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MACHYNLLETH COMMUNITY CHILDREN'S PROJECT LTD

REPORT AND FINANCIAL STATEMENTS

covering the year ended

31st August 2006

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MACHYNLLETH COMMUNITY CHILDREN'S PROJECT LTD

CONTENTS

	Page
REPORT OF THE DIRECTORS'	1 - 4
ACCOUNTANTS' REPORT	5
STATEMENT OF FINANCIAL ACTIVITIES	6
BALANCE SHEET	7
NOTE TO THE ACCOUNTS	8 - 12

MACHYNLLETH COMMUNITY CHILDREN'S PROJECT LTD

REPORT OF THE DIRECTORS'

for the Year Ended 31st August 2006

The directors present their report and financial statements for the year ended 31st August 2006

REFERENCE AND ADMINISTRATIVE INFORMATION

Charity Name

Machynlleth Community Children's Project Ltd

Charity Registration Number

1043102

Company Registration Number

2714750

Registered Office and Operational Address

Plas Grounds, Machynlleth, Powys SY20 8ER

Directors

The following have served as directors during the year

Sylvia Whittaker

Rachel Munday

Fiona Moulton

Jane Butler

Melanie Biffin

Reporting Accountants

Major and Evans, Bull House, 15 Penrallt Street, Machynlleth, Powys SY20 8AG

Bankers

HSBC plc, 1 Maengwyn Street, Machynlleth, Powys SY20 8AB

STRUCTURE, GOVERNANCE AND MANAGEMENT

The organisation is a charitable company limited by guarantee, incorporated on 14th May 1992. The company was established under a Memorandum of Association which establishes its objects and powers and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1

MACHYNLLETH COMMUNITY CHILDREN'S PROJECT LTD

REPORT OF THE DIRECTORS'

for the Year Ended 31st August 2006

continued

STRUCTURE, GOVERNANCE AND MANAGEMENT (cont)

Interest in MCCC Ltd directorship is welcomed at any time, however an active recruitment programme is implemented preceding the Annual General Meeting in a variety of media. This may include verbal discussions, notices placed locally, press releases, newsletters to members and/or via our database of local organisations across Bro Ddyfi. Applications are invited from all members of the community with an interest in enabling MCCC Ltd to achieve its aims and objectives. In line with our Equal Opportunities Policy we appoint Directors via a fair and transparent process regardless of age, gender, social background, ability/disability, culture, ethnic origin or religious belief *. Expressions of interest in directorship are received by the Management Committee for consideration and are democratically elected on the basis of suitability to undertake the required responsibilities. All Directors receive an induction handbook containing latest accounts, copies of minutes, governing document, Charity Commission publications detailing legal responsibilities and other relevant information.

** (In accordance with Charity Law guidelines)*

OBJECTIVES AND ACTIVITIES

These are stated in the Memorandum of Association to advance the education of children up to the age of twelve years in Machynlleth and surrounding area by promoting facilities for daily care, recreation and education of such children, and by promoting good standards of child care by the parents of such children and all persons and organisations providing such facilities.

ACHIEVEMENTS AND PERFORMANCE

MCCC Ltd undertook a process of reformation during 2005/06 with a number of significant changes implemented. Most notably, in June 2005, MCCC Ltd elected to adopt a new payment policy to become effective from September 2006, which would see childcare fees collected in advance rather than in arrears. This would reduce the ongoing problems with non-payment of fees and would ensure that MCCC Ltd costs were recovered when late cancellations of childcare places were made or in cases of persistent non-payment. During this transitory period, measures were introduced to provide affordable payment options for service users allowing them to spread fee payments over a tri-monthly period. MCCC Ltd Directors agreed that this new system appeared to be financially beneficial and in due course would significantly reduce the number of outstanding debtors which should be reflected in the 2006/07 financial report.

MCCC Ltd enjoyed many grant funding successes during the year which enabled the development of its existing services. In November 2005, reacting to local needs, the Nursery

MACHYNLLETH COMMUNITY CHILDREN'S PROJECT LTD

REPORT OF THE DIRECTORS'

for the Year Ended 31st August 2006

continued

ACHIEVEMENTS AND PERFORMANCE (*cont*)

introduced 'Cylch Meithrin Y Plas' to its daily provision, with the aid of a Communities First Trust Fund grant, offering the only full time, welsh medium/bilingual, day care service in Powys. This grant funding also enabled MCCP Ltd to translate its policies, procedures and handbooks in addition to its new website to be unveiled in 2006/07.

