

Company no. 2608790
Charity no. 1002985

The Maria Grey Nursery School Report and Unaudited Financial Statements

31 August 2020

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COMPANIES HOUSE

The Maria Grey Nursery School

Reference and administrative details

For the year ended 31 August 2020

Company number 2608790

Charity number 1002985

Registered office and operational address Field House
18a Friars Stile Road
Richmond
Surrey
TW10 6NE

Trustees Directors, who are also trustees under charity law, who served during the year and up to the date of this report were as follows:

M Cogan
M Dutto Appointed 7 December 2020
M Fulton
M Lenton Resigned 28 July 2020
J Samuel
M Young

Bankers HSBC
67 George Street
Richmond
Surrey
TW9 1HG

Independent examiners Godfrey Wilson Limited
Chartered accountants and statutory auditors
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD

The Maria Grey Nursery School

Report of the directors

For the year ended 31 August 2020

The directors present their report along with the financial statements of the charity for the year ended 31 August 2020.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice - Accounting and Reporting by Charities (effective from January 2019).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Maria Grey Nursery School is a registered charity and a company limited by guarantee, formed in April 1991. Previously the nursery was in existence but was not in its current legal structure. The principal activity is running a nursery school. It has no share capital.

The nursery is governed by a small board of between three and five directors/trustees, appointed for three-year renewable terms. The current directors/trustees are current or ex-parents of the school or from people in the community with close links to the nursery, who were deemed to have the skills necessary to take on the responsibilities. The Articles of Association have been recently updated to reflect the current way that the nursery is governed.

The Head Teacher and the School Administrator are the key management personnel. The directors meet with the key management personnel on a regular basis during the year and make decisions on changes to policy, approve budgets and accounts and commit to large spends. The directors undergo training from time to time to assist them in carrying out their responsibilities. Some fundraising activities are delegated to a team of parent helpers under guidance of the key management personnel. The day-to-day running of the nursery is delegated to the staff, led by the Head Teacher. The salary levels of the staff including the Head Teacher are proposed by the Head Teacher but are reviewed and approved by the directors on an annual basis. Published external data on teachers' salaries are used to benchmark these.

OBJECTIVES AND ACTIVITIES

To advance the education of children below compulsory school age and thereby promote their mental, moral and physical development and improvement.

When setting the objectives of the nursery, the directors have made careful consideration of the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging.

The nursery is run to provide a wealth of activities to engage the children in learning experiences. Every day there is a variety of activities provided to capture the imagination of the children, with project themes running through each term. Each child is catered for with their individual requirements, with small groups being created to assist children with specific areas of development. Great care is taken to allow each child to work towards meeting the goals of the Early Years Foundation Stage. Safeguarding and promoting the welfare of the children whilst in the nursery environment is the highest priority.

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Spaces for the nursery are filled from a waiting list of registered children with no restriction on catchment area. Priority for places is given to children with special educational needs and then to siblings of children who have attended the nursery. There is an equal opportunities policy in force with regard to gender, race and ethnicity, religion, social and cultural background, special needs and disability. As a charity, the nursery offers two free places (5-day morning places) per year and also has a hardship fund to the equivalent of a further place available to parents who are unexpectedly unable to fund their fees. This can be split to benefit more than one family.

Specifically, the objective of the nursery this year was to encourage each child to develop and work towards the goals of the Early Years Foundation Stage through the project work and the varied and innovative activities of the nursery, therefore advancing their education.

The year 2019-20 was another busy and productive year at the nursery, with many exciting activities for the children, and fundraising and social activities organised by the Parents' Committee.

The work in the nursery is in accordance with Early Years Foundation Stage Curriculum, which consists of seven areas of learning; Personal and Social Development, Physical Development, Communication and Language, Literacy, Mathematics, Understanding the World and Expressive Arts and Design.

Personal and Social Education includes life skills such as sharing, turn-taking, making friendships and co-operative play as well as self-help skills and helping each other.

Physical Development involves both gross motor skills such as climbing, balancing, ball skills and pedalling, and fine-motor skills such as pen and scissor control, threading, peg work and other manipulative skills.

Communication and Language covers the skills of speaking and listening. Listening games are played, such as matching musical instrument sounds or listening to stories. Daily show and tell sessions develop the children's confidence in speaking to a group. Children partake in activities such as telling a story using props, or talking to their friends about what they are doing.

