

CLIFTON-UPON-TEME NURSERY LIMITED

(A company limited by guarantee)

Report and Financial Statements

Year ended 30 June 2002

Company Number 4013169

Charity Number 1085397



Clifton-upon-Teme Nursery Ltd

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Clifton-upon-Teme Nursery Ltd

Status of the Company

Clifton-upon-Teme Nursery Ltd is a charitable company limited by guarantee incorporated on 12th June 2000 and registered as a charity on 6th March 2001

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

Under those Articles the members of the Management Committee are re-elected at the first AGM to serve a period of 3 years subject to one third of the Management Committee subsequently retiring by rotation at each AGM.

Members of the Management Committee

Members of the Management Committee who are directors for the purpose of company law and trustees for the purpose of charity law who served during the year and up to the date of this report are set out below

Mrs Hilary Higton,	Chair
Mrs Debbie Mitchell	Vice Chair
Mr Christopher Cale	Treasurer
Ms Rosemary Collie	(Appointed 12 th March 2002)
Mrs Brenda Crump	(Appointed 10 th January 2002)
Mrs Jane Dayson	
Mrs Desi Green	(Appointed 6 th December 2002)
Mrs Vicki Harper	(Resigned 30 th November 2002)
Mr Christopher Hurley	Company Secretary
Mrs Frances Mills	(Resigned 15 th June 2002)

Nursery Manager

Mrs Sandra E Sharratt

Registered Office

Palace Cottage, Clifton-upon-Teme, Worcestershire, WR6 6DY

Operational Address

Clifton-upon-Teme Early Years Centre
The Village
Clifton-upon-Teme
Worcestershire
WR6 6DH

Accountants

Dyke Ruscoe Hayes, 40 Teme Street, Tenbury Wells WR15 8AA

Bankers

Lloyds TSB Bank plc, High Street, Evesham

Solicitors

March Edwards, Sansome Street, Worcester

Clifton-upon-Teme Nursery Ltd

Report of the Management Committee for the year ended 30th June 2002

The Management Committee, who are also directors of the charity for the purposes of the Companies Act, present their annual report and the financial statements for the year ended 30th June 2002. The Management Committee have adopted the provisions of the Statements of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in October 2000 in preparing the annual report and financial statements of the charity.

Activities

The company is a charity and exists to deliver the following objectives in the village of Clifton-upon-Teme and surrounding community via the Clifton-upon-Teme Early Years Centre

.....to support the development of children under school age within the village of Clifton-upon-Teme and its immediate environs ("the Community") by:

- (i) providing quality day care and education for babies and children between 3 months and statutory school age.
- (ii) supporting parents in rural areas requiring day care for their children in order that they can attend to other responsibilities where it would be inappropriate to have the children with them (for example - but not excluding other responsibilities - returning to work, furthering their education or serving in the community).
- (iii) creating an environment where information and support can be given to those desiring to enhance family skills and values and promote lifelong learning.
- (iv) subject to the above any other charitable purpose for the benefit of children in the Community as the trustees from time to time determine.

Results

The net incoming resources for the year amounted to £145,550 of which £119,459 related to funding to support the capital and launch costs of the company - the balance relating to the first period of trading from 31st January 2002.

As a result, total resources as at the end of the financial year amounted to £100,561.

Organisation

The Management Committee is currently composed of 8 members who are elected by the membership for a 3 year period. The committee currently meets monthly. Trading commenced 31st January 2002 with an operational team consisting of a nursery manager and appropriately qualified staff.

Review of activities

Fund raising continued throughout the financial year but sufficient funds were raised by the end of 2001 to commit to the launch of the new Early Years Centre early 2002 subject to Ofsted registration.

Ofsted provided registration in January 2002 and as a result we opened our doors to our first children on 31st January 2002.

Since opening, we have steadily increased our registration numbers and it is pleasing to confirm that as at the financial year end the number of children using the setting on a regular basis exceeded 40.

Additional staff were recruited earlier than expected as a result of higher than projected places taken.

Clifton-upon-Teme Nursery Ltd

We are well placed for the second year of trading although we remain reliant at this time upon the start up funding provided by Worcestershire Early Years Service. We remain committed to providing a quality service for the years to come with every indication that full trading performance will generate better than break even early in 2003.

State of affairs

As at the financial year end we raised a total sum of £119,459 from local fund raising efforts, various agencies and donations from personal, voluntary and business supporters.