In April 2006 MCCP Ltd assumed the management of the new Bro Ddyfi Integrated Children's Centre including the building element situated in the Machynlleth Primary School grounds, 'Ty Melfed'. This purpose built childcare centre became the company's registered office as well as the venue for its newly restructured Out of School provision. By renting out rooms within the building MCCP Ltd aims to supplement its predominant income of childcare fees by this means of revenue. The European Social Funding 'Spirit 2' provided project management hours to develop MCCP Ltd services and to manage 'Ty Melfed' during its first year of operation. A successful, information co-ordination network is also managed by MCCP Ltd providing relevant news, information, advice and training details to service providers in the area. Association with the Integrated Children's Centre has enabled MCCP Ltd to further raise its profile at local, county and nationwide levels, as a result, positive partnership working practices have been developed within both the voluntary and statutory sectors.

FINANCIAL REVIEW

The Statement of Financial Activities is shown on page 4 to the Accounts, and shows income of £170,119 and expenditure of £181,604, resulting in net outgoing resources of £11,485 as analysed between the various funds detailed therein.

All the assets as shown in the Balance Sheet are held for the purpose of the company's charitable objectives. Full details of capital expenditure are shown in note 8 to the accounts.

MCCP Ltd aim to have a reserve of 3 months trading monies and are working well towards this.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the company and of the surplus/deficit of the company for that period. In preparing these financial statements, the directors are required to select suitable accounting policies and then to apply them consistently, making judgements and estimates that are reasonable and prudent, and prepare the financial statements on a going concern basis, unless it is inappropriate to assume that the company will continue in business.

MACHYNLLETH COMMUNITY CHILDREN'S PROJECT LTD

REPORT OF THE DIRECTORS'

for the Year Ended 31st August 2006

continued

DIRECTORS' RESPONSIBILITIES (cont)

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company, 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 company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SMALL COMPANY RULES

This report is prepared in accordance with the provisions of part VII of the Companies Act 1985, as amended, relating to small companies.

By Order of the Board


Secretary

Date 21 / 6 / 07

ACCOUNTANTS' REPORT

TO THE MEMBERS ON THE UNAUDITED ACCOUNTS OF MACHYNLLETH COMMUNITY CHILDREN'S PROJECT LTD

We report on the accounts for the year ended 31st August 2006 set out on pages 4 to 10.

Respective Responsibilities of Directors and Reporting Accountants

As described on page 5 the company's directors are responsible for the preparation of the accounts, 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 accounts 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 purpose of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our 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 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)



Major and Evans,
Reporting Accountants,
Bull House,
15 Penrallt Street,
Machynlleth,
Powys

Date

24/06/2007

MACHYNLLETH
COMMUNITY CHILDREN'S PROJECT Ltd

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account)

For the Year Ended 31st August 2006

	2006				
	--- Restricted Funds ---		-- Unrestricted Funds --		
Note	Nursery	Other	Nursery	Other	Total Funds
	£	£	£	£	2005
Incoming Resources:					
Incoming Resources from Generated Funds					
Gifts and Fundraising	1,650	48	1,457	125	1,501
Grants Received	30,845	2,371	14,855	-	31,948
Incoming Resources from Charitable Activities					
Childcare Fees	-	-	96,505	21,161	108,143
Other	-	-	250	-	250
Investment Income	-	-	852	-	720
	<u>32,495</u>	<u>2,419</u>	<u>113,919</u>	<u>21,286</u>	<u>170,119</u>
					<u>142,312</u>
Resources Expended:					
Charitable Activities	6 24,213	2,315	122,219	31,552	180,299
Governance Costs	7 -	-	802	503	1,305
	<u>24,213</u>	<u>2,315</u>	<u>123,021</u>	<u>32,055</u>	<u>181,604</u>
					<u>128,494</u>
Net Income/(Expenditure) for the Year					
Inter Fund Transfers	8,282	104	(9,102)	(10,769)	13,818
Fund Balance brought forward at 1st September 2005	(2,541)	(4 708)	3,252	3,997	-
Fund Balance carried forward at 31st August 2006	15,911	6,877	30,706	6,840	46,516
	<u>21,652</u>	<u>2,273</u>	<u>24,856</u>	<u>68</u>	<u>60,334</u>