In Literacy children develop their love of books, being able to help themselves to a book to look at on their own or with friends. Children are also able to choose a library book to take home to share with their parents. Each week there is a letter of the week, and children develop their reading skills at their own rate. Writing skills develop through mark-making, using for example big chalks outside in the playground, marker pens and eventually working down to thinner felt pens.

Mathematics covers activities such as matching, sorting, 1 to 1 counting, number recognition, ordering, adding and taking away; learning about shapes and their properties; weighing and measuring; using positional or directional language.

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For the year ended 31 August 2020

Understanding the World encompasses science, construction and exploration of materials, as well as history, geography and cultural studies. The children have the opportunity to participate in caring for hens, guinea pigs, a tortoise and caterpillars. The children are encouraged to get involved in gardening activities which teach them how to grow vegetables and to understand what plants need in order to grow. They particularly enjoy harvesting and tasting the end product. The children also have exploratory experience with sand and water. There is a 'Bee-Bot' (programmable robot) and a computer provided for the children to use. The children are also provided with a variety of materials to explore construction techniques. Exciting science topics are included for the children to explore, such as space, magnets and light bulb circuits. Parents come in to run activities for the children about their cultural traditions.

The Expressive Arts and Design area of the curriculum includes art in two- and three- dimensions, music, dance, singing and use of instruments, movement and drama, imaginary 'small world' and role play.

The nursery provides group time on a daily basis which covers activities like Music and Movement, French, Science/Eco topics, Singing and Instruments and circle time. This brings the children together to share an experience in a group, helping them with the social skills that this involves.

The nursery continued working towards Eco Schools Green Flag Status. A travel survey of children's modes of transport to and from school was undertaken and an annual travel plan was produced.

There were Christmas concerts and end of term parties for the children.

Charitable events run during the year included Children in Need and raising money for Shooting Star Chase children's hospice on World Book Day.

The nursery benefits greatly from the enthusiastic, well-qualified and long-serving staff team. Several staff members took various short courses on different aspects of the curriculum and on children's special needs. The nursery continues to host university and school students to give them practical experience for their training. The nursery provides an ideal setting for the students to gain experience in a child-centered environment, and it also helps to maintain an extremely favourable adult-child ratio within the nursery. This year there was a Duke of Edinburgh award volunteer, and a Masters in Social Work student. The students from Waldegrave School due at the end of March unfortunately had to cancel due to the Covid-19 pandemic. In the Autumn term there was a staff team-building meal out, funded by the parents' summer and Christmas collections for staff.

The nursery has always benefitted greatly from parental involvement, with a wide selection of nationalities represented amongst the families. A parent came in to run activities for Rosh Hashana. Another parent volunteered to be the parent representative on the school's Eco Committee, meeting once every half term, and she also organised visits to see the Vineyard School's new library and pet area. Parents came in to tell stories. As always the parents provided a strong community atmosphere by organising a coffee morning and a Christmas social and fund-raising auction. Unfortunately the Richmond May Fair, one of the nursery's annual fund-raising opportunities was cancelled due to the Covid-19 pandemic.

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For the year ended 31 August 2020

Money raised at the Christmas auction was put towards much-needed extra toilets and washbasins in the upstairs bathroom, as there were more children staying for lunch and full days than ever before. The new facilities were also much-used when children returned to nursery after the Covid-19 lockdown, allowing for different 'bubbles' of children to wash hands separately upstairs and downstairs to minimise the spread of the virus.

All the improvements made to the nursery year by year provide a lasting impact that will benefit generations of children to come. Over the last eighteen years the facilities have been extended to include the conservatory, the 'Green Room', the redesign of the garden, new play equipment and fixtures, a security upgrade, an electrical upgrade, a new storage garage, the addition of the first floor rooms, the playground awning and the ground floor cloakroom project, renovating the upstairs kitchen, the renewal of the perimeter fencing and extra upstairs toilets and washbasins. All this has been facilitated by the generosity of previous parents in organising wonderful fundraising activities.

ACHIEVEMENTS AND PERFORMANCE

The children are each provided with progress folders for their early learning goals. The summation of each child's progress shows the achievements of the nursery. This provides the children's future schools with well-socialised, keen learners and children who are able to listen and follow instructions. This provides a huge benefit to the schools, who do not have to start teaching these basic disciplines. These children learn great life skills that they can carry on in their future lives that will benefit society as they are well balanced, caring children. The individual achievements of each child are obviously confidential to each child and parent.

