

Company registration number: SC253113

Charity registration number: SC034813

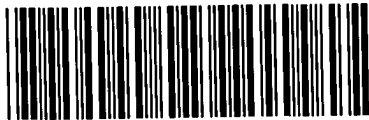
Highway Day Nursery

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 July 2016

TUESDAY



S6541S5K

SCT

25/04/2017

#114

COMPANIES HOUSE

Highway Day Nursery

Contents

Reference and Administrative Details	1
Trustees' Report	2 to 4
Independent Examiner's Report	5 to 6
Statement of Financial Activities	7
Balance Sheet	8
Notes to the Financial Statements	9 to 16

Highway Day Nursery

Reference and Administrative Details

Trustees	Mrs P Angove The Reverend D S S Duggan Mrs R P Stewart
Secretary	Mrs C E Duggan
Principal Office	Highway Day Nursery Northburn Road Eyemouth Berwickshire TD14 5AU
Company Registration Number	SC253113
Charity Registration Number	SC034813

Highway Day Nursery

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 July 2016.

Trustees

Mrs P Angove

The Reverend D S S Duggan

Mrs R P Stewart

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including income and expenditure, of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, 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 Charities and Trustee Investment (Scotland) Act 2005. 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.

Structure, governance and management

Nature of governing document

The charity is a company limited by guarantee.

Recruitment and appointment of trustees

Trustees are elected at the Annual General Meeting.

Arrangements for setting key management personnel remuneration

The trustees receive no remuneration.

Highway Day Nursery

Trustees' Report

Objectives and activities

Objects and aims

The objectives of the charity are the provision of daily care for pre-school and school age children, the promotion of education, development, health and welfare of children and to encourage parents to understand and provide for the needs of their children.

Public benefit

Activities undertaken by the Highway Day Nursery to further public benefit are: education of children and their parents.

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Office of the Scottish Charity Regulator (OSCR).

Achievements and performance

The charity's objectives 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.

Financial review

Reserves have decreased by net outgoing resources of £12,976 (2015: reserves increased by £22,589, which included grants of £9,756 towards expenditure to be incurred in the year ended 31 July 2016).

Highway Day Nursery Ltd End of Year Report 2015-2016

The number of children remained steady this year so our normal is now regular mornings of about 30 children. We continue to have many children (about 15%-20%) that have English as a second language so that is a challenge and a privilege at the same time, we try to find innovative ways to communicate and encourage their English. We seek to make the new families feel at home with us as they trust us to care for and educate their children.

All of the staff who were on Maternity leave returned to work so our long term and well trained team are back together but as they're not full time now our team is bigger. This year 3 of the new staff members achieved their level 3SVQ, and one member of staff completed her level 4SVQ so once again everyone is keen to train go on with further studies. This level of commitment helps us to work together to achieve even better outcomes for the children we care for.

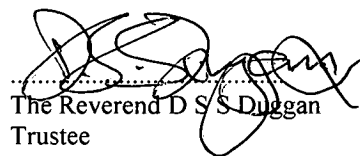
With the pace and level of childcare and education changing continually trying to keep up with the new ideas; paperwork and new planning systems is a constant challenge. This was reflected in our latest Care Inspection - more paperwork and change. However, due to the staffs' determination and willingness to work together in a new way we are working towards many changes in the way we collect and keep evidence of our work and activities with the children.

With a lottery grant to upgrade our areas inside and out we are trialling new room layouts and researching the best way forward to make the most of our spacious room to make learning and childcare exciting, fun and enjoyable for the children and staff.

Highway Day Nursery

Trustees' Report

The annual report was approved by the trustees of the Charity on 16 March 2017 and signed on its behalf by:


.....
The Reverend D S S Duggan
Trustee

Highway Day Nursery

Independent Examiner's Report to the trustees of Highway Day Nursery

I report on the accounts of the charity for the period ended 31 July 2016 which are set out on pages 7 to 16 .

Your attention is drawn to the fact that the Charity has prepared the Financial Statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has since been withdrawn.

We understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

Respective responsibilities of trustees and examiner

The Charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) regulations 2006. The Charity's trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the 2006 Accounts Regulations does not apply and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 44(1) (c) of the Act; and
- 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 2006 Accounts Regulations. 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 you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

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

(1) which gives me a 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 9 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.

