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Report of the Trustees and
Financial Statements for the Year Ended 31 March 2005
for
ST. ROCH'S CHILDCARE SERVICE



ST. ROCH'S CHILDCARE SERVICE

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for the Year Ended 31 March 2005

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ST. ROCH'S CHILDCARE SERVICE

Legal and Administrative Information for the Year Ended 31 March 2005

CONSTITUTION

St. Roch's Childcare Service is a company Limited by guarantee and a registered charity governed by its memorandum and articles of association.

COMPANY NUMBER: 238421 (Scotland)

CHARITY NUMBER: SC030280

DIRECTORS AND TRUSTEES

The directors of the charitable company ('the charity') are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees. As set out in the Articles of Association there are two categories of trustee; Member trustees and Co-opted trustees. The minimum number of trustees is 5, and the maximum number of trustees is 9 out of which no more than 3 can be Co-opted trustees. Member trustees can be appointed at any time but must retire at the first general meeting following appointment. In addition at each annual general meeting the two member trustees who have been longest in office since they were last appointed shall retire from office. Member trustees may be re-appointed at the annual general meeting. Co-opted trustees can be appointed at any time but must vacate office at each annual general meeting. Following the annual general meeting, the Member trustees may re-appoint Co-opted trustees.

TRUSTEES:

S Bryson
N Carlton - resigned 31.05.05
A Findlay
M J Jones
D Lawson
S Rajkumar - resigned 31.05.05
M Richardson
J Morrisson - appointed 31.05.05
L Nisbet - appointed 31.05.05
F Scott - appointed 31.05.05
H Ward - appointed 31.05.05

CHAIRMAN: M Richardson

COMPANY SECRETARY: S Bryson

REGISTERED OFFICE: St. Roch's Primary School
267 Royston Road
GLASGOW
G21 2BS

AUDITORS: Sharles, Chartered Accountants
Registered Auditors
29 Brandon Street
HAMILTON
ML3 6DA

BANKERS: Clydesdale Bank PLC
St Rollox Branch
66 Queen Street
GLASGOW
G1 3DS

ST. ROCH'S CHILDCARE SERVICE

Report of the Trustees for the Year Ended 31 March 2005

The trustees present their report with the financial statements of the charity for the year ended 31 March 2005.

Legal and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of associations and the Statement of Recommended Practice – Accounting and Reporting by Charities.

OBJECTS OF THE CHARITY

The objects of the charity are:

- To advance education through:
 - The provision and supervision of learning-orientated activities for school and pre-school children, and primarily those resident within the area served by North Glasgow Social Inclusion Partnership ("the Operating Area")
 - The provision of care, guidance, instruction, activities and support directed towards addressing the special educational needs of school and pre-school children (and primarily those resident within the Operating Area) who come from a home environment and/or single parent family that is disadvantaged by way of its economic circumstances and/or social isolation.
- To promote and/or provide training in the skills associated with the care and supervision of school and pre-school children (and primarily those resident within the Operating Area)
- To relieve poverty particularly among the residents of the Operating Area, in particular (but without prejudice to that generality)
 - by releasing poor individuals (whether parents or guardians) having the care of school and/or pre-school children to attend training courses and programmes which are directed towards the acquisition of skills which will assist such individuals in obtaining employment; or
 - by allowing poor individuals (whether parents or guardians) having the care of school and/or pre-school children to maintain themselves in paid employment.
- To promote, conduct and/or support such other charitable projects and programmes for the benefit of the community within the Operating Area as the trustees may consider appropriate from time to time

In furtherance of these objects, but not otherwise, the charity shall have the following powers:

- To promote, establish, develop, operate and/or support nursery and/or childcare facilities within the Operating Area, which may include (without prejudice to that generality) extended daycare for children of pre-school age, out-of-school childcare projects, breakfast clubs, and school clubs.
- To advise in relation to, prepare, organise and/or conduct, educational and training courses and programmes.
- To provide advice and support to people wishing to relieve their poverty through self-employment in the field of childcare services.
- To promote, construct, establish and/or manage a centre providing facilities for childcare, and accommodation for public and third sector organisations and agencies which provide services which are of benefit to the community within the Operating Area.
- To stimulate the formation of, and support, community groups and other bodies operating within the voluntary sector whose activities further the aims of the company or are otherwise directed towards some charitable purpose.
- To design, prepare, publish and/or distribute information packs, leaflets, books, newsletters, magazines, posters and other publications, audio and video recordings, multi-media products and display materials, and to establish and maintain websites and other electronic means for sharing information.
- To carry on any other activity which may be advantageously carried on in connection with any of the objects of the company.