The local schools recognise the benefit of receiving children who have been educated by Maria Grey Nursery School. Special needs children get more one-to-one teaching time, as do children who do not have English as their first language. The children and parents form lasting friendships which continue to their next school and beyond.

From 20 March 2020 the school had to close to all but children of key workers due to the national Covid-19 pandemic lockdown. The remaining social and extra-curricular events of the academic year had to be cancelled.

All staff except for the Head Teacher, School Administrator and one of the part-time teachers were put on the government's 'furlough' scheme to mitigate the loss of fee income which would normally have paid the salaries. The nursery continued to provide education for one key worker child for the remaining two weeks until the end of the Spring term, and work packs were sent home for the other children.

After the Easter break, online 'Zoom' sessions were provided for half an hour per day and work packs continued to be sent home for each topic. Parents were asked to contribute 50% of their normal termly fees to help sustain the nursery, and a hardship fund was made available for the few parents who struggled to meet the fees, due to loss of their jobs or income.

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For the year ended 31 August 2020

After the May half term, schools were allowed to re-open from 1 June, and approximately 60% of the children returned, grouped together in small fixed 'bubbles' of eight children and one teacher. The 'bubbles' had to remain separate from each other to minimise the spread of infection. The outdoor areas were divided up into five, one for each of the five 'bubbles'. Since it was deemed safer to remain outdoors as much as possible, children only went inside for toileting and handwashing. In addition to the playground awning, two new canopies were erected in two areas of the garden to provide shelter from sun and rain, and a further two tarpaulins were put up in the other areas. The five different areas were roped and fenced off.

A detailed risk assessment was produced, and parents and staff had to read, agree and sign their acceptance of the terms before returning to nursery.

The second half of the summer term proved successful for the children, who were very happy to be back with their friends and have a school routine again. The staff were also happy to be back to a relative sense of normality after being in lockdown for two and a half months.

FINANCIAL REVIEW INCLUDING RESERVES POLICY, RISK STATEMENT AND FUTURE PLANS **Covid-19**

The directors have considered the impact that the Covid-19 pandemic will have on the charity's current and future financial position. The expected implications are that the nursery will have to manage their costs to balance these against reduced fee income if and when further closures take place and if there is a reduction in numbers of children wanting to attend the nursery. The risks are greater than last year as the new parents whose children have just joined the nursery are not as connected to the nursery and may not be as willing to provide support. As in more normal years, there is always a balancing act to match income and costs and allowing for an adequate level of reserves. There are risks that there may also be requirements for increased staffing costs if staff are affected by the virus and are not able to work.

The strong staff team is one of the key assets of the nursery with most members of staff having served more than 10 years. The nursery has been supportive to these staff members over the years and in return there is flexibility shown from them when times are hard. There are several members of staff who are willing to be flexible in the hours they work and there is some flexibility with non teaching staff to cover some teaching time if and when necessary. There is also some flexibility with the bonus structure to save costs if necessary. The main costs of the nursery are the salaries. All other costs will be tightly controlled and additional capital expenditure will be curtailed for the immediate future.

Luckily the nursery is situated in one of the affluent areas of London and the parents are very supportive of the nursery as they appreciate what a great service it provides. From the experience we had in the Spring lockdown, parents were understanding and willing to be supportive and pay 50% of the fees and the nursery provided a limited service in return. The current free reserves level of £85k is thought of as sufficient for the next 12 months even if there are partial closures during this time. The nursery has no debt and is cash positive as fees are received ahead of the start of each term. Cash is tightly managed.

We have built a flexible forecasting model to predict different outcomes during the year and will be keeping a close eye on children numbers to predict fee income looking ahead for 12 months and can adjust costs accordingly. The charity is taking the steps outlined above to mitigate the threats that Covid-19 may pose.

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The directors therefore consider it appropriate to adopt the going concern basis for the preparation of the accounts, as detailed in note 1(b) to the financial statements.

