



# Hotwells Children's House

## Financial Transparency

### Aim:

- To be as open as is reasonably possible about the finances involved in running an Early Years Setting.
- To make clear our approach as a 'non-profit' limited company.
- To be clear about our costs and the costs to attending families.

### Our structure:

Hotwells Children's House is a Limited Company, registered with Companies House. We are not a charity or a community interest company (although we may consider this in the future). Despite this legal structure, we do not operate for profit.

Erin and Sarah are the Directors of the company and the founders of the setting. They are paid a nursery manager's wage that is the same each month and is in line with the early years sector.

Fees have been carefully and rigorously planned to leave a safe margin to ensure the sustainability of the business, but no 'profit' has been planned for. If there is a surplus at the end of our financial year we will share with attending families what any surplus has been spent on. Examples of what we might spend a surplus on include: setting up a fund to provide an increased number of fully funded spaces, new resources, a bonus for staff, contributions to charity or specialist training for the team. As a business we must hold some financial reserves within the company to account for potential costs such as redundancy payouts if the setting were to ever close and to hold in case of emergencies should any sudden, unforeseen costs arise. Sometimes these are referred to as 'designated funds'.

### Our costs:

Staffing	Training (statutory and non-statutory)	Subscriptions to supporting organisations
Rent	Saving for redundancy pot	IT
Insurance (nursery and contents) and legal costs	Accountancy	Printing and stationary
Resources and equipment	Specialist software	Sundries

Staffing is by far the most significant cost to the business, and despite this high cost we are only able to pay wages in line with the sector. It is widely recognised that the sector is underpaid for the value and importance of the work. We advocate strongly for higher wages for staff as a sector, but as a business have to balance this need with the cost to families.

### Our cost to families:

We request a voluntary contribution for children attending sessions funded by the Early Years Entitlement. For sustainability purposes, as a private business we must prioritise families who agree to pay this voluntary



contribution (apart from our two fully funded spaces – see Admissions Policy). We chose this model because it seemed the most clear way of showing the cost of what we deliver.

### **What does the voluntary contribution pay for?**

All children access the following:

- A higher number of adults. With their level of qualification, most of our team could work at a ratio of one adult to 13 three and four year olds or 5 two year olds. We believe a higher number of adults and better ratio leads to better outcomes for children. We work at 1:4 for two year olds, and around 1:5 for three and four year olds.
- Highly qualified adults. Our team are exceptionally well qualified for the sector. Both Managers are qualified at Level 6 through their teaching qualifications, and both have further post-graduate or Masters level qualifications. The minimum qualification for an Early Years Manager is Level 3. Most of the team are qualified teachers – having just one qualified teacher in a setting has been shown to improve outcomes for children.
- Specialist Pedagogy. In addition to being highly qualified, all/most of our team also have specialist Montessori Early Years Qualifications at Level 4. This allows us to offer children a specialist method of education and care.
- Specialist resources. Montessori resources are beautifully made and carefully prepared to engage children and further their learning.

Please read this policy alongside our Admissions Policy and Fees.

