

ACE NURSERY SCHOOL (CAMBRIDGE) LIMITED

1170191

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2008

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DIRECTORS	A Tait	L Tuohy	A Youngman
	S Jacobs	H Glaisyer	
	C Ball	C Keatinge	
	S Culhane	E Bannister	
	K Wilson	J Eisen	

HEADTEACHER L Tuohy

DAY NURSERY MANAGER S Piotrowski

SECRETARY J Bickley

REGISTERED OFFICE
37 Parkside
Cambridge
CB1 1JE

REGISTRATION NUMBER 01170191 (company limited by guarantee)

REGISTERED CHARITY NUMBER 271233

INDEPENDENT EXAMINER
Nigel A Prentis FCA
Prentis & Co LLP
Chartered Accountants & Independent Examiners
115c Milton Road
Cambridge
CB4 1XE

BANKERS
Lloyds TSB
Gonville Place
95 Regent Street
Cambridge
CB2 1BQ

WEDNESDAY



A59 26/11/2008 130
COMPANIES HOUSE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2008

REPORT OF THE DIRECTORS

The trustees, who are also directors of the charity for the purposes of the Companies Act, present their annual report and the financial statements for the year ended 31st August 2008. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in October 2005 in preparing the annual report and financial statements of the charity.

STRUCTURE GOVERNANCE AND MANAGEMENT
GOVERNING DOCUMENT

The charity is constituted as a company limited by guarantee, and is therefore governed by a memorandum and articles of association which were amended on 30th August 1996 and further amended on 9th January 2007. It is registered with the Charity Commission.

ORGANISATION AND APPOINTMENT OF TRUSTEES

The charity is run as a parents' co-operative, which is a company owned and managed by the parents. Whilst the care and education of the children are the responsibility of experienced and professional staff, the employment of the staff and the overall management of the school are undertaken by the parents, organised by the Parents' Committee (Management Committee). This is elected by the members at the Annual General Meeting (AGM) of the company and all elected parents plus the Head teacher are the Directors of the company. Details of the Directors of the company (who are also trustees of the charity) who served throughout the year are shown below. All parents and members of staff are encouraged to become members of the co-operative by signing the membership form.

As members of the co-operative, all parents contribute towards the smooth running of ACE in one of the following ways:

- 1 Serving on the Parents' Committee (Management Committee). The Head teacher and Nursery Manager attend the committee meetings, providing a link between the staff and parents. The committee meets at least once every half-term.
- 2 Undertaking to work a set number of hours per term in one of the following areas:

Social and Fundraising	Cleaning
Laundry	Shopping
Painting and decorating	Sewing
Bursary	Gardening
Looking after children	Outdoor work
Toys and equipment	Maintenance
- 3 Parents unable to contribute in a practical way are required to top up their child's fees each term.

ACE Nursery School (Cambridge) Ltd was established in 1966 to provide nursery education for 2.5 - 5 year olds. The current Nursery School at 37 Parkside has 40 places and operates to state school terms. The Nursery School runs an early morning session and after school club to help working parents. The after school club is available to ACE children and ex-ACE children who are aged 6 years and under. During half-term holidays and the Easter and Summer holidays, ACE Nursery runs a holiday playscheme for children up to 6 years of age. In May 2004 a second facility was opened at 6A Priory Road, known as ACE Day Nursery. This provides childcare for up to 17 children between the ages of 1 and 3 years and operates for 48 weeks of the year. The Day Nursery is on a separate site and has its own Manager, but is under the overall management of the Head teacher of the Nursery School. The Day Nursery operates as a parents' co-operative and has the same ethos as the Nursery School.