ORGANISATION

The board of trustees, who meet every month, administers the charity. The board may delegate powers to any committee consisting of one or more trustees.

INVESTMENT POWERS

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

ST. ROCH'S CHILDCARE SERVICE

Report of the Trustees for the Year Ended 31 March 2005

REVIEW OF ACTIVITIES AND FUTURE DEVELOPMENTS

The results for the year and financial position of the charity are as shown in the annexed financial statements.

We continue to operate from four sites within the 'Royston Corridor' providing childcare from six weeks to first year secondary education. The provision of services currently on offer is as follows:

i) St Roch's Primary School

- 9 baby places covering six weeks to one year old
- 9 baby places covering one to two years of age
- 40 out of school care places covering Primary 1 to First Year Secondary

ii) Millburn Centre

- 15 childcare spaces covering two to three years of age

iii) St Roch's Secondary School

- 40 childcare spaces covering three to five years of age

iv) St Gilbert's Primary School

- 20 out of school care places covering Primary 1 to First Year Secondary.

The Service continues to attract a demand for childcare places that it cannot meet.

During 2004/05 the Service continued to pursue the development of services in the Glenconner site.

The introduction of the new minibuses has allowed the Service to expand the range and scope of the services it can offer the children. This has been well received by both parents and children.

RESERVES POLICY AND RISK MANAGEMENT

Given that the St Roch's Childcare Service operates on a year to year basis, reserves are not built up or created. At the start of each financial year, funding streams are in place to support that years budgeted expenditure. The parental contribution is calculated on the basis that it must cover the net budget after taking account of agreed grant income for the coming financial year.

Health and Safety policies backed up by Health & Safety audits are in place throughout the St Roch's Childcare Service. The Trustees are well aware of the risks within the project and have asked for these to be a regular feature of Board Meetings.

TRUSTEES

The trustees during the year under review were:

S Bryson	
P Burns	- resigned 31.08.04
N Carlton	- resigned 31.05.05
J Christie	- resigned 31.08.04
A Findlay	
M J Jones	
D Lawson	
S Rajkumar	- resigned 31.05.05
M Richardson	
J Morrisson	- appointed 31.05.05
L Nisbet	- appointed 31.05.05
F Scott	- appointed 31.05.05
H Ward	- appointed 31.05.05

ST. ROCH'S CHILDCARE SERVICE

Report of the Trustees (continued)
for the Year Ended 31 March 2005

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of its surplus or deficit for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

AUDITORS

The auditors, Charles, Chartered Accountants, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:

Lynne Nisbet

S Bryson - SECRETARY X LYNNE NISBET

Dated: 3 August 2005

13 January 2006

ST. ROCH'S CHILDCARE SERVICE

Report of the Independent Auditors to the Members of
St. Roch's Childcare Service

We have audited the financial statements of St. Roch's Childcare Service for the year ended 31 March 2005 on pages six to thirteen. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the charity's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As described on page four the charity's trustees are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Trustees is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed.

We read the Report of the Trustees and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the charity's affairs as at 31 March 2005 and of its incoming resources and application of resources for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Sharles, Chartered Accountants
Registered Auditors
29 Brandon Street
HAMILTON
ML3 6DA

Dated: 3 August 2005

ST. ROCH'S CHILDCARE SERVICE

Statement of Financial Activities (including Income and Expenditure Account)
for the Year Ended 31 March 2005

