

Chair's Report 2024–2025, Ovingham and district under 5s

Finance update

This year has been a year characterised by challenge and resilience. Significant financial pressures because of lower enrolments have led to a weaker set of results than we would have hoped to have announced, however, the preschool has continued to deliver high-quality early years education through careful management, strong community support, and the unwavering dedication of our staff and trustees.

From a financial perspective, this past year has been one of the most challenging in our history. The trustees have closely monitored our cashflow throughout the year, recognising the pressures on both income and expenditure. For the financial year ending 31 July 2025, we are declaring a modest deficit of £605, with total income of £66,919 and total expenditure of £67,524. While the result represents a small loss, it is noteworthy that it is not larger, given the reduced number of children attending our setting this year. Our ability to limit the deficit to such a small amount reflects the dedication and careful financial management of both staff and our trustees. The bank and cash balance at year-end stood at £12,657, down slightly from £13,262 in 2023/4.

Expenditure was, as expected, dominated by staff costs, which totalled £56,836 (including salaries, pension contributions, and HMRC liabilities). Our dedicated and skilled staff team remains the cornerstone of the preschool's success, and we continue to look at options to improve pay and to offer more CPD, despite financial pressures.

Update on building project

We continue to make steady progress towards our long-term goal of securing a new building for the preschool. During the year, we reached a major milestone in agreeing a long lease with our landlord, the Diocese of Newcastle. Architectural plans have been approved in consultation with stakeholders, and comprehensive business plans have been prepared. The next phase will involve refining the drawings and seeking funding sources to bring the project to fruition. The trustees remain fully committed to delivering a sustainable, fit-for-purpose facility for future generations.

Governance & outlook

This year, we strengthened our governance structure by appointing two additional trustees. Charlie Downing was elected as Secretary for a three-year term, and we warmly welcomed Clara Shield to the team as our Fundraising Officer. Their skills and enthusiasm will be invaluable as we continue to develop our setting.

These remain difficult times for all early year's providers, particularly those in the voluntary sector, where the so-called "free" childcare hours do not cover the true cost of provision. The resulting tight margins limit our ability to build financial reserves, making long-term planning increasingly complex. However, despite these pressures, I firmly believe that our community-focused model of governance remains a powerful asset. We have an unwavering focus on the wellbeing and development of our children, and every decision the staff and I make, is guided by what is best for the children, their families, and our wider community. As we look ahead, enrolment numbers have improved significantly, and work on securing funding for our building is progressing. With that in mind, the trustees remain committed to ensuring the preschool's financial resilience and to ensure we continue to deliver high-quality early years education in an independent setting.

Dr Michael Price, Chair – Ovingham and district under 5's.