FIRST STEPS (BATH)

England & Wales · Charity number 1012690

Details

Other names	FIRST STEPS CENTRE FOR CHILDREN AND FAMILIES (BATH), FIRST STEPS NURSERY (BATH), FIRST STEPS CENTRE, FIRST STEPS MOORLANDS
Status	Registered
Legal form	Charitable company
Company number	02656485
Registered	1992-07-10
Register	View on the Charity Commission register

Contact

Address	First Steps Woodhouse Road Bath BA2 1SY
Phone	01225444791
Email	info@firststepsbath.org.uk
Website	www.firststepsbath.org.uk

Activities

Objects: TO ADVANCE THE DEVELOPMENT AND EDUCATION OF CHILDREN BELOW COMPULSORY SCHOOL AGE (BY ENCOURAGING PARENTS TO UNDERSTAND AND PROVIDE FOR THE NEEDS OF THEIR CHILDREN) IN PARTICULAR THROUGH THE PROVISION OF SAFE AND SATISFYING GROUP PLAY IN WHICH PARENTS HAVE THE RIGHT TO TAKE PART AND BY ENCOURAGING THE STUDY OF THE NEEDS OF SUCH CHILDREN AND THEIR FAMILIES AND BY PROMOTING PUBLIC INTEREST AND RECOGNITION OF SUCH NEEDS IN THE CITY OF BATH AND AS A RESULT OF THE PROVISION OF SUCH FACILITIES TO RELIEVE CASES OF NEED HARDSHIP OR DISTRESS.

Activities: First Steps (Bath) is a Registered Charity and an accredited Social Enterprise. Our aim is to improve outcomes for young children in areas of need by working alongside their families and other professionals, through our Early Childhood Community Centres at Woodhouse Road, Twerton and at Moorfields Road and our Specialist Early Years Centre, Bath Opportunity Pre School, (BOP), Frome Road, Bath.

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Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Acts As An Umbrella Or Resource Body
- **What:** Education/training, The Prevention Or Relief Of Poverty, Economic/community Development/employment
- **Who:** Children/young People, Other Defined Groups

Geography

- **Area of benefit:** BATH
- Bath And North East Somerset

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£2,008,995	£1,969,451	£1,777,301	54
2024-03-31	£1,726,634	£1,858,994	£1,737,757	53
2023-03-31	£1,588,117	£1,541,868	£1,870,117	51
2022-03-31	£1,318,616	£1,370,618	£1,823,868	49
2021-03-31	£1,420,079	£1,235,874	£1,875,870	42

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Trustees

Name	Role	Appointed
Dr Janet Rose		2016-06-12
Elisabeth Barratt Hacking		2020-07-21
ISOBEL MICHAEL		2017-07-18
James Salkeld		2024-07-16
Jayanna Witt		2023-10-17
Lysha Goode		2024-07-16
MEG Gore		2012-12-04
Marina Sloan		2019-01-22
Mir Abdullah Miri		2024-07-16
Simon Andrews		2019-04-19
TRACEY FARWELL		2024-11-07
VALERIE WHEELER		

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FIRST STEPS (BATH)

England & Wales - Charity number 1012690

Accounts

REGISTERED COMPANY NUMBER: 02656485 (England and Wales)
REGISTERED CHARITY NUMBER: 1012690

First Steps (BATH)

Report of the Trustees and Financial Statements for the year ended 31st March 2025

IN PARTNERSHIP WITH

Bath & North East Somerset Council

First Steps (Bath)

Charity registration number 1012690 Registered Company number 02656485

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for the Year Ended 31 March 2024

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First Steps (Bath)

Report of the Trustees
for the Year Ended 31 March 2025

CHAIR'S REPORT 2025

I am delighted to present the Report of the Trustees in my first year as Chair of Trustees. I would like to thank Ken Littlewood (former Chair), Roz Lambert and Sarah Elliot, together with the Nursery Managers and the excellent Board of Trustees, for their support in my transition to Chair from November 2024.

I am proud to report on another successful year for First Steps, a highly committed and caring organisation. First Steps Nursery continues to make determined progress towards its objectives, in particular, to offer local, quality, all year around nursery care, and a support hub for families with preschool children. The contribution of First Steps Nursery to the local communities it serves is exceptional and over half our staff live in the areas where we work.

A particular challenge for us, along with other similar settings, has been to ensure that we have maintained target levels of staffing whilst continuing to develop quality and standards. We have sought to be as flexible as we can on providing fair remuneration levels and working hours, as well as providing support and professional development opportunities for staff. Excellent training opportunities have included work towards Dingley's promise 'Mark of Achievement,' as well as additional training to support Special Educational Needs. We are committed to continuing this in the year ahead.

