

Charity Registration No. 1085397

Company Registration No. 4013169 (England and Wales)

CLIFTON-UPON-TEME NURSERY LIMITED
MANAGEMENT COMMITTEE REPORT AND ACCOUNTS
FOR THE PERIOD ENDED 30 JUNE 2004

3



CLIFTON-UPON-TEME NURSERY LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Management Committee

Desi Green MBE (Current Chair)
Debbie Mitchell (Vice-chair)
Christopher Cale (Treasurer)
Rosemary Collie
Georgiana Baxter
Sophie Edmonds
Toni Woolley

Nursery Manager

Mrs Sandra E Sharratt BA Ed (Hons)

Secretary

Christopher Hurley

Charity number

1085397

Company number

4013169

Principal address

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

Registered office

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

Accountants

Kendall Wadley
Granta Lodge
71 Graham Road
Malvern
Worcestershire
WR14 2JS

Bankers

Lloyds TSB
Malvern
Worcestershire
WR14 4QG

Solicitors

March and Edwards
8 Sansome Walk
Worcester
WR1 1LW

CLIFTON-UPON-TEME NURSERY LIMITED

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CLIFTON-UPON-TEME NURSERY LIMITED

MANAGEMENT COMMITTEE REPORT FOR THE PERIOD ENDED 30 JUNE 2004

The Management Committee, who are also directors of the charity for the purposes of the Companies Act present their annual report and financial statements for the period ended 30 June 2004.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's memorandum and articles of association, applicable law and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in October 2000.

Constitution

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

The company was established under a Memorandum of Association which establishes 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 three years subject to one third of the Management Committee subsequently retiring by rotation at each AGM.

Objects of the charity

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

The objects of the charity are 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 three 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 children with them (for example - but not excluding other responsibilities - returning to work, furthering their education or serving 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.

Organisation

The Management Committee is currently composed of seven members who are elected by the membership for a three year period. The committee currently meets bi-monthly. The day to day operation is managed by a fully qualified nursery manager with a team of appropriately qualified staff.

Investment Powers

Under the memorandum and articles of association, the charitable company has the power to make any investment which the trustees see fit.

CLIFTON-UPON-TEME NURSERY LIMITED

MANAGEMENT COMMITTEE REPORT (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2004

Review of activities

Since opening in January 2002, 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 60. Additional staff were recruited to support the increasing numbers of children to ensure that we maintained the appropriate ratios to satisfy the Ofsted regulations.

The last 12 months trading saw an overall surplus influenced by the continuing depreciation of the building (over 20 years) to which additional assets have been added this year with further restricted funds from Vital Villages and Local Network Fund.

We are pleased to say that our unrestricted funds further increased despite additional expenditure on equipment as part of an overall plan to improve internal and external facilities to support a further growth in children and occupancy. We remain committed to providing a quality service for the years to come with regular review of our budgets. Our trading budgets for the coming year suggests a better than break-even performance.

Management Committee

The members of the Management Committee, who are also the directors for the purpose of company law, and trustees for the purpose of charity law who served during the period were:

Desi Green MBE (Current Chair)

Debbie Mitchell (Vice-chair)

Christopher Cale (Treasurer)

Rosemary Collie

Georgiana Baxter

Jane Dayson

(Resigned 1 September 2003)

Sophie Edmonds

Hilary Highton (Chair)

(Resigned 1 September 2004)

Christopher Hurley

(Resigned 1 August 2004)

Debbie Tunnicliffe

(Resigned 1 September 2003)

Toni Woolley

None of the Management Committee has any beneficial interest in the company. All of the Management Committee are members of the company and guarantee to contribute £5 in the event of a winding up. The total number of such guarantees at 30 June 2004 was 17 (2003 - 21).

CLIFTON-UPON-TEME NURSERY LIMITED

MANAGEMENT COMMITTEE REPORT (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2004

Review of financial position

The total incoming resources for the year amounted to £127,787 and total resources expended amounted to £121,742, producing a surplus for the year of £6,045 (2003 £1,630 deficit). This surplus was taken to the fund balance brought forward giving a total fund balance at 30 June 2004 of £104,976 (30 June 2003 £98,931), of which £27,015 is unrestricted and £77,961 is represented by restricted funds.

As at the financial year end we raised a total sum of £1,861 from local fund raising efforts, various agencies and donations from personal, voluntary and business supporters.

