

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

UNAUDITED DIRECTORS REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31ST AUGUST 2005

Company Number: 3908382

Charity Number: 1086853



**THE NEW MONTESSORI PRE-SCHOOL
(SHELLEY ROAD)
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Contents

	Page
Company information	1
Directors' report	2-4
Accountants' report	5
Statement of Financial Activities	6
Balance sheet	7-8
Notes to the accounts	9-12

**THE NEW MONTESSORI PRE-SCHOOL
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1

Company Information

Board of Management

Mrs A Stuart
Mr R Bishop
Mrs D Fox
Miss S Marshall
Miss K Clark (Appointed 02/02/06)
Mrs R Rocheleau (Appointed 23/02/06)
Mrs M Freeland MBE

Company Secretary

Mr R Bishop

Principal

Ms R Palmer

Registered office

5 Westland Avenue
Worthing
West Sussex
BN14 7LB

Trading address

The Methodist Church
Tarring Road
Worthing
West Sussex
BN11 4ET

Bankers

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

CafCash Ltd
PO Box 289
WEST MALLING
Kent
ME19 4TA

**THE NEW MONTESSORI PRE-SCHOOL
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**Directors' Report
For the year ended 31st August 2005**

The directors' present their report of the accounts for the year ended 31st August 2005.

Status of the company and principal activities

The company, as a pre-school to the local community, 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 promote, teach, train, learn and develop the methods of Montessori education to persons of all ages and other organisations to the whole of the community;
- to provide or assist in the provision of education for persons of all ages in the Montessori method with the object of developing their physical and mental capacities;
- to provide or assist in the provision of training in the Montessori method to all different types of
- to provide or assist, in financial/economic terms, persons of all ages to benefit from the Montessori method of education.

Review of the year and future developments

The committee recognised the need to make provision in our finances for depreciation costs and reserves. As the school is delivering extraordinarily good value in the service it provides, it was decided to increase the session fee to £9.50 at the beginning of the winter term, anticipating necessary further rises to £10 in the spring term and £10.50 at the summer term to offset expenses that have arisen since doubling our size at the beginning of 2004. Lunch time sessions remain at £2.50.

Following months of rumour and speculation, at the end of April 2005 the church premises from which the school has operated since it opened were put up for sale. We were informed by church members that the extension to the sister church of Shelley Road had been granted planning consent, and that senior figures in the church would like to relocate the school there when it opened. The committee immediately consulted our solicitor and Mr. G. Morfett from the church synod to ensure that we had security of tenure at Shelley Road, which was confirmed. Nonetheless, concerned that news about the premises could cause uncertainty amongst parents about the future of the school, staff and committee members mounted an active information campaign during May. Throughout May, June and July staff worked hard to minimise disruption to the children's school lives as various interested parties were shown around by the church's agents.

To add to the problems over the summer we realised that our mail had started to go missing, including registration forms, bank statements needed to prepare the end of year accounts and equipment for the coming academic year. Enquiries to the Royal Mail eventually revealed that they had been returning our mail as the address had been judged to be incorrect following a change to their delivery rounds. Since the address had been in use for a hundred years, any justification for this arbitrary charge was difficult to believe. Whilst putting together a case for compensation we again felt compelled to remarket the school to help fill places potentially left vacant due to applications having gone missing. Royal Mail finally reinstated our previous address, however this did little to lessen the repercussions, which had already proved to be

It was obvious that we would have to review our finances again and also find a new home for the school, whilst working with the church and their plan. We were grateful for a visit from Philip Bujak, chief executive from St. Nicholas Montessori in London who gave helpful advice and offered to support the pre-school. He immediately made the pre-school a teaching centre for the Montessori Method. We were pleased to learn from him that we were a rare example of a Montessori establishment successfully being run as a charity.

**THE NEW MONTESSORI PRE-SCHOOL
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**Directors' Report - continued
For the year ended 31st August 2005**

Despite the difficulties, the Principal and staff of the pre-school have managed to provide their usual high quality of education and care to the children. We also continued to enjoy the support of the parents throughout the year, with our fundraising team bringing in £1,971 for new equipment. Committee member Debbie Fox and her partner made an excellent DVD showing the school at work and explaining how the Montessori teaching method is used to achieve such good results. The DVD will be used in various ways to raise the profile of the school and the Montessori Method in general around the local community and beyond. Interest is already high in professional circles.

