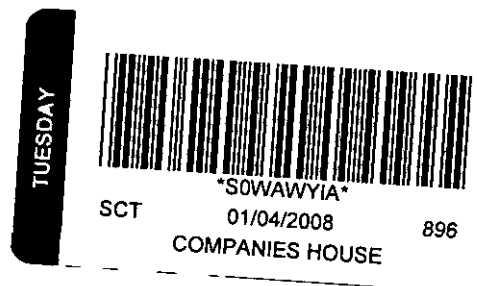


Report of the Trustees and
Unaudited Financial Statements for the Year Ended 31 July 2007
for
Highway Day Nursery

A company limited by guarantee

Charity No. SC 034813

Company No. SC 253113



Highway Day Nursery

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Highway Day Nursery

Legal and Administrative Information **for the Year Ended 31 July 2007**

CONSTITUTION

Highway Day Nursery is a company limited by guarantee and a registered charity governed by its memorandum and articles of association

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

The trustees serving during the year and since the company was incorporated on 22 July 2003 were as follows

D Duggan
Mrs H Johnstone (until 31 July 2007)
Mrs P Angove (from 1 August 2007)
Mrs R P Stewart

SECRETARY:

Mrs C E Duggan

REGISTERED OFFICE:

Highway Day Nursery
Northburn Road
Eyemouth
Berwickshire
TD14 5AU

REGISTERED NUMBERS:

SC253113 /SC034813

ACCOUNTANTS:

J C Gibson & Company
Chartered Accountant
Murrayfield
St Abbs
Eyemouth
Berwickshire
TD14 5PP

Highway Day Nursery

Report of the Trustees for the Year Ended 31 July 2007

The trustees present their report with the financial statements of the company for the year ended 31 July 2007

OBJECTIVES OF THE CHARITY

The objectives of the charity are the provision of daily care for pre school and school age children, the promotion of the education, development, health and welfare of children and to encourage parents to understand, and provide for, the needs of their children. These were achieved by providing appropriate daily care, educational, recreational and other facilities, by ensuring that opportunities were offered to all children regardless of their race, culture or means, and by providing well trained, experienced and motivated staff

REVIEW OF ACTIVITIES

The results for the period and financial position of the company are as shown in the annexed financial statements

RELATED PARTIES

There are trustees in common on both the boards of Highway Day Nursery and of Highway Christian Fellowship. A summary of transactions with Highway Christian Fellowship is set out in note 4 to the financial statements

TRUSTEES

Mrs H Johnstone retired on 31 July 2007 and Mrs P Angove was appointed on 1 August 2007

Trustees' responsibilities in relation to the financial statements

This report has 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) and in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006

The trustees are required to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the trustees should follow best practice and

select suitable accounting policies and apply them consistently,

make judgements and estimates that are reasonable and prudent,

state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements, and

prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in existence

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the relevant legislation. 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

This report was approved by Trustees



The Rev D S S Duggan

ON BEHALF OF THE TRUSTEES

Date 24.3.8

Highway Day Nursery

Statement of Financial Activities for the Year Ended 31 July 2007

		<u>Year Ended</u> <u>31 7 07</u>	<u>Year ended</u> <u>31 7 06</u>
	Notes	Unrestricted General Funds £	Total Funds £
<u>Incoming resources</u>			
Activities in furtherance of the charity's objects			
<i>Grants and fees for care and education of children</i>	1,2	60,024	69,986
Funds for generating			
<i>Fund raising</i>		2,647	1,556
Investment income		<u>51</u>	<u>72</u>
Total incoming resources		62,722	71,614
Cost of generating funds		<u>700</u>	<u>690</u>
<u>Net incoming resources available for Charitable application</u>		<u>62,022</u>	<u>70,924</u>
<u>Charitable expenditure</u>			
Cost of activities in furtherance Of charitable objectives			
<i>Teaching and care of children</i>	3	55,437	62,449
<i>Running costs and maintenance of nursery</i>	4	2,787	3,072
Management and administration	5	<u>8,581</u>	<u>8,846</u>
<u>Total charitable expenditure</u>		<u>66,805</u>	<u>74,367</u>
<u>Total resources expended</u>		<u>66,805</u>	<u>74,367</u>
<u>Net (outgoing) resources</u>		<u>(4,783)</u>	<u>(3,443)</u>
<u>Net movement in funds for the Year</u>		<u>(4,783)</u>	<u>(3,443)</u>
Total funds at 1 August 2006		<u>2,846</u>	<u>6,289</u>
<u>Total funds at 31 July 2007</u>		<u>(1,937)</u>	<u>2,846</u>