We also received major funding of £7,000 from the Local Network Fund which has enabled us to provide a new all-weather play area. We are most grateful for this excellent support as we are now in a much better position to provide external play and education facilities for the children.

We received further funding of £3,400 from Vital Villages to enable us to install air-conditioning in the main play room and support ongoing staff training. We are most grateful to the Vital Villages for their continued support in both financial and non-financial terms. Their support since the commencement of the project has been invaluable.

We also received significant support from Worcestershire Early Years Service of £5,000 to upgrade our baby room facilities together with additional funds in respect of training, for which we extend our thanks.

A further sum of £19,449 from Worcestershire County represented funding for nursery education of our three to four year olds plus £466 from National Government in respect of milk grant.

The state of the balance sheet exhibits a sound position reflecting continued growth.

Future Strategy

The charity plans to continue the activities as outlined above and in accordance with the objectives of the charity. Future trading strategy will be dependent upon satisfactory occupancy of the 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

Last year we considered that a free reserves target of the equivalent of four months trading should be our objective. This policy is under constant review and subject to change depending on the charity's expenditure programme; this is reflected in our actual free reserves at the 30th June 2004 which amount to £12,624. With continued knowledge of our trading and the industry sector we consider that the above policy remains a sensible objective but will be kept under constant review mindful of the need for an asset renewal/replacement policy to ensure we maintain the Early Years Centre to a high standard.

Risk factors

The members have examined the major strategic, business and operational risks to which the charity is exposed and confirm that systems have been established to enable regular reports to be produced so that necessary steps can be taken to lessen these risks.

Asset cover for funds

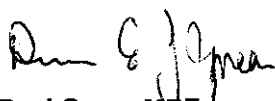
Note 13 sets out an analysis of the assets attributable to the various funds. These assets are sufficient to meet the charity's obligations on a fund by fund basis.

CLIFTON-UPON-TEME NURSERY LIMITED

MANAGEMENT COMMITTEE REPORT (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2004

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

On behalf of the board of Management Committee



Desi Green MBE

Dated: 26 January 2005

CLIFTON-UPON-TEME NURSERY LIMITED

ACCOUNTANTS' REPORT TO THE MEMBERS ON THE UNAUDITED ACCOUNTS OF CLIFTON-UPON-TEME NURSERY LIMITED

We report on the accounts for the period ended 30 June 2004 set out on pages 6 to 16.

Respective responsibilities of Management Committee and reporting accountants

As described on page 8 the charitable company's Management Committee, who are also the directors of Clifton-Upon-Teme Nursery Limited for the purpose of company law, are responsible for the preparation of the accounts, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

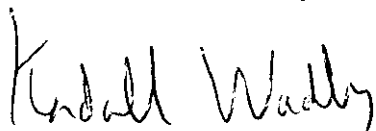
Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

- (a) the accounts are in agreement with the accounting records kept by the charitable company under section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
 - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
 - (ii) the charitable company satisfied the conditions for exemption from an audit of the accounts for the period specified in section 249A(4) of the Act and did not, at any time within that period, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).



Kendall Wadley

Chartered Accountants
Reporting Accountants
Granta Lodge
71 Graham Road
Malvern
Worcestershire
WR14 2JS

Dated: 26 January 2005

CLIFTON-UPON-TEME NURSERY LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD ENDED 30 JUNE 2004

	Notes	Unrestricted funds £	Restricted funds £	Total 2004 £	Total 2003 £
<u>Incoming resources</u>					
Activities in furtherance of the charity's objects	2	29,802	10,200	40,002	23,252
Activities for generating funds	3	87,657	-	87,657	72,132
Investment income	4	128	-	128	95
Total incoming resources		117,587	10,200	127,787	95,479
<u>Resources expended</u>					
Operating costs - Early Years Centre		114,514	6,039	120,553	96,001
		114,514	6,039	120,553	96,001
Net incoming resources available		3,073	4,161	7,234	(522)
<u>Charitable expenditure</u>					
Fundraising and publicity		337	-	337	347
Management and administration		852	-	852	761
Total resources expended	5	115,703	6,039	121,742	97,109
Net income/(expenditure) for the year/ Net movement in funds		1,884	4,161	6,045	(1,630)
Fund balances at 1 July 2003		25,131	73,800	98,931	100,561
Fund balances at 30 June 2004		27,015	77,961	104,976	98,931

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 1985.

