost as normal. Summer term playdates for new starters were able to be organised for the first time in two years.

### ***Staff changes***

We continue to boast a very well-qualified staff team, and have continued to invest in their Continued

Professional Development over the last year. This is something that we aim to prioritise in the upcoming months and years.

Our staff body is hugely valued by the committee and parents. During the Autumn and Spring terms, the committee introduced small gestures of appreciation to boost staff morale and contribute to wellbeing. These were well-received by staff members at this challenging time. The committee has also agreed that we should aspire to paying the Real Living Wage, something that was strongly supported.

We have had some staff changes since our last AGM. We welcomed back Charlotte from maternity leave, who returned as our SENCO. We also welcome Sophie Blond as a one-to-one SEN Support worker. Both ladies have made such a positive impact as part of our team. We also said goodbye to Tiff and Natascha and wish them both well.

### ***Finances***

Our finances are in a healthy state, and we are fortunate to have had experienced and committed members of the committee handling our financial affairs over the last two years. In addition to Sal Burgess, who has worked tirelessly, Izzy Wallace has stepped up as bookkeeper this year, and I'd like to thank her for her work in researching and instigating our new Nursery Reserves Policy. Sal will report fully on our finances, but I'd like to thank Izzy, Becky (payroll) and Sal for their hard work throughout the year. The committee next year will be able to build on the solid foundation already in place.

### ***Improvements to fabric and procedures***

There have been significant improvements Mark Sartorius redesigned our website in the early part of this year, updating its contents and undertaking work on online forms to streamline administration. A huge thank you to Mark for his hard work on this project.

We have also streamlined the staff appraisal system, and Louise Margetts has spent time looking into GDPR compliance.

### ***Fundraising***

Several fundraising events were again cancelled due to Covid, including our Christmas Fair 2020 and the Village Party 2020, a fundraiser from which we typically receive a generous donation. Yet, we found alternative ways of raising money, and have been supported by the local community too. We held a wreath-making event online, which raised £150. We also raised £328 from our Christmas hampers raffle. We took part in a balloon race, raising £104. We received £2100 from the Mickleham and Westhumble online Auction at Easter, and thanks must go to those who donated auction lots, as well as to Rachel Donnelan and Verity Herring who sat on the Auction Committee.

Kate and Mark Sartorius also cycled virtually to France, raising well into four figures for a new nursery computer. Nursery staff also took part!

Non-money raising initiatives also built a sense of community. Thanks to Hilary for masterminding the miniature houses and teapots trail.

In the summer we were delighted to be able to provide refreshments for the Mickleham and Westhumble Horticultural Society Summer Show, raising the profile of the nursery and raising funds in the process. Thanks to all who baked and manned the refreshments, not to mention the washing up!

Finally, we look to our Christmas Fair 2021. Many thanks to Verity Herring who has already put in much time and effort to organise this. It will be two years since we last had a Christmas Fair, which is a big

fundraiser to us. I'm hopeful that we will once again bring together the community of families in preparing for this event and those which follow it. It is, after all, fundamentally what makes our Community Nursery so special, what makes it stand out from the others, and what inspires the staff and families who support it so wholeheartedly.

Finally, I would like to thank the committee for their hard work over the past year. It has been an absolute pleasure to work with such a supportive, talented and committed team of people.

### **Treasurers Report (Sally Burgess)**

The outcome for the nursery's finances at the end of the 20/21 academic year was positive, with savings on expenditure resulting in a **net surplus of £20,712.90**

This was largely down to substantially higher public funding than initially anticipated, coupled with higher parents fees; and making savings on our running costs – intensely aware of potential issues related to the Covid19 pandemic.

The accounts passed audit "in apple pie order", according to the auditor, and for the first time ever the whole accounts and paper trail is entirely electronic and securely filed online, with thanks to Izzy for help with those improvements. We now have a more resilient system which will allow new (volunteer) officers to step in and more easily pick up the reins.

### ***Income***

The nursery's total income for the academic year ending 31<sup>st</sup> of August 2021 was £123,991.36. This **was higher than forecast and** exceeded the previous year's income by £7,575.04.

### ***Public authority funding and parent fees***

Surrey County Council funding was higher than anticipated this year, largely down to their approach to funding Early Years provision, for the first term funding at the same rate as the Autumn Term for the previous year. As measure arising from the CoVid19 pandemic, it reflected a concern from Early Years providers that registration rates would be lower and that nursery businesses would start to become unviable. For St Michael's our rate of public funding in autumn 2019 had been high, with a large number of qualifying children, and so we saw higher Autumn Term funding.