The nursery's finances are in a stable situation with the key figure of unrestricted funds not invested in fixed assets (referred to as the "free reserves") amounting to £85.5k. This is an increase of £48.8k from the £36.7k in the previous financial year. The financial results for the year are strong as before Covid-19, plans had been put in place to prioritise all day nursery places. This has had a strong impact on the finances in the current year. However it does leave us with fewer children following through to a second year and without the normal marketing of the nursery through visits in the Spring and Summer term and also with restricted numbers, the reserves need to be at this level for the uncertainty in the 20/21 financial year. Much of the effect of Covid-19 has still to be felt as government support is uncertain and numbers of children in the nursery are reduced from normal levels. Additional teaching hours need to be available in case of illness.

The fundraising in the current year of £5.7k, was spent on much needed additional toilet facilities on the first floor in close proximity to the lunch room and have been critical in keeping hand washing as a priority during the pandemic. The money for the outside storage shed designated in 18/19 year has remained designated for the shed to be built in the 20/21 financial year.

Reserves policy

The reserves policy has been revised in light of the greater risks of Covid-19 described above. Following advice from the Early Years' Alliance the reserves level has been increased to £75k; the equivalent of employment costs for 3 months.

The reserves could be required to cover the following risks in more normal times:

- unexpected long term illness of up to 2 staff;
- uninsured amounts if any loss of use of the building were to happen;
- working capital requirements of running the nursery;
- to allow for any other unexpected costs;
- the ability to cover unexpected loss of revenue from children moving away and not being able to be replaced at short notice; and
- to cover the continued investment in the fabric and equipment of the nursery.

The impact of Covid-19 on this year's results has been limited. The period before Covid-19 showed extremely strong performance and thanks to the parents' support of contributing 50% of the Summer term's fees to support the nursery, even although it was uncertain whether the nursery would be allowed to reopen after the forced closure in March. In the end the nursery was able to reopen in the second half of the summer term but not all children returned. The staffing levels were reduced to a minimum during closure and the remainder of the staff were furloughed to protect their jobs. Assistance was given by the local council by continuing to pay the full grant for the Summer term.

With this support in place we were able to produce a good set of results that will put the nursery in a strong position for the continuing uncertainty caused by the pandemic and the likelihood of decreasing government support.

The Maria Grey Nursery School

Report of the directors

For the year ended 31 August 2020

Company law requires the directors 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 income and expenditure of the charity for that period. In preparing those financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards and statements of recommended practice 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 operation.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 2006. The directors 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 in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The directors are members of the charity but this entitles them only to voting rights. The directors have no beneficial interest in the charity.

INDEPENDENT EXAMINERS

Godfrey Wilson Limited were appointed as independent examiners to the charitable company during the year and have expressed their willingness to continue in that capacity.

Approved by the directors on 15 January 2021 and signed on their behalf by



Marie Young - Director

Independent examiner's report

To the trustees of

The Maria Grey Nursery School

I report to the trustees on my examination of the accounts of The Maria Grey Nursery School (the charitable company) for the year ended 31 August 2020, which are set out on pages 11 to 23.

Responsibilities and basis of report

As the trustees of the charitable company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the charitable company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charitable company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since the charitable company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

Godfrey Wilson Limited also provides tax compliance services to the charitable company. I confirm that as a member of the ICAEW I am subject to the FRC's Revised Ethical Standard 2016, which I have applied with respect to this engagement.

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 the charitable company as required by section 386 of the 2006 Act; or
- (2) the accounts do not accord with those records; or
- (3) the accounts do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
- (4) the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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.

Alison Godfrey

Date: 18 January 2021

Alison Godfrey FCA (member of the ICAEW)

Godfrey Wilson Limited
Chartered accountants and statutory auditors
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD

The Maria Grey Nursery School

Balance sheet

As at 31 August 2020

	Note	£	2020 £	2019 £
Fixed assets				
Tangible assets	9		34,254	55,215
Current assets				
Debtors	10	17,981		28,000
Cash at bank and in hand		<u>203,479</u>		<u>180,782</u>
		221,460		208,782
Liabilities				
Creditors: amounts falling due within 1 year	11	<u>(130,573)</u>		<u>(166,704)</u>
Net current assets			<u>90,887</u>	<u>42,078</u>
Total assets less current liabilities			125,141	97,293
Creditors: amounts falling due after more than 1 year	13		<u>(3,000)</u>	<u>(3,000)</u>
Net assets	14		<u>122,141</u>	<u>94,293</u>
Funds	15			
Restricted funds			18,784	36,453
Unrestricted funds				
Designated funds			11,973	8,568
General funds			<u>91,384</u>	<u>49,272</u>
Total charity funds			<u>122,141</u>	<u>94,293</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477(2), and that no member or members have requested an audit pursuant to section 476 of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the Company keeps proper accounting records which comply with section 386 of the Act; and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the directors on 15 January 2021 and signed on their behalf by



