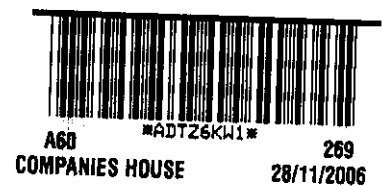


ELLESMERE CHILDRENS CENTRE

**FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH 2006**

CHARITY NO: 1082079

COMPANY REGISTERED NUMBER: 3733859



**WEST AND FOSTER
CHARTERED ACCOUNTANTS**

ELLESMERE CHILDRENS CENTRE

FINANCIAL STATEMENTS FOR THE YEAR ENDED

31ST MARCH 2006

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ELLESMERE CHILDRENS CENTRE

COMPANY INFORMATION

31ST MARCH 2006

CHARITY NUMBER	1082079
COMPANY NUMBER	3733859
TRUSTEES (Management Committee)	Vivien Osborne Kathleen Robinson Angela Baugh Seaton Gosling Anna Revill
DIRECTORS	Kathleen Robinson Angela Baugh Vivien Osborne
SECRETARY	Angela Baugh
REGISTERED OFFICE	4 Maxwell Street Sheffield S4 7JN
BANKERS	Lloyds TSB 1 High Street Sheffield S1 2GA
INDEPENDENT EXAMINERS	West and Foster Chartered Accountants 2 Broomgrove Road Sheffield S10 2LR

ELLESMERE CHILDRENS CENTRE

TRUSTEES REPORT FOR THE YEAR ENDED 31ST MARCH 2006

The trustees, including those who are also directors of the charity for the purposes of the Companies Act, present this annual report and the unaudited financial statements of the charity for the year ended 31st March 2006.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The organisation is a charitable company limited by guarantee, incorporated on 17th March 1999 and registered as a charity on 17th August 2000. The company was established under a memorandum of association which established the objects and powers on the charitable company and is governed under its articles of association.

Recruitment and appointment of Management Committee

Every effort is made to ensure that we have a reflective committee who are able to support the smooth running of our organisation. Members are recruited through relevant organisations, users of the service and those who work within the local community.

Ellesmere presently has a wealth of knowledge and experienced committee members.

Trustee Induction and Training

Most of our trustees are well established with the practical work of the charity. Each member has engaged with the continuing changing legislation and adopting new policies and procedures. Additionally, new trustees are given an induction pack, this includes the organisational roles and responsibilities and our operation as part of a charitable organisation.

Risk Management

Ellesmere Children's Centre has tried to develop systems which will help eliminate any potential risk to the organisations development. Significant external risks to funding have led to the development of a strategic plan which will help to identify any shortfalls. We will monitor our sustainable income and ensure we operate as a responsible company.

Organisational Structures

Ellesmere Management Committee ensures that meetings are held on a quarterly basis, however due to the nature of the work, this has increased on most occasions to a regular monthly meeting.

Presently the committee has six members from a variety of professional backgrounds relevant to the work of the charity. The manager sits on the committee, but has no voting rights, she is responsible for the day to day operational management of the organisation alongside the senior team. She also ensures that the team continues to develop their skills and working practices in line with good practice.

Objectives and Activities

The company's objects and principal activities are to:-

- Advance the education and provide safe and stimulating care of young children, in particular these living in the electoral ward of Burngreave in the City of Sheffield.
- To also advance the education of those responsible for their day to day care without distinction of gender, race, disability, sexuality or political beliefs.
- To provide a caring, learning environment that is responsive to the needs of children and their parents/carers and in pursuance of the above objects, to establish, maintain and manage a locally controlled community nursery.
- To make particular efforts to ensure that the needs of children from BME communities are served and to develop childcare policies and practices that are non-discriminatory.

ELLESMERE CHILDRENS CENTRE

TRUSTEES REPORT FOR THE YEAR ENDED 31ST MARCH 2006 – continued

Achievements and Performance

Ellesmere are happily celebrating our 10 Year Anniversary on 30th June 2006. In April this year two members of our staff team were given the opportunity to look at Early Years Education in China. Whilst in China they visited a wide variety of schools; ranging from an International School in Shanghai to a Hutong School in Beijing. Whilst touring China and seeing how other schools were different to ours, it was easy to see that even though some schools were different to ours on the outside, they all followed the same teaching style within these settings. *An awful lot was learnt from these teaching styles and we hope to incorporate these into our teaching at Ellesmere.*

We are currently undertaking our Kitemark Quality Assurance Award and have been awarded our Bronze and Silver Stages, just the gold award to go! The Burngreave Business Awards Ceremony in 2005 and this year in 2006 were very busy nights for us! We won two awards each on both nights; for 2 years running we won the Customer Service Award, as well as winning a Training 7 development award in 2005.