We also saw grants provided for a few children who needed 1:1 support. Once the costs for those 1:1 staff are netted off (through the expenditure account), the increase in SCC funding is not as apparent. Per pupil funding also increased mid-year to a £4.72 per hour (from £4.65); this still does not cover per child per hour costs alone.

With a larger complement of younger children in the 20/21 academic year parents' fees were higher than the previous year (noting also that parents fees in 19/20 were much lower due to nursery closure!). But even taking the 19/20 drop into consideration, these fees are higher per hour to cover the gap between local authority funding rates and our overheads plus educational resources. We also received a much greater proportion of the voluntary contribution for forest school costs (usual estimate is to receive 50% of that billed).

### ***Fundraising***

We were unable to run any in-person fundraisers in 2020/21, but we did have two very successful

“events”, the auction in conjunction with St Michael’s School and Kate and Mark Sartorius virtual London to Paris bike ride, which raised £2,100 and £1,180 respectively.

To put these figures into context, once our basic overheads (staff time, rent, bills) are netted off, 5% of the nursery’s budget remains for educational resources or unforeseen expenses like out-of-the-ordinary maintenance. Annual fundraising often provides around half of the nursery’s disposable income.

### ***Grants***

Mole Valley DC – Discretionary Grant of £5k to cover Covid pandemic related costs, including installing an outdoors sink with warm water for winter hand washing on arrival and under-carpet heating for the children for carpet time (when they aren’t running around keeping warm, but still indoors with the windows open for ventilation).

### ***Expenditure***

Overall expenditure was down by **£841.71 on the previous year; at £103,278.46.**

### ***Staff budget***

Staff wages are always the largest part of our budget c.80%, because the staff team are our most important resource. This year saw a slight reduction in staff costs, with a slightly smaller staff team; this was offset by an increase in our Employers PAYE/NI bill as more staff qualified for PAYE.

Training costs were lower than forecast.

### ***Rent***

We continued to save on the rent in 20/21, as Mickleham Village Hall generously continued to give a discount on the nursery’s rent of the hall for the entirety of the 20/21 year.

### ***Other costs***

Essential maintenance work in August 2020 on the sandpit and outdoor play area, while children were absent and before the weather turned, without which the area may well have become unusable and unsafe over the winter period, devastating for an outdoorsy nursery. Invoiced after the work was completed in early September 2020.

### ***Reserves & Financial Health***

Cash in the bank reserves are good, following a few good years for fundraising and one-off large donations, at **£86,950.17** to be carried forwards. This is up from £66,237.27 last year.

The Committee reviewed the nursery’s financial controls and reserves policies in the light of the pandemic: we had placed re-investment of reserves into the educational purposes and infrastructure nursery on hold for last year due to pandemic-related funding uncertainties.

Given the apparent surplus in the bank, and as we are set up as a Charity that we should not retain more than we need, the time was right to develop a policy on an appropriate amount of reserves to retain, which would allow us to cover, in the worst-case costs of closure and redundancy, plus between 3-6 months of running costs to cover other scenarios. Other scenarios could include for example, unforeseen large maintenance spend or other day to day operational costs in excess of budget, unexcepted fall in income while nursery adapts its funding model to suit the cause, and large fluctuations in cash flow. The policy has been developed in line with guidance issued by the Charities Commission and the Pre-School

Learning Alliance; and aligned with reserves policies held by other nurseries.

Having done this we are able to make plans to deploy the remaining net income to invest in the nursery, which we are now beginning to do, including focusing on essential maintenance and enhancing the staff training budget as initial priorities.

***Policy updates and progress:***

Financial policy was reviewed and formalised in line with Charities Commission guidance.

Reserves policy was reviewed and re-developed (as an annex to the Finance policy).

Parents fees were reviewed with changes to take effect in 21/22. These were last increased from £7 to £7.50 in September 2018 for the 2018/19 academic year; and will now be increased by £0.20 per hour to £7.70 from September 2021.

Begun the development of a pay policy for the nursery.

***Focus for the coming 12 months/Forward look***

- To further consider how best to invest the nursery's excess reserves back into the infrastructure and services provided by the nursery, ahead of greater stability following the pandemic.
- Develop pay policy and review salaries in light of that – we will continue to research and understand the issues. We have a strong desire to try to pay the Real Living Wage and to reflect inflation and pay in line with the rest of the sector for our staff.

## Declarations

The trustees declare that they have approved the trustees' report above.