Staff members Melinda Day and Alison Link will both be studying for the Montessori Diploma and received funding from St. Nicholas Montessori, London, for their extensive programmes.

Helen Bishop took over as Treasurer from Ann Green at the end of July, and Chris Dyer agreed to act as our Accountant following the sudden death of Peter Cox who had served us so well. Chris and Helen will work together to further improve procedures and reduce the time required to produce financial reports.

In such a busy year which had some difficult moments, we will remember the wonderfully uplifting event in July of the Principal Beki Shanahan (nee Palmer) and her partner being married in the church with the children attending the service.

Clearly the committee's key task for the coming year will be to find a new home for the school and work towards a period of stability for the staff and children. At the same time we must aim to be in a more robust financial position as there will be additional expenses for moving, and the various events described above may well have an effect on our fee income.

Results for the year

Details of the results for the year are set out in the Statement of Financial Activities on page 4.

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	
Mr R Bishop	
Mrs J Wilding	(Resigned 14/10/04)
Mrs D Nicholson-Little	(Resigned 14/10/04)
Mrs P Glenister	(Resigned 20/10/05)
Mrs S Sarjeant	(Resigned 14/10/04)
Miss S Marshall	(Appointed 21/10/04)
Mrs D Fox	(Appointed 19/01/05)
Mr S Clark	(Appointed 21/10/04) (Resigned 23/08/05)

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

**THE NEW MONTESSORI PRE-SCHOOL
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4

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 judgments 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 22/06/06 and signed on their behalf.



**Mr R Bishop
Director and Company Secretary**

Date: 26 / 06 / 06

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

INDEPENDENT ACCOUNTANTS' REPORT TO THE MEMBERS ON THE UNAUDITED ACCOUNTS OF THE NEW MONTESSORI PRE-SCHOOL (SHELLEY ROAD)

We report on the accounts for the year ended 31 August 2005 set out on pages 6 to 12.

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

Respective responsibilities of Directors and Reporting Accountants

As described on page 8 the company's directors, who are also the Trustees of The New Montessori Pre-School (Shelley Road) 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 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 purposes 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).

Carpenter Box LLP

Carpenter Box LLP
 Chartered Accountants
 Reporting Accountants
 Grafton Lodge
 15 Grafton Road
 Worthing
 West Sussex
 BN11 1QR

Dated: *27th June 2006*

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

6

**Statement of Financial Activities (including Income and Expenditure Account)
For the year ended 31st August 2005**

	Notes	Un restricted Funds £	Restricted Funds (Friends) £	Totals 2005 £	Totals 2004 £
Incoming resources					
Donations	2	3,351	32	3,383	2,019
Activities to further charity's objects:					
- Fees		64,030		64,030	46,771
- Grants		55,536		55,536	57,775
Activities to generate funds:					
- Fundraising events			2,107	2,107	1,538
Bank interest receivable		312	1	313	322
Total incoming resources		123,229	2,140	125,369	108,425
Resources expended					
Charitable expenditure:					
- Direct expenditure		124,694	222	124,916	100,191
- Management and administration		5,565	55	5,620	2,696
Costs of generating funds					
- fundraising			135	135	
Total resources expended	3	130,259	412	130,671	102,887
Net income/(expenditure) for the year		(7,030)	1,728	(5,302)	5,538
Transfer between funds		1,140	(1,140)	0	0
Total funds at 1st September 2004		12,572	565	13,137	7,599
Total funds at 31st August 2005		6,682	1,153	7,835	13,137

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

7

**Balance Sheet
As at 31st August 2005**

	Notes	2005 £	2004 £
Fixed Assets			
Tangible fixed assets	5	6,334	6,667
Current assets			
Debtors	6	1,101	4,650
Cash at bank and in hand	7	<u>7,160</u>	<u>7,331</u>
		8,261	11,981
Creditors: due within one year			
- Various	8	3,217	1,035
- Loan	8	<u>1,125</u>	<u>1,125</u>
		4,342	2,160
Net current assets		<u>3,919</u>	<u>9,821</u>
Total assets less current liabilities		10,253	16,488
Creditors: due after more than one year			
- Loan (repayable 2 to 5 years)		2,418	3,351
Net assets		<u><u>7,835</u></u>	<u><u>13,137</u></u>
<u>Capital and Funds</u>			
Unrestricted funds			
- General purpose		6,682	12,572
Restricted funds		1,153	565
		<u><u>7,835</u></u>	<u><u>13,137</u></u>

**THE NEW MONTESSORI PRE-SCHOOL
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**Balance Sheet continued
As at 31st August 2005**

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 2005.