Marie Young - Director

The Maria Grey Nursery School

Notes to the financial statements

For the year ended 31 August 2020

1. Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities in preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Maria Grey Nursery School meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

b) Going concern basis of accounting

The COVID-19 pandemic is likely to have a profound impact on the global economy, and may in turn affect the charity. The directors have considered the impact of this issue on the charity's current and future financial position. The charity holds unrestricted, general reserves of £85k after allowing for reserves represented by fixed assets. The cash balance at the year end was £203k of which £25k relates to parents' deposits and is held in a separate bank account, leaving a balance of £178k. The directors consider that the charity has sufficient unrestricted reserves and cash flow to continue as a going concern for a period of at least 12 months from the date on which these financial statements are approved. For this reason, the accounts have been prepared on the going concern basis.

c) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from the government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Nursery fees are recognised in the year that the children attend the nursery and the corresponding government FEEE grant is recognised in line with this.

d) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item, is probable and the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt. Income from donated goods or services are included in the annual fundraising auction at the value raised.

The Maria Grey Nursery School

Notes to the financial statements

For the year ended 31 August 2020

1. Accounting policies (continued)

e) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity: this is normally upon notification of the interest paid or payable by the bank.

f) Funds accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

g) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

h) Allocation of support and governance costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs are the costs associated with the governance arrangements of the charity, including the costs of complying with constitutional and statutory requirements and any costs associated with the strategic management of the charity's activities. Support and governance costs have been allocated in full to charitable activities on the basis that there is very little direct fundraising activity so it is appropriate to assume that all support and governance costs are in direct support of charitable activities.

i) Tangible fixed assets

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Fixtures and fittings	5 years straight line basis
Classroom and office equipment	5 years straight line basis
Office buildings	10 years straight line basis

Items of equipment are capitalised where the purchase price exceeds £1,000.

j) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

k) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

The Maria Grey Nursery School

Notes to the financial statements

For the year ended 31 August 2020

1. Accounting policies (continued)

l) Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

m) Financial instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently recognised at amortised cost using the effective interest method.

n) Pension costs

The company operates a defined contribution pension scheme for its employees. There are no further liabilities other than that already recognised in the SOFA.

o) Accounting estimates and key judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Depreciation

As described in note 1i to the financial statements, depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life.

The Maria Grey Nursery School

Notes to the financial statements

For the year ended 31 August 2020

2. Prior period comparatives: statement of financial activities

	Restricted £	Unrestricted £	2019 Total £
Income from:			
Donations	-	1,229	1,229
Charitable activities	-	379,830	379,830
Other trading activities	-	5,215	5,215
Investments	-	283	283
Total income	-	386,557	386,557
Expenditure on:			
Raising funds	-	1,558	1,558
Charitable activities	17,669	398,606	416,275
Total expenditure	17,669	400,164	417,833
Net expenditure	(17,669)	(13,607)	(31,276)
Transfers between funds	-	-	-
Net movement in funds	(17,669)	(13,607)	(31,276)

3. Income from charitable activities

	Restricted £	Unrestricted £	2020 Total £	2019 Total £
School fees	-	244,975	244,975	247,754
Grant subsidy	-	127,680	127,680	124,780
Registrations and deposits retained	-	4,685	4,685	6,830
Other	-	144	144	466
Total income from charitable activities	-	377,484	377,484	379,830

All income from charitable activities in the prior year was unrestricted.

4. Government grants

The charitable company receives government grants to fund charitable activities. In the current year these consisted of: the 'free early education entitlement' grant from Richmond Council; and the furlough grant under the Coronavirus Job Retention Scheme. The total value of such grants in the year was £164,295 (2019: £126,346, including a social deprivation grant of £389 and a student placement of £870). There are no unfulfilled conditions or contingencies attaching to these grants in either the current or prior year.

