

Company no. 02608790
Charity no. 1002985

The Maria Grey Nursery School Report and Unaudited Financial Statements

31 August 2022

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COMPANIES HOUSE

The Maria Grey Nursery School

Reference and administrative details

For the year ended 31 August 2022

Company number 02608790

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	resigned 2 February 2023
M Dutto	resigned 31 August 2022
M Fulton	
S Holley	appointed 1 November 2022
J Samuel	
M Young	resigned 8 February 2023

Bankers HSBC
67 George Street
Richmond
Surrey
TW9 1HG

Solicitors Russell-Cooke Solicitors
2 Putney Hill
London
SW15 6AB

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 trustees

For the year ended 31 August 2022

The trustees present their report along with the financial statements of the charity for the year ended 31 August 2022.

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

The objects of the charity are:

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 trustees 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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Report of the trustees

For the year ended 31 August 2022

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 objectives of the nursery this year were 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 2021-22 was the second year of the pandemic, and numbers of children were still below pre-pandemic levels. Most of the usual activities returned, however: playdough, sand, water play, dressing up and the borrowing of library books to take home, did not. The hosting of students and volunteers and parents' fundraising and social activities in the nursery were still suspended, but an online auction was organised by parents before Christmas to raise funds for children's equipment.

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. 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 in a group about a particular topic.

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. 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.

The Maria Grey Nursery School

Report of the trustees

For the year ended 31 August 2022

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. There is a 'Bee-Bot' (programmable robot) 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. The money raised by parents this year enabled the nursery to purchase some Froebel 'Gifts', which were put to good use straight away and enjoyed by the children.

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.

A Travel Survey of children's modes of transport to and from school was undertaken and three Eco topics were chosen as focus for the accreditation for the Eco Schools Green Flag Award, the top award, and this was achieved again in May 2022.

There was a videoed Christmas concert and a return to a live summer concert as the pandemic restrictions were all finally lifted in April 2022. There were end-of-term parties for the children.

The nursery benefits greatly from the enthusiastic, well-qualified and long-serving staff team. All staff members renewed their Paediatric First Aid training, the first day in a face-to-face session in the nursery and the second day online. Short courses on different aspects of the curriculum and on children's special needs were also undertaken by individual members of staff. One staff member attended a Froebel course over several months, mostly out of school time, and the staff member gave a presentation to the other staff on Froebel's ideas.

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. There were three children with special needs of a level where funding can be given by the local authority, and an application was made to the EYSIF fund for one younger child, where a £500 grant was received. An application for an Education Health and Care Plan was made for another child who was due to start school. The third child was in the initial assessment stages prior to applying for funding. The nursery children and parents form lasting friendships which continue to their next school and beyond.

The Maria Grey Nursery School

Report of the trustees

For the year ended 31 August 2022

At the start of the academic year a revised detailed Covid-19 risk assessment was produced, and parents had to read, agree and sign their acceptance of the terms before their child could attend the nursery.

In January 2022 the nursery had to close for one full week (5 days) due to most staff having caught Covid-19 and there being insufficient staff left to cover with the required staff: child ratios. Fees for sessions not attended had to be refunded to parents, to the value of £5,731. Some parents kindly donated their fees to the nursery, to the value of £1,474.

FINANCIAL REVIEW

The reserves of the nursery are £81.7k, a decline of £5k in the year, and are just higher than the directors' reserves policy. There is still uncertainty around due to the pandemic with another closure due to staff illness in January of this year. Any closures now hit the nursery's finances more substantially as fees have to be offered back to parents for the period of closure with no support for the loss of income from the government. There are still risks of staff being affected by the pandemic and additional cover being required but hopefully this can be managed with existing staff providing cover. The covid effect is still being felt with lower uptake of places. New working patterns post covid are being established where parents are still working from home or doing a shorter working week and are therefore able to do more child care themselves. The second private school in the area has opened a nursery and is offering all day places in the summer term. A new state school has opened and younger siblings of the school age children are now going to a nursery nearer the new school. There appears to be a lack of families with young children moving out from Central London or coming in from abroad that the nursery normally attracts. There is a shortage of available housing in the area to buy or rent so this is also stopping families moving to the area. The nursery has been returning to showing new parents around the nursery again and has carried out some open days and restarted some marketing activity.