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2005 £	Total Funds 2004 £
INCOMING RESOURCES					
Donations, legacies and similar incoming resources	3	-	515,214	515,214	488,622
From activities for generating funds	3	243,592	-	243,592	207,653
Investment income	3	326	-	326	154
TOTAL INCOMING RESOURCES		243,918	515,214	759,132	696,429
Less cost of generating funds		-	-	-	-
NET INCOMING RESOURCES AVAILABLE FOR CHARITABLE APPLICATION		243,918	515,214	759,132	696,429
CHARITABLE EXPENDITURE					
Costs of activities in furtherance of the charity's objects	4	101,516	342,593	444,109	425,535
Managing and administering the charity	4	136,345	177,497	313,842	270,637
TOTAL CHARITABLE EXPENDITURE		237,861	520,090	757,951	696,172
TOTAL RESOURCES EXPENDED		237,861	520,090	757,951	696,172
NET INCOME/ (EXPENDITURE) BEFORE TRANSFERS		6,057	(4,876)	1,181	257
Transfers between funds	14&15	(4,876)	4,876	-	-
NET MOVEMENT IN FUNDS FOR YEAR		1,181	-	1,181	257
Total funds brought forward		19,429	-	19,429	19,172
TOTAL FUNDS CARRIED FORWARD	14&15	20,610	-	20,610	19,429

CONTINUING OPERATIONS

All incoming resources and resources expended derive from continuing operations.

TOTAL RECOGNISED GAINS AND LOSSES

The statement of financial activities includes all gains and losses recognised in the year and in previous years.

The notes form part of these financial statements

ST. ROCH'S CHILDCARE SERVICE

Balance Sheet
31 March 2005

		<u>2005</u>		<u>2004</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	8		37,622		58,681
CURRENT ASSETS:					
Debtors	9	78,907		29,044	
Cash at bank and in hand		<u>193,203</u>		<u>5,665</u>	
		272,110		34,709	
CREDITORS: Amounts falling due within one year	10	<u>282,683</u>		<u>56,722</u>	
NET CURRENT LIABILITIES:			<u>(10,573)</u>		<u>(22,013)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			27,049		36,668
CREDITORS: Amounts falling due after more than one year	11		<u>(6,439)</u>		<u>(17,239)</u>
NET ASSETS			<u>£20,610</u>		<u>£19,429</u>
UNRESTRICTED FUNDS	14&16		<u>£20,610</u>		<u>£19,429</u>

ON BEHALF OF THE BOARD:


JANE MORRISON 13/1/06
~~M Richardson~~ - TRUSTEE X

~~Approved by the Board on 3 August 2005~~

ST. ROCH'S CHILDCARE SERVICE

Notes to the Financial Statements for the Year Ended 31 March 2005

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2000) issued in October 2000, applicable accounting standards and the Companies Act 1985.

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the charity qualifies as a small company.

Incoming resources

Income from grants, donations, rents, interest receivable and all other sources are included in incoming resources in the period in which they are receivable.

Expenditure

All expenditure is included on an accruals basis and is recognised where there is a legal or constructive obligation to pay for expenditure. All expenditure has been directly attributed to one of the functional categories of resources expended in the Statement of Financial Activities. The charity is not registered for VAT and therefore all expenditure is shown gross of irrecoverable VAT.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Nursery equipment	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Minibuses	- 25% on cost

When the proposed capital development opens in two years time the assets, with the exception of the minibuses, will have no value and will not be transferred to the new development. Additional depreciation will be charged on these assets over the three year period ending 31 March 2007 to fully write down these assets.

Pensions

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge represents contributions payable by the company to the fund.

Fund accounting

Funds held by the charity are either:

Unrestricted general funds - these are funds that can be used in accordance with the charitable objects at the discretion of the trustees.

Designated funds - these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

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

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2. LEGAL STATUS OF THE CHARITY

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £1.