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 22/06/06 and signed on their behalf.



**Mr R Bishop
Director**

Date: 26/06/06



**AILSA STUART CHAIRPERSON
Director**

Date: 26/06/06

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

9

**Notes to the Accounts
For the year ended 31st August 2005**

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 issued in October 2000.

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.

2 Donations

	2005	2004
	£	£
WSCC	3,101	
SSEYCS	250	1,076
	3,351	1,076

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

10

**Notes to the Accounts
For the year ended 31st August 2005**

3	Total resources expended	2005	2004
		£	£
	Direct Charitable Expenditure:		
	Wages inc NIC	96,322	<i>74,663</i>
	Rent	14,848	<i>11,621</i>
	Milk, juice, biscuits etc	1,241	<i>2,620</i>
	Topics	3,923	<i>0</i>
	Italian Club	703	<i>0</i>
	Staff advert	344	<i>528</i>
	Insurance	450	<i>426</i>
	Telephone	388	<i>302</i>
	Sundry equipment	4,426	<i>8,380</i>
	Training costs	858	<i>246</i>
	Expenses	10	<i>0</i>
	Staff uniforms and welfare	305	<i>922</i>
	Cleaning	325	<i>0</i>
	Refund of fees	26	<i>0</i>
	Depreciation	333	<i>351</i>
	Loan Interest	192	<i>132</i>
		124,694	<i>100,191</i>
		<hr/>	<hr/>
	Management and Administration	2005	2004
		£	£
	Wages	1,768	<i>0</i>
	Stationery and post	718	<i>1,809</i>
	Bank charges	208	<i>0</i>
	Reporting Accountants fees	1,325	<i>276</i>
	Misc costs	1,350	<i>611</i>
	Irrecoverable income	196	<i>0</i>
		5,565	<i>2,696</i>
		<hr/>	<hr/>

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

11

**Notes to the Accounts
For the year ended 31st August 2005**

4 Remuneration

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

The total employee costs for the period amounted to £94,879. The average number of employees was 19 teachers and classroom assistants (2004 - 15).

No employee earned more than £50,000.

5 Tangible fixed assets

	Equipment £
Cost	
At 1st September 2004	7,829
Additions in the year	<u>0</u>
At 31st August 2005	<u>7,829</u>
Depreciation	
At 1st September 2004	1,162
Charge for year	<u>333</u>
At 31st August 2005	<u>1,495</u>
Net book value	
At 31st August 2005	<u>6,334</u>
At 31st August 2004	<u>6,667</u>

6 Debtors

	2005	2004
	£	£
Surestart Grant		4,200
Childcare vouchers	651	
Prepayments and accrued income		
- Insurance	<u>450</u>	<u>450</u>
	<u>1,101</u>	<u>4,650</u>

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

12

**Notes to the Accounts
For the year ended 31st August 2005**

7	Cash at bank and in hand	2,005	2,004
		£	£
	- CAF Gold A/c	1,075	2,261
	- CAF Gold (Fixed) A/c	54	
	- CAF High Interest Cheque A/c	3,317	4,261
	- Lloyds Treasurers A/c	1,400	46
	- Lloyds Instant Access A/c	0	73
	- HSBC (Friends)	1,153	565
	- Cash in hand	161	125
		<u>7,160</u>	<u>7,331</u>

8	Creditors: Amounts falling due in one year	2,005	2,004
		£	£
	Accruals and deferred income		
	- Treasurers Honoraria	150	150
	- Accountants fees	1,175	100
	- Inland Revenue	1,775	768
	- Trade Creditors	117	17
	- Loan	1,125	1,125
		<u>4,342</u>	<u>2,160</u>

9 Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Total
Fixed Assets	6,334	0	6,334
Current Assets	7,108	1,153	8,261
Current Liabilities	(4,342)	0	(4,342)
Liabilities more than one year	(2,418)	0	(2,418)
	<u>6,682</u>	<u>1,153</u>	<u>7,835</u>

Restricted funds relate to the Friends of Montessori Fundraising Activities.

10 Directors' Interests

Mr R Bishop, Mrs S Sarjeant, Mrs J Wilding, Mrs D Nicholson-Little, Mrs P Glenister, Miss S Marshall, Mrs D Fox and Mr S Clark, all of whom are directors and also members of the company, sent their children to the pre-school. Fees were charged at the current market value and at arms length.