There is a fine balance to match income and costs and allow for an adequate level of reserves. 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. Staff that have left have not been replaced. Other costs are being tightly controlled and capital expenditure has been curtailed for the immediate future. There has been inflationary pressure on costs with the increased NI costs from April 2022 and rising fuel costs and general high inflation.

The current free reserves level of £81.7k is thought of as sufficient for the next 12 months. Further staffing cuts are being made in the 2022/23 year as the children numbers have not returned to pre pandemic levels. The nursery has no debt and is cash positive as it receives the fees ahead of the start of each term. Cash is tightly managed and 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 and can flex costs accordingly. The numbers did not meet the threshold needed to run even with a limited number of staff and the incredibly difficult decision to close the nursery effective 31 August 2023 was made. The directors therefore consider it appropriate to adopt the break-up basis for the preparation of the accounts, as detailed in note 1(b) to the financial statements.

The Maria Grey Nursery School

Report of the trustees

For the year ended 31 August 2022

Reserves policy

The reserves policy remains at £75k, approximately equivalent to 3 months of the payroll costs. This is recommended by the Early Year's Alliance especially in these pandemic times. The reserves are kept to cover such possibilities as:

- the possibility of short term closures from Covid;
- unexpected long term illness of up to 2 staff;
- uninsured amounts if any loss of use of the building were to happen;
- 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;
- potential redundancy costs if numbers of children do not return to normal pre pandemic levels; and
- to cover the continued investment in the fabric and equipment of the nursery.

The impact of Covid on this year's results has been significant with staff illness due to long covid or similar symptoms putting pressure on the remaining staff to cover. The staff and Head Teacher managed to cover without getting additional temporary staff in. One member of staff resigned due to long term health issues.

Looking ahead to the 2023-2024 school year the ratios of the students did not improve despite all our efforts. We realised that there was a steep decline in enrolment for September 2023. As soon as we saw that the numbers were not where they needed to be we started a campaign that included dropping off flyers, having open houses, digital marketing, and more visible signage for the nursery in the hopes that we would get the student numbers to sustain a limited staff and keep the nursery open. The numbers did not improve and we made the decision to reach out to some local schools and a nursery in Chiswick to see if they would be interested in taking over the nursery. We found ourselves in the difficult position to make the decision to close the nursery. We acknowledge that this is a deep loss to the community, the teachers and staff and the directors and the children. Maria Grey leaves a legacy that we are extremely proud of but keeping open in the hopes that the situation might change and not be able to fulfil our responsibilities to the teachers played a big part in our decision.

Results

The nursery's gross income before expenditure of £340.9k was down on last year by £26.5k. The fees were down by £22.2k despite the fees per session having been increased by 3%. We had a slow start to the autumn term because of the continued threat of the pandemic, with parents being more cautious about sending their youngsters to nursery. Deposits retained were £3.0k which was £1.5k lower than last year. We did not receive any furlough grants but last year had £3.9k assistance when the nursery had to close due to an incident of covid. Fundraising was still difficult with a silent auction taking place of the normal Christmas Auction with drinks party and the only other fundraiser being the tea towels bringing in a total of £1.7k altogether. This was spent on new nursery equipment with a balance left for some items still being sourced.

We were still able to offer free places which were given to the value of £3.1k.

The Maria Grey Nursery School

Report of the trustees

For the year ended 31 August 2022

Resources expended decreased to £359.9k saving an additional £28.8k. The large variances are the decrease in salary costs of £16.1k as no bonuses were paid, two members of staff left during the year and were not replaced and hours and salary increases were tightly managed. Costs increased on maintenance costs to make necessary repairs and more are now being treated as maintenance rather than in the past where these costs were capitalised. Staff training was up due to overdue training courses now being able to take place. Small savings were made on consumables and computer software.

The fundraising in the current year of £1.3k, was spent on some interesting new Froebel equipment for the children.

The nursery came in with a loss of £19k in the year, with profitability up £2.2k from the previous year. Depreciation is down by £22k as our major projects are now fully depreciated, though we recognised a loss on disposal of fixed assets of £5.6k as these were written back to their recoverable value. The more important figure of free reserves has decreased by £5k to £81.7k from last year.

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES

The trustees (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).