The Notes on pages 6 to 10 form part of these Accounts

MACHYNLLETH
COMMUNITY CHILDREN'S PROJECT Ltd

BALANCE SHEET

as at 31st August 2006

	Notes	2006 £	2005 £
Fixed Assets			
Tangible Assets	8	<u>16,691</u>	<u>18,192</u>
Current Assets			
Debtors	9	6,145	10,509
Cash at Bank	10	30,522	33,196
Cash in Hand		<u>150</u>	<u>11</u>
		<u>36,817</u>	<u>43,716</u>
Creditors : Amounts falling due within one year	11	<u>4,659</u>	<u>1,574</u>
Net Current Assets		<u>32,158</u>	<u>42,142</u>
Total Net Assets	12	<u>£ 48,849</u>	<u>£ 60,334</u>
Financed by :			
Funds - Unrestricted	13(a)	24,924	37,546
- Restricted	13(b)	<u>23,925</u>	<u>22,788</u>
		<u>£ 48,849</u>	<u>£ 60,334</u>

The Notes on pages 6 to 10 form part of these Accounts

The directors confirm that

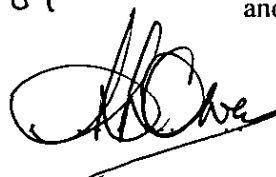
- a) for the year ended 31st August 2006 the company was entitled to exemption under subsection 2 of section 249A of the Companies Act 1985
- b) no notice has been deposited under section 249B(2) in relation to its accounts for the financial year, and
- c) they acknowledge their responsibilities for
 - i) ensuring that the company keeps accounting records which comply with section 221, and
 - ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its loss for the financial year, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the company

These accounts are prepared in accordance with the provisions of part VII of the Companies Act 1985, as amended, relating to small companies and the Financial Reporting Standard for Smaller Entities (effective January 2005)

Approved by the Board of Trustees on 21 June 07 and signed on its behalf by



Director



Director

MACHYNLLETH
COMMUNITY CHILDREN'S PROJECT Ltd

NOTES TO THE ACCOUNTS

as at 31st August 2006

1. Statement of Accounting Policies

The Financial Statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005), the Companies Act 1985 and the Statement of Recommended Practice Accounting and Reporting by Charities issued in March 2005

2. Tangible Fixed Assets

Expenditure on tangible fixed assets is capitalised at cost

Depreciation of tangible fixed assets is calculated to write off the cost less estimated residual value of each asset over its expected useful life using the reducing balance method as follows

Furniture, Fixtures, Fittings and Equipment	15% per annum
Computer Equipment	33% per annum
Leasehold Land and Buildings	Over the Period of the Lease (Straight Line Method)

3. Income has been

- i) included gross,
- ii) credited with all gifts in kind,
- iii) included for all amounts earned up to the accounting date

4. Expenditure has been

- i) included gross,
- ii) debited with all gifts in kind which have been expended,
- iii) accrued for all known items at the accounting date

5. Restricted Funds

Income received from public sector bodies and others to be used in furtherance of particular aspects of the objects of the charity is separated and treated as restricted funds

MACHYNLLETH
COMMUNITY CHILDREN'S PROJECT Ltd

NOTES TO THE ACCOUNTS

as at 31st August 2006

Continued

	2006		2006			
	--- Restricted Funds ---		-- Unrestricted Funds --			
	Nursery	Other	Nursery	Other	Total Funds 2006	Total Funds 2005
	£	£	£	£	£	£
6. Charitable Activities						
Wages and NIC	15,981	1,173	106,726	25,738	149,618	108,117
Training	-	-	-	-	-	10
Travel Expenditure	1,898	66	115	-	2,079	549
Translation	999	-	165	11	1,175	-
Subscriptions	-	-	170	-	170	231
Rent of Accommodation	-	-	1,836	1,000	2,836	1,018
Rates	-	-	488	-	488	508
Heat and Light	-	-	1,975	367	2,342	1,185
Internet and Telephone	357	38	444	431	1,270	889
Repairs and Maintenance	320	141	1,821	319	2,601	2,791
Lease of Equipment	-	-	1,627	-	1,627	319
Refreshments	21	68	716	510	1,315	714
Books, Toys and Repairs	706	254	251	504	1,715	1,816
Childcare Expenses	-	-	542	71	613	1,017
Printing, Postage and Stationery	552	63	1,756	713	3,084	1,393
Trips and Activities	-	-	383	1,256	1,639	1,335
Uniforms	540	-	-	-	540	-
Sundry Expenses	-	10	168	17	195	571
Cleaning	-	-	439	96	535	229
Licences and Insurance	207	-	1,149	63	1,419	846
Advertising	-	29	53	140	222	607
Professional Fees - Payroll	85	-	821	280	1,186	-
Bank Charges	-	-	12	-	12	22
Depreciation	2,547	473	562	36	3,618	3,165
	<u>24,213</u>	<u>2,315</u>	<u>122,219</u>	<u>31,552</u>	<u>180,299</u>	<u>127,332</u>

