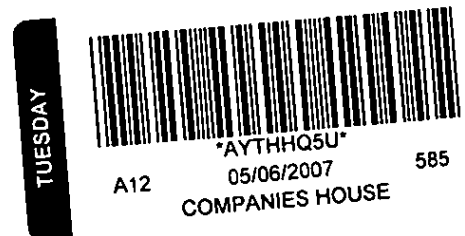


THE NEW MONTESSORI PRE-SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
UNAUDITED DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31ST AUGUST 2006

Company Number: 3908382

Charity Number: 1056853



THE NEW MONTESSORI PRE-SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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THE NEW MONTESSORI PRE-SCHOOL

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(A COMPANY LIMITED BY GUARANTEE)

Company Information

Board of Management

Mrs D Fox
Mr R Bishop
Miss S Marshall
Miss K Clark
Mrs R Rocheleau
Mr P Seberry-Edkins

Company Secretary

Mr R Bishop

Principal

Mrs R Shanahan

Registered Office

The Methodist Church
Tarring Road
WORTHING
West Sussex
BN11 4ET

Trading Address

The Methodist Church
Tarring Road
WORTHING
West Sussex
BN11 4ET

Bankers

CafCash Ltd
PO Box 289
WEST MALLING
Kent
ME19 4TA

Lloyds TSB Bank plc
41 South Street
WORTHING
West Sussex
BN11 3AU

THE NEW MONTESSORI PRE-SCHOOL

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Directors' Report For the year ended 31st August 2006

The directors' present their report of the accounts for the year ended 31st August 2006.

Status of the company and principal activities

The company, a pre-school, is registered under the Companies Act 1985 as a company limited by guarantee, registered number 3908382, and not having a share capital

The company was registered as a charity on 31st May 2001, registered number 1086853

The principal objectives of the company are.

- to advance the education of children below compulsory school age in accordance with the Montessori aims, philosophy and method.
- to provide, conduct, develop or otherwise support The New Montessori Pre-School currently established in Worthing, West Sussex
- to advance the education and training of persons in the provision of such educational care
- to encourage any other charitable activities through which parents and guardians may assist their children

Review of the year

It has been an exciting year, which has seen the pre-school move to its new location, the Methodist Church in Tarring Road Worthing. We are very grateful to the Methodist Leadership Team for giving us their full support

Following months of preparation the move to Tarring Road took place over the 2006 Easter holidays. The children, staff and parents are thrilled with the new building and the happy atmosphere has helped to further strengthen the strong community ethic of the school. The school has also established itself as part of the local community

The change of premises also prompted a change in the registered name of the company, to drop the "(Shelley Road)" suffix, and the committee took the opportunity to review and update the Memorandum and Articles of Association, and to formalise the rules of membership

The profile of the school has been raised over the past year by our publicity officer, Becky Rocheleau, and by the in-house production of a DVD outlining the Montessori method. We have had several articles and advertisements in local papers and frequent mentions on local radio. The Montessori DVD was launched just prior to the relocation of the school. Production was a joint effort by staff and children and was produced by two parents, Debbie and Jezz Fox. The DVD has helped promote awareness of the Montessori method and been a useful source of advertising for the pre-school

There have been continued improvements in the running of the administration over the past year. In particular we are grateful to Helen Bishop, the Accounts Manager and to Chris Dyer who offers invaluable advice regarding book keeping and office procedures.

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**Directors' Report - continued
For the year ended 31st August 2006**

It has been a successful year for our voluntary fundraisers, the Friends of The New Montessori, who, with support from the parents have raised in excess of £2000. As well as providing the school with specialised Montessori equipment, the Friends have supplied hi-visibility jackets and sun hats for the children

During the summer of 2005 mail delivery to the pre-school was severely disrupted, resulting in an unknown number of letters addressed to the pre-school being 'returned to sender' Whilst it is not possible to ascertain the exact number of lost registration forms for this period, there is evidence to suggest that the school lost a significant number of new entrants for the September 2006 intake Ailsa Stuart, on behalf of the Management Committee, collected evidence to support a claim against the Post Office. This resulted in a £600 compensation payout to the pre-school, which is the maximum awarded.