Company law requires the trustees 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 trustees 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 trustees 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 trustees 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 trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

The Maria Grey Nursery School

Report of the trustees

For the year ended 31 August 2022

INDEPENDENT EXAMINERS

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

Approved by the trustees on 24 May 2023 and signed on their behalf by



Monica Fulton - Trustee

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 2022, which are set out on pages 10 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.

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.

Laura May Richards

Date: 24 May 2023

Laura Richards ACA (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

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

For the year ended 31 August 2022

	Note	Restricted £	Unrestricted £	2022 Total £	2021 Total £
Income from:					
Donations		-	-	-	3,914
Charitable activities	3	-	339,034	339,034	362,896
Other trading activities		-	1,776	1,776	550
Investments		-	52	52	25
Total income		-	340,862	340,862	367,385
Expenditure on:					
Raising funds		-	643	643	265
Charitable activities		1,114	358,186	359,300	388,470
Total expenditure	5	1,114	358,829	359,943	388,735
Net expenditure and movement in funds	6	(1,114)	(17,967)	(19,081)	(21,350)
Reconciliation of funds:					
Total funds brought forward		1,114	99,677	100,791	122,141
Total funds carried forward		-	81,710	81,710	100,791

All of the above results are derived from continuing activities until 31 August 2023 as disclosed in note 1 (b) and note 17 to the financial statements. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 14 to the accounts.

The Maria Grey Nursery School

Balance sheet

As at 31 August 2022

	Note	£	2022 £	2021 £
Fixed assets				
Tangible assets	9		-	11,364
Current assets				
Debtors	10	13,772		11,543
Cash at bank and in hand		<u>166,680</u>		<u>189,025</u>
		180,452		200,568
Liabilities				
Creditors: amounts falling due within 1 year	11	<u>(98,742)</u>		<u>(111,141)</u>
Net current assets			81,710	100,791
Net assets	13		<u>81,710</u>	<u>100,791</u>
Funds	14			
Restricted funds			-	1,114
Unrestricted funds				
Designated funds			-	12,668
General funds			<u>81,710</u>	<u>87,009</u>
Total charity funds			<u>81,710</u>	<u>100,791</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:

- ensuring that the Company keeps proper accounting records which comply with section 386 of the Act; and
- 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 trustees on 24 May 2023 and signed on their behalf by



Monica Fulton - Trustee

The Maria Grey Nursery School

Notes to the financial statements

For the year ended 31 August 2022

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) Break up basis

As explained in note 17 to the financial statements, the nursery intends to wind up the organisation in the period after 31 August 2023. The financial statements have therefore been prepared on a basis other than the going concern basis. This basis includes, where applicable, writing the charity's assets down to net realisable value. No provision has been made for the future costs of terminating the business unless such costs were committed to at the reporting date.

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 2022

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 2022

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 charity 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 only source of estimation uncertainty that has a significant effect on the amounts recognised in the financial statements is depreciation as described in note 1 (i) above.

The Maria Grey Nursery School

Notes to the financial statements

For the year ended 31 August 2022

2. Prior period comparatives: statement of financial activities

	Restricted £	Unrestricted £	2021 Total £
Income from:			
Donations	-	3,914	3,914
Charitable activities	-	362,896	362,896
Other trading activities	-	550	550
Investments	-	25	25
Total income	-	367,385	367,385
Expenditure on:			
Raising funds	-	265	265
Charitable activities	17,670	370,800	388,470
Total expenditure	17,670	371,065	388,735
Net expenditure and net movement in funds	(17,670)	(3,680)	(21,350)

3. Income from charitable activities

	Restricted £	Unrestricted £	2022 Total £	2021 Total £
School fees	-	238,169	238,169	241,110
Grant subsidy	-	96,763	96,763	115,662
Registrations and deposits retained	-	3,800	3,800	6,000
Other	-	302	302	124
Total income from charitable activities	-	339,034	339,034	362,896

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 and an 'early years special education needs inclusion fund' both from Richmond Council. The total value of such grants in the year was £96,763, including the additional support grant of £500. (2021: £119,576). 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 2022

