

# **ABC Nursery (Ferney Lee) Limited**

Charity number 1120302

A company limited by guarantee number 05334740

## **Annual Report and Financial Statements for the year ended 31 August 2011**



**West Yorkshire Community Accounting Service**

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# **ABC Nursery (Ferney Lee) Limited**

## **Annual Report and Financial Statements for the year ended 31 August 2011**

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**Prepared by West Yorkshire Community Accounting Service**

# **ABC Nursery (Ferney Lee) Limited**

## **Trustees' report for the year ended 31 August 2011**

### **Reference and administrative details of the charity, its trustees and advisors**

The trustees during the financial year and up to and including the date the report was approved were

<b>Name</b>	<b>Position</b>
Pauline Brogan-Hewitt	Chair
Christine Barber	
Caroline Beardsmore	
Beverley Richards	
Deborah Streets	
Janina Hatfield	
Ian Booth	

**Company secretary** Christine Barber

**Charity number** 1120302

**Company number** 05334740

<b>Registered and principal address</b>	<b>Bankers</b>
Ferney Lee Road	Yorkshire Bank
Todmorden	6 Halifax Road
Lancashire	Todmorden
OL14 5NR	OL14 5AD

### **Independent examiner**

Helen Galvin FCCA  
For and on behalf of

### **West Yorkshire Community Accounting Service**

Stringer House  
34 Lupton Street  
Leeds  
LS10 2QW

### **Structure, governance and management**

The charity is a company limited by guarantee and was formed on 17 January 2005. It is governed by a memorandum and articles of association. The liability of the members in the event of the company being wound up is limited to a sum not exceeding £1.

### **Method of recruitment and appointment of trustees**

The trustees of the charity are also the directors for the purposes of company law and are appointed by the members at the AGM.

# **ABC Nursery (Ferney Lee) Limited**

## **Trustees' report (continued) for the year ended 31 August 2011**

### **Objectives and activities**

#### **The charity's objects**

To advance the development and education of children under statutory school age in Todmorden ('the area of benefit') by providing a comprehensive childcare service offering facilities for recreation and safe and satisfying play and to provide or to arrange for the provision of such ancillary facilities and activities as are considered necessary or desirable for the fulfilment of the objects

#### **The charity's main activities**

To provide childcare for children aged 0-5 years and before and after school activities for 3-11 year olds

#### **Public benefit statement**

In setting our objectives and planning our activities our trustees have given serious consideration to the Charity Commission's general guidance on public benefit and in particular the advancement of education

#### **Achievements and performance**

ABC was inspected by Ofsted in the Spring of 2011 and was judged to be "good" - we were very pleased with the outcome

In addition the nursery has achieved the Local Authority Quality Mark.

We are committed to continuous staff training and currently exceed the government guidelines for qualified staff

There is a high retention of staff at ABC which reflects the high quality provision

We have undertaken a number of fundraising activities during the year which included a 12 mile sponsored walk by the staff and a curry evening for parents of the children. The staff made all the curries.

#### **Financial review**

The net expenditure for the year was £25,064 including net expenditure of £22,544 on unrestricted funds and net expenditure of £2,520 on restricted funds

#### **Reserves policy**

The charity's free reserves, excluding fixed assets, at the year end were £37,235

Once a year the directors of ABC Nursery will consider the level of reserves that it is prudent for the organisation to hold. Consideration will be given to redundancy liabilities, lease agreements and any other significant factors that should be taken into account if the nursery was to close. The directors have approved a policy to build unrestricted reserves to cover these eventualities, and additional sufficient resources to cover core running costs for a period of three months. Monies equivalent to the policy will be held in a separate reserve account.

# **ABC Nursery (Ferney Lee) Limited**

## **Trustees' report (continued) for the year ended 31 August 2011**

### **Statement of trustees' responsibilities**

The trustees (who are also the directors for the purposes of company law) are responsible for preparing the Trustees report and the financial statements in accordance with the applicable law and UK Accounting Standards

Company law requires the trustees to prepare financial accounts for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. 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,

prepare the accounts on a going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial accounts comply with the Companies Act 2006. 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

This report has been prepared in accordance with the Statement of Recommended Practice Accounting and Reporting by Charities (SORP 2005) and in accordance with the special provisions of the Companies Act 2006 relating to small companies

Signed on behalf of the board of trustees

Signed



Name

PAULINE KROGAN-HEWITT

Director/Trustee

Date

28/3/12

## **ABC Nursery (Ferney Lee) Limited**

### **Independent examiner's report to the trustees of ABC Nursery (Ferney Lee) Limited**

I report on the accounts of the charitable company for the year ended 31 August 2011, which are set out on pages 6 to 10

#### **Respective responsibilities of the trustees and the examiner**

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 43(2) of the Charities Act 1993 (the 1993 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to an audit under company law and is eligible for independent examination, it is my responsibility to examine the accounts under section 43 of the 1993 Act, follow the procedures laid down in the general Directions given by the Charity Commission under section 43(7)(b) of the 1993 Act and state whether particular matters have come to my attention.