Current enrolment at the school is extremely healthy. morning, afternoon and lunch club sessions are well subscribed Driven largely by increases in the National Minimum Wage, but also by our need to meet the cost of the change of premises and to build some reserves, the fees for the 3 hour Montessori sessions were set at £11 90 in August 2005, and at £12 50 in August 2006 The lunch club remained at £2 50 throughout.

Staff training

Staff from the school currently attend Foundation Network meetings organised by Sure Start These enable contact with primary school teachers to discuss the transition of the child to their next school F I R S T meetings are also attended by a variety of staff These meetings are held by the Children's Information Service to encourage awareness of special needs in children

The Management Committee actively support staff training During the year, two members of staff were working towards their Montessori Diploma and three members of staff were working towards NVQ level 3 qualifications. Our qualified staff regularly attend Montessori Conferences, training days and workshops to improve their knowledge and understanding of the development of the child

Future developments

Government plans to change the way in which Nursery Education Grant vouchers may be used pose a significant difficulty for the school in the coming year, and the Management Committee and Principal are exploring ways in which the business may have to change to accommodate what would represent a significant fall in our fee income. We will continue to work with the local education authorities and do what we can to mitigate this risk.

The Management Committee remains aware that the church is considering disposal of the building occupied by the school in the medium term, so it is important to remain alert to the availability and market rates of other suitable properties in the area.

The pre-school looks forward to continuing to provide quality Montessori education to children in the local community.

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Directors' Report - continued
For the year ended 31st August 2006

Results for the year

Details of the results for the year are set out in the Statement of Financial Activities on page 6

Directors

Members of the Management Committee, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year were as follows

Mrs A Stuart
Mrs D Fox
Mr R Bishop
Mrs S Marshall
Mrs K Clark - appointed February 2006
Mrs R Rocheleau - appointed February 2006

Each director is a member of the company and has a liability limited to £1. Directors are appointed in accordance with the Memorandum and Articles of Association.

Statement of directors' responsibility

The directors' are required to prepare accounts for each financial period which give a true and fair view of the school's financial activities during the period and of its financial position at the end of the period. In preparing the accounts the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the accounts on a going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping the accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the accounts comply with applicable law and regulations. 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.

Small company exemptions

The directors' report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and was approved by the Board on 30th April 2007 and signed on their behalf



Mr R Bishop
Director and Company Secretary

Dated: 30/4/07

(A COMPANY LIMITED BY GUARANTEE)

**Independent Examiners Report
For the year ended 31st August 2006**

This report is made solely to the company's members, as a body, in accordance with Section 249C of the Companies Act 1985. My reporting work has been undertaken so that I might state to the members those matters I am required to state to them in an independent examiners report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company and the company's members as a body, for my reporting work, for this report, or for the opinions I have formed.

Respective responsibilities of Directors and Independent Examiner

As described on page 8 the company's directors, who are also the Trustees of The New Montessori Pre School for the purpose of charity law, are responsible for the preparation of the accounts, and they consider that the company is exempt from an audit. It is my responsibility to carry out procedures designed to enable me to report my opinion.

Basis of opinion

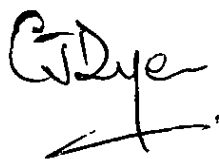
My procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as I considered necessary for the purposes of this report. These procedures provide only the assurance expressed in my opinion.

Opinion

In my opinion

- (a) the accounts are in agreement with the accounting records kept by the company under Section 221 of the Companies Act 1985
- (b) having regard only to, and on the basis of, the information contained in those accounting records
 - (i) the accounts 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 accounts for the year as specified in Section 249A(4) of the Act as modified by Section 249A(5) 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).