We were also delighted to be presented with a New Year Honours Award for our outstanding contribution to the community, this was presented to us by Jackie Drayton and was a wonderful award to start off our year!

Financial Review

Although the service has continued its development through limited resources and uncertainty with funding streams, we have ensured that wherever possible we have developed sound financial management, with the support of staff within our service.

We hope to be optimistic in our development by being successful in obtaining new funding for 2006/07.

Principal Funding Sources

Ellesmere continues to income generate and support our specialist resources relatively well. The principal funding sources for the charity are currently by way of grant and service level agreements with various services.

Burngreave New Deal for communities has helped our service overcome increasing constraints.

Investment Policy

Aside from retaining a prudent amount in our reserves, most of the charity's funds are spent in the short term. There are a few funds for long term investment however, we wish to ensure that we have an account that brings the charity a prudent return.

Reserve Policy

The Management Committee has examined the charity's requirements for reserves, in light of the main risks to the organisation. The reserves are needed to meet the working capital requirements of the charity. The committee are confident that at this level they would be able to continue the current activities of the charity. This is hopefully in the event of a significant drop in funding. Although the strategy is to continue to build our reserves, the management committee remains optimistic. However, the committee is aware of changing regimes and is realistic in being economically aware that it may prove difficult to meet our target range. In the short term a simplistic solution will be to curtail some existing activities and expenditure, should such circumstances arise.

Plans for Future Period

Ellesmere will continue to offer the activities outlined throughout in the forthcoming years, subject to satisfactory funding arrangements. Plans are also being developed, for future expansion, with the old caretakers house offering therapeutic services for preschool children. We hope to engage with new service providers and to support local people in new training, which will hopefully lead to long-term gainful employment.

ELLESMERE CHILDRENS CENTRE**TRUSTEES' REPORT FOR THE YEAR ENDED 31ST MARCH 2006****STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees are required by company law, 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 are required to;

- (a) select suitable accounting policies and apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent;
- (c) state whether the policies adopted are in accordance with the Companies Act 1985 and with applicable accounting standards and statements of recommended practice, subject to any departures disclosed and explained in the financial statements;
- (d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation;

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and 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.

APPROVAL

This report was approved by the trustees on 4th October 2006 and signed on their behalf by



Angela Baugh
Trustee



Kathleen Robinson
Trustee

**INDEPENDENT ACCOUNTANTS' REPORT TO THE TRUSTEES ON THE UNAUDITED
FINANCIAL STATEMENTS OF ELLESMERE CHILDRENS CENTRE**

We report on the financial statements for the year ended 31st March 2006, set out on pages 5 to 11.

Respective responsibilities of directors and reporting accountants

As described on page 3, the company's directors are responsible for the preparation of the financial statements, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants and so our procedures consisted of comparing the financial statements with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

(a) the financial statements are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985;

(b) having regard to, and on the basis of, the information contained in those accounting records:

(i) the financial statements have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and

(ii) the company satisfied the conditions for exemption from an audit of the financial statements for the year specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).



WEST AND FOSTER

Reporting Accountants

SHEFFIELD
26th October 2006

ELLESMERE CHILDRENS CENTRE

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST MARCH 2006

Including Income and Expenditure Account

	Note	Restricted Funds £	Unrestricted Funds £	2006 £	2005 £
INCOMING RESOURCES					
Incoming resources from generated funds					
Investment income – bank interest		-	1,762	1,762	1,703
Room hire		-	2,042	2,042	6,562
Incoming resources from charitable activities					
Grants received	2	42,299	60,175	102,474	165,370
Childcare fees		-	77,187	77,187	76,193
Other Income		-	8,400	8,400	1,107
Total incoming resources		42,299	149,566	191,865	250,935
RESOURCES EXPENDED					
Costs of generating funds					
Costs of generating voluntary income		-	-	-	-
Charitable Activities		42,299	128,491	170,790	225,085
Governance Costs		-	7,799	7,799	7,500
Total resources expended	3	42,299	136,290	178,589	232,585
TRANSFER BETWEEN FUNDS					
		-	-	-	-
NET MOVEMENT IN FUNDS FOR THE YEAR	4	-	13,276	13,276	18,340
TOTAL FUNDS BOUGHT FORWARD		-	119,346	119,346	44,506
TOTAL FUNDS CARRIED FORWARD		£ -	£132,622	£132,622	£62,846

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

The notes on pages 7 to 11 form part of these financial statements.