This sum included funding from The Community Fund (£72,000), Awards for All (£5,000) New Opportunities Fund (£12,354), Vital Villages (£7,000), The Countryside Agency (£3,500) and Worcester Early Years Service (£6,268) to whom we wish to express our grateful thanks for their support.

A further sum of £2,500 is available from Worcester Early Years Service contingent upon certain occupancy rates being achieved and a quality assurance programme being commenced – both of which have been achieved since the financial year end and an appropriate claim has now been submitted and approved.

The state of the balance sheet therefore reflects completion of the capital expenditure and full trading conditions being in operation.

Future Strategy

The charity plans to continue the activities as outlined above and in accordance with the objectives of the charity. Now that start-up funding has been completed, future trading strategy will be dependent upon satisfactory occupancy of the available childcare places. This coupled with an equitable fee structure as a result of being a community setting must be balanced with the need to ensure that staff quality/costs reflect true value for the delivery of our services. Ongoing fundraising in respect of capital needs will continue for the foreseeable future.

Reserves Policy

With only 9 months trading undertaken, we are currently considering ongoing trends in respect of income and expenditure so that a realistically achievable free reserves policy can be devised. A target level equivalent to 6 months trading is currently being considered as the correct target to aim for. This suggests free reserves of approximately £30,000 building up from the trading performance of the Early Years Centre. At present this is not seen as achievable in the short term. The Management Committee will be considering during the next financial year methods by which such a free reserves balance can be achieved.

Responsibilities of the Management Committee

Company Law applicable to incorporated charities requires the Members of the Management Committee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the incoming resources and application of resources, including the net income and expenditure, for the financial year.

In preparing those financial statements, the Members of the Management Committee are required to select suitable accounting policies and then apply them consistently; make judgements and estimates that are reasonable and prudent; state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements and prepare the financial statements on an going concern basis unless it is inappropriate to assume that the company will continue in business.

Clifton-upon-Teme Nursery Ltd

The Members of the Management Committee are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Members of the Charitable Company

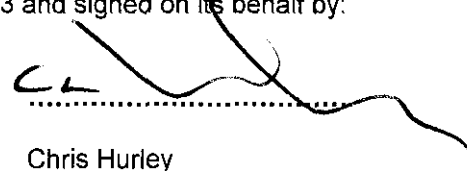
Members of the charitable company guarantee to contribute an amount not exceeding £5 to the assets of the charitable company in the event of winding up. The total number of such guarantees at 30th June 2002 was 15.

Independent Examiner

Dyke Ruscoe & Hayes were appointed in May 2002 as the charitable company's independent examiners for the coming year.

This report has been prepared in accordance with the Recommended Practice – Accounting Reporting by Charities and in accordance with the special provisions of Part V11 of the Companies Act 1985 relating to small entities.

Approved by the Management Committee on 22nd January 2003 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'CH', is written over a horizontal dotted line.

Chris Hurley
Director & Company Secretary

Clifton-upon-Teme Nursery Ltd

Independent Examiner's Report to the Management Committee of Clifton-upon-Teme Nursery Ltd.

We have examined, without carrying out an audit, the accounts for the year ended 30th June 2002 as set out on pages 7 – 12.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year (under section 43(2) of the Charities Act 1993 (the Act) and that an independent examination is needed.

It is my responsibility to:

- Examine the accounts (under section 43(3)(a) of the Act);
- To follow the procedures laid down in the General Directions given by the Charity Commissioners (under section 43(7)9b) of the Act); and
- To state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the accounts.

Independent examiner's statement

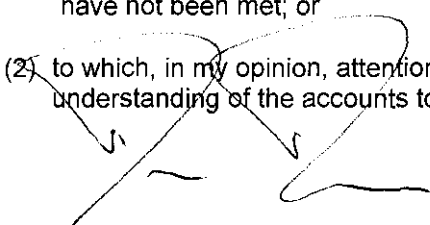
In connection with my examination, no matter has come to my attention

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 41 of the 1993 Act; and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Act

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.