The Maria Grey Nursery School

Notes to the financial statements

For the year ended 31 August 2020

5. Total expenditure

	Raising funds £	Charitable activities £	Support and governance costs £	2020 Total £
Staff costs (note 7)	-	253,763	42,888	296,651
Rent	-	26,250	-	26,250
Maintenance	-	2,959	-	2,959
Insurance	-	1,902	-	1,902
Depreciation	-	27,561	-	27,561
Electricity, telephone and broadband	-	6,340	-	6,340
Cleaning	-	8,847	-	8,847
Piano	-	2,719	-	2,719
Classroom supplies and small equipment	-	6,664	-	6,664
Office supplies	-	-	3,507	3,507
Fundraising expenses	218	-	-	218
Accounting and legal fees	-	-	5,100	5,100
Independent examination fees	-	-	1,680	1,680
Advertising	-	726	-	726
Staff training	-	290	-	290
Miscellaneous costs	-	978	130	1,108
Sub-total	218	338,999	53,305	392,522
Allocation of support and governance costs	-	53,305	(53,305)	-
Total expenditure	218	392,304	-	392,522

Total governance costs were £2,980 (2019: £2,300)

The Maria Grey Nursery School

Notes to the financial statements

For the year ended 31 August 2020

5. Total expenditure (continued) - prior year comparative

	Raising funds £	Charitable activities £	Support and governance costs £	2019 Total £
Staff costs (note 7)	-	274,739	41,970	316,709
Rent	-	26,251	-	26,251
Maintenance	-	4,098	-	4,098
Insurance	-	1,755	-	1,755
Depreciation	-	26,242	-	26,242
Electricity, telephone and broadband	-	5,093	-	5,093
Cleaning	-	9,377	-	9,377
Piano	-	3,795	-	3,795
Classroom supplies and small equipment	-	8,208	-	8,208
Office supplies	-	-	1,699	1,699
Fundraising expenses	1,558	-	-	1,558
Accounting and legal fees	-	-	3,200	3,200
Independent examination fees	-	-	500	500
Advertising	-	1,839	-	1,839
Staff training	-	2,043	-	2,043
Miscellaneous costs	-	1,235	4,231	5,466
Sub-total	1,558	364,675	51,600	417,833
Allocation of support and governance costs	-	51,600	(51,600)	-
Total expenditure	<u>1,558</u>	<u>416,275</u>	<u>-</u>	<u>417,833</u>

The Maria Grey Nursery School

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 August 2020

	Note	Restricted £	Unrestricted £	2020 Total £	2019 Total £
Income from:					
Donations		-	36,615	36,615	1,229
Charitable activities	3	-	377,484	377,484	379,830
Other trading activities		-	5,990	5,990	5,215
Investments		-	281	281	283
Total income		-	420,370	420,370	386,557
Expenditure on:					
Raising funds		-	218	218	1,558
Charitable activities		17,669	374,635	392,304	416,275
Total expenditure	5	17,669	374,853	392,522	417,833
Net income / (expenditure)		(17,669)	45,517	27,848	(31,276)
Transfers between funds		-	-	-	-
Net movement in funds	6	(17,669)	45,517	27,848	(31,276)
Reconciliation of funds:					
Total funds brought forward		36,453	57,840	94,293	125,569
Total funds carried forward		18,784	103,357	122,141	94,293

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 15 to the accounts.

The Maria Grey Nursery School

Report of the directors

For the year ended 31 August 2020

Results

The nursery's gross income before expenditure of £420.4k was up on last year by £33.8k. The fees were only marginally higher despite the fees having been increased. Fees were strong in the Autumn and Spring term from the switch of priority of accepting all day pupils but fees were then affected by the closure in March and only getting up to 50% payment of fees for the summer term from the parents. Deposits retained were £3.5k which was £1.0k lower than last year. We received £36.6k in furlough grants which paid 80% of the staff salaries that were furloughed when the nursery was closed and was extended for a few staff members when a full staff was not required due to the lower numbers when the nursery reopened. We did not receive a sustainability grant this year. The fundraising was strong for the Christmas auction but no further fund raising was done after this because of the restrictions for Covid-19.

We were still able to offer free places which were given to the value of £5.2k and in addition £2.3k was given from the hardship fund this year. This was partly used to support parents adversely affected by Covid-19.

