

BEGINNINGS

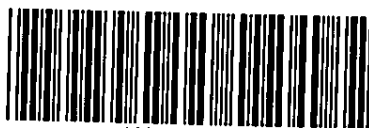
REPORT AND ACCOUNTS

FOR THE YEAR ENDED  
31 DECEMBER 2007

CHARITY NUMBER 1091159

COMPANY NUMBER 4151539

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## BEGINNINGS

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### TRUSTEES' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2007

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The Trustees have pleasure in presenting their report for the year ended 31<sup>st</sup> December 2007. This report is prepared in accordance with the laws of West London Synagogue and the recommendations of the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005) and complies with applicable law.

#### REFERENCE AND ADMINISTRATIVE DETAILS OF BEGINNINGS, ITS TRUSTEES AND ADVISERS

Charity Number 1091159

Company Number 4151539

**Principle address**

33 Seymour Place  
London  
W1H 5AU

**Current Trustees**

Lisa Abrahmsohn, Morris Bentata, Louise Cohen, Stephen Moss CBE, Robert Shrager, Rabbi Mark Winer PH D ,  
D D

**Trustee Retiring During the Year**

Rabbi Dr Michael Shire

**Senior staff responsible for day-to-day management:**

Rabbi Miriam Lawrence and Alan Shapiro

**Bankers:**

Lloyds TSB plc  
1<sup>st</sup> Floor  
PO Box 18436  
39 Threadneedle Street  
London  
EC2R 8PT

**Solicitors:**

Stone King  
13 Queen Square  
Bath  
BA1 2HJ

**Auditors:**

Kingston Smith LLP  
Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

Beginnings (also known as WLS Early Childhood Centre) is a company limited by guarantee and is run in line with its Memorandum and Articles of Association established on its incorporation on 31 January 2001

The charity is considered to be a subsidiary of the charity, West London Synagogue of British Jews (WLS), registered charity number 212143, by virtue of voting control and common management. The consolidated accounts of WLS are available through the Charity Commission

### **Trustees' Responsibilities**

Charity law requires the Trustees to ensure the preparation of financial statements for each financial year which give a true and fair view of the affairs of the charity and of its financial activities for that period. In preparing those financial statements, the Trustees are required to -

- (a) select suitable accounting policies and then apply them consistently,
- (b) make judgments and estimates that are reasonable and prudent,
- (c) state whether the policies adopted are in accordance with the Charities Statement of Recommended Practice and with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements,
- (d) prepare the financial statements on a going concern basis unless it is inappropriate to assume that the charity will continue in business

The Trustees are also responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the charity and to enable them to ensure that the financial statements comply with applicable Accounting Standards and Statements of Recommended Practice. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention of fraud or other irregularities

In accordance with company law, as the company's directors, we certify that

- So far as we are aware, there is no relevant audit information of which the company's auditors are unaware, and
- As the directors of the company, we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information

The policy and strategy of the Synagogue is the responsibility of its Council, with day-to-day management delegated to the Management Board, supported by the Senior Management Group

### **Trustee Recruitment, Appointment and Induction**

No new Trustees were appointed during the year

When new Trustees are recruited the process is overseen by the existing Trustees. The existing trustees audit the skills/areas of expertise within the existing Trustee team and look to identify gaps. Potential new Trustees are asked to consider any possible conflicts of interest before any commitment is sought

As part of their induction new Trustees are given the Memorandum and Articles of Association of the company which explains the aims and objectives of the charity. An existing Trustee goes through the audited accounts, recent management figures and recent minutes of Trustee meetings with any new Trustee

### **Related Parties**

Beginnings is part of WLS. The Articles of Association state that the Senior Rabbi and the Chair of Council of WLS shall be Trustees and that WLS Council shall appoint five other persons as Trustees. Certain services are provided by WLS staff for which a service charge is levied. If places in Beginnings are oversubscribed the children of WLS members are given preference

### **Risk Management**

The Trustees acknowledge the management of the risks faced by Beginnings as a prime responsibility. Detailed consideration of risks is delegated to the Director who operates a risk management policy. In terms of this policy, the risks are reviewed regularly and their impact assessed. The Trustees are satisfied that systems are in place to mitigate the risks identified. It is satisfactory to report that the exercise of risk management has indicated minimal areas of concern, although it is recognised that systems can only provide reasonable, but not absolute, assurance that all risks have been adequately identified.

