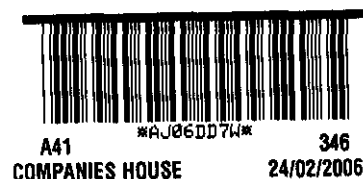


Charity Registration No. 1085397

Company Registration No. 4013169 (England and Wales)

CLIFTON-UPON-TEME NURSERY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
MANAGEMENT COMMITTEE REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2005



CLIFTON-UPON-TEME NURSERY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION

Management Committee	Debbie Mitchell (Chair) Christopher Cale (Honorary Treasurer) Sophie Edmonds Marion Dipple Trish Collett Toni Woolley Clive Austin (co-opted)
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
(A COMPANY LIMITED BY GUARANTEE)
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CLIFTON-UPON-TEME NURSERY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
MANAGEMENT COMMITTEE REPORT
FOR THE YEAR ENDED 30 JUNE 2005

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 year ended 30 June 2005.

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
(A COMPANY LIMITED BY GUARANTEE)
MANAGEMENT COMMITTEE REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2005**

Review of activities

Since opening in January 2002, our registration numbers have continued to increase and we now find that the number of children who attend has stabilised at 60 who on a weekly basis fill the maximum Ofsted Registration of 30 places. As the school year progresses our occupancy rises from about 70% in September to nearly 100% in June. Additional staff have been recruited to support this cycle of occupancy to ensure that we maintained the appropriate ratios to satisfy the Ofsted regulations.

The last 12 months trading saw an overall deficit influenced by a number of decisions:

- Employ additional staff during a difficult period of 6 months when staff turnover increased and we wished to ensure that the setting continued to provide a high quality service as we reorganised. We are pleased to say that we have now fully recovered from that disruption and have also increased our qualified staff as a result.
- Carry out a number of property/facilities improvement projects using our own reserves.
- Utilise the services of a book-keeper/administrator to fulfill the financial & administrative needs of the organisation.

As a result, our unrestricted funds suffered a small reduction but the indications for this coming year is that we will benefit from the above reorganisation and in line with our trading budgets produce 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 year were:

Desi Green MBE	(Resigned 26 April 2005)
Debbie Mitchell (Chair)	
Christopher Cale (Honorary Treasurer)	
Rosemary Collie	(Resigned 23 February 2005)
Georgiana Baxter	(Resigned 23 February 2005)
Sophie Edmonds	
Marion Dipple	(Appointed 23 February 2005)
Trish Collett	(Appointed 23 February 2005)
Toni Woolley	

The management committee also includes Clive Austin who was co-opted in February 2005.

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 2005 was 22 (2004 - 17).

**CLIFTON-UPON-TEME NURSERY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
MANAGEMENT COMMITTEE REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2005**

Review of financial position

The total incoming resources for the year amounted to £134,770 and total resources expended amounted to £143,265, producing a deficit for the year of £8,495 (2004 £6,045 surplus). This deficit was taken to the fund balance brought forward giving a total fund balance at 30 June 2005 of £96,481 (30 June 2004 £104,976), of which £25,059 is unrestricted and £71,422 is represented by restricted funds.

As at the financial year end we raised a total sum of £875 from local fund raising efforts, various agencies and donations from personal, voluntary and business supporters.

We also received funding of £3,510 from Worcestershire Early Years Service to support our decision to utilize a book-keeping and administration service to assist in the efficient running of the company for which we extend our thanks.

A further sum of £25,227 (2004 £19,449) from Worcestershire County represented funding for nursery education of our three to four year olds plus £573 (2004 £466) from National Government in respect of milk grant.

The state of the balance sheet continues to exhibit a sound position.

Future Strategy

The charity plans to continue the activities as outlined above and operate in accordance with its objectives. 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 2005 which amount to £10,871 (2004 £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.

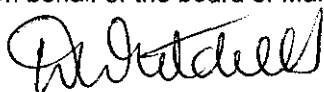
Asset cover for funds

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
(A COMPANY LIMITED BY GUARANTEE)
MANAGEMENT COMMITTEE REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2005

This report has been prepared in accordance with the Recommended Practice - Accounting and 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



Debbie Mitchell

Dated: 11 October 2005

**CLIFTON-UPON-TEME NURSERY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ACCOUNTANTS' REPORT TO THE MEMBERS ON THE
UNAUDITED ACCOUNTS OF CLIFTON-UPON-TEME NURSERY LIMITED**

We report on the accounts for the year ended 30 June 2005 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.