Resources expended decreased to £392.5k reversing the trend of last year and saving £25.3k. The large variances are the decrease in salary costs of £20.3k, relating to employers allowance being claimed for this year and prior years amounting to £16k in total (£12k prior year) and the rest relating to cutting hours and overtime of the nursery staff. There were increases in overtime for administration staff and accounting costs because of the increased demands for financial analysis with the uncertainty of Covid-19 for the business. Costs were cut back on telephones, marketing, maintenance, cleaning, piano and there were lower consumables from the half term the nursery was closed.

These were offset partially by the slightly higher electricity costs and higher costs for sanitizing and setting up the nursery for operating in the new bubble format for the second half of the summer term.

Costs were incurred for offering a limited service for topic packs being sent to the children's homes and offering half hour "zoom" content on a daily basis while the nursery was unable to open.

The total fund on the income and expenditure statement shows a surplus of £27.8k, a turnaround of £59.1k from previous year. The unrestricted fund shows the financial performance of the nursery excluding the depreciation on the large ground floor project which is a surplus of £45.5k.

Included in the above, the fundraising events produced £5.7k with the Christmas social event bringing in all of this as the other events did not go ahead due to Covid-19.

Fundraising will be more difficult to accomplish until Covid-19 rules relax. Our main fund raising event is normally the Christmas auction which was not able to go ahead in December 2020, therefore no new projects will be instigated.

STATEMENT OF RESPONSIBILITIES OF THE DIRECTORS

The directors (who are also directors of the charity for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

The Maria Grey Nursery School

Notes to the financial statements

For the year ended 31 August 2020

6. Net movement in funds

This is stated after charging:

	2020 £	2019 £
Depreciation	27,561	26,242
Operating lease payments	26,250	26,251
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	Nil	Nil
Independent examiner's remuneration (including VAT)	<u>1,680</u>	<u>3,700</u>

7. Staff costs and numbers

Staff costs were as follows:

	2020 £	2019 £
Salaries and wages	278,257	281,459
Social security costs	7,710	24,533
Pension costs	<u>10,684</u>	<u>10,717</u>
	<u>296,651</u>	<u>316,709</u>

No employee earned more than £60,000 during the year.

The key management personnel of the charitable company comprise the Trustees, Head Teacher and School Administrator. The total employee benefits of the key management personnel were £91,867 (2019: £91,100).

	2020 No.	2019 No.
Average head count	<u>9.00</u>	<u>10.00</u>

8. Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

The Maria Grey Nursery School

Notes to the financial statements

For the year ended 31 August 2020

9. Tangible fixed assets

	Fixtures and fittings £	Classroom and office equipment £	Office buildings £	Total £
Cost				
At 1 September 2019	214,954	14,120	18,598	247,672
Additions in year	<u>6,600</u>	<u>-</u>	<u>-</u>	<u>6,600</u>
At 31 August 2020	<u>221,554</u>	<u>14,120</u>	<u>18,598</u>	<u>254,272</u>
Depreciation				
At 1 September 2019	165,888	7,971	18,598	192,457
Charge for the year	<u>25,468</u>	<u>2,093</u>	<u>-</u>	<u>27,561</u>
At 31 August 2020	<u>191,356</u>	<u>10,064</u>	<u>18,598</u>	<u>220,018</u>
Net book value				
At 31 August 2020	<u>30,198</u>	<u>4,056</u>	<u>-</u>	<u>34,254</u>
At 31 August 2019	<u>49,066</u>	<u>6,149</u>	<u>-</u>	<u>55,215</u>

10. Debtors

	2020 £	2019 £
Trade debtors	13,115	17,615
Prepayments	4,425	10,385
Other debtors	<u>441</u>	<u>-</u>
	<u>17,981</u>	<u>28,000</u>

11. Creditors : amounts due within 1 year

	2020 £	2019 £
Deposits held for parents	25,000	32,300
Accruals	16,416	13,649
Other taxation and social security	-	7,523
Deferred income (see note 12)	62,281	113,232
Other creditors	<u>26,876</u>	<u>-</u>
	<u>130,573</u>	<u>166,704</u>

The Maria Grey Nursery School

Notes to the financial statements

For the year ended 31 August 2020

12. Deferred income

	2020 £	2019 £
At 1 September 2019	113,232	94,867
Deferred during the year	62,281	113,232
Released during the year	(113,232)	(94,867)
At 31 August 2020	<u>62,281</u>	<u>113,232</u>

Deferred income relates to the fees invoiced in the Summer for the Autumn term of the next financial year. Deferred income in the prior year also included part of the government grant relating to the subsidy for the Autumn term.