5. Total expenditure

	Raising funds £	Charitable activities £	Support and governance £	2022 Total £
Staff costs (note 7)	325	234,952	39,757	275,034
Rent	-	26,250	-	26,250
Maintenance	-	9,521	-	9,521
Insurance	-	1,927	-	1,927
Depreciation and loss on disposal	-	11,364	-	11,364
Electricity, telephone and broadband	-	4,228	-	4,228
Cleaning	-	7,890	-	7,890
Piano	-	3,693	-	3,693
Classroom supplies and small equipment	-	6,669	-	6,669
Office supplies	-	-	2,758	2,758
Fundraising expenses	318	-	-	318
Accounting and legal fees	-	-	5,700	5,700
Independent examination fees	-	-	1,740	1,740
Advertising	-	443	-	443
Staff training	-	1,493	-	1,493
Miscellaneous costs	-	479	436	915
Sub-total	643	308,909	50,391	359,943
Allocation of support and governance costs	-	50,391	(50,391)	-
Total expenditure	643	359,300	-	359,943

Total governance costs were £1,740 (2021: £2,730).

The Maria Grey Nursery School

Notes to the financial statements

For the year ended 31 August 2022

5. Total expenditure (continued)

Prior year comparative	Raising funds £	Charitable activities £	Support and governance £	2021 Total £
Staff costs (note 7)	-	251,374	39,801	291,175
Rent	-	26,250	-	26,250
Maintenance	-	5,591	-	5,591
Insurance	-	1,895	-	1,895
Depreciation	-	27,571	-	27,571
Electricity, telephone and broadband	-	3,946	-	3,946
Cleaning	-	8,523	-	8,523
Piano	-	3,614	-	3,614
Classroom supplies and small equipment	-	6,541	-	6,541
Office supplies	-	-	3,804	3,804
Fundraising expenses	265	-	-	265
Accounting and legal fees	-	-	6,000	6,000
Independent examination fees	-	-	1,730	1,730
Advertising	-	478	-	478
Staff training	-	373	-	373
Miscellaneous costs	-	598	381	979
Sub-total	265	336,754	51,716	388,735
Allocation of support and governance costs	-	51,716	(51,716)	-
Total expenditure	265	388,470	-	388,735

The Maria Grey Nursery School

Notes to the financial statements

For the year ended 31 August 2022

6. Net movement in funds

This is stated after charging:

	2022	2021
	£	£
Depreciation and loss on disposal	11,364	27,571
Operating lease payments	26,250	26,250
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	16	Nil
Independent examiner's remuneration (including VAT)	1,740	1,730

Trustees' reimbursed expenses relate to nursery costs paid by one director.

7. Staff costs and numbers

Staff costs were as follows:

	2022	2021
	£	£
Salaries and wages	248,358	262,699
Social security costs	16,944	18,333
Pension costs	9,732	10,143
	275,034	291,175

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 £88,970 (2021: £88,200).

	2022	2021
	No.	No.
Average head count	12.5	13.0

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 2022

9. Tangible fixed assets

	Fixtures and fittings £	Classroom and office equipment £	Office buildings £	Total £
Cost				
At 1 September 2021	226,235	14,120	18,598	258,953
Disposals	<u>(226,235)</u>	<u>(14,120)</u>	<u>(18,598)</u>	<u>(258,953)</u>
At 31 August 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Depreciation				
At 1 September 2021	216,834	12,157	18,598	247,589
Charge for the year	3,953	1,712	-	5,665
On disposal	<u>(220,787)</u>	<u>(13,869)</u>	<u>(18,598)</u>	<u>(253,254)</u>
At 31 August 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net book value				
At 31 August 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 August 2021	<u>9,401</u>	<u>1,963</u>	<u>-</u>	<u>11,364</u>

10. Debtors

	2022 £	2021 £
Trade debtors	11,971	8,022
Prepayments and accrued income	<u>1,801</u>	<u>3,521</u>
	<u>13,772</u>	<u>11,543</u>

11. Creditors : amounts due within 1 year

	2022 £	2021 £
Deposits held for parents	21,500	24,500
Accruals	6,724	16,111
Other taxation and social security	5,164	5,752
Deferred income (see note 12)	63,778	63,078
Other creditors	<u>1,576</u>	<u>1,700</u>
	<u>98,742</u>	<u>111,141</u>

The Maria Grey Nursery School

Notes to the financial statements

For the year ended 31 August 2022

12. Deferred income

	2022	2021
	£	£
At 1 September 2021	63,078	62,281
Deferred during the year	63,778	63,078
Released during the year	(63,078)	(62,281)
At 31 August 2022	<u>63,778</u>	<u>63,078</u>

Deferred income relates to the fees invoiced in the Summer for the Autumn term of the next financial year.