P K Reynolds

28 January 2003

Dyke Ruscoe & Hayes
Registered Auditors and
Chartered Certified Accountants
40 Teme Street
Tenbury Wells
Worcs

Clifton-upon-Teme Nursery Ltd

Statement of Financial Activities for the year ended 30 June 2002

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2002 £	Total Funds 2001 £
Income and Expenditure					
Incoming Resources					
Activities to generate funds - Early Years Centre		20,138		20,138	0
Donations and Grants to further charity's objects	2	24,836		24,836	0
Interest on bank deposits		30		30	2
Miscellaneous income		209		209	0
Donations and Grants for fixed asset additions	3	18,337	82,000	100,337	7,490
Net Incoming Resources available for charitable application		63,550	82,000	145,550	7,492
Resources Expended					
<i>Costs of generating funds</i>					
Operating costs - Early Years Centre		43,539	4,100	47,639	0
Fundraising & Publicity		586	0	586	573
Management & Administration of the company		1,840	0	1,840	1,843
Total Resources Expended	4	45,965	4,100	50,065	2,416
Net Incoming resources for the year		17,585	77,900	95,485	5,076
Net movement in funds					
Total funds brought forward at 1st July 2001		5,076	0	5,076	0
Total funds carried forward at 30th June 2002	12	22,661	77,900	100,561	5,076

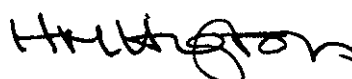
There were no other recognised gains or losses for the year ended 30 June 2002 or the preceeding year.

Clifton-upon-Teme Nursery Ltd

BALANCE SHEET as at 30th June 2002

	Notes	2002 £	2001 £
Fixed Assets	8		
Tangible assets		90,365	0
Intangible assets		0	0
		<u>90,365</u>	<u>0</u>
Current Assets	9		
Sundry debtors		637	0
Stock		46	0
Cash at bank and in hand		12,761	5,076
		<u>13,444</u>	<u>5,076</u>
Creditors	10	3,248	0
Amounts becoming due and payable within one year		<u> </u>	
Net Current Assets		10,196	5,076
Net Assets	11	<u>100,561</u>	<u>5,076</u>
Restricted Funds		77,900	0
Unrestricted Funds			
Designated Funds		0	0
General Funds		22,661	5,076
Total Funds	12	<u>100,561</u>	<u>5,076</u>

Approved by the Management Committee on 22nd January 2003 and signed on its behalf by:


Hilary Highton, Chair

Clifton-upon-Teme Nursery Ltd

1 Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention and are presented in accordance with the Financial Reporting Standard for Smaller Entities the Companies Act 1985 and follow the recommendations in *"Accounting and Reporting by Charities: Statement of Recommended Practice"* issued in October 2000.

Accordingly, the presentation of income and expenditure in these accounts has been adapted from the format prescribed by the Companies Act 1985 to better reflect the special nature of the Company's activities.

Income Recognition

All incoming resources becoming available to the Company are recognised in the Statement of Financial Activities as soon as it is prudent and practicable to do so. Resources relating to a specific time period are recognised over that period. Grants and donations intended for specific purposes are credited to a restricted fund.

Expenditure

"Direct Charitable Expenditure" comprises all expenditure directly relating to the objects of the Company and includes the cost of supporting charitable activities and projects. Expenditure from restricted funds is disclosed in the Statement of Financial Activities and charged against the relevant fund. Administration and fund raising expenses relates to the administration, co-ordination and promotion of the Company. Overhead costs are apportioned on the basis of staff costs

Tangible Fixed Assets

Items of equipment are capitalised where the purchase price exceeds £500 or where the aggregate value of expenditure relating to a particular asset exceeds £500.

Depreciation – on a straight line basis – is provided on all tangible fixed assets, so as to write off the cost of the assets over their estimated useful lives as follows:

Property	20 years
Equipment	5 years
Fixtures & Fittings	5 years
IT Equipment	3 years

Property is partly funded by Restricted Funds and as a result, depreciation has been allocated pro-rata between Restricted and Unrestricted Funds to properly apply this cost to the relevant Reserve.

Stock has been valued at the lower of cost and net realisable value.