#### **Basis of independent examiner's statement**

My examination was carried out in accordance with the general Directions given by the Charity Commission. 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 386 of the Companies Act 2006, and

to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2005)

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

Signed



Name Helen Galvin

Relevant professional qualification or body FCCA

Date

16/4/2012

For and on behalf of

**West Yorkshire Community Accounting Service**

Stringer House  
34 Lupton Street  
Leeds  
LS10 2QW

**ABC Nursery (Ferney Lee) Limited**  
**Statement of Financial Activities**  
**(including summary income and expenditure account)**  
**for the year ended 31 August 2011**

	Notes	2011 Unrestricted funds £	2011 Restricted funds £	2011 Total funds £	2010 Total funds £
<b>Incoming resources</b>					
Grants and donations	(2)	34,682	5,850	40,532	47,060
Sales and fees		190,551	-	190,551	200,787
Fundraising		79	-	79	175
Milk refund		2,006	-	2,006	459
Other income		227	-	227	-
Bank interest		80	-	80	282
<b>Total incoming resources</b>		<b>227,625</b>	<b>5,850</b>	<b>233,475</b>	<b>248,763</b>
<b>Resources expended</b>					
Salaries and NICs	(3)	203,289	2,580	205,869	187,567
Recruitment		2,196	-	2,196	-
Payroll charges		509	-	509	519
Travel costs		-	-	-	132
Building costs		2,626	-	2,626	2,094
Cleaning costs		3,667	-	3,667	3,563
Computer equipment and software		1,974	500	2,474	29
Food		11,164	-	11,164	8,975
Insurance		2,165	-	2,165	1,620
Advertising and marketing		2,626	-	2,626	1,128
Subscriptions and other professional fees		220	-	220	638
Management charges		480	-	480	480
Bookkeeping support		565	-	565	1,129
Accountancy and independent examination		713	-	713	692
Office equipment, postage and stationery		2,548	17	2,565	3,541
Outdoor and gardening costs		-	-	-	87
Uniforms		126	-	126	303
Toys and resources		2,422	2,880	5,302	6,611
Telephone and internet		1,230	-	1,230	910
Heat and light		2,260	-	2,260	2,209
Depreciation		7,051	-	7,051	7,034
Rent and rates		601	-	601	841
Trips and activities		50	-	50	390
Training		210	2,393	2,603	1,007
Sundries		304	-	304	132
Furniture and fittings		692	-	692	359
Bank charges		481	-	481	-
Grant repayment		-	-	-	488
<b>Total resources expended</b>		<b>250,169</b>	<b>8,370</b>	<b>258,539</b>	<b>232,478</b>
<b>Net income / (expenditure)</b>		<b>(22,544)</b>	<b>(2,520)</b>	<b>(25,064)</b>	<b>16,285</b>
<b>Fund balances brought forward</b>		<b>72,808</b>	<b>2,520</b>	<b>75,328</b>	<b>59,043</b>
<b>Fund balances carried forward</b>	(4)	<b>50,264</b>	<b>-</b>	<b>50,264</b>	<b>75,328</b>

All incoming resources and resources expended derive from continuing activities

# ABC Nursery (Ferney Lee) Limited

## Balance sheet

as at 31 August 2011

	2011	2011	2011	2010
	Unrestricted £	Restricted £	Total £	Total £
<b>Fixed assets</b>				
Tangible assets	(5) 13,029	-	13,029	19,408
<b>Total fixed assets</b>	<u>13,029</u>	<u>-</u>	<u>13,029</u>	<u>19,408</u>
<b>Current assets</b>				
Debtors and prepayments	(6) 14,500	476	14,976	25,734
Cash at bank and in hand	(7) 26,458	(336)	26,122	35,502
<b>Total current assets</b>	<u>40,958</u>	<u>140</u>	<u>41,098</u>	<u>61,236</u>
<b>Current liabilities:</b>				
<b>amounts falling due within one year</b>				
Creditors and accruals	(8) 3,723	140	3,863	5,316
<b>Total current liabilities</b>	<u>3,723</u>	<u>140</u>	<u>3,863</u>	<u>5,316</u>
<b>Net current assets / (liabilities)</b>	<u>37,235</u>	<u>-</u>	<u>37,235</u>	<u>55,920</u>
<b>Total assets less current liabilities</b>	<u>50,264</u>	<u>-</u>	<u>50,264</u>	<u>75,328</u>
<b>Net assets</b>	<u>50,264</u>	<u>-</u>	<u>50,264</u>	<u>75,328</u>
<b>Funds</b>				
Unrestricted funds	50,264	-	50,264	72,808
Restricted funds	-	-	-	2,520
<b>Total funds</b>	<u>50,264</u>	<u>-</u>	<u>50,264</u>	<u>75,328</u>