Mr C J Dyer
22 Hailsham Road
WORTHING
BN11 5PA



Dated: 30/4/07

(A COMPANY LIMITED BY GUARANTEE)

Statement of Financial Activities (including Income and Expenditure Account)
For the year ended 31st August 2006

	Notes	Un Restricted Funds 2006 £	Restricted Funds (Friends) 2006 £	Total Funds 2006 £	Total Funds 2005 £
Incoming Resources					
Incoming resources from generated funds:					
Voluntary income:					
- Donations		1,205	272	1,477	
- Grants		58,424	0	58,424	
- Welfare Food Scheme		980	0	980	
- Gift Aid		0	141	141	
Activities for generating funds:					
- Fees		80,375	0	80,375	
- Fundraising events		0	2,080	2,080	
Investment income:					
- Bank interest		372	1	373	
Other incoming resources					
- Post Office compensation		600	0	600	
Total incoming resources		141,956	2,494	144,450	<i>125,369</i>
Resources expended					
	2				
Costs of generating funds:					
Fundraising trading: costs of goods sold and other costs					
		128,956	2,360	131,316	
Governance costs					
		11,860	0	11,860	
Total resources expended		140,816	2,360	143,176	<i>130,671</i>
Net incoming/outgoing resources before transfers		1,140	133	1,273	<i>(5,302)</i>
Transfers					
Gross transfers between funds		0	0	0	
Reconciliation of funds					
Total funds brought forward		6,682	1,153	7,835	<i>13,137</i>
Total funds carried forward		7,822	1,286	9,108	<i>7,835</i>

(A COMPANY LIMITED BY GUARANTEE)

Balance Sheet
As at 31st August 2006

	Notes	2006 £	2005 £
Fixed Assets			
Tangible fixed assets	4	<u>6,017</u>	6,334
Total fixed assets		6,017	
Current assets			
Debtors	5	490	1,101
Cash at bank and in hand	6	<u>8,361</u>	<u>7,160</u>
Total current assets		8,851	8,261
Liabilities			
Creditors: due within one year	7		
- Various		(3,036)	(3,217)
- Loan		<u>(1,125)</u>	<u>(1,125)</u>
Total current liabilities		(4,161)	(4,342)
Net current assets or liabilities		4,690	3,919
Total assets less current liabilities		10,707	10,253
Creditors: due after more than one year			
- Loan (repayable 2 to 5 years)		(1,599)	(2,418)
Net assets or liabilities		<u>9,108</u>	<u>7,835</u>
Capital and Funds	8		
Unrestricted funds			
- General purpose		7,822	6,682
Restricted funds			
- Friends of The New Montessori (HSBC)		1,286	1,153
		<u>9,108</u>	<u>7,835</u>

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(A COMPANY LIMITED BY GUARANTEE)

**Balance Sheet - continued
As at 31st August 2006**

The directors are of the opinion that the company is entitled to exemption from audit conferred by Subsection 1 of Section 249A of the Companies Act 1985 for the year ended 31st August 2006

The directors confirm that no member or members have requested an audit pursuant to Subsection 2 of Section 249B of the Companies Act 1985

The directors confirm that they are responsible for

- ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985,
- and preparing accounts which give a true and fair view of the state of the affairs of the company as at the end of the financial year and of its results for the financial year in accordance with the requirements of Section 226 of the Companies Act 1985, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These accounts were approved by the Board on 30th April 2007 and signed on their behalf



**Mr R Bishop
Director and Company Secretary**

Dated: 30/4/07

(A COMPANY LIMITED BY GUARANTEE)

**Notes to the Accounts
For the year ended 31st August 2006**

1 Accounting policies

1.1 Basis of accounting

The accounts are prepared under the historical costs convention and in accordance with applicable accounting standards and the Companies Act 1985, and follow the recommendations in Accounting and Reporting by Charities Statement of Recommended Practice revised 2005

1.2 Income

Income for the year represents amounts receivable for grants and school fees and other sundry income. The value of services provided by volunteers has not been included.