CLIFTON-UPON-TEME NURSERY LIMITED

BALANCE SHEET AS AT 30 JUNE 2004

	Notes	2004 £	£	2003 £	£
Fixed assets					
Tangible assets	9		91,852		84,658
Current assets					
Stocks		255		392	
Debtors	10	1,623		1,059	
Cash at bank and in hand		14,899		15,163	
		<u>16,777</u>		<u>16,614</u>	
Creditors: amounts falling due within one year	11	<u>(3,653)</u>		<u>(2,341)</u>	
Net current assets			13,124		14,273
Total assets less current liabilities			<u>104,976</u>		<u>98,931</u>
Income funds					
Restricted funds	12		77,961		73,800
Unrestricted funds			27,015		25,131
			<u>104,976</u>		<u>98,931</u>

CLIFTON-UPON-TEME NURSERY LIMITED

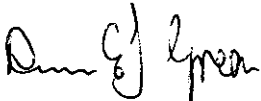
BALANCE SHEET (CONTINUED) AS AT 30 JUNE 2004

In preparing these financial statements:

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(2) of the Companies Act 1985;
- (b) No members have required the company to obtain an audit of its financial statements for the year in question in accordance with Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, 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 Statement of Financial Activities for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The accounts were approved by the Board on 26 January 2005



Desi Green MBE (Current Chair)



Christopher Cale (Treasurer)

CLIFTON-UPON-TEME NURSERY LIMITED

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 30 JUNE 2004

1 Accounting policies

1.1 Basis of preparation

The accounts are prepared under the historical cost convention and are presented in accordance with the Financial Reporting Standard for Smaller Entities, the Companies Act 1985 and have been prepared in accordance with the Statement of Recommended Practice, "Accounting and Reporting by Charities" 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.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Incoming resources

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.

1.3 Resources expended

"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.

1.4 Tangible fixed assets and depreciation

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 and fittings	5 years
Computer equipment	3 years

Property and equipment 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.

1.5 Stock

Stock, which consists of staff and childrens uniforms, has been valued at the lower of cost and net realisable value.

1.6 Pensions

The pension costs charged in the accounts represent the contributions payable by the charitable company during the period in accordance with SSAP 24.

CLIFTON-UPON-TEME NURSERY LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2004

1 Accounting Policies

(continued)

1.8 Fund accounting

Funds held by the charity are:

Unrestricted General Funds - these are the funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Restricted Funds - these are the funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for a particular restricted purpose.

CLIFTON-UPON-TEME NURSERY LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2004

2 Activities in furtherance of the charity's objects

	Unrestricted funds £	Restricted funds £	Total 2004 £	Total 2003 £
Grants receivable for charitable activities	28,441	10,200	38,641	22,214
Miscellaneous income	1,361	-	1,361	1,038
	<u>29,802</u>	<u>10,200</u>	<u>40,002</u>	<u>23,252</u>
Grants receivable for charitable activities				
Unrestricted funds:				
Nursery Education Grant			19,449	14,594
New Opportunities Fund			-	2,000
Worcestershire Early Years			390	1,300
Artsmark			100	-
Countryside Agency			975	-
Vital Villages			200	665
Community Champions			-	1,470
Tree Council			-	310
WRFU Milk Grant			466	581
General Donations			161	1,294
			<u>21,741</u>	<u>22,214</u>
Unrestricted funds for fixed asset additions:				
Worcestershire Early Years			5,000	-
General Donations			1,700	-
			<u>6,700</u>	<u>-</u>
			<u>28,441</u>	<u>22,214</u>
Restricted funds:				
Local Network Fund			500	-
			<u>500</u>	<u>-</u>
Restricted funds for fixed asset additions:				
Vital Villages			3,200	-
Local Network Fund			6,500	-
			<u>9,700</u>	<u>-</u>
			<u>10,200</u>	<u>-</u>

CLIFTON-UPON-TEME NURSERY LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2004

3 Activities for generating funds

	2004 £	2003 £
Early Years Centre	<u>87,657</u>	<u>72,132</u>

4 Investment income

	2004 £	2003 £
Interest receivable	<u>128</u>	<u>95</u>

CLIFTON-UPON-TEME NURSERY LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2004