DIRECTORS

The directors who are also members of the management committee, who were in office during the year were as follows:

P Watson (resigned 15/11/07)	S Culhane	J Eisen (appointed 15/11/07)
K Owen (resigned 15/11/07)	K Wilson	A Youngman (appointed 15/11/07)
S Sherratt (resigned 15/11/07)	A Young (resigned 15/11/07)	
M Naylor (resigned 15/11/07)	A Tait	
S Ransome (resigned 15/11/07)	L Tuohy (appointed 15/11/07)	
B Carter (resigned 15/11/07)	H Glaisyer (appointed 15/11/07)	
S Jacobs	C Keatinge (appointed 15/11/07)	
C Ball	E Bannister (appointed 15/11/07)	

Management Committee Meetings are attended by the Head Teacher and Day Nursery Manager.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2008

REPORT OF THE DIRECTORS CONT

INDUCTION AND TRAINING OF TRUSTEES

A Welcome Pack was provided to all new trustees (Committee members), which contained a copy of the Charity Commission leaflet CC3a on the duties and responsibilities of charity trustees, a job description, a copy of the company's articles and a copy of the most recent set of accounts. All trustees are familiar with the work of ACE since they are parents and have regular contact with ACE.

RISK MANAGEMENT

Risk assessments are made at both nurseries on an ongoing basis. As part of this process an external safety consultant is used at regular intervals to review and document the risks posed, particularly by physical play in the outdoor area. Safety Policies are in place, which are available for inspection. Risk assessments are reviewed whenever significant changes are made.

OBJECTS AND ACTIVITIES

The charity's objects and its principal activity continues to be that of providing pre-school nursery facilities and after school care in the form of a Nursery School and Day Nursery.

ACHIEVEMENTS AND PERFORMANCE

The new Head teacher joined the Nursery School at the start of the autumn term 2007. The main development objective during the 2007/08 academic year was to carry out an overall assessment of every area of both the Nursery School and Day Nursery and to use it to identify areas in which further work was required. Three key areas were highlighted for review and development during the year and these were as follows:

1. Development of an Operational Plan, covering all aspects of the organisation.

During the early part of the year, a considerable amount of time was spent on developing an operational plan for the Nursery School. This is a collection of documents about how the Nursery School is organised, how information is recorded, how referrals are made, how performance is monitored and reviewed and ongoing training requirements. Policies and procedures have been created or updated as necessary, and implemented on a wide range of issues, including health and safety, special educational needs, equal opportunities, behaviour, management etc. Specific staff have been assigned responsibility for each of these areas. The performance review process has been updated and each member of staff now receives appraisals on an annual basis at which performance is discussed and key objectives are set.

2. Filing system for all records held on children at the Nursery School.

A new filing system is now in operation and individual developmental and administrative records are now kept on every child. The format of these records is currently being developed as described in paragraph 3 below.

3. Develop an observation system which will encompass both Day Nursery and Nursery School children via the Birth to 5 programme. This will require staff training initially.

The third development activity was superseded during the year by the introduction of the government's Early Years Foundation Stage ("EYFS") initiative which needs to be operational from 1 September 2008.

This is a national initiative which brings together previous guidance on curriculum, national standards and birth to 5 programmes with the aim of creating education and care for a wide range of children in environments that extend learning and development.

During the summer 2008, work was started at ACE to implement EYFS at both the Nursery School and the Day Nursery. We have looked at how we organise our activities and observe children and in the Autumn will introduce a whole new way of recording information on children and training. The information we obtain from this process will be fed back into activities that further develop each child. Staff attended external and internal training courses to equip them with the necessary information to be able to manage the requirements of EYFS.

FINANCIAL REVIEW

During the year virtually all funding came from fees paid for nursery places. A significant proportion of fees at the Nursery School come from Nursery Education Funding ("NEF"), approximately 35% in this financial year. In this and previous financial years ACE has been involved in local and national discussions to try to ensure that the level of NEF is paid at an adequate level to cover costs of running a nursery in a city centre location.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2008

REPORT OF THE DIRECTORS CONT

RESERVES POLICY

A significant proportion of the nurseries' reserves were spent during the development of the Day Nursery in 2004. Following completion of this work it has been agreed by the Committee that the amount of reserves held should be 10% of the annual turnover of the company. There have been no transfers to reserves during the year and the balance in the CAF Gold account at 31st August 2008 is approximately £39,000, in line with the agreed reserves policy.