13. Creditors: amounts falling due after more than 1 year

	2020 £	2019 £
Sinking fund for property repairs:		
Balance at the start of the year	3,000	3,000
Amounts charged against the provision	-	-
Increase to provision	-	-
Balance at the end of the year	<u>3,000</u>	<u>3,000</u>

14. Analysis of net assets between funds

	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	18,784	9,553	5,917	34,254
Net current assets	-	2,420	88,467	90,887
Long term liabilities	-	-	(3,000)	(3,000)
Net assets at 31 August 2020	<u>18,784</u>	<u>11,973</u>	<u>91,384</u>	<u>122,141</u>
Prior period comparative				
	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	36,453	6,148	12,614	55,215
Net current assets	-	2,420	39,658	42,078
Long term liabilities	-	-	(3,000)	(3,000)
Net assets at 31 August 2019	<u>36,453</u>	<u>8,568</u>	<u>49,272</u>	<u>94,293</u>

The Maria Grey Nursery School

Notes to the financial statements

For the year ended 31 August 2020

15. Movements in funds

	At 1 September 2019 £	Income £	Expenditure £	Transfers between funds £	At 31 August 2020 £
Restricted funds					
Cycle rack	3,344	-	(1,115)	-	2,229
Ground floor project	33,109	-	(16,554)	-	16,555
Total restricted funds	36,453	-	(17,669)	-	18,784
Unrestricted funds					
<i>Designated funds:</i>					
Fixed assets fund	6,148	5,934	(3,413)	884	9,553
Storage fund	2,420	-	-	-	2,420
<i>Total designated funds</i>	<i>8,568</i>	<i>5,934</i>	<i>(3,413)</i>	<i>884</i>	<i>11,973</i>
General funds	49,272	414,436	(371,440)	(884)	91,384
Total unrestricted funds	57,840	420,370	(374,853)	-	103,357
Total funds	94,293	420,370	(392,522)	-	122,141

Purposes of restricted funds

Cycle rack	Grant for purchase and installation of cycle stand. Cycle stand was installed in previous year, creating the asset in the fund and now only depreciation is charged to the fund.
Ground floor project	The ground floor project was a large project to reconfigure the ground floor of the nursery creating a larger toilet area and new entrance with cloakroom. It initially began as a donation to improve the configuration of the toilet facilities but the remit was expanded and the project was completed in Autumn 2016. Now it is only depreciation of the asset that is charged to the fund.

Purposes of designated funds

Fixed assets fund	This designated fund is to add nursery equipment or improve facilities within the nursery. Funds are raised by parents and the directors intend to use the funds flexibly for additional assets or improving the existing assets.
Storage fund	The designated fund is fundraising brought forward from a prior year when it was designated to fulfill a requirement for additional storage - an extra shed. This is planned to be installed in the 20/21 year.

The Maria Grey Nursery School

Notes to the financial statements

For the year ended 31 August 2020

15. Movements in funds - prior year comparative

	At 1 September 2018 £	Income £	Expenditure £	Transfers between funds £	At 31 August 2019 £
Restricted funds					
Cycle rack	4,459	-	(1,115)	-	3,344
Ground floor project	49,663	-	(16,554)	-	33,109
Total restricted funds	54,122	-	(17,669)	-	36,453
Unrestricted funds					
<i>Designated funds:</i>					
Fixed assets fund	4,571	5,228	(3,651)	-	6,148
Storage fund	2,420	-	-	-	2,420
<i>Total designated funds</i>	<i>6,991</i>	<i>5,228</i>	<i>(3,651)</i>	<i>-</i>	<i>8,568</i>
General funds	64,456	381,329	(396,513)	-	49,272
Total unrestricted funds	71,447	386,557	(400,164)	-	57,840
Total funds	125,569	386,557	(417,833)	-	94,293

16. Operating lease commitments

The charity had operating leases at the year end with total future minimum lease payments as follows:

	2020 £	2019 £
Amount falling due:		
Within 1 year	26,250	26,250
Within 1 - 5 years	105,000	105,000
More than 5 years	2,498	28,748
	133,748	159,998

17. Related party transactions

Trustees who are parents with children who are currently at the nursery pay fees to the nursery at the normal fee level charged. One trustee works on a limited basis as a teacher in the nursery. Her payment for this is on an arm's length basis.