Highway Day Nursery

Independent Examiner's Report to the trustees of Highway Day Nursery



J C Gibson
Chartered Accountant

Murrayfield
St. Abbs
Eyemouth
Berwickshire
TD14 5PP

20 March 2017

Highway Day Nursery

Statement of Financial Activities for the Year Ended 31 July 2016 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Income from:					
Donations and legacies	2	1,227	-	1,227	16,437
Charitable activities	3	126,577	-	126,577	122,251
Other trading activities	4	1,253	-	1,253	1,970
Investment income	5	11	-	11	9
Total Income		129,068	-	129,068	140,667
Expenditure on:					
Raising funds	6	-	-	-	(1,011)
Charitable activities		(123,774)	(18,270)	(142,044)	(117,067)
Total Expenditure		(123,774)	(18,270)	(142,044)	(118,078)
Other recognised gains and losses					
Net movement in funds		5,294	(18,270)	(12,976)	22,589
Reconciliation of funds					
Total funds brought forward		19,898	18,270	38,168	15,579
Total funds carried forward	17	25,192	-	25,192	38,168

All of the Charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2015 is shown in note 17.

Highway Day Nursery
(Registration number: SC253113)
Balance Sheet as at 31 July 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	12	10,406	11,812
Current assets			
Debtors	13	1,045	857
Cash at bank and in hand		<u>14,891</u>	<u>26,589</u>
		15,936	27,446
Creditors: Amounts falling due within one year	14	<u>(1,150)</u>	<u>(1,090)</u>
Net current assets		<u>14,786</u>	<u>26,356</u>
Net assets		<u>25,192</u>	<u>38,168</u>
Funds of the Charity:			
Restricted income funds		-	18,270
Unrestricted income funds			
Unrestricted income funds		<u>25,192</u>	<u>19,898</u>
Total funds		<u>25,192</u>	<u>38,168</u>

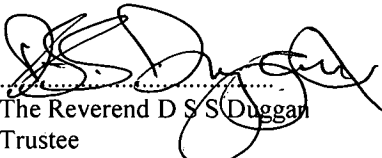
For the financial year in question the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

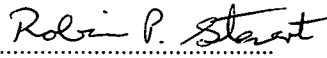
No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of the accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements on pages 7 to 16 were approved by the trustees, and authorised for issue on 16 March 2017 and signed on their behalf by:


 The Reverend D S S Duggan
 Trustee


 Mrs R P Stewart
 Trustee

Highway Day Nursery

Notes to the Financial Statements for the Year Ended 31 July 2016

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities and Trustee Investment (Scotland) Act 2005 and the Charity Accounts (Scotland) Regulations 2006.

Basis of preparation

Highway Day Nursery meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Exemption from preparing a cash flow statement

The Charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Going concern

The financial statements have been prepared on a going concern basis.

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the Charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Donated services and facilities

Where services or facilities are provided to the Charity as a donation that would normally be purchased from our suppliers, this benefit is included in the financial statements at its fair value unless its fair value cannot be reliably measured, then at the cost to the donor or the resale value of goods that are to be sold.

Highway Day Nursery

Notes to the Financial Statements for the Year Ended 31 July 2016

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs

These include the costs attributable to the Charity's compliance with constitutional and statutory requirements, including audit, strategic management and Trustee's meetings and reimbursed expenses.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £100 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Highway Day Nursery

Notes to the Financial Statements for the Year Ended 31 July 2016

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Furniture and equipment	10% reducing balance method
Motor vehicles	20% reducing balance method

Fund accounting

Unrestricted income funds are general funds that are available for use at the trustee's discretion in furtherance of the objectives of the Charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

2 Income from donations and legacies

	Unrestricted funds		
	General £	Total 2016 £	Total 2015 £
Donations and legacies;			
Donations to major appeals	222	222	100
Grants, including capital grants;			
Government grants	-	-	15,128
Donated services and facilities	1,005	1,005	1,209
	<u>1,227</u>	<u>1,227</u>	<u>16,437</u>

Highway Day Nursery

Notes to the Financial Statements for the Year Ended 31 July 2016

3 Income from charitable activities

	Unrestricted funds	Total 2016	Total 2015
	General £	£	£
Education	<u>126,577</u>	<u>126,577</u>	<u>122,251</u>

4 Income from other trading activities

	Unrestricted funds	Total 2016	Total 2015
	General £	£	£
Trading income;			
Other trading income	-	-	49
Local fundraising and street collection income	<u>1,253</u>	<u>1,253</u>	<u>1,921</u>
	<u>1,253</u>	<u>1,253</u>	<u>1,970</u>

