

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 2018

THURSDAY



S7ZAOTDS

SCT

14/02/2019

#345

COMPANIES HOUSE

Highway Day Nursery

Contents

Reference and Administrative Details	1
Trustees' Report	2 to 4
Statement of Financial Activities	5 to 6
Balance Sheet	7
Notes to the Financial Statements	8 to 14
Independent Examiner's Report	15 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
Independent Examiner	J C Gibson BSc FCA Chartered Accountant Harbour Office Gungreen Basin Eyemouth Berwickshire TD14 5SD

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 2018.

Trustees

Mrs P Angove

The Reverend D S S Duggan

Mrs R P Stewart

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.

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 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

Reserves have increased to £16,055 (2017: £5,599) by net incoming resources of £10,456 (2017: decreased by net outgoing resources of £19,593), comprising general unrestricted funds of £10,105 (2017: £5,149) and restricted funds of £5,950 (2017: £450).

Highway Day Nursery

Trustees' Report

Highway Day Nursery Ltd End of Year Report 2017-18

Wow! A year of celebration - all maternity leave staff were finally back after Christmas, so we had more stability and trained staff throughout the nursery. We were sad to see one long standing staff member move away, but excited for her as she moves on and uses her skills in England to develop the children in her new nursery placement. With all well qualified staff in place we were able to take a closer look at our planning and other paperwork to help us bring on individual children and track their progress and development.

Redeveloping the playroom and outside area continues year on year and as we look forward to the extended childcare hours, we hope to be able to use more of our garden on a regular basis. We are identifying ways to make the front area more secure and seeking funds to help us do this.

Unfortunately, the building was broken into in February. There was a lot of damage done to the outside and internal locked doors and filing cabinets but fortunately nothing in the playrooms was touched. Some loose cash was taken (about £50) and a big mess where every drawer and cupboard had been searched. Police returned the little cash box and copper coins left in it. They were found in a neighbour's garden and had been covered by the snow.

Due to this incident we are seriously looking at the range of options open for CCTV around the premises. This may also help us use the whole garden area and be able to monitor the whereabouts of all the children.

The nursery role continues to be steady and as we lose the Pre-school children to primary 1 a new intake of 2 year olds begin. We finished the year with just over 60 children on the role.

The close of the year was exciting going out and about as normal around the town and beach, visiting many people who help us day to day and keep us safe. Library visits and borrowing the library books we chose, plus a fantastic visit to St. Abbs Lifeboat station all brought the year to a busy end. With school visits and park outings, visiting Linkim Court each Monday meant we were not in the playroom very often.

Since Easter there was a huge amount of work getting funds for a new kitchen and getting all the workmen in place to complete work over the summer holiday. This year we closed the nursery for 4 weeks in July to allow for this work to be ready for providing meals for the implementation of the 1140 extended hours. Everything was completed in time.

Policy on reserves

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

Principal funding sources

Principal funding is derived from fees paid by parents and Scottish Borders Council. Generous donations were also received from SPIFOX of £8,786 for the provision of a new kitchen; Robertson Trust of £5,000 for a kitchen and toilet upgrade; Simpson & McCreath of £1,000 for Outlast building blocks for the garden; Greenvale of £80 for garden spades; and Silvery Tweed of £250, and Eyemouth Marine Ltd. of £500 for general funds.