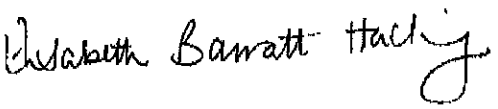
Our overall financial position remains sound; at the end of this financial year, we can be confident that the charity will continue as a going concern. This year we have been able to invest in the development of services at all three of our settings from First Steps reserves. We have successfully completed the Bath Opportunity Preschool's move to new premises, having been awarded the contract for a further five years, allowing us to continue to provide this valuable service. We have improved the garden and outdoor facilities at Twerton and made better use of our premises at Moorlands. We have provided free school meals to around a quarter of our children most in need. None of this would have been possible without the generosity of our many varied funders, and I would like to thank them wholeheartedly for their support.

Funding allows us to respond more positively to the many opportunities to develop our services. The importance of the preschool years to a child's development is now well recognised, and the recent changes in early years' entitlements will increase the demand for the services we provide. I am confident First Steps is in a good position to respond to these.

None of the successes of the past year would be possible without the determination of our high-quality staff, at all levels, together with the commitment of parents, volunteers, and funders. I particularly want to thank the excellent group of trustees that I work with. Together, the Trustees bring invaluable and diverse expertise and experience to our work. This year the Board has provided huge support, insights and advice at a time of change and challenges, not least in the funding and policy landscape. Thank you to our dedicated Board of Trustees who have supported many different areas of First Steps activities and achievements over the year.

Best wishes

Elisabeth Barratt Hacking
Chair of Trustees



15th July 2025

TRUSTEES' ANNUAL REPORT

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2025. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

STRATEGIC REPORT

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

REFERENCE AND ADMINISTRATIVE DETAILS

Chair From Nov 24	Elisabeth Barratt Hacking	Senior Lecturer and Head of Department of Education, University of Bath
Chair Resigned Nov 24	Ken Littlewood	Retired Business Executive
Vice Chair	Janet Rose	Director Principal
Treasurer From Nov 24	Tracey Farwell	Senior Management Consultant
Treasurer Resigned July 24	*Tom Williams	Management Accountant
Other trustees	Isobel Michael	Fundraiser and Prospect Researcher
From July 24	James Salkeld	Chief Executive
	*Jayanna Witt	Parent
From July 24	Lysha Goode	Early Years Educator
	Marina Sloan	Specialist Speech & Language Therapist
	Meg North	Retired local government officer
From July 24	Mir Abdullah Miri	Lecturer in Education and PHD Student, University of Bath
	*Simon Andrews	Project Manager
	Val Wheeler	Retired Health Visitor
* Denotes parents whose children used First Steps (Bath) services during the year.		
Senior Management Team		
	Roz Lambert	Chief Executive
	Sarah Elliott	Finance & HR Manager and Company Secretary
	Charlotte Miller	Children's Services Manager - Moorlands
	Louise Hewings	Children's Services Manager - Twerton
	Stefanie Walbyoff	Children's Services Manager - BOP
Registered Company number	02656485 (England and Wales)	
Registered Charity number	1012690	
Registered Office	Ms S Elliott, Woodhouse Road, Twerton, Bath, BA2 1SY	
E-mail	info@firststepsbath.org.uk	
Website	www.firststepsbath.org.uk	

TRUSTEES' ANNUAL REPORT

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational Structure

First Steps (Bath) is governed by a Charity Board of Trustees, which includes parents using our services and local professionals. The Board's membership reflects key stakeholders in the local community, including local public services, local businesses, independent consultants, voluntary organisations, and schools. Trustees, therefore, bring a wide range of individual skills and experience to the Board.
The Trustee Board, which met five times during the year, makes decisions on the annual budget, formulates policy, and considers strategic issues which affect the charity. At the Annual General Meeting, the Trustees elect the Chairperson.
The Trustees of First Steps (Bath) delegate the day-to-day running of the charity to the Chief Executive and Senior Management Team, who attend Trustee Board meetings in an advisory capacity. The Trustee Board has the power to require the Chief Executive and members of staff to withdraw from meetings whenever confidential matters are being discussed.

Recruitment and appointment of Trustee Board members

Recruitment of new Trustees is ongoing; interested potential Trustees are invited to submit a CV and meet with the Chair of Trustees and CE before attending a Board meeting as an observer. Before being nominated for election, the procedures for safe recruitment are followed.

Trustee Induction and Training

The structure and process of new Trustee induction and training have been developed as part of the recruitment of new Trustees. Information packs containing copies of the financial statements, Memoranda and Articles of Association, and recent Board Meeting Minutes are provided. An invitation is made to visit the staff and volunteers. Training is offered through specific sessions tailored to meet the needs of current Trustees.