VOLUNTEERS

The charity is grateful for the efforts of its volunteers who are involved in service provision, fund raising and maintenance. It is estimated that over 1223 volunteer hours were provided during the year. If this is conservatively valued at £10 an hour the volunteer effort amounts to over £12230.

FUTURE DEVELOPMENTS

Our development goals for the coming year are

- 1 to fully implement, operate and review the systems put in place for the EYFS and ensure they are meeting all regulatory requirements
- 2 to develop a plan for improved use and access for all children to the outdoors area at the Nursery School, including identifying and accessing sources of finance. This will allow us to improve the external play area and other facilities so that they are accessible to all children. Possibilities under review include purchasing a new piece of garden equipment that can be used by children of all abilities, including children with special educational needs and the construction of a raised flower bed, which is easily accessible by all children for growing vegetables and flowers
- 3 to undertake a review of policies, practices and resources at the Day Nursery to ensure that adequate provision is made to reflect the full range of children's ages, abilities, cultural backgrounds and family situations

DIRECTORS' RESPONSIBILITIES FOR PREPARING THE FINANCIAL STATEMENTS

Company and charity law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985 and the Charities Act 1993. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report, which has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, was approved by the Board on 12 November 2008 and signed on its behalf



S CULHANE
DIRECTOR

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2008

INDEPENDENT EXAMINERS REPORT

I report on the accounts of the charitable company for the year ended 31st August 2008 which are set out on pages 5 to 9

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND EXAMINER

As the charity's directors you are responsible for the preparation of the accounts and you consider that the audit requirement of section 43(2) of the Charities Act 1993 (the Act) does not apply. It is my responsibility to state, on the basis of procedures specified in the General Directions given by the Charity Commissioners under section 43(7)(b) of the Act, whether particular matters have come to my attention.

BASIS OF INDEPENDENT EXAMINERS REPORT

My examination was carried out in accordance with the General Directions given by the Charity Commissioners. 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 I do not express an audit opinion on the view given by the accounts.

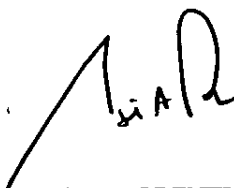
INDEPENDENT EXAMINERS STATEMENT

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 41 of the Act, and
 - * to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the Act
- 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



NIGEL A PRENTIS FCA
PRENTIS & CO LLP
CHARTERED ACCOUNTANTS &
INDEPENDENT EXAMINERS

115c Milton Road
Cambridge
CB4 1XE

25th November 2008

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2008

STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted Funds £	Restricted Funds £	Total 2008 £	Total 2007 £
Incoming resources	1				
Incoming resources from generated funds					
Voluntary income					
Grants and donations	3	220	882	1102	543
Fundraising income		3592	-	3592	4980
Investment income	4	4344	164	4508	2828
		8156	1046	9202	8351
Incoming resources from Charitable Activities					
Nursery fees paid		356993	-	356993	333015
Total Incoming resources		365149	1046	366195	341366
Resources Expended:	1				
Charitable activities					
Costs of running the nursery		324808	4184	328992	324799
Fundraising expenses		2088	-	2088	3236
Governance costs		1786	-	1786	1504
Total Resources Expended		328682	4184	332866	329539
Net movement in funds		36467	(3138)	33329	11827
Total funds brought forward		105056	56359	161415	149588
Total funds carried forward		141523	53221	194744	161415

None of the company's activities were acquired or discontinued during the year and there were no recognised gains and losses for 2008 or 2007 other than those indicated in the Statement of Financial Activities