Highway Day Nursery

Trustees' Report

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Highway Day Nursery for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

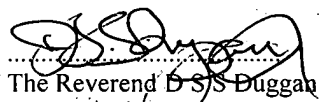
Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the trustees of the charity on 08.01.2014 and signed on its behalf by:


The Reverend D S S Duggan
Trustee

Highway Day Nursery

Statement of Financial Activities for the Year Ended 31 July 2018 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Income from:					
Donations and legacies	3	703	-	703	754
Charitable activities	4	112,214	15,296	127,510	105,730
Other trading activities	5	2,406	-	2,406	2,336
Investment income	6	6	-	6	8
Total Income		115,329	15,296	130,625	108,828
Expenditure on:					
Charitable activities	7	(109,914)	(10,255)	(120,169)	(128,421)
Total Expenditure		(109,914)	(10,255)	(120,169)	(128,421)
Net income/(expenditure)		5,415	5,041	10,456	(19,593)
Transfers between funds		(459)	459	-	-
Other recognised gains and losses					
Net movement in funds		4,956	5,500	10,456	(19,593)
Reconciliation of funds					
Total funds brought forward		5,149	450	5,599	25,192
Total funds carried forward	15	10,105	5,950	16,055	5,599

Highway Day Nursery

Statement of Financial Activities for the Year Ended 31 July 2018 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2017 £
Income and Endowments from:				
Donations and legacies	3	754	-	754
Charitable activities	4	105,280	450	105,730
Other trading activities	5	2,336	-	2,336
Investment income	6	8	-	8
Total Income		108,378	450	108,828
Expenditure on:				
Charitable activities	7	(128,421)	-	(128,421)
Total Expenditure		(128,421)	-	(128,421)
Net (expenditure)/income		(20,043)	450	(19,593)
Net movement in funds		(20,043)	450	(19,593)
Reconciliation of funds				
Total funds brought forward		25,192	-	25,192
Total funds carried forward	15	5,149	450	5,599

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

The funds breakdown for 2017 is shown in note 15.

Highway Day Nursery
(Registration number: SC253113)
Balance Sheet as at 31 July 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	12	6,967	7,741
Current assets			
Debtors	13	-	163
Cash at bank and in hand		12,988	1,715
		<u>12,988</u>	<u>1,878</u>
Creditors: Amounts falling due within one year	14	<u>(3,900)</u>	<u>(4,020)</u>
Net current assets/(liabilities)		<u>9,088</u>	<u>(2,142)</u>
Net assets		<u>16,055</u>	<u>5,599</u>
Funds of the charity:			
Restricted funds		5,950	450
Unrestricted income funds			
Unrestricted funds		<u>10,105</u>	<u>5,149</u>
Total funds	15	<u>16,055</u>	<u>5,599</u>

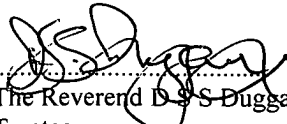
For the financial year in question the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

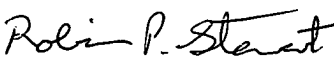
No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

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 5 to 14 were approved by the trustees, and authorised for issue on 02.08.2019 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 2018

1 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 £1 towards the assets of the charity in the event of liquidation.

2 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 provides core funding or is of a general nature is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable 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.

Highway Day Nursery

Notes to the Financial Statements for the Year Ended 31 July 2018

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.

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 structure

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 charity's 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 2018

3 Income from donations and legacies

	Unrestricted funds		
	General £	Total 2018 £	Total 2017 £
Donated services and facilities	703	703	754
	<u>703</u>	<u>703</u>	<u>754</u>

4 Income from charitable activities

	Unrestricted funds		
	General £	Restricted funds £	Total 2018 £
Education	112,214	15,296	127,510
	<u>112,214</u>	<u>15,296</u>	<u>127,510</u>

5 Income from other trading activities

	Unrestricted funds		
	General £	Total 2018 £	Total 2017 £
Local fundraising and street collection income	2,406	2,406	2,336
	<u>2,406</u>	<u>2,406</u>	<u>2,336</u>

6 Investment income

	Unrestricted funds		
	General £	Total 2018 £	Total 2017 £
Interest receivable and similar income;			
Interest receivable on bank deposits	6	6	8
	<u>6</u>	<u>6</u>	<u>8</u>