13. Analysis of net assets between funds

	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	-	-	-
Net current assets	<u>-</u>	<u>-</u>	<u>81,710</u>	<u>81,710</u>
Net assets at 31 August 2022	<u>-</u>	<u>-</u>	<u>81,710</u>	<u>81,710</u>

	Restricted funds £	Designated funds £	General funds £	Total funds £
Prior period comparative				
Tangible fixed assets	1,114	9,668	582	11,364
Net current assets	<u>-</u>	<u>3,000</u>	<u>86,427</u>	<u>89,427</u>
Net assets at 31 August 2021	<u>1,114</u>	<u>12,668</u>	<u>87,009</u>	<u>100,791</u>

The Maria Grey Nursery School

Notes to the financial statements

For the year ended 31 August 2022

14. Movements in funds

	At 1 September 2021 £	Income £	Expenditure £	Transfers between funds £	At 31 August 2022 £
Restricted funds					
Cycle rack	1,114	-	(1,114)	-	-
Total restricted funds	<u>1,114</u>	<u>-</u>	<u>(1,114)</u>	<u>-</u>	<u>-</u>
Unrestricted funds					
<i>Designated funds:</i>					
Fixed assets fund	9,668	-	(9,668)	-	-
Maintenance fund	3,000	-	-	(3,000)	-
Fundraiser fund	-	1,726	(881)	(845)	-
<i>Total designated funds</i>	<u>12,668</u>	<u>1,726</u>	<u>(10,549)</u>	<u>(3,845)</u>	<u>-</u>
General funds	87,009	339,136	(348,280)	3,845	81,710
Total unrestricted funds	<u>99,677</u>	<u>340,862</u>	<u>(358,829)</u>	<u>-</u>	<u>81,710</u>
Total funds	<u>100,791</u>	<u>340,862</u>	<u>(359,943)</u>	<u>-</u>	<u>81,710</u>

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.
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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.
Maintenance fund	This designated fund is for unexpectedly high maintenance costs in future years.
Fundraiser fund	This designated fund is for additions of equipment that are too small to capitalise. Funds are raised by parents and the directors intend to use the funds to purchase equipment over time.

Transfers between funds

As detailed in the trustees report, note 1 (b) and note 17 to the accounts, the trustees agreed to un-designate all funds and transfer the balance to general reserves to ensure the proper closure of the nursery.

The Maria Grey Nursery School

Notes to the financial statements

For the year ended 31 August 2022

14. Movements in funds (continued)

Prior year comparative	At 1 September 2020 £	Income £	Expenditure £	Transfers between funds £	At 31 August 2021 £
Restricted funds					
Cycle rack	2,229	-	(1,115)	-	1,114
Ground floor project	16,555	-	(16,555)	-	-
Total restricted funds	18,784	-	(17,670)	-	1,114
Unrestricted funds					
<i>Designated funds:</i>					
Fixed assets fund	9,553	-	(4,349)	4,464	9,668
Storage fund	2,420	-	-	(2,420)	-
Maintenance fund	-	-	-	3,000	3,000
<i>Total designated funds</i>	11,973	-	(4,349)	5,044	12,668
General funds	91,384	367,385	(366,716)	(5,044)	87,009
Total unrestricted funds	103,357	367,385	(371,065)	-	99,677
Total funds	122,141	367,385	(388,735)	-	100,791

15. Operating lease commitments

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

	2022 £	2021 £
Amount falling due:		
Within 1 year	26,250	26,250
Within 1 - 5 years	54,998	81,248
More than 5 years	-	-
	81,248	107,498

16. 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.

The Maria Grey Nursery School

Notes to the financial statements

For the year ended 31 August 2022

17. Post balance sheet events

As explained in more detail in the trustees annual report, the trustees have taken the difficult decision that a planned closure of the nursery after the current 22/23 academic year was required due to depleting reserves and being unable to sustain child numbers. This will allow parents to find alternative childcare provision and for the organisation to wind up in an orderly fashion. At the end of this process any remaining unrestricted funds will be distributed to a charity with similar aims.

As explained in the accounting policies (note 1b) above, the financial statements have been prepared on a basis other than the going concern basis.