5 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Total 2004 £	Total 2003 £
Costs of generating funds:					
Operating costs - Early Years Centre	92,439	8,262	19,852	120,553	96,001
Charitable expenditure:					
Fundraising and publicity	-	-	337	337	347
Management and administration	-	-	852	852	761
	<u>92,439</u>	<u>8,262</u>	<u>21,041</u>	<u>121,742</u>	<u>97,109</u>

Other costs relating to operating costs - Early Years Centre comprise:

Recruitment	-	291
Training and quality assurance	1,067	1,272
Consumables	5,440	4,517
Premises expenses	3,778	4,031
Communications	530	621
Insurance	835	513
Stationery and postage	1,948	1,072
Sundry office expenses	1,765	1,011
Small capital items	3,531	3,601
Toys	383	1,052
Miscellaneous expenditure	248	550
Trading costs	327	546
	<u>19,852</u>	<u>19,077</u>

Other costs relating to fundraising and publicity comprise:

Sundry office expenses	-	100
Marketing and advertising	275	247
Miscellaneous expenditure	62	-
	<u>337</u>	<u>347</u>

Other costs relating to management and administration comprise:

Accountants fees	428	518
Stationery and postage	217	119
Sundry office expenses	207	124
	<u>852</u>	<u>761</u>

CLIFTON-UPON-TEME NURSERY LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2004

5 Total resources expended

(continued)

Management and administration costs includes payments to the reporting accountant of £375 (2003- £375) for independent examination fees and £100 (2003- £nil) for other services.

6 Management Committee

None of the Management Committee (or any persons connected with them) received any remuneration during the period.

7 Employees

Number of employees

The average monthly number of employees during the period was:

	2004 Number	2003 Number
Full time equivalent employees	8	7

Employment costs

	2004 £	2003 £
Wages and salaries	86,825	67,676
Social security costs	4,862	3,541
Other pension costs	752	-
	92,439	71,217

There were no employees whose annual emoluments were £50,000 or more.

8 Taxation

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

CLIFTON-UPON-TEME NURSERY LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2004

9 Tangible fixed assets

	Property	Computer equipment	Equipment	Fixtures and fittings	Total
	£	£	£	£	£
Cost					
At 1 July 2003	90,769	809	1,300	3,194	96,072
Additions	3,556	-	7,699	4,201	15,456
At 30 June 2004	94,325	809	8,999	7,395	111,528
Depreciation					
At 1 July 2003	9,076	540	520	1,278	11,414
Charge for the period	4,715	269	1,799	1,479	8,262
At 30 June 2004	13,791	809	2,319	2,757	19,676
Net book value					
At 30 June 2004	80,534	-	6,680	4,638	91,852
At 30 June 2003	81,693	269	780	1,916	84,658

The charitable company has no inalienable or historic assets.

10 Debtors

	2004 £	2003 £
Trade debtors	1,087	407
Prepayments and accrued income	536	652
	1,623	1,059

11 Creditors: amounts falling due within one year

	2004 £	2003 £
Trade creditors	386	306
Taxes and social security costs	1,542	1,273
Accruals	1,725	762
	3,653	2,341

CLIFTON-UPON-TEME NURSERY LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2004

12 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 July 2003	Movement in funds		Balance at 30 June 2004
	£	Incoming resources £	Resources expended £	£
Nursery Building Fund	73,800	-	(4,100)	69,700
Fixed Asset Fund	-	9,700	(1,939)	7,761
Play Courses Revenue Fund	-	500	-	500
	<u>73,800</u>	<u>10,200</u>	<u>(6,039)</u>	<u>77,961</u>

The Nursery Building Fund represents funds received from The Community Fund and Vital Villages for the purchase of the nursery building. Depreciation charges and repair work can be offset against this fund.

The Fixed Asset Fund represents funds received from Vital Villages and Local Network Fund for the purchase of equipment and fixtures and fittings. Depreciation charges can be offset against this fund.

The Play Course Revenue Fund represents funds received from Local Network Fund for revenue expenditure in relation to the play course.

13 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 30 June 2004 are represented by:			
Tangible fixed assets	14,391	77,461	91,852
Current assets	16,277	500	16,777
Creditors: amounts falling due within one year	(3,653)	-	(3,653)
	<u>27,015</u>	<u>77,961</u>	<u>104,976</u>

14 Trustees Insurance

During the year the charitable company purchased Trustee Indemnity insurance. The total cost of the policy was £622.