ELLESMERE CHILDRENS CENTRE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2006

1. ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention and include the results of the charity's operations which are described in the Trustees' Report, all of which are continuing.

The financial statements have been prepared in accordance with the Companies Act 1985 and the Statement of Recommended Practice: Accounting and Reporting by Charities issued in March 2005.

The charity has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cashflow statement on the grounds that it qualifies as a small charity.

(b) Tangible fixed assets for use by the charity and depreciation

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Fixtures fittings and equipment	-	33% on cost
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(c) Incoming Resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.

Investment income is included when receivable.

Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

(d) Value added tax

Value added tax is not recoverable by the charity, and as such is included in the relevant costs in the Statement of Financial Activities.

(e) Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

Costs of generating funds comprise the costs associated with attracting voluntary income.

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 services and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

ELLESMERE CHILDRENS CENTRE

NOTES TO THE FINANCIAL STATEMENTS - continued

YEAR ENDED 31ST MARCH 2006

1. ACCOUNTING POLICIES - continued

All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis eg. Floor areas, per capita or estimated usage as set out in Note 3.

2. GRANTS RECEIVED	Restricted Funds £	Unrestricted Funds £	Total 2006 £	Total 2005 £
Burngreave Garden Grant	-	-	-	46,954
Burngreave New Deal	-	41,538	41,538	39,714
Burngreave Play Scheme	-	-	-	3,437
NNI	14,715	-	14,715	27,540
SCC Nursery Grant	-	18,637	18,637	17,684
Special Needs Fund	-	-	-	7,995
YCS	18,588	-	18,588	18,588
NOF	-	-	-	3,458
ILM	8,996	-	8,996	-
	<hr/>	<hr/>	<hr/>	<hr/>
	£42,299	£60,175	£102,474	£165,370
	<hr/>	<hr/>	<hr/>	<hr/>

3. TOTAL RESOURCES EXPENDED

	Childcare Provision £	Governance £	Total 2006 £	Total 2005 £
Costs directly allocated to activities				
Staff costs	129,241	7,094	136,335	143,918
Premises costs	5,622	-	5,622	51,345
Office running costs	33,750	-	33,750	34,451
Depreciation	2,177	-	2,177	2,176
Support costs allocated to activities				
Staff costs	-	-	-	-
Office running costs	-	-	-	-
Reporting accountants fees	-	705	705	705
	<hr/>	<hr/>	<hr/>	<hr/>
	£170,790	£7,799	£178,589	£232,595
	<hr/>	<hr/>	<hr/>	<hr/>

ELLESMERE CHILDRENS CENTRE

NOTES TO THE FINANCIAL STATEMENTS - continued

YEAR ENDED 31ST MARCH 2006

	2006 £	2005 £
4. SURPLUS FOR THE YEAR		
is stated after charging		
Depreciation of tangible fixed assets		
- owned by the charity	2,177	2,176
Independent Examination	705	705
	<hr/>	<hr/>
5. STAFF COSTS		
Own staff:		
Wages and Salaries	127,485	135,008
Social Security costs	8,850	8,910
	<hr/>	<hr/>
	£136,335	£143,918
	<hr/>	<hr/>

Average number of employees is 8. No employees emoluments exceed £60,000.

6. TANGIBLE FIXED ASSETS	Equipment £
COST	
At 1st April 2005	10,883
Additions	-
	<hr/>
At 31st March 2006	10,883
	<hr/>
DEPRECIATION	
At 1st April 2005	6,479
Charge for the year	2,177
	<hr/>
At 31st March 2006	8,656
	<hr/>
NET BOOK VALUE	
At 31st March 2006	£2,227
	<hr/>
At 31st March 2005	£4,404
	<hr/>