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Incoming resources from activities to further the charity's objects

	Unrestricted Funds £	Restricted Funds £	Total Funds 2002 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2001 £
2 Donations and grants for care and education						
Nursery Education Grant	5,714		5,714			
New Opportunities Fund	12,354		12,354			
Worcestershire Early Years	6,268		6,268			
Business Link	500		500			
	<u>24,836</u>	<u>0</u>	<u>24,836</u>	<u>0</u>	<u>0</u>	<u>0</u>
3 Donations and grants for fixed asset additions						
The Community Fund		75,000	75,000			
Vital Villages		7,000	7,000			
General Donations	18,337		18,337	7,490		7,490
	<u>18,337</u>	<u>82,000</u>	<u>100,337</u>	<u>7,490</u>	<u>0</u>	<u>7,490</u>

Donations of gifts in kind

In addition to the above, gifts in kind were received to the value of £1,205 from local contributors to whom we extend our grateful thanks

4 Total resources expended	Total Funds 2002 £	Total Funds 2001 £
Staff costs	25,804	
Recruitment	1,083	
Training & Quality Assurance	535	
Consumables	1,315	
Premises	2,672	1,718
Communications	568	573
Legal & Professional	1,055	125
Accountants fees	293	
Insurance	615	
Stationery & Postage	1,307	
Sundry Office Costs	533	
Marketing/Advertising	586	
Volunteer expenses	0	
Depreciation (see Note 1 re Funds allocation)	5,707	
Small item capital costs	6,439	
Toys	1,301	
Miscellaneous Expenditure	252	
	<u>50,065</u>	<u>2,416</u>

Miscellaneous Expenditure

Cost of external trips	240	
Boot bags opening stock	58	
Boot bags closing stock	-46	252

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5 Net Income resources for the year	2002	2001
This is stated after charging:	£	£
Depreciation (see Note 1 re Funds allocation)	5,707	0
Management Committee's remuneration	0	0
Independent accountants remuneration	293	0

6 Staff costs and numbers	2002	2001
	£	£
Staff Costs were as follows:		
Salaries & Wages	24,504	0
Social Security Costs	1,300	0
	<u>25,804</u>	<u>0</u>

No employee received emoluments of more than £50,000

The average weekly number of employees during the year, calculated on a full time equivalent basis was as follows:

	2002	2001
Management	1	0
Nursery staff	5	0
	<u>6</u>	<u>0</u>

7 Taxation

The charitable company is exempt from corporation tax on its charitable activities

8 Tangible fixed assets

	Property	Fixtures & Fittings	Equipment	IT Equipment	Total
Cost					
At 1st July 2001	0	0	0	0	0
Additions in year	90,769	3,194	1,300	809	96,072
At 30th June 2002	<u>90,769</u>	<u>3,194</u>	<u>1,300</u>	<u>809</u>	<u>96,072</u>
Depreciation					
At 1st July 2001	0	0	0	0	0
Charge for the year	4,538	639	260	270	5,707
At 30th June 2002	<u>4,538</u>	<u>639</u>	<u>260</u>	<u>270</u>	<u>5,707</u>
Net Book Value					
at 30th June 2002	<u>86,231</u>	<u>2,555</u>	<u>1,040</u>	<u>539</u>	<u>90,365</u>
At 30th June 2001	0	0	0	0	0

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9 Debtors	2002 £	2001 £
Other debtors and prepayments	637	0

10 Creditors (amounts falling due within one year)

Taxation and Social Security	822	0
Other creditors and accruals	2,426	0
	<u>3,248</u>	<u>0</u>

11 Analysis of net assets between funds

	General Funds £	Restricted Funds £	Total Funds 2002 £
Tangible Fixed Assets	12,465	77,900	90,365
Current Assets	13,444	0	13,444
Current Liabilities	-3,248	0	-3,248
	<u>22,661</u>	<u>77,900</u>	<u>100,561</u>

12 Movement in Funds

	At 1st July £	Incoming 2001 Resources £	Outgoing Resources £	Transfers £	At 30th June 2002 £
Nursery Building	0	82,000	-4,100	0	77,900
Restricted Funds:	<u>0</u>	<u>82,000</u>	<u>-4,100</u>	<u>0</u>	<u>77,900</u>
Unrestricted Funds:					
Equipment	0	0	0	0	0
General Funds	5,076	63,550	-45,965	0	22,661
Total Unrestricted Funds	<u>0</u>	<u>63,550</u>	<u>-45,965</u>	<u>0</u>	<u>22,661</u>
Total Funds	<u>0</u>	<u>145,550</u>	<u>-50,065</u>	<u>0</u>	<u>100,561</u>

Purposes of restricted funds

Nursery Building

Based on the relevant terms and conditions attached to the grants, the Management Committee considers it appropriate to identify separately the funds provided in respect of the building and related fixtures from The Community Fund and Vital Villages