5 Investment income

	Unrestricted funds	Total 2016	Total 2015
	General £	£	£
Interest receivable and similar income;			
Interest receivable on bank deposits	<u>11</u>	<u>11</u>	<u>9</u>

6 Expenditure on raising funds

a) Costs of trading activities

	Note	Total 2016 £	Total 2015 £
Local fundraising and street collection		<u>-</u>	<u>1,011</u>

Highway Day Nursery

Notes to the Financial Statements for the Year Ended 31 July 2016

7 Analysis of governance and support costs

Governance costs

	Unrestricted funds		
	General	Total	Total
	£	2016	2015
		£	£
Independent Examiner's remuneration	901	901	840
Other governance costs	479	479	-

8 Net incoming/outgoing resources

Net (outgoing)/incoming resources for the year include:

	2016	2015
	£	£
Depreciation of fixed assets	1,406	1,433

9 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

10 Staff costs

The aggregate payroll costs were as follows:

	2016	2015
	£	£
Staff costs during the year were:		
Wages and salaries	102,778	88,258
Other staff costs	881	1,196
	103,659	89,454

The monthly average number of persons (including senior management team) employed by the Charity during the year expressed as full time equivalents was as follows:

	2016	2015
	No	No
Education and child care	8	8

No employee received emoluments of more than £60,000 during the year.

Highway Day Nursery

Notes to the Financial Statements for the Year Ended 31 July 2016

11 Taxation

No tax was charged in the year (2015 - £nil).

12 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
Cost				
At 1 August 2015	1,311	19,731	4,700	25,742
At 31 July 2016	1,311	19,731	4,700	25,742
Depreciation				
At 1 August 2015	1,310	10,176	2,444	13,930
Charge for the year	-	955	451	1,406
At 31 July 2016	1,310	11,131	2,895	15,336
Net book value				
At 31 July 2016	1	8,600	1,805	10,406
At 31 July 2015	1	9,555	2,256	11,812

13 Debtors

	2016 £	2015 £
Trade debtors	163	163
Prepayments	882	694
	1,045	857

14 Creditors: amounts falling due within one year

	2016 £	2015 £
Accruals	1,150	1,090

15 Creditors: amounts falling due after one year

2016
£

16 Charity status

The Charity is a Charity limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £Nil towards the assets of the Charity in the event of liquidation.

Highway Day Nursery

Notes to the Financial Statements for the Year Ended 31 July 2016

17 Funds

	Balance at 1 August 2015 £	Incoming resources £	Resources expended £	Balance at 31 July 2016 £
Unrestricted funds				
<i>Unrestricted general funds</i>				
General	19,898	129,068	(123,774)	25,192
Restricted funds				
Restricted	<u>18,270</u>	<u>-</u>	<u>(18,270)</u>	<u>-</u>
Total funds	<u>38,168</u>	<u>129,068</u>	<u>(142,044)</u>	<u>25,192</u>
	Balance at 1 August 2015 £	Incoming resources £	Resources expended £	Balance at 31 July 2016 £
Unrestricted funds				
<i>Unrestricted general funds</i>				
General	7,065	130,041	(117,208)	19,898
Restricted funds				
Restricted	<u>8,514</u>	<u>10,625</u>	<u>(869)</u>	<u>18,270</u>
Total funds	<u>15,579</u>	<u>140,666</u>	<u>(118,077)</u>	<u>38,168</u>

18 Analysis of net assets between funds

	Unrestricted funds General funds £	Total funds £
Tangible fixed assets	10,406	10,406
Current assets	15,936	15,936
Current liabilities	<u>(1,149)</u>	<u>(1,149)</u>
Total net assets	<u>25,193</u>	<u>25,193</u>

19 Analysis of net funds

	At 1 August 2015 £	Cash flow £	At 31 July 2016 £
Cash at bank and in hand	26,589	(11,698)	14,891
Net debt	<u>26,589</u>	<u>(11,698)</u>	<u>14,891</u>

Highway Day Nursery

Notes to the Financial Statements for the Year Ended 31 July 2016

20 Related party transactions

During the year the Charity made the following related party transactions:

Highway Christian Fellowship

(There is a 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 premises costs. At the balance sheet date the amount due to Highway Christian Fellowship was £3,000 (2015 - £3,050).