Highway Day Nursery

Balance Sheet 31 July 2007

		<u>31 7 07</u>		<u>31 7 06</u>	
	Notes	£	£	£	£
FIXED ASSETS.					
Intangible assets	7				2,750
Tangible assets	8		<u>7,796</u>		<u>8,917</u>
			7,796		11,667
CURRENT ASSETS:					
Debtors	9	1,103		1,710	
Cash at bank and in hand		<u>7,439</u>		<u>1,731</u>	
		8,542		3,441	
CREDITORS: Amounts falling due within one year	10	<u>1,473</u>		<u>960</u>	
NET CURRENT ASSETS:			<u>7,069</u>		<u>2,481</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			14,865		14,148
CREDITORS: Amounts falling due after more than one year	11		<u>16,802</u>		<u>11,302</u>
			<u>£(1,937)</u>		<u>£2,846</u>
RESERVES:					
Profit and loss account			<u>(1,937)</u>		<u>2,846</u>
			<u>£(1,937)</u>		<u>£2,846</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31 July 2007

The members have not required the company to obtain an audit of its financial statements for the year ended 31 July 2007 in accordance with Section 249B(2) of the Companies Act 1985

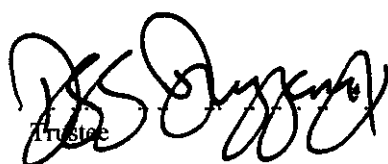
The Trustees acknowledge their responsibilities for

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company

The financial statements were approved by the Board of Trustees on its behalf by

24.3.8

and were signed on


Trustee

Highway Day Nursery

Notes to the Financial Statements for the Year Ended 31 July 2007

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 special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005), with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The principal accounting policies adopted in the preparation of the financial statements are as follows:

Incoming resources

Grants, local authority fees and parent fees

Grants, local authority fees and parent fees are credited to the Statement of Financial Activities (SOFA) in the year for which they are received. Deferred income represents amounts received for the future periods and is released to incoming resources in the period for which it has been received.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of the nursery in 2003, is being written off evenly over its estimated useful life of four years.

Tangible fixed assets

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

Improvements to property	10% on cost
Motor vehicle	25% on reducing balance
Equipment	10% on cost

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees for particular purposes. The aim and use of each designated fund, if any, is set out in the notes to the accounts.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund, if any, is set out in the notes to financial statements.

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.

2. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES GRANTS AND FEES

	<u>General</u>	<u>Designated</u>	<u>Total</u>	<u>2006</u>
Government Funding	2,906		2,906	5,626
Other Grants	150		150	4,762
Fees, (including those paid by local authority)	<u>55,824</u>	—	<u>55,824</u>	<u>59,598</u>
	<u>58,880</u>	—	<u>58,880</u>	<u>69,986</u>
VOLUNTARY CONTRIBUTIONS				
Gift and donations	<u>1,144</u>	—	<u>1,144</u>	—
	<u>60,024</u>	—	<u>60,024</u>	<u>69,986</u>

Highway Day Nursery

Notes to the Financial Statements continued for the Year Ended 31 July 2007

3. CHARITABLE ACTIVITIES TEACHING AND CARE OF CHILDREN

		<u>2004</u>
	£	£
Resources, equipment, refreshments and cleaning	6,219	7,328
Wages and salaries	<u>49,218</u>	<u>55,121</u>
	<u>55,437</u>	<u>62,449</u>