ELLESMERE CHILDRENS CENTRE

NOTES TO THE FINANCIAL STATEMENTS - continued

YEAR ENDED 31ST MARCH 2006

			2006 £	2005 £
7.	DEBTORS : amounts falling due within one year			
	Grants outstanding		16,933	19,944
	Prepayments		911	-
			<hr/>	<hr/>
			£17,844	£19,944
			<hr/>	<hr/>
8.	CREDITORS : amounts falling due within one year			
	PAYE and National Insurance		2,568	-
	Accruals		705	705
			<hr/>	<hr/>
			£3,273	£705
			<hr/>	<hr/>
9.	FUNDS			
		Restricted Funds £	Unrestricted Funds £	Total 2006 £
				2005 £
	At 1st April 2005	-	119,346	119,346
	Incoming resources for the year	42,299	149,566	191,865
	Resources expended in the year	(42,299)	(136,290)	(178,589)
		<hr/>	<hr/>	<hr/>
	At 31st March 2006	£ -	£132,622	£132,622
		<hr/>	<hr/>	<hr/>
10.	ANALYSIS OF NET ASSETS BETWEEN FUNDS			
		Restricted Funds £	Unrestricted Funds £	Total 2006 £
				2005 £
	Fixed assets	-	2,227	2,227
	Debtors	4,297	13,547	17,844
	Cash at bank and in hand	(4,297)	120,121	115,824
	Creditors	-	(3,273)	(3,273)
		<hr/>	<hr/>	<hr/>
		£ -	£132,622	£132,622
		<hr/>	<hr/>	<hr/>
				£119,346

ELLESMERE CHILDRENS CENTRE

NOTES TO THE FINANCIAL STATEMENTS - continued

YEAR ENDED 31ST MARCH 2006

11. RESTRICTED FUNDS

	Brought Forward £	Income £	Expenditure £	Carried Forward £
NNI	-	14,715	(14,715)	-
Sheffield Regeneration Board CFFE for ILM	-	8,996	(8,996)	-
New Opportunities Fund	-	18,588	(18,588)	-
	<hr/>	<hr/>	<hr/>	<hr/>
	£ -	£42,299	£(42,299)	£ -
	<hr/>	<hr/>	<hr/>	<hr/>

12. UNRESTRICTED FUNDS

The unrestricted funds include £56,500 transferred to a designated fund in the year ended 31st March 2004 to cover potential redundancy costs etc. At 31st March 2006, the undesignated amount of the unrestricted fund is £76,122.

ELLESMERE CHILDRENS CENTRE

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST MARCH 2004

	Restricted Funds £	Unrestricted Funds £	Total 2006 £	Total 2005 £
INCOMING RESOURCES				
Grants received				
- NNI	14,715	-	14,715	27,540
- Burngreave New Deal for Communities	-	41,538	41,538	39,714
- Sure Start	-	-	-	3,125
- Nursery Grant	-	18,637	18,637	17,684
- Burngreave Garden Grant	-	-	-	46,954
- Special Needs Fund	-	-	-	7,995
Young Child Service	18,588	-	18,588	18,588
New Opportunities Fund	-	-	-	3,458
Childcare Fees	-	77,187	77,187	73,068
Room Hire	-	2,042	2,042	6,562
Other	-	8,400	8,400	1,107
Interest received	-	1,762	1,762	1,703
Donation	-	-	-	3,437
ILM	8,996	-	8,996	-
TOTAL INCOMING RESOURCES	42,299	149,566	191,865	250,935
RESOURCES EXPENDED				
Wages and National Insurance	42,299	94,036	136,335	143,918
Training and Recruitment	-	2,755	2,755	2,247
Cleaning	-	67	67	3,325
Equipment and Furniture	-	942	942	1,473
Utilities	-	5,555	5,555	4,391
Stationery and Advertising	-	4,929	4,929	3,342
Refreshments	-	1,146	1,146	1,943
Travelling Expenses	-	527	527	145
Resources	-	229	229	6,648
Insurance and Licences	-	1,135	1,135	-
Repairs and Maintenance	-	9,740	9,740	2,953
Sundries	-	559	559	280
Activities and Events	-	9,148	9,148	4,246
Legal Expenses	-	-	-	1,290
Accountancy	-	1,433	1,433	3,057
Health and safety	-	-	-	618
Registration and subscriptions	-	489	489	255
Telephone	-	1,423	1,423	1,165
Depreciation	-	2,177	2,177	2,176
Landscaping	-	-	-	49,123
TOTAL RESOURCES EXPENDED	42,299	136,290	178,589	232,595
SURPLUS FOR THE YEAR	£ -	£13,276	£13,276	£183,340