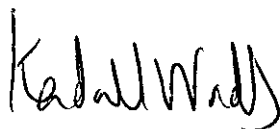
Basis of opinion

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 year specified in section 249A(4) of the Act and did not, at any time within that year, 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: 11 October 2005

CLIFTON-UPON-TEME NURSERY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2005

	Notes	Unrestricted funds £	Restricted funds £	Total 2005 £	Total 2004 £
<u>Incoming resources</u>					
Activities in furtherance of the charity's objects:					
- Grants received and other income	2	29,320	3,510	32,830	40,002
- Early Years Centre	3	101,754	-	101,754	87,657
Investment income	4	186	-	186	128
Total incoming resources		131,260	3,510	134,770	127,787
<u>Resources expended</u>					
Operating costs - Early Years Centre		129,044	6,539	135,583	120,553
		129,044	6,539	135,583	120,553
Net incoming resources available		2,216	(3,029)	(813)	7,234
<u>Charitable expenditure</u>					
Fundraising and publicity		347	-	347	337
Management and administration		3,825	3,510	7,335	852
Total resources expended	5	133,216	10,049	143,265	121,742
Net (expenditure)/income for the year/ Net movement in funds		(1,956)	(6,539)	(8,495)	6,045
Fund balances at 1 July 2004		27,015	77,961	104,976	98,931
Fund balances at 30 June 2005		25,059	71,422	96,481	104,976

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
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET
AS AT 30 JUNE 2005

	Notes	2005 £	£	2004 £	£
Fixed assets					
Tangible assets	9		85,610		91,852
Current assets					
Stocks		246		255	
Debtors	10	3,235		1,623	
Cash at bank and in hand		9,591		14,899	
		13,072		16,777	
Creditors: amounts falling due within one year	11	(2,201)		(3,653)	
Net current assets			10,871		13,124
Total assets less current liabilities			96,481		104,976
Income funds					
Restricted funds	12		71,422		77,961
Unrestricted funds			25,059		27,015
			96,481		104,976

CLIFTON-UPON-TEME NURSERY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET (CONTINUED)
AS AT 30 JUNE 2005

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 11 October 2005



Debbie Mitchell (Chair)



Christopher Cale (Honorary Treasurer)

CLIFTON-UPON-TEME NURSERY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2005

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.

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 year in accordance with the Financial Reporting Standard for Smaller Entities.

CLIFTON-UPON-TEME NURSERY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2005

1 Accounting Policies

(continued)

1.7 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
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2005

2 - Grants received and other income

	Unrestricted funds £	Restricted funds £	Total 2005 £	Total 2004 £
Grants receivable for charitable activities	27,301	3,510	30,811	38,641
Miscellaneous income	2,019	-	2,019	1,361
	<u>29,320</u>	<u>3,510</u>	<u>32,830</u>	<u>40,002</u>
Grants receivable for charitable activities				
Unrestricted funds:				
Nursery Education Grant			25,257	19,449
Worcestershire Early Years			220	390
Artsmark			-	100
Countryside Agency			-	975
Vital Villages			-	200
WRFU Milk Grant			574	466
General Donations			875	161
Malvern Hills District Council Community Projects			375	-
			<u>27,301</u>	<u>21,741</u>
Unrestricted funds for fixed asset additions:				
Worcestershire Early Years			-	5,000
General Donations			-	1,700
			<u>-</u>	<u>6,700</u>
			<u>27,301</u>	<u>28,441</u>
Restricted funds:				
Local Network Fund			-	500
Worcestershire Early Years			3,510	-
			<u>3,510</u>	<u>500</u>
Restricted funds for fixed asset additions:				
Vital Villages			-	3,200
Local Network Fund			-	6,500
			<u>-</u>	<u>9,700</u>
			<u>3,510</u>	<u>10,200</u>

CLIFTON-UPON-TEME NURSERY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2005

3 - Early Years Centre

	2005	2004
	£	£
School fees - babies	50,372	34,287
School fees - toddlers	27,320	30,170
School fees - pre-school	23,055	22,325
School fees - wraparound	1,007	875
	101,754	87,657