For the year ending 31 August 2011 the charitable company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies

The members have not required the charitable company to obtain an audit of its accounts for the year in question in accordance with section 476. The trustees (who also the directors for the purposes of company law) acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved at a meeting of the trustees and signed on its behalf by

Signed  Date 28/3/12

Name PAULINE BROWN-HEWITT Director/Trustee



# **ABC Nursery (Ferney Lee) Limited**

## **Notes to the accounts**

**for the year ended 31 August 2011**

### **1 Accounting policies**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice Accounting and Reporting by Charities (SORP 2005), the Companies Act 2006 and Financial Reporting Standard for Smaller Entities (effective April 2008).

There has been no change to the accounting policies since last year.

No changes have been made to the accounts for previous years.

#### **Incoming resources**

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity becomes entitled to the resources, the trustees are virtually certain they will receive the resources and the monetary value can be measured with sufficient reliability.

#### **Grants and donations**

Grants and donations are only included in the SOFA when the charity has unconditional entitlement to the resources.

Where grants are related to performance and specific deliverables, they are accounted for as the charity earns the right to consideration by its performance.

#### **Expenditure and liabilities**

Expenditure is recognised on an accrual basis as a liability is incurred. Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out the resources.

#### **Taxation**

As a charity the organisation benefits from rates relief and is generally exempt from income tax and capital gains tax but not from VAT. Irrecoverable VAT is included in the cost of those items to which it relates.

#### **Tangible fixed assets**

Tangible fixed assets costing more than £300 are capitalised and included at cost including any incidental expenses of acquisition. Gifted assets are shown at the value to the charity on receipt. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected useful economic lives as follows:

Fixtures and fittings 15% to nil

Equipment over 5 years

#### **Fund accounting**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

Further explanation of the nature and purpose of each fund is included in the notes to the accounts.

# ABC Nursery (Ferney Lee) Limited

## Notes to the accounts continued

for the year ended 31 August 2011

2 Grants and donations	2011 Unrestricted funds £	2011 Restricted funds £	2011 Total funds £	2010 Total funds £
CMBC - Children and Young People's Services	34,682	5,374	40,056	47,060
	<u>34,682</u>	<u>5,374</u>	<u>40,056</u>	<u>47,060</u>

3 Staff costs and numbers	2011 £	2010 £
Gross salaries	193,886	175,828
Social security costs	11,983	11,739
	<u>205,869</u>	<u>187,567</u>

The average number employees during the year was 21 (2010 22)

There were no employees with emoluments above £60,000

4 Restricted funds	Balance b/f £	Incoming £	Outgoing £	Balance c/f £
CMBC - Graduate Leader Fund	1,500	3,012	4,512	-
CMBC - Inclusion Support	1,020	-	1,020	-
CMBC - Dcatch	-	2,838	2,838	-
	<u>2,520</u>	<u>5,850</u>	<u>8,370</u>	<u>-</u>

Fund name	Purpose of restriction
CMBC - Graduate Leader Fund	Support towards the costs of staff accessing a foundation degree or equivalent
CMBC - Inclusion Support	Support towards a member of staff working with special needs children in the basement club
CMBC - Dcatch	To purchase resources

# ABC Nursery (Ferney Lee) Limited

## Notes to the accounts continued for the year ended 31 August 2011

### 5 Tangible assets

	Equipment	Fixtures	Total
<u>Cost</u>	£	£	£
At 1 September 2010	11,278	31,856	43,135
Additions	672	-	672
At 31 August 2011	<u>11,951</u>	<u>31,856</u>	<u>43,807</u>
 <u>Depreciation</u>			
At 1 September 2010	5,218	18,509	23,727
Charge for year	2,389	4,662	7,051
At 31 August 2011	<u>7,608</u>	<u>23,171</u>	<u>30,778</u>
 <u>Net book value</u>			
At 31 August 2011	<u>4,343</u>	<u>8,686</u>	<u>13,029</u>
At 31 August 2010	<u>6,060</u>	<u>13,348</u>	<u>19,408</u>

### 6 Debtors and prepayments

	2011	2010
	£	£
Debtors	14,070	24,788
Prepayments	906	946
	<u>14,976</u>	<u>25,734</u>

### 7 Cash at bank and in hand

	2011	2010
	£	£
Current account	18,757	27,964
Deposit account	7,363	7,282
Cash in hand	3	256
	<u>26,122</u>	<u>35,502</u>

### 8 Creditors and accruals

	2011	2010
	£	£
Creditors	3,150	4,583
Accruals	713	733
	<u>3,863</u>	<u>5,316</u>

### 9 Trustee expenses

No trustee received any expenses during this or the previous accounting year

### 10 Related party transactions

There were no related party transactions during this or the previous accounting year