Highway Day Nursery

Notes to the Financial Statements for the Year Ended 31 July 2018

7 Expenditure on charitable activities

	Activity undertaken directly £	Total 2018 £	Total 2017 £
Staff costs	90,812	90,812	105,735
Administration costs	1,596	1,596	1,515
Premises costs	5,441	5,441	4,318
Resources	8,567	8,567	10,150
Repairs and renewals	10,814	10,814	1,855
Travel	1,102	1,102	2,689
Depreciation	774	774	1,363
	<u>119,106</u>	<u>119,106</u>	<u>127,625</u>

£109,914 (2017 - £128,421) of the expenditure on charitable activities and governance costs was attributable to unrestricted funds and £10,255 (2017 - £Nil) to restricted funds.

8 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Total 2018 £	Total 2017 £
Independent Examiner's remuneration	780	780	770
Other governance costs	<u>283</u>	<u>283</u>	<u>26</u>

Net incoming/outgoing resources

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

	2018 £	2017 £
Loss on disposal of fixed assets held for the charity's own use	-	505
Depreciation of fixed assets	<u>774</u>	<u>860</u>

9 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.

Highway Day Nursery

Notes to the Financial Statements for the Year Ended 31 July 2018

10 Staff costs

The aggregate payroll costs were as follows:

	2018 £	2017 £
Staff costs during the year were:		
Wages and salaries	90,712	105,584
Other staff costs	<u>100</u>	<u>151</u>
	<u>90,812</u>	<u>105,735</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:

	2018 No	2017 No
Education and child care	<u>8</u>	<u>8</u>

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

11 Taxation

The charity is a registered charity and is therefore exempt from taxation.

12 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Total £
Cost			
At 1 August 2017	<u>1,311</u>	<u>19,731</u>	<u>21,042</u>
At 31 July 2018	<u>1,311</u>	<u>19,731</u>	<u>21,042</u>
Depreciation			
At 1 August 2017	1,310	11,991	13,301
Charge for the year	<u>-</u>	<u>774</u>	<u>774</u>
At 31 July 2018	<u>1,310</u>	<u>12,765</u>	<u>14,075</u>
Net book value			
At 31 July 2018	<u>1</u>	<u>6,966</u>	<u>6,967</u>
At 31 July 2017	<u>1</u>	<u>7,740</u>	<u>7,741</u>

Highway Day Nursery

Notes to the Financial Statements for the Year Ended 31 July 2018

13 Debtors

	2018 £	2017 £
Trade debtors	-	163

14 Creditors: amounts falling due within one year

	2018 £	2017 £
Short term loan	3,000	3,000
Accruals	900	1,020
	<u>3,900</u>	<u>4,020</u>

15 Funds

	Balance at 1 August 2017 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 July 2018 £
Unrestricted funds					
<i>General</i>					
General	5,149	115,329	(109,914)	(459)	10,105
Restricted funds					
Restricted	<u>450</u>	<u>15,296</u>	<u>(10,255)</u>	<u>459</u>	<u>5,950</u>
Total funds	<u>5,599</u>	<u>130,625</u>	<u>(120,169)</u>	<u>-</u>	<u>16,055</u>
	Balance at 1 August 2016 £	Incoming resources £	Resources expended £		Balance at 31 July 2017 £
Unrestricted funds					
<i>General</i>					
General	25,192	108,378	(128,421)		5,149
Restricted funds					
Restricted	<u>-</u>	<u>450</u>	<u>-</u>		<u>450</u>
Total funds	<u>25,192</u>	<u>108,828</u>	<u>(128,421)</u>		<u>5,599</u>

Highway Day Nursery

Notes to the Financial Statements for the Year Ended 31 July 2018

16 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 amounting to £2,500 (2017: £2,000). At the balance sheet date the amount due to/from Highway Christian Fellowship was £Nil (2017 - £Nil).

Highway Day Nursery

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

I report on the accounts of the charity for the year ended 31 July 2018 which are set out on pages 5 to 14.

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
- 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 the 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 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: *11/02/2019*