Risk Management

The Trustee Board has the responsibility to manage risk within the charity. They have updated and reviewed risks within the year and agreed on a schedule of actions to mitigate the identified risks as below. Any updates to the risk assessments are brought to Board meetings, and the risk assessments are reviewed by the Board annually.

- Major IT Failure - SLA with established IT supplier and information stored in the cloud, 2FA enabled with regular staff training.
- Allegation of abuse - Employment policies and procedures with safer recruitment measures in place. Clear safeguarding and child protection policies with training every 2 years.
- Recruitment - Terms and Conditions above the industry average, with regular training offered.
- Change in Government policy - Loss of funding, several income streams, and diverse activities.

Related parties

No trustees receive remuneration or other benefits from their work with the charity. Any contractual relationship with a related party between a trustee and a senior manager of the charity must be disclosed to the full board of trustees. In the current year, no such related party transactions were reported.

AIMS

Our Mission

First Steps has a governing document (Memorandum and Articles of Association dated 10 June 1992) which sets out our 'Objects' as a charity. These have been summarised into our mission:
"To work in partnership with children, families, colleagues and the community by being a responsive, informed, reflective and innovative provider of early years' education, childcare and integrated family services"
In pursuing this mission, First Steps will deliver value to:

- Children, through access to quality integrated care, play and early learning opportunities.
- Families, through a range of services which are responsive to their individual needs, emphasising bringing services to families.
- Staff, by maintaining a stimulating environment that encourages innovation and best practice and developing and implementing a coherent range of policies understood and valued by all.
- Other stakeholders, through our commitment to collaborating with professionals from other disciplines, sharing expertise, and exploiting opportunities in areas of common interest.

To guide our actions as an organisation and ensure a culture of shared values and direction, we:

- Work in partnership, not in competition.
- Are committed to an integrated service approach that brings professionals from various disciplines together.
- Foster an ethos of providing professional support in a non-judgmental and non-stigmatising way.
- Encourage open-mindedness within our practice and ensure that our policies are sufficiently flexible to admit innovative ideas.
- Respect parents as partners in their children's educational and developmental progress.

Our guiding principles

- Create a culture that values and celebrates children and families in a way that strengthens our community.
- Seek new ways of doing things, explore innovative approaches, and are open to learning from others.
- Measure our success by the way we deliver on our commitment to better outcomes for children and families.

OBJECTIVES AND ACTIVITIES

The principal objectives of First Steps (Bath) are to advance the development of education of children below compulsory school age (by encouraging parents to understand and provide for the needs of their children) in particular through the provision of safe and satisfying group play in which parents have the right to take part and by encouraging the study of the needs of children and their families and by promoting public interest in and recognition of such needs in the City of Bath and as a result of the provision of such facilities to relieve cases of need hardship or distress.

This work is conducted through two Community Nurseries, First Steps Twerton and First Steps Moorlands and an Early Years Specialist service, First Steps Bath Opportunity Preschool (BOP). A contract with the Local Authority for early years specialist provision funds BOP.

In shaping these priorities and planning our activities, the Trustees have considered the Charity Commission's guidance on public benefit. The Trustees undertake an annual review of day care fees; in setting the level of fees and concessions, the Trustees give careful consideration to ensure the accessibility of the service for those on low incomes.

Our Purpose

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'Public Benefit: running a charity (PB2)'.

Our Partners

Much of our work is delivered in partnership with other agencies to provide integrated, seamless support for children and families when they need it. Examples of the partners include:

- HCRG Care Group - Health Visitors have an office in Woodhouse Road delivering the Healthy Child Programme.
- Speech & Language service: We use the pupil premium funding to pay for a speech and language therapist embedded within our services to provide special projects or groups with children, screening and individual work with children and advice and training for staff to enhance the usual support. In addition, First Steps is part of the language for life programme. The project aims to close the persistent word gap that impacts children's later outcomes, thereby making a significant difference in their lives. The project also supports preschool children to reach their age-related expectations in communication and language development before they transition into primary school settings in Bath and Keynsham.
- Other health professionals, e.g., community paediatricians, and occupational therapists – provide staff with advice and guidance, and provide individual work with children and families.
- Action for Children – family support workers delivering the Children's Centre Service have an office at Woodhouse Road. Parenting programmes and support groups are delivered from there.

- Local Authority Children's Services - First Steps provides placements for 'children in need' and/or children who are the subject of a child protection plan, and 'child-friendly' venues for contact sessions.
- Local Authority Early Years and Special Educational Needs teams.
- Southside Family Project: supporting families with complex needs.
- Local schools, particularly our neighbours: Moorlands Schools Federation and Twerton Infants School.
- B&NES