

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 2017

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Highway Day Nursery

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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 2017.

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).

Financial review

A deficit of £19,593 (2016: £12,976) represents funds used for charitable purposes. The general unrestricted free fund carried forward is £5,599 (2016: £25,192).

Highway Day Nursery

Trustees' Report

Highway Day Nursery Ltd End of Year Report 2016-17

We started the year once again with a very healthy intake of children and a large group (16) of pre-school children. Throughout this year there was a lot of movement, coming and going of children. Throughout it all our role remained steady as one moved away another one took its place. Some of the migrant families have found it hard to keep steady work this year. We had about 30% of our children with english as their second lanuguage. The Staff had a training evening with the EAL teacher Liz Scraper who was able to offer advice and ideas for translation to the staff and to help the children learn english, adding some valued ideas to our work. We did learn a Russian christmas song this year with the help of one of the parents, all the children loved this.

More maternity leave meant we took on some new staff for relief cover in the last term, they are both fitting in well with the team and offering their ideas and expertise. Other staff members are considering further training to level 4, our aim is to encourage this middle management team to enhance the work we do and be ready for the 1140 hours when we believe we will need more staff cover.

All the staff team have worked closely with the council support teacher this year, completing many changes and versions of paperwork such as planning, monitoring areas, personal plans, transition documents, trackers for cirriculum for excellence and observations. All these documents including many policies have been reviewed added to and changed. We feel we are now getting to grips with what is necessary and required of us, but realise there is always something extra to do.

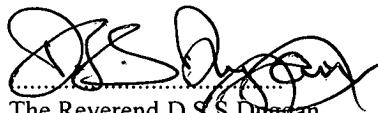
Flying Start is a real boost to working with the parents of the pre school group. We have groups of up to 6 parents with their child and we go through an 8 week programme focusing on talking, listening, giving praise and working together with our child. Every parent who has completed the course have said how they and their child have benefitted from this.

One of our big challenges this year with the introduction of work place pensions auto enrolment and the continual increase in the living wage along with other price rises has been to keep our fees competitive in Eyemouth and for the first time we are charging more for top up per hour than the council give us. Hopefully the council (government) funding will increase significantly very soon. Therefor we now need to look for further grants to help us upgrade and continually develop our service. The church have been generous in their support of our service this year.

Policy on reserves

The policy is to leave enough in reserves to finance operations for at least 2 weeks.

The annual report was approved by the trustees of the Charity on 23 May 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 2017 which are set out on pages 7 to 15 .

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

J C Gibson
Chartered Accountant

Harbour Office
Gunsgreen Basin
Eyemouth
Berwickshire
TD14 5SD

Date: *30/10/2017*

Highway Day Nursery

Statement of Financial Activities for the Year Ended 31 July 2017 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Total 2017 £	Total 2016 £
Income from:				
Donations and legacies	2	754	754	1,227
Charitable activities	3	105,730	105,730	126,577
Other trading activities	4	2,336	2,336	1,253
Investment income	5	8	8	11
Total Income		<u>108,828</u>	<u>108,828</u>	<u>129,068</u>
Expenditure on:				
Charitable activities		<u>(128,421)</u>	<u>(128,421)</u>	<u>(142,044)</u>
Total Expenditure		<u>(128,421)</u>	<u>(128,421)</u>	<u>(142,044)</u>
Other recognised gains and losses				
Net movement in funds		(19,593)	(19,593)	(12,976)
Reconciliation of funds				
Total funds brought forward		<u>25,192</u>	<u>25,192</u>	<u>38,168</u>
Total funds carried forward	14	<u><u>5,599</u></u>	<u><u>5,599</u></u>	<u><u>25,192</u></u>

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

The funds breakdown for 2016 is shown in note 14.

Highway Day Nursery

(Registration number: SC253113)

Balance Sheet as at 31 July 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	10	7,740	10,406
Current assets			
Debtors	11	163	1,045
Cash at bank and in hand		<u>1,716</u>	<u>14,891</u>
		1,879	15,936
Creditors: Amounts falling due within one year	12	<u>(4,020)</u>	<u>(1,150)</u>
Net current (liabilities)/assets		<u>(2,141)</u>	<u>14,786</u>
Net assets		<u>5,599</u>	<u>25,192</u>
Funds of the Charity:			
Unrestricted income funds			
Unrestricted income funds		<u>5,599</u>	<u>25,192</u>
Total funds		<u>5,599</u>	<u>25,192</u>

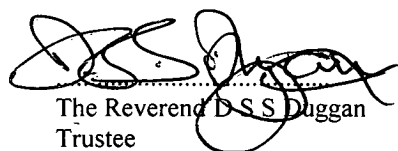
For the financial year in question the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

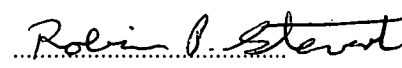
No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

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 15 were approved by the trustees, and authorised for issue on ~~23.10.17~~ 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 2017

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.