### **OBJECTS, OBJECTIVES AND ACTIVITIES**

The objects of Beginnings are to advance the education and care of children by providing or assisting in the provision of educational, recreational and other charitable facilities, for children below the compulsory school age within a progressive Jewish framework.

These objectives are achieved by ensuring that the Director of Beginnings is a fully qualified progressive Jewish Rabbi who also has a CACHE – Certificate in Work with Children (Early Years). Under her direction qualified staff are recruited, trained and supervised to ensure the required ethos is maintained.

### **ACHIEVEMENTS AND PERFORMANCE**

Beginnings has made very good progress in its fourth full year of operation. The total number of children registered has increased by 11% while the Full Time Equivalent number has increased by 13% demonstrating the success of the policy introduced, late in 2005, of requiring a minimum of five sessions per week.

The outside consultant employed to work with Rabbi Lawrence and the other staff since 2005 has continued to support the staff in 2007.

Staff training remains a priority. The Director has just completed a Diploma in Management from the Chartered Management Institute. One of the nursery nurses is on an MA course in Early Childhood Studies.

During the year more flexible furniture was purchased for the 2 – 5 year old room which has met the needs of our larger number of children in a safe environment. This was fitted during the one week summer close down to avoid disruption to parents.

In addition air conditioning was installed to obviate the need to close during very hot weather. Again this was installed out of hours so that regular sessions could continue.

### **FINANCIAL REVIEW**

During the year incoming resources exceeded the resources expended by £16,430 (2006 deficit of £6,893), which is a satisfactory position. At the end of the year the Fund Balance was £19,190 (2006 £2,760).

Fee income was up 31% building well on the 41% increase in 2006. This has been achieved by a mixture of higher enrolment and the Trustees' policy of requiring a minimum of five sessions per child per week. This was implemented on the advice of the Director as it was felt that children attending less than five sessions would neither receive a satisfactory level of education nor satisfactorily settle into relationships with fellow attendees.

Expenditure remains under control and is up only 4% (excluding increased depreciation for the air conditioning and furniture) despite the increased attendance. The Core Day supplemented by Breakfast and Late Afternoon Clubs adopted in the autumn have enabled a more efficient use of staff time.

The following Statement of Financial Activities, together with the Balance Sheet and Notes, highlight the results for the year ended 31 December 2007 and the position of the company as at 31 December 2007.

### **RESERVES POLICY**

The Trustees have an undertaking from a donor to fully fund any excess of expenditure over income for at least the next 12 months so the current level of reserves are considered to be satisfactory.

### **PLANS FOR FUTURE PERIODS**

The Trustees are constantly reviewing ways of encouraging increased attendance at the school, both by having existing children attend more sessions and by attracting new entrants

Following discussions the Trustees have revised the regulations for appointing Parent Trustees to widen the pool of potential Trustees, and following an appropriate alteration to the Articles and Memorandum of Association it is anticipated that two Parent trustees will be appointed during 2008

#### APPRECIATION

The Trustees express their appreciation for the hard work put in by Rabbi Lawrence and her staff during 2007

#### AUDITORS

Kingston Smith LLP have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed auditors for the ensuing year

#### SMALL COMPANY RULES

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007)

Approved by the Trustees on 14 April 2008  
and signed on their behalf by



Morris Bentata  
Chairman

## Independent Auditors' Report to the Members of Beginnings

We have audited the financial statements of Beginnings for the year ended 31 December 2007 which comprise the Statement of Financial Activities (the Summary Income and Expenditure Account), the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken for no purpose other than to draw to the attention of the charitable company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective Responsibilities of Trustees and Auditors

The responsibilities of the trustees' (who are also the directors of Beginnings for the purposes of company law) for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the Trustees' Report is consistent with the financial statements. In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion:

- \* the financial statements give a true and fair view, in accordance with the United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the charitable company's affairs as at 31 December 2007 and of its incoming resources and application of resources, including the income and expenditure of the charitable company for the year then ended,
- \* the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- \* the information provided in the Trustees' Annual Report is consistent with the financial statements.