7. Governance Costs

Accountancy	<u>-</u>	<u>-</u>	<u>802</u>	<u>503</u>	<u>1,305</u>	<u>1,162</u>
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MACHYNLLETH
COMMUNITY CHILDREN'S PROJECT Ltd

NOTES TO THE ACCOUNTS

as at 31st August 2006

Continued

8. Fixed Assets - tangible assets

	Leasehold Land and Buildings £	Computers and other Equipment £	Furniture Fixtures and Fittings £	Total £
Cost/Valuation :				
at 1st September 2005	39,992	5,694	6,274	51,960
Expenditure in Year	-	1,611	506	2,117
	<u>39,992</u>	<u>7,305</u>	<u>6,780</u>	<u>54,077</u>
Depreciation :				
at 1st September 2005	25,105	4,447	4,216	33,768
Amount provided in year	2,666	604	348	3,618
	<u>27,771</u>	<u>5,051</u>	<u>4,564</u>	<u>37,386</u>
Net Book Value at 31st August 2006	<u>12,221</u>	<u>2,254</u>	<u>2,216</u>	<u>16,691</u>
Net Book Value at 31st August 2005	<u>14,887</u>	<u>1,247</u>	<u>2,058</u>	<u>18,192</u>

9. Debtors

	2006 £	2005 £
Child Care Fees	<u>6,145</u>	<u>10,509</u>

10. Cash at Bank

	2006 £	2005 £
Current Accounts	10,137	19,616
Deposit Accounts	20,385	13,580
	<u>30,522</u>	<u>33,196</u>

11. Creditors : amounts falling due within one year

	2006 £	2005 £
Accruals	1,228	1,150
Other Creditors	3,431	424
	<u>4,659</u>	<u>1,574</u>

MACHYNLLETH
COMMUNITY CHILDREN'S PROJECT Ltd

NOTES TO THE ACCOUNTS

as at 31st August 2006

Continued

12. Analysis of Total Net Assets between Funds

	2006		2006		
	--- Restricted Funds ---		-- Unrestricted Funds --		
	Nursery	Other	Nursery	Other	Total
	£	£	£	£	£
Tangible Fixed Assets :					
Leasehold Land and Buildings					
Cost	35,325	2,867	1,800		
Depreciation	24,531	1,990	1,250		
Net Book Value	10,794	877	550		12,221
Computers and Other Equipment					
Cost	5,732	687	885		
Depreciation	4,113	240	697		
Net Book Value	1,619	447	188		2,254
Furniture, Fixtures and Fittings					
Cost		413	5,992	375	
Depreciation		66	4,346	152	
Net Book Value		347	1,646	223	2,216
	12,413	1,671	2,384	223	16,691
Current Assets :					
Debtors and Prepayments	-	-	5,947	198	6,145
Cash at Bank	9,478	602	19,445	997	30,522
Cash in Hand	-	-	100	50	150
	9,478	602	25,492	1,245	36,817
Creditors :					
- amounts falling due within one year	239	-	3,020	1,400	4,659
Net Current Assets	9,239	602	22,472	(155)	32,158
Total Assets less Liabilities	21,652	2,273	24,856	68	48,849

MACHYNLLETH
COMMUNITY CHILDREN'S PROJECT Ltd

NOTES TO THE ACCOUNTS

as at 31st August 2006

Continued

13. Funds

	Balance 1st September 2005	Movement in Resources		Inter Fund Transfers	Balance 31st August 2006
		Incoming	Outgoing		
	£	£	£	£	£
(a) Unrestricted fund					
Nursery	30,706	113,919	123,021	3,252	24,856
Other	6,840	21,286	32,055	3,997	68
	<u>37,546</u>	<u>135,205</u>	<u>155,076</u>		<u>24,924</u>
(b) Restricted funds					
Nursery	15,911	32,495	24,213	(2,541)	21,652
Other	6,877	2,419	2,315	(4,708)	2,273
	<u>22,788</u>	<u>34,914</u>	<u>26,528</u>		<u>23,925</u>
Totals	<u>60,334</u>	<u>170,119</u>	<u>181,604</u>	<u>-</u>	<u>48,849</u>

14. Prior Period Adjustment

The Financial Statements for 2005 have been restated to correct an error in that no charge for depreciation of leasehold land and buildings was made in the years up to 31st August 2005. The effect of the restatement was to decrease net income for the financial year ended 31st August 2005 by £2,666. The opening fund balances for 2006 have been adjusted for the effects of the restatement on prior years.