The notes on pages 7 to 9 form part of these financial statements

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2008

BALANCE SHEET

	Notes	2008 £	£	2007 £	£
FIXED ASSETS					
Tangible assets	6		78062		83195
CURRENT ASSETS					
Stocks		188		474	
Debtors	7	5194		2766	
Cash at bank and in hand	8	145625		111263	
		<u>151007</u>		<u>114503</u>	
CREDITORS amounts falling due within one year	9	<u>34325</u>		<u>36283</u>	
NET CURRENT ASSETS			116682		78220
Net Assets			<u>194744</u>		<u>161415</u>
FUNDS					
Unrestricted fund	16		141523		105056
Restricted fund	16		53221		56359
			<u>194744</u>		<u>161415</u>

The financial statements which have been prepared in accordance with the special provisions of Part V11 of the Companies Act 1985 applicable to small companies, were approved by the Board on 12 November 2008 and signed on its behalf


S CULHANE
DIRECTOR

The notes on pages 7 to 9 form part of these financial statements



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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2008

NOTES TO THE FINANCIAL STATEMENTS

- 1 ACCOUNTING POLICIES
- (a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS
The financial statements are 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 issued in March 2005 SORP 2005 applicable UK Accounting Standards and the Companies Act 1985
- (b) INCOMING RESOURCES
Income represents grants received, investment income and other fees and rents. Donations are included in incoming resources when they are receivable
- (c) VOLUNTEERS AND DONATED SERVICES
The value of services provided by volunteers is not incorporated into these financial statements. Further details can be found in the Directors Report
- (d) RESOURCES EXPENDED
Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered. Expenditure which is directly attributable to specific activities has been included in these cost categories. Where costs are attributable to more than one activity, they have been apportioned across the cost categories on a basis consistent with the use of these resources
- (e) FINANCE AND OPERATING LEASES
Rentals applicable to operating leases are charged to the Statement of Financial Activities over the period they are incurred. Assets obtained under finance leases are capitalised as tangible fixed assets. Obligations under such leases are included in creditors net of finance charge allocated to future periods. The finance element of each payment is charged to the Statement of Financial Activities so as to produce a constant periodic rate on the net obligation outstanding in each period
- (f) TANGIBLE FIXED ASSETS AND DEPRECIATION
Tangible fixed assets are stated at cost less depreciation
Depreciation is provided on all tangible fixed assets at rates calculated to write-off the costs less estimated residual value of each asset evenly over their expected useful lives as follows
Furniture and equipment - 10% straight line
Improvements to leasehold - 5% straight line
- (g) STOCKS
Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads
- (h) PENSIONS
The company contributes to defined contribution personal pension schemes in respect of certain key employees. The charge in the accounts represents the amounts payable by the company in the year. The assets of the scheme are held in independently administered funds
- (i) CASH FLOW STATEMENTS
The company, being a company of small size within the meaning of the Companies Act 1985, has used the exemption provided by Financial Reporting Standard No 1 under which they are not required to include a cash flow statement as part of their financial statements

2	NET INCOMING RESOURCES	2008	2007
		£	£
	This is stated after charging		
	Depreciation of fixed assets owned by the company	5743	5682
	Operating lease rentals	36000	33000
	Audit fees	-	1504
		<hr/>	<hr/>
3	GRANTS RECEIVED	2007	2007
		£	£
	Cambridgeshire County Council	107	105
		<hr/>	<hr/>

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2008

NOTES TO THE FINANCIAL STATEMENTS

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INVESTMENT INCOME	2008	2007
	£	£
Income from cash deposits	4508	2828

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STAFF COSTS AND DIRECTORS REMUNERATION

L Tuohy who was a director was paid £29969 (2007 P Watson £36945) in the year for her services as head teacher Reimbursed expenses to trustees are shown in Note 10 Pension costs for L Tuohy were £540 (2007 P Watson £2525)

The total staff costs of the year (including L Tuohy) were

	2008	2007
	£	£
Wages and salaries	232683	232707
Employers National Insurance	17241	16352
Employers pension contributions	6973	8632
	256897	257691