The average monthly number of employees during the period was as follows

Teachers/carers	4	4
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No employee earned more than £50,000

The trustees are not remunerated The trustees were not reimbursed for expenses during the year

4. RELATED PARTY TRANSACTIONS

There is partial common trusteeship with Highway Christian Fellowship One of the trustees of Highway Day Nursery is remunerated by Highway Christian Fellowship (for services provided to Highway Christian Fellowship) Highway Day Nursery pays rent to Highway Christian Fellowship for the nursery premises This is included in *running costs and maintenance of nursery*

	<u>2006</u>	<u>2005</u>
	£	£
Rent for premises paid to Highway Christian Fellowship	<u>2,400</u>	<u>2,400</u>

5. GOVERNANCE COSTS MANAGEMENT AND ADMINISTRATION

Motor and travel	2,288	1,882
Accountancy	520	520
Advertising	73	438
Depreciation – owned assets	1,326	1,161
Goodwill written off	2,750	2,750
Bad Debts	150	
General administrative expenditure	<u>1,474</u>	<u>2,095</u>
	<u>8,581</u>	<u>8,846</u>

Highway Day Nursery

Notes to the Financial Statements for the Year Ended 31 July 2007

6 TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 July 2007 nor for the year ended 31 July 2006

7 INTANGIBLE FIXED ASSETS

	<u>Goodwill</u>
	£
COST:	
At 1 August 2006	
and 31 July 2007	<u>11,000</u>
AMORTISATION:	
At 1 August 2006	8,250
Charge for year	<u>2,750</u>
At 31 July 2007	<u>11,000</u>
NET BOOK VALUE	
At 31 July 2007	<u> </u>
At 31 July 2006	<u><u>2,750</u></u>

8 TANGIBLE FIXED ASSETS

	<u>Plant and machinery etc</u>
	£
COST	
At 1 August 2006	12,853
Additions	<u>205</u>
At 31 July 2007	<u>13,058</u>
DEPRECIATION:	
At 1 August 2006	3,936
Charge for year	<u>1,326</u>
At 31 July 2007	<u>5,262</u>
NET BOOK VALUE:	
At 31 July 2007	<u><u>7,796</u></u>
At 31 July 2006	<u><u>8,917</u></u>

Highway Day Nursery

Notes to the Financial Statements
for the Year Ended 31 July 2007

9	DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	31 7 07 £	31 7 06 £
	Debtors	672	992
	Sundry prepayment	<u>431</u>	<u>718</u>
		<u>1,103</u>	<u>1,710</u>
10	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	31 7 07 £	31 7 06 £
	Accrued expenses	<u>1,473</u>	<u>960</u>
11	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	31 7 07 £	31 7 06 £
	Loan Mrs C D Duggan	5,874	5,874
	Loan Mrs R P Stewart	5,428	5,428
	Deferred income grant received	<u>5,500</u>	<u> </u>
		<u>16,802</u>	<u>11,302</u>

Highway Day Nursery

**Report of the Accountant to the Trustees of
for the period ended 31 July 2007**

I report on the accounts of the Highway Day Nursery for the year ended 31 July, 2007, which are set out on pages 1 to 7

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 7 (1) of The Charities Accounts (Scotland) Regulations 1992 (the Regulations) and that an independent examination is needed

It is my responsibility to

-examine the accounts (under section 8 (1) of the Regulations)
to state whether particular matters have come to my attention

Basis of independent examiner's report

My examination was carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. 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 my opinion, the accounts, set out on pages 1 to 7, properly present the receipts and payments of the charity for the year ended 31 08 07 together with its Balance Sheet as at that date and have been properly prepared in accordance with the provisions of the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 applicable to smaller charities.
In the course of 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 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations 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



J C Gibson
Chartered Accountant
The Rest
Murrayfield
St Abbs
Eyemouth
Berwickshire
TD14 5PP

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