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.

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.

Highway Day Nursery

Notes to the Financial Statements for the Year Ended 31 July 2017

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 Independent Examination, strategic management and Trustee's meetings and reimbursed expenses.

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.

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

Funds are divided into two distinct categories, unrestricted and restricted. Unrestricted funds have not been designated to any particular purpose by the donor or their representatives. The general fund is the working fund of the charity and is used at the discretion of the trustees for the furtherance of the charities objectives.

Designated funds are those which have been allocated by the trustees for a particular purpose.

Restricted funds are those which are to be used with specific restrictions imposed by the donors or which have been raised by the charity for particular purposes.

Highway Day Nursery

Notes to the Financial Statements for the Year Ended 31 July 2017

2 Income from donations and legacies

	Unrestricted funds		
	General	Total	Total
	£	2017	2016
		£	£
Donations and legacies;			
Donations to major appeals	-	-	222
Donated services and facilities	754	754	1,005
	<u>754</u>	<u>754</u>	<u>1,227</u>

Highway Day Nursery

Notes to the Financial Statements for the Year Ended 31 July 2017

3 Income from charitable activities

	Unrestricted funds		
	General	Total 2017	Total 2016
	£	£	£
Education	105,730	105,730	126,577

4 Income from other trading activities

	Unrestricted funds		
	General	Total 2017	Total 2016
	£	£	£
Local fundraising and street collection income	2,336	2,336	1,253

5 Investment income

	Unrestricted funds		
	General	Total 2017	Total 2016
	£	£	£
Interest receivable and similar income;			
Interest receivable on bank deposits	8	8	11

6 Analysis of governance and support costs

Governance costs

	Unrestricted funds		
	General	Total 2017	Total 2016
	£	£	£
Independent Examiner's remuneration	770	770	901
Other governance costs	26	26	479

Highway Day Nursery

Notes to the Financial Statements for the Year Ended 31 July 2017

Net incoming/outgoing resources

Net outgoing resources for the year include:

	2017 £	2016 £
Loss on disposal of fixed assets held for the charity's own use	505	-
Depreciation of fixed assets	<u>860</u>	<u>1,406</u>

7 Trustees remuneration and expenses

No trustees 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.

8 Staff costs

The aggregate payroll costs were as follows:

	2017 £	2016 £
Staff costs during the year were:		
Wages and salaries	105,584	102,778
Other staff costs	<u>151</u>	<u>881</u>
	<u>105,735</u>	<u>103,659</u>

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:

	2017 No	2016 No
Education and child care	<u>8</u>	<u>8</u>

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 2017

9 Taxation

No tax was charged in the year (2016 - £nil).

10 Tangible fixed assets

	Furniture and equipment £	Motor vehicles £	Total £
Cost			
At 1 August 2016	19,731	4,700	24,431
Disposals	<u>-</u>	<u>(4,700)</u>	<u>(4,700)</u>
At 31 July 2017	<u>19,731</u>	<u>-</u>	<u>19,731</u>
Depreciation			
At 1 August 2016	11,131	2,895	14,026
Charge for the year	860	-	860
Eliminated on disposals	<u>-</u>	<u>(2,895)</u>	<u>(2,895)</u>
At 31 July 2017	<u>11,991</u>	<u>-</u>	<u>11,991</u>
Net book value			
At 31 July 2017	<u>7,740</u>	<u>-</u>	<u>7,740</u>
At 31 July 2016	<u>8,600</u>	<u>1,805</u>	<u>10,405</u>

11 Debtors

	2017 £	2016 £
Trade debtors	163	163
Prepayments	<u>-</u>	<u>882</u>
	<u>163</u>	<u>1,045</u>

12 Creditors: amounts falling due within one year

	2017 £	2016 £
Short term loan	3,000	-
Accruals	<u>1,020</u>	<u>1,150</u>
	<u>4,020</u>	<u>1,150</u>

13 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 2017

14 Funds

	Balance at 1 August 2016 £	Incoming resources £	Resources expended £	Balance at 31 July 2017 £
Unrestricted funds				
<i>Unrestricted general funds</i>				
General	25,192	108,828	(128,421)	5,599
	<u>25,192</u>	<u>108,828</u>	<u>(128,421)</u>	<u>5,599</u>
	Balance at 1 August 2016 £	Incoming resources £	Resources expended £	Balance at 31 July 2017 £
Unrestricted funds				
<i>Unrestricted general funds</i>				
General	19,898	129,068	(123,774)	25,192
Restricted funds				
Restricted	18,270	-	(18,270)	-
	<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>

15 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. There is a loan from Highway Christian Fellowship of £3,000 which is outstanding as at 31 July 2017. At the balance sheet date the amount due to Highway Christian Fellowship was £3,000 (2016 - £3,000).