The average monthly number of employees, including directors during the year was as follows

	2008	2007
Direct charitable work	20	20
Administrative	2	2
	22	22

No employee received remuneration of more than £60000

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TANGIBLE FIXED ASSETS

	Leasehold Improvements	Furniture & Equipment	Total
COST	£	£	£
Balance at 1st September 2007	99372	10645	110017
Additions	-	610	610
Balance at 31st August 2008	99372	11255	110627
DEPRECIATION			
Balance at 1st September 2007	20289	6533	26822
Charge for the year	4969	774	5743
Balance at 31st August 2008	25258	7307	32565
NET BOOK VALUE AT 31st August 2008	74114	3948	78062
NET BOOK VALUE AT 31st August 2007	79083	4112	83195

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DEBTORS

	2008		2007	
	Due within one year	Due after one year	Due within one year	Due after one year
	£	£	£	£
Trade debtors	1114	-	216	-
Payments in advance	2080	2000	550	2000
	3194	2000	766	2000

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CASH AT BANK AND IN HAND

	2008	2007
	£	£
Fee accounts (including monies held in advance and day nursery deposits referred to in note 9)	99102	66748
Current account	-	38
Maintenance account	1826	1821
Bursary account	5487	5425
CAF Investment account (Reserve policy funds)	39024	37112
Petty cash	186	119
	145625	111263

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2008

NOTES TO THE FINANCIAL STATEMENTS

9	CREDITORS	2008 Due within one year £	2007 Due within one year £
	Bank loans and overdraft	2489	-
	Accruals and deferred income	31836	36283
		<u>34325</u>	<u>36283</u>

Accruals and deferred income includes day nursery deposits of £11,880 (2007 £13,037) and fees received in advance of £10,619 (2007 £16,458) for the forthcoming year included within cash at bank

- 10 **COMMITTEE MEMBERS EXPENSES**
Four directors who for charitable purposes are also the Committee Members were paid a total of £1768 (2007 £1002) for reimbursed expenses during the year

- 11 **COMMITMENTS**
The company has paid £5103 (2007 £8169) in respect of defined contribution pensions At the year end there were no amounts outstanding or any prepaid contributions (2007 £nil)

- 12 **LIABILITY OF DIRECTORS**
In the event of the charitable company being wound up the liability of the directors is limited to £1

- 13 **OPERATING LEASES**
As at 31st August 2008 the charity had annual commitments under non cancellable operating leases on land and buildings as follows

	2008 £	2007 £
Expiry date In more than five years	<u>36000</u>	<u>33000</u>

- 14 **FUNDS OF THE CHARITY**
There are two separate restricted funds which make up the total restricted funds in the financial statements There is a Bursary Fund which subsidises fees for low income families The other restricted fund was raised for the development of the nursery and is now represented in fixed assets

15	ANALYSIS OF NET ASSETS BETWEEN FUNDS	Unrestricted Fund £	Restricted Bursary Fund £	Restricted Day Nursery Fund £	Total £
	Tangible fixed assets	30328	-	47734	78062
	Net current assets	111195	5487	-	116682
		<u>141523</u>	<u>5487</u>	<u>47734</u>	<u>194744</u>

16	STATEMENT OF FUNDS	At 1st September 2007 £	Income £	Expenditure £	At 31st August 2008 £
	Restricted funds				
	Bursary Fund	5425	939	877	5487
	Day Nursery Fund	50934	-	3200	47734
	Nursery School - Electronic Learning	-	107	107	-
	Total restricted funds	<u>56359</u>	<u>1046</u>	<u>4184</u>	<u>53221</u>
	Unrestricted Fund	<u>105056</u>	<u>365149</u>	<u>328682</u>	<u>141523</u>
	Total funds	<u>161415</u>	<u>366195</u>	<u>332866</u>	<u>194744</u>