4 Investment income

	2005	2004
	£	£
Interest receivable	186	128

CLIFTON-UPON-TEME NURSERY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2005

5 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Total 2005 £	Total 2004 £
Activities in furtherance of the charity's objects:					
Operating costs - Early Years Centre	105,028	8,191	22,364	135,583	120,553
Charitable expenditure:					
Fundraising and publicity	-	-	347	347	337
Management and administration	-	-	7,335	7,335	852
	<u>105,028</u>	<u>8,191</u>	<u>30,046</u>	<u>143,265</u>	<u>121,742</u>

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

Training and quality assurance	38	1,067
Consumables	6,900	5,440
Premises expenses	3,550	3,778
Communications	647	530
Insurance	861	835
Stationery and postage	1,400	1,948
Sundry office expenses	1,925	1,765
Small capital items	3,425	3,531
Toys	984	383
Miscellaneous expenditure	1,298	248
Trading costs	423	327
Recruitment	413	-

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

Training and quality assurance	500	-
	<u>22,364</u>	<u>19,852</u>

Other unrestricted costs relating to fundraising and publicity comprise:

Marketing and advertising	347	275
Miscellaneous expenditure	-	62
	<u>347</u>	<u>337</u>

CLIFTON-UPON-TEME NURSERY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2005

5 Total resources expended

(continued)

Other unrestricted costs relating to management and administration comprise:

Stationery and postage	156	217
Sundry office expenses	214	207
Independent examination fees	495	428
Accountancy and bookkeeping fees	2,960	-

Other restricted costs relating to management and administration comprise:

Accountancy and bookkeeping fees	3,510	-
	7,335	852

6 Management Committee

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

7 Employees

Number of employees

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

	2005 Number	2004 Number
Management	1	1
Nursery staff	7	7
	8	8

Employment costs

	2005 £	2004 £
Wages and salaries	98,585	86,825
Social security costs	5,411	4,862
Other pension costs	1,032	752
	105,028	92,439

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

CLIFTON-UPON-TEME NURSERY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2005

8 Taxation

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

9 Tangible fixed assets

	Property	Computer equipment	Equipment	Fixtures and fittings	Total
	£	£	£	£	£
Cost					
At 1 July 2004	94,325	809	8,999	7,395	111,528
Additions	1,408	-	-	541	1,949
At 30 June 2005	95,733	809	8,999	7,936	113,477
Depreciation					
At 1 July 2004	13,791	809	2,319	2,757	19,676
Charge for the year	4,805	-	1,798	1,588	8,191
At 30 June 2005	18,596	809	4,117	4,345	27,867
Net book value					
At 30 June 2005	77,137	-	4,882	3,591	85,610
At 30 June 2004	80,534	-	6,680	4,638	91,852

The charitable company has no inalienable or historic assets.

10 Debtors

	2005 £	2004 £
Trade debtors	2,679	1,087
Prepayments and accrued income	556	536
	3,235	1,623

11 Creditors: amounts falling due within one year

	2005 £	2004 £
Trade creditors	134	386
Taxes and social security costs	1,217	1,542
Accruals	850	1,725
	2,201	3,653

CLIFTON-UPON-TEME NURSERY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2005

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 2004	Movement in funds		Balance at 30 June 2005
	£	Incoming resources	Resources expended	£
Nursery Building Fund	69,700	-	(4,100)	65,600
Fixed Asset Fund	7,761	-	(1,939)	5,822
Play Courses Revenue Fund	500	-	(500)	-
Financial Administration Fund	-	3,510	(3,510)	-
	<u>77,961</u>	<u>3,510</u>	<u>(10,049)</u>	<u>71,422</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.

The Financial Administration Fund represents funds received from WCC for revenue expenditure in relation to financial administration of the charity.

13 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 30 June 2005 are represented by:			
Tangible fixed assets	14,188	71,422	85,610
Current assets	13,072	-	13,072
Creditors: amounts falling due within one year	(2,201)	-	(2,201)
	<u>25,059</u>	<u>71,422</u>	<u>96,481</u>

14 Trustees Insurance

During the year the charitable company purchased Trustee Indemnity insurance. The total cost of the policy was £652.