Devonshire House  
60 Goswell Road  
London EC1M 7AD

Date: 18/4 / 2008

K.S.T. Ltd Ltd

Kingston Smith LLP  
Chartered Accountants  
and Registered Auditors

# BEGINNINGS

## STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account) FOR THE YEAR ENDED 31 DECEMBER 2007

	<u>Note</u>	2007 Unrestricted General Fund £	2006 Unrestricted General Fund £
<b>INCOMING RESOURCES</b>			
<i>Incoming resources from generated funds:</i>			
Voluntary Income	3	70,533	97,123
Investment Income	4	1,111	302
<i>Incoming resources from charitable activities:</i>			
Monthly Fees		338,409	259,124
<b>TOTAL INCOMING RESOURCES</b>		<u>410,053</u>	<u>356,549</u>
<b>RESOURCES EXPENDED</b>			
<i>Charitable Activities:</i>			
Nursery Costs	5	390,814	361,591
<i>Governance costs</i>	7	2,811	1,851
<b>TOTAL RESOURCES EXPENDED</b>		<u>393,625</u>	<u>363,442</u>
<b>Net Incoming/(Outgoing) Resources</b>	8	16,430	(6,893)
<b>Fund Balance brought forward as at 1 January 2007</b>		2,760	9,653
<b>Fund Balance carried forward as at 31 December 2007</b>		<u>19,190</u>	<u>2,760</u>

The notes on page 8 to 12 form part of these financial statements

**BEGINNINGS**  
**BALANCE SHEET**  
**AS AT 31 DECEMBER 2007**

	<u>Note</u>	<u>2007</u>		<u>2006</u>	
		£	£	£	£
<b><u>FIXED ASSETS</u></b>					
Tangible Assets	9		38,826		8,318
<b><u>CURRENT ASSETS</u></b>					
Stock		-		3,214	
Debtors	10	7,060		14,113	
Cash at bank and in hand		10,821		1,883	
		<u>17,881</u>		<u>19,210</u>	
<b><u>LESS CREDITORS</u></b>					
Amounts falling due within one year	11	<u>(37,517)</u>		<u>(24,768)</u>	
<b><u>NET CURRENT ASSETS</u></b>			(19,636)		(5,558)
<b><u>NET ASSETS</u></b>			<u>19,190</u>		<u>2,760</u>
<b><u>ACCUMULATED FUNDS</u></b>					
Unrestricted General Fund			19,190		2,760
			<u>19,190</u>		<u>2,760</u>

The notes on page 8 to 12 form part of these financial statements

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007)

Approved by the Trustees, and authorised for distribution, on 14 April 2008  
and signed on their behalf by

  
M Benrara  
Chairman



## BEGINNINGS

### NOTES TO THE ACCOUNTS

#### FOR THE YEAR ENDED 31 DECEMBER 2007

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#### 1 ACCOUNTING POLICIES

##### a) Basis of Accounting

The financial statements of the company are prepared in accordance with The Charities (Accounts and Reports) Regulations 2005 and the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005, (the SORP) and with applicable accounting standards. These financial statements are drawn up on the historical cost accounting basis.

The charity has availed itself of paragraph 3 (3) of schedule 4 of the Companies Act and adopted the Companies Act format to reflect the special nature of the charity's activities.

##### b) Taxation

The entity is a registered charity and the results of its normal charitable activities are not liable to Corporation Tax.

##### c) Fund Accounting

Unrestricted general funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for any other purpose.