Signed on behalf of the charity's trustees

<b>Signature(s)</b>		
<b>Full name(s)</b>	Sally Jill Burgess	
<b>Position (eg Secretary, Chair, etc)</b>	Treasurer	
<b>Date</b>	22/06/2022	



## St Michael's Community Nursery: Year End Summary 2019/20

Income	Actual 2019/2020	Actual 2020/21	Budget FY21	Actual V. Budget	Explain variance between budget and actuals
Fees breakdown					
* Surrey County Council funding	£81,707.84	£77,196.21	£60,000.00	129%	Surrey County Council funding higher than anticipated this year, because their approach to funding Early Years provision for the first term was to fund at the same rate as the Autumn Term 2019. This had been a high funding term for St Michael's.
* Parent fees	£20,313.75	£30,875.20	£30,000.00	103%	With a larger complement of younger children in the 20/21 academic year parents' fees were higher.
* Forest School (voluntary contribution)	£2,655.00	£4,360.00	£2,520.00	173%	Forest School contributions are voluntary and usually forecast at a 50% success rate.
Grants and Vouchers	£4,910.83	£5,306.46	£5,000.00	106%	Mole Valley DC – Discretionary Grant of £5k to cover Covid pandemic related costs
Restricted Grants	£-	£ -	£1,600.00	0%	
Fundraising	£3,261.85	£4,198.21	£ -		We were unable to run any in-person fundraisers in 2020/21, but we did have two very successful virtual “events”,
Sale of Uniforms	£185.00	£140.00	£200.00	70%	
Donations	£3,067.05	£1,723.00	£1,000.00	172%	
Other Income	£315.00	£192.28	£ -		
Unidentified Income	£-				
<b>Sub total income</b>	<b>£116,416.32</b>	<b>£123,991.36</b>	<b>£100,320.00</b>	<b>124%</b>	<b>Income was higher than forecast</b>
Expenditure	Actual 2019/2020	Actual 2020/21	Budget FY21	Act. V. Bud	
Staff Salaries	£83,705.67	£76,537.87	£84,000.00	91%	This year saw a slight reduction in staff costs, with a slightly smaller staff team; this was offset by an increase in our Employers PAYE/NI bill as more staff qualified for PAYE.
Employers NI	£2,828.19	£8,776.75	£4,000.00	219%	
Pension	£1,200.57	£1,414.17	£1,450.00	98%	
Training Costs	£3,112.93	£179.58	£2,000.00	9%	
Staff Uniforms	£85.78	£ -	£200.00	0%	
Recruitment/Advertising	£51.50	£ -	£200.00	0%	
Educational Resources	£3,112.61	£4,865.13	£3,000.00	162%	
Expenditure for Restricted Grants	£ -	£ -	£ -		
Rent	£3,419.56	£1,659.00	£3,200.00	52%	We continued to save on the rent in 20/21, as Mickleham Village Hall generously continued to give a discount on the nursery's rent of the hall for the entirety of the 20/21 year.
Maintenance/Premises	£2,239.92	£5,430.07	£1,000.00	543%	Essential maintenance work in August 2020 on the sandpit and outdoor play area, while children were absent and before the weather turned, without which the area may well have become unusable and unsafe over the winter period, devastating for an outdoorsy nursery. Invoiced after the work was completed in early September 2020.
Insurance	£799.58	£868.21	£800.00	109%	

Stationery	£208.74	£549.19	£300.00	183%	budget to be reviewed
Telephone	£624.57	£811.44	£700.00	116%	
Other Bills/Fees	£803.75	£662.00	£800.00	83%	
Chickens	£283.93	£ -	£200.00	0%	
Provisions	£ -	£644.07	£ -		
Fundraising Expenses	£646.79	£106.00	£250.00	42%	
Miscellaneous Expenses	£996.08	£774.98	£100.00	775%	budget to be reviewed
<b>Sub total Expenditure</b>	<b>£104,120.17</b>	<b>£103,278.46</b>	<b>£102,200.00</b>	<b>101%</b>	

*of which Covid19* £1,861.69

<b>Surplus/Deficit</b>	£12,296.15	£20,712.90	<b>-£1,880.00</b>
<b>HSBC account balance brought forward</b>	<b>£53,941.12</b>	<b>£66,237.27</b>	
<b>HSBC account balance carried forward</b>	<b>£66,237.27</b>	<b>86950.17</b>	

### Audit Statement

I have reviewed the accounts for St Michael's Community Nursery for the year ending 31<sup>st</sup> of August 2021. In my opinion the accounts give a true and fair view of the income and expenditure of the Nursery for the year end and the assets held at the balance sheet date.



**Chris Budleigh, Hon Auditor**

Approved by the committee and signed on behalf by:



**Miranda Masters, Chair**



**Sally Burgess, Treasurer**