Donations are accounted for when they are received.

1.3 Resources expended

Expenditure is included when incurred and has been attributed to specific activities

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less 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:

Equipment	5% pa on reducing balance
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1.5 Taxation

The company is exempt from corporation tax on its charitable activities.

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(A COMPANY LIMITED BY GUARANTEE)

Notes to the Accounts
For the year ended 31st August 2006

2	Total resources expended	2006	2005
		£	£
	Fundraising trading; costs of goods sold and other costs		
	Wages inc NIC	99813	96,322
	Rent	14620	14,848
	Milk, juice, biscuits etc	1317	1,241
	Topics	1586	3,923
	Italian Club	0	703
	Staff advert	300	344
	Insurance	450	450
	Sundry equipment	6540	4,426
	Training costs	2157	858
	Expenses	0	10
	Staff uniforms and welfare	676	305
	Cleaning	283	325
	Utilities	707	0
	Refund of fees	0	26
	Irrecoverable income	0	196
	Break in	190	0
	Depreciation	317	333
		128956	124310
	Governance costs		
	Wages inc NIC	3224	1,768
	Stationery and post	1014	718
	Telephone	506	388
	Bank charges	218	208
	Loan Interest	147	192
	Reporting Accountants fees	0	1,325
	Independent Examiners fees	125	0
	Treasurers Honoraria	300	0
	Misc costs	1550	1,350
	New Building	4117	0
	IT Eqpt	659	0
		11860	5949

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Notes to the Accounts
For the year ended 31st August 2006**3 Remuneration**

No remuneration or expenses were paid to the directors during the year

The total employee costs for the period amounted to £103038. The average number of employees was 16 teachers and classroom assistants and 1 office administrator

No employee earned more than £50,000

4 Tangible fixed assets**Equipment**
£**Cost**

At 1st September 2005

7,829

Additions in the year

0

At 31st August 2006

7,829

Depreciation

At 1st September 2005

1,495

Charge for year

317

At 31st August 2006

1,812

Net book value

At 1st September 2005

6,334

At 31st August 2006

6,017

5 Debtors

2006
£

2005
£

Prepayments

- Insurance

480

450

Other

10

0

490

450

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(A COMPANY LIMITED BY GUARANTEE)

**Notes to the Accounts
For the year ended 31st August 2006**

6	Cash at bank and in hand	2,006	2,005
		£	£
	- CAF Gold A/c	1,728	1,075
	- CAF Gold (Fixed) A/c	56	54
	- CAF High Interest Cheque A/c	4,920	3,317
	- Lloyds Treasurers A/c	370	1,400
	- Lloyds Instant Access A/c	0	0
	- HSBC (Friends)	1,286	1,153
	- Cash in hand	1	161
		8,361	7,160
7	Creditors: Amounts falling due in one year	2,006	2,005
		£	£
	Accruals and deferred income		
	- Treasurers Honoraria	(300)	(150)
	- Accountants fees	(125)	(1,175)
	- Inland Revenue	(2,548)	(1,775)
	- Wages	(50)	0
	- Trade Creditors	(13)	(117)
	- Loan	(1,125)	(1,125)
		(4,161)	(4,342)
8	Analysis of net assets between funds		
		Un restricted Funds	Restricted Funds
		£	£
	Fixed Assets	6,017	0
	Current Assets	7,565	1,286
	Current Liabilities	(4,161)	0
	Liabilities more than one year	(1,599)	0
		7,822	1,286
		9,108	

Restricted funds relate to the Friends of The New Montessori fundraising activities.

9 Directors' Interests

Mrs D Fox, Mrs S Marshall, Mrs K Clark and Mrs R Rocheleau, all of whom are directors and members of the company, sent their children to the pre-school. Fees were charged at the current market value and at arms length.