##### d) Incoming Resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. No amounts are included in the financial statements for services donated by volunteers.

##### e) Resources Expended

All expenditure is accounted for on an accruals basis and has been classified under the headings that aggregate all costs related to that category. Wherever possible costs are directly attributable to these headings.

Indirect costs are those costs incurred in support of the charitable objectives. These have been allocated to the charitable activities on a basis that fairly reflects the true use of those resources within the organisation.

Governance costs are those incurred in the governance of the charity and are primarily associated with the constitutional and statutory requirements.

## BEGINNINGS

### NOTES TO THE ACCOUNTS

#### FOR THE YEAR ENDED 31 DECEMBER 2007

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##### f) Tangible Fixed Assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of the assets over their expected useful economic lives as follows -

Nursery, Kitchen, Office Equipment and Furniture and Fittings	20% per annum straight line
Air-conditioning	33 33% per annum straight line
Computers	20% per annum straight line

All items over £1 000 are capitalised in the financial statements

##### 2 Company Status

The charity is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event of the charity being wound up the liability in respect of the guarantee is limited to £1 per member of the charity.

##### 3 VOLUNTARY INCOME

	<u>2007</u>	<u>2006</u>
	<u>£</u>	<u>£</u>
Donations from individuals	<u>70,533</u>	<u>97,123</u>

##### 4 INVESTMENT INCOME

	<u>2007</u>	<u>2006</u>
	<u>£</u>	<u>£</u>
Deposit interest receivable	<u>1,111</u>	<u>302</u>

# **BEGINNINGS**

## **NOTES TO THE ACCOUNTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2007**

#### **5 NURSERY COSTS**

	Direct Costs	Indirect Costs	Total 2007	Total 2006
	£	£	£	£
Salaries (Note 6)	261,387	35,379	296,766	284,761
Staff Recruitment	1,175	-	1,175	-
Nursery Resources and Materials	8,942	-	8,942	13,627
Catering	8,617	-	8,617	7,278
Consultancy	-	1,684	1,684	5,135
Depreciation	-	21,365	21,365	5,984
Information Technology	-	2,107	2,107	2,590
Insurance	-	1,884	1,884	1,799
Laundry	-	6,307	6,307	4,939
Premises Cleaning, Repairs and Maintenance	-	18,973	18,973	18,486
Printing and Stationery	-	14,979	14,979	5,900
Sundry	5,041	2,974	8,015	11,092
	<u>285,162</u>	<u>105,652</u>	<u>390,814</u>	<u>361,591</u>

#### **6 STAFF COSTS**

The following shows the accumulated emoluments for all employees. The average number of full time equivalent staff employed during the year was 13 (2006: 11)

	2007 £	2006 £
Gross Pay	240,806	241,591
Employers NI	24,088	23,321
Temporary Staff	<u>31,872</u>	<u>19,849</u>
	<u>296,766</u>	<u>284,761</u>

No employee received emoluments in excess of £60,000 (2006: £nil)

# **BEGINNINGS**

## **NOTES TO THE ACCOUNTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2007**

#### **7 GOVERNANCE COSTS**

	2007	2006
	£	£
Auditors' Remuneration	1,050	500
Accountancy Fees	1,761	1,351
	<u>2,811</u>	<u>1,851</u>

#### **8 NET INCOMING / (OUTGOING) RESOURCES**

	2007	2006
	£	£
are stated after charging -		
Depreciation	21,363	5,984
Auditors Remuneration	<u>1,050</u>	<u>500</u>

No trustees received or waived any emoluments during the year, (2006 £Nil) No out of pocket expenses were reimbursed