ST. ROCH'S CHILDCARE SERVICE

Notes to the Financial Statements for the Year Ended 31 March 2005

3. INCOMING RESOURCES

	2005 £	2004 £
Donations, legacies and similar incoming resources		
Grants receivable	<u>515,214</u>	<u>488,622</u>
From activities for generating funds		
Generated income	<u>243,592</u>	<u>207,653</u>
Investment income		
Bank interest received	<u>326</u>	<u>154</u>

4. CHARITABLE EXPENDITURE

	2005 £	2004 £
Costs of activities in furtherance of the charity's objects		
Salaries	374,847	354,090
Sessional costs	38,709	38,536
Trips and outings	4,357	4,296
Educational materials and consumables	9,043	11,257
Sundry equipment	3,784	3,125
Arts and crafts	3,784	5,806
Room expenses	<u>9,585</u>	<u>8,425</u>
	<u>444,109</u>	<u>425,535</u>
Managing and administering the charity		
Salaries	156,451	125,548
Pensions	16,377	15,034
Insurance	3,834	4,755
Telephone and fax	6,222	6,338
Stationery and postage	6,386	8,311
Training	20,836	16,056
Rent & rates	22,131	16,581
Heat and light	380	434
Repairs and renewals	2,051	3,668
Travel expenses	4,870	10,440
Professional fees	17,809	15,916
Project development and consultancy fees	17,898	10,632
Cleaning	1,510	3,254
General expenses	5,644	7,094
Registration charges	1,138	1,454
Depreciation	16,962	14,225
Bank interest and charges	304	256
Recruitment	765	2,383
Pharmacy	3,682	2,299
Human resource advice	3,102	2,844
Hire purchase interest	1,788	-
ERDF Management fee	<u>3,702</u>	<u>3,115</u>
	<u>313,842</u>	<u>270,637</u>

ST. ROCH'S CHILDCARE SERVICE

Notes to the Financial Statements for the Year Ended 31 March 2005

5. STAFF COSTS

	2005 £	2004 £
Wages and salaries	526,221	480,236
Social security costs	43,786	37,938
Pension costs	16,377	15,034
	<u>586,384</u>	<u>533,208</u>

No individual employee received remuneration in excess of £50,000. The trustees received no remuneration during the year.

The average monthly full-time equivalent number of employees during the year was as follows:

	2005	2004
Trustees	7	9
Administration	7	7
Childcare	16	20
Sessional staff	<u>9</u>	<u>9</u>
	<u>39</u>	<u>45</u>

6. MOVEMENT IN TOTAL FUNDS FOR THE YEAR

This is stated after charging:

	2005 £	2004 £
Depreciation - owned assets	8,912	9,408
Depreciation - assets on hire purchase contracts	8,050	4,817
Auditors' remuneration	<u>1,763</u>	<u>1,763</u>

7. TAXATION

There is no liability to corporation tax as the company is a registered charity.

8. TANGIBLE FIXED ASSETS FOR USE BY THE CHARITY

	Nursery equipment	Fixtures & fittings	Minibuses	Totals
	£	£	£	£
COST:				
At 1 April 2004	57,937	30,260	38,424	126,621
Transfer	<u>-</u>	<u>-</u>	<u>(4,097)</u>	<u>(4,097)</u>
At 31 March 2005	<u>57,937</u>	<u>30,260</u>	<u>34,327</u>	<u>122,524</u>
DEPRECIATION:				
At 1 April 2004	42,072	21,051	4,817	67,940
Charge for year	<u>5,639</u>	<u>3,273</u>	<u>8,050</u>	<u>16,962</u>
At 31 March 2005	<u>47,711</u>	<u>24,324</u>	<u>12,867</u>	<u>84,902</u>
NET BOOK VALUE:				
At 31 March 2005	<u>10,226</u>	<u>5,936</u>	<u>21,460</u>	<u>37,622</u>
At 31 March 2004	<u>15,865</u>	<u>9,209</u>	<u>33,607</u>	<u>58,681</u>

ST. ROCH'S CHILDCARE SERVICE

Notes to the Financial Statements
for the Year Ended 31 March 2005

8. **TANGIBLE FIXED ASSETS FOR USE BY THE CHARITY - continued**

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	<u>Minibuses</u>
	£
COST:	
At 1 April 2004	38,424
Transfer	<u>(4,097)</u>
At 31 March 2005	<u>34,327</u>
DEPRECIATION:	
At 1 April 2004	4,817
Charge for year	<u>8,050</u>
At 31 March 2005	<u>12,867</u>
NET BOOK VALUE:	
At 31 March 2005	<u>21,460</u>
At 31 March 2004	<u>33,607</u>

9. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2005	2004
	£	£
Prepayments & accrued income	<u>78,907</u>	<u>29,044</u>
	<u>78,907</u>	<u>29,044</u>

10. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2005	2004
	£	£
Social security and other taxes	-	12,570
Accruals	46,908	32,574
Deferred income	228,333	-
Hire purchase contracts (see note 12)	<u>7,442</u>	<u>11,578</u>
	<u>282,683</u>	<u>56,722</u>

11. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2005	2004
	£	£
Hire purchase contracts (see note 12)	<u>6,439</u>	<u>17,239</u>

ST. ROCH'S CHILDCARE SERVICE

Notes to the Financial Statements
for the Year Ended 31 March 2005

12. **OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS**

	2005 £	2004 £
Gross obligations repayable:		
Within one year	8,570	11,578
Between one and five years	<u>7,524</u>	<u>17,239</u>
	<u>16,094</u>	<u>28,817</u>
Finance charges repayable:		
Within one year	1,128	-
Between one and five years	<u>1,085</u>	<u>-</u>
	<u>2,213</u>	<u>-</u>
Net obligations repayable:		
Within one year	7,442	11,578
Between one and five years	<u>6,439</u>	<u>17,239</u>
	<u>13,881</u>	<u>28,817</u>

13. **SECURED DEBTS**

The following secured debts are included within creditors:

	2005 £	2004 £
Hire purchase contracts	<u>13,881</u>	<u>28,817</u>

Hire purchase contracts are secured on the relevant assets.

14. **UNRESTRICTED FUNDS**

	General Fund £	Designated Funds £	Total £
Balance at 1 April 2004	19,429	-	19,429
Net income before transfers	6,057	-	6,057
Transfers to restricted funds	(4,876)	-	(4,876)
	<u>20,610</u>	<u>-</u>	<u>20,610</u>
Balance at 31 March 2005	<u>20,610</u>	<u>-</u>	<u>20,610</u>

There are currently no designated funds within the unrestricted funds of the charity.

ST. ROCH'S CHILDCARE SERVICE

Notes to the Financial Statements for the Year Ended 31 March 2005

15. RESTRICTED FUNDS

	At 1 April 2004 £	Incoming Resources £	Outgoing Resources £	Transfer from General Fund £	At 31 March 2005 £
ERDF	-	176,060	176,060	-	-
SIP	-	209,574	214,212	4,638	-
Childcare Strategy	-	92,670	92,908	238	-
Three to Five Years Strategy	-	36,910	36,910	-	-
	-	515,214	520,090	4,876	-

European Regional Development Fund (ERDF)

Grants from this source are used to help facilitate parents and guardians back to employment so helping to rejuvenate the economy of the area.

Social Inclusion Partnership (SIP)

These grants are specifically targeted at an area and are given to facilitate parent and guardians into employment or into training so leading to employment.

Childcare Strategy

These grants are specifically targeted at residents of the City of Glasgow and are given to facilitate parents and guardians into employment or into training so leading to employment.

Three to Five Years Strategy

These grants are used to implement the education curricular at nursery level so making the move from nursery to primary school as seamless as possible.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General Fund £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	37,622	-	-	37,622
Cash at bank and in hand	193,203	-	-	193,203
Other net current assets	(203,776)	-	-	(203,776)
Long term liabilities	(6,439)	-	-	(6,439)
	20,610	-	-	20,610

ST. ROCH'S CHILDCARE SERVICE

Detailed Income and Expenditure Account
for the Year Ended 31 March 2005

	<u>2005</u>		<u>2004</u>	
	£	£	£	£
Income:				
Grant income		515,214		488,622
Generated income		<u>243,592</u>		<u>207,653</u>
		758,806		696,275
Other income:				
Bank interest received		<u>326</u>		<u>154</u>
		759,132		696,429
Expenditure:				
Salaries	531,298		479,638	
Pensions	16,377		15,034	
Sessional costs	38,709		38,536	
Insurance	3,834		4,755	
Telephone and fax	6,222		6,338	
Stationery and postage	6,386		8,311	
Training	20,836		16,056	
Trips and outings	4,357		4,296	
Education materials and consumables	9,043		11,257	
Rent and rates	22,131		16,581	
Heat and light	380		434	
Repairs and renewals	2,051		3,668	
Travel expenses	4,870		10,440	
Professional fees	17,809		15,916	
Project development and consultancy fees	17,898		10,632	
Cleaning	1,510		3,254	
General expenses	5,644		7,094	
Registration charges	1,138		1,454	
Sundry equipment	3,784		3,125	
Arts and crafts	3,784		5,806	
Recruitment	765		2,383	
Pharmacy	3,682		2,299	
Human resource advice	3,102		2,844	
Room expenses	9,585		8,425	
ERDF management fee	<u>3,702</u>		<u>3,115</u>	
		<u>738,897</u>		<u>681,691</u>
		20,235		14,738
Finance costs:				
Bank charges	304		256	
Hire purchase interest	<u>1,788</u>		<u>-</u>	
		<u>2,092</u>		<u>256</u>
Carried forward		18,143		14,482

**Annual General Meeting
St Roch's Childcare Service
2004-2005**

Treasurers Statement

1.0 Forward

Your attention is drawn to page two of the Annual Accounts for 2004-2005. This clearly sets out the "Objectives of the Charity" and the "Power's" that have been adopted by the Board of Directors in the furtherance of these "Objectives".

The St Roch's Childcare Service is a registered charity operating as a not for profit organisation.

2.0 Income and Expenditure Report.

Being a company limited by guarantee and a registered charity the principal financial goal of the St Roch's Childcare Service must always be to break even in terms of its Income and Expenditure Account in any financial year.

For the financial year 2004-2005 this was achieved with an overall surplus of Income and Expenditure of £1,181. This compares with the previous financial year surplus of income over expenditure as follows:

Excess of Income over Expenditure

	2004-2005	2003-2004
Surplus	£1,181	£257

This is a good result, which allows the "Project" to enjoy the benefits of being a registered charity, but does mean that we do not build up reserves for a rainy day.

2.1 Growth.

During 2004-2005 the "Service" continued to expand and recorded overall growth of 9.00% compared with the previous year.

"Year on Year" Increases in expenditure.

	2003-2004	2004-2005	Increase
	£	£	%
Income	696,429	759,132	9.00
Salaries	533,208	586,384	9.97
Overheads	138,107	136,707	(1.01)
Project Development	10,632	17,898	68.34
Depreciation	14,225	16,962	19.24
	696,172	757,951	8.87

Surplus/(Deficit)	257	1,181
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The "Service" continues to see an ever-increasing demand for its services, which cannot be met without the development of new facilities. The proposed development on the Glenconner Park site has been further refined during the financial year 2004-2005 with major changes to the drawings, business plan and other related documentation. During the financial year this work has continued with the major step forward of the granting of outline planning permission for the site. Full planning permission will be sought during the financial year 2005-2006.

During the financial year 2004-2005 the "Project" cemented the progress made in the new facility at St Gilbert's Primary School. This continues to be part funded by a grant from the National Lottery and the "Service" gratefully acknowledges this kind contribution.

2.2 Income.

The principal sources of income continue to be the European Regional Development Grant (ERDF), the Social Inclusion Partnership (SIP), the Children's Strategy Fund and Fee Income from parents. Grant income has been fundamental to the success of the project. The ability of the "Service" to continue to generate grant income cannot be guaranteed in future years. It is therefore vital that the "Service" continues to receive the parental contribution from parents and other sources.

During the financial year 2003-2004 the "Service" had to set its parental fee rates for 2004-2005 to take account of the following changes in grant income and changes imposed by the Care Commission in the delivery of child care.

- (1) Decrease in grant income, in real terms, leaving a higher proportion of costs having to be met from the parental contribution.
- (2) Changes to the way we are required to cover lunches, tea breaks etc imposed on the "Project" by the Care Commission as part of a general review of the "Project" by the Care Commission.

Parental Fee Structure 2004-2005

Age Base	Type of Place	Cost Per Week £
Babies	Community	45.10
	City Wide	90.10
1 to 2 Years	Community	45.10
	City Wide	90.10
2 to 3 Years	Community	44.10
	City Wide	89.10
3 to 5 Years	Community	42.85
	City Wide	87.85
Out of School	Community	26.85
	City Wide	31.65

These fees are paid for 50 weeks in the financial year, the "Service" closing for two weeks over the Christmas and New Year weeks.

Parental charges are assessed taking into consideration the actual costs of providing the childcare service. By far the largest cost the "Project" incurs is in the provision of the childcare employees salaries. The principal driver being the relationship of staff to children with the babies having the most onerous ratio and the out of school care the least onerous. This was factored into the increases so that the babies had the largest increase and the out of school care the smallest increase. This does not fully address the problems in the fee structure and there will have to be further movements built in when fees increase in the future.

The other main problem that will have to be faced in 2005/2006 is the reduction in the intervention rate that ERDF will pay. This will lead to reductions in ERDF income of £100k in 2005/2006 and a further £100k in 2006/2007 as ERDF is phased out. It must be emphasised that this reduction will not just affect the St Roch's Childcare Service, having a major impact on all ERDF funded projects. The principal reason for this is the enlargement of the European Union and the reduction in available grants for Scotland as a whole.

The "mission" of the "Service" is to provide the best possible childcare at an affordable price. This continues to be the fundamental driver of the "Service" within the constraints of grant funding available and likely to be available in future years. It must be emphasised that the cost of a City Wide place, our highest charge per week, still represents about 60% of the true cost of providing such a place.

2.3 Fund Raising.

Radio Clyde's "Cash of Kids" appeal funded for the second year in a row a considerable contribution towards the costs of providing outings etc. at Christmas. This allows the "Service" to provide outings for its children that under normal circumstances it would not have been able to provide.

The St Roch's Childcare Service gratefully acknowledges this kind and generous gift from Radio Clyde and the people of the West of Scotland.

3.0 Balance Sheet.

The Balance Sheet represents the assets and liabilities of the St Roch's Childcare Service as at the 31 March 2005. To comply with achieving limited by guarantee status full accruals and prepayments have been adopted into the accounts.

The principal areas worthy of note in the Balance Sheet are as follows.

3.1 Fixed Assets. £37,622

With the exception of the two minibuses we have depreciated fixed assets at the rate of 25% on a reducing balance basis. The minibuses are better suited to being depreciated on a straight-line basis of 25% over four years. The

reduction in fixed assets from £58,681 at 31 March 2004 to £37,622 at March 2005 is caused entirely by the annual depreciation charge for 2004-2005.

It is the policy of the St Roch's Childcare Service to only capitalise items of equipment with a value of £1,000.

3.2 Current Assets.

3.2.1. Debtors £78,907

Almost all of this relates to income accrued in 2004/2005 and received in 2005/2006. This can be summarised as follows.

Accrued Income and Prepayments 2004-2005

Social Inclusion Partnership (SIP)	4,352
European Regional Development Fund (ERDF)	64,443
Crèche Income	6,327
Other small accrued and outstanding Debtors	3,785
	78,907

3.2.2 Cash at Bank and on Hand.

The principal changes to our cash balances were the receipt of a capital grant in year which has been treated as a cash balance and as a creditor with the amount rolled over between the financial years 2004-2005 and 2005-2006. We also received the first instalment of our 2005-2006 Social Inclusion Partnership Grant on the last working day of the financial year 2004-2005 which increase our cash at bank balances held.

It is the policy of the St Roch's Childcare Service to maintain cash at bank as low as possible but sufficient to maintain the "Project".

Cash at Bank and on Hand

Glasgow City Council Capital Grant	165,093
Bank Accounts	28,110
	193,203

3.3 Current Liabilities £282,683

Creditors amounts falling due within one year.

Deferred Income

Parental Contribution	22,586
Glasgow City Council Grant	165,093
SIP Income 05-06 paid 04-05	40,654
	228,333
Hire Purchase due within one year	7,442

Accruals

Salary accrual	32,163	
Other accruals	14,745	46,908
		282,683