#### **9 TANGIBLE FIXED ASSETS**

	Nursery Equipment £	Office Equipment £	Kitchen Equipment £	Computer Equipment £	Furniture & Fittings £	Total £
<b><u>COST</u></b>						
At 1 January 2007	3,497	7,837	1,577	2,139	14,338	29,388
Additions	10,328				41,543	51,871
Disposals				- 2,139	-	2,139
31 December 2007	<u>13,825</u>	<u>7,837</u>	<u>1,577</u>	<u>-</u>	<u>55,881</u>	<u>79,120</u>
<b><u>DEPRECIATION</u></b>						
At 1 January 2007	2,796	6,268	1,260	2,139	8,607	21,070
Charge for Year	2,769	1,568	316		16,710	21,363
Eliminated on disposal				- 2,139	-	2,139
At 31 December 2007	<u>5,565</u>	<u>7,836</u>	<u>1,576</u>	<u>-</u>	<u>25,317</u>	<u>40,294</u>
<b><u>NET BOOK VALUE</u></b>						
At 31 December 2007	<u>8,260</u>	<u>1</u>	<u>1</u>	<u>-</u>	<u>30,564</u>	<u>38,826</u>
At 31 December 2006	<u>701</u>	<u>1,569</u>	<u>317</u>	<u>-</u>	<u>5,731</u>	<u>8,318</u>

**BEGINNINGS**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2007**

**10 DEBTORS**

	2007	2006
	£	£
Trade Debtors	4,012	1,955
Prepayments	1,272	1,248
Other Debtors	1,776	10,910
	<u>7,060</u>	<u>14,113</u>

**11 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2007	2006
	£	£
Trade Creditors	10,878	78
Amounts due to Parent Undertaking	9,917	10,586
Deposit Fees	15,672	13,104
Accruals	1,050	1,000
	<u>37,517</u>	<u>24,768</u>

**12 RELATED PARTY TRANSACTIONS**

The company has taken advantage of exemptions set out in FRS8 not to disclose transactions with West London Synagogue of British Jews (the parent undertaking) and its connected charities and subsidiary company on the grounds that the consolidated accounts of the parent charity are publicly available through the Charities Commission

**13 PARENT UNDERTAKING**

The company's ultimate parent undertaking by virtue of common management is West London Synagogue of British Jews, Charity Number 212143. Copies of the group financial statements can be obtained from the Charities Commission

**BEGINNINGS**

**TRADING AND PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007		2006	
	£	£	£	£
Income				
Donations	70,533		97,123	
Monthly Fees	<u>338,409</u>		<u>259,124</u>	
		408,942		356,247
Less Operating expenses				
Baby Room	664		637	
Catering	7,945		7,278	
Functions and Events	-		126	
Kitchen Sundries	671		156	
Nursery Resources and Materials	8,942		13,627	
Staff Recruitment	1,175		3,872	
Staff Training	-		1,103	
Two to Five	340		600	
Visits and Outings	21		24	
Waste Management	1,964		1,091	
Registration Fees	310		279	
Membership Subscriptions	716		247	
Publications	289		420	
Advertising	738		768	
Teachers Salaries	241,724		232,245	
Kitchen Salaries	<u>19,663</u>		<u>18,939</u>	
		(285,162)		(281,412)
Gross Profit		<u>123,780</u>		<u>74,835</u>

**BEGINNINGS**

**TRADING AND PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 DECEMBER 2007**

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	2007		2006	
	£	£	£	£
Gross Profit Brought Forward		123,780		74,835
<u>Administrative Expenses</u>				
Audit Fees	1,050		500	
Accountancy Fees	1,761		1,351	
Bank Charges	199		145	
Bad Debts	119		-	
Cleaning	6,317		11,978	
Consultancy	1,684		5,135	
Depreciation	21,363		5,984	
Fax	153		127	
Insurance	1,884		1,799	
IT	2,107		2,590	
Laundry	6,307		4,939	
Office Stationery	4,460		4,218	
Postage and Carriage	717		423	
Premises Expenses	10,450		4,365	
Printing	10,519		1,682	
Salaries	35,378		33,577	
Service Costs	2,207		2,143	
Telephone	610		560	
Travel	1,177		514	
		(108,461)		(82,030)
<u>Other Income</u>				
Deposit interest receivable		1,111		302
Net surplus/(shortfall) for the year		<u>16,430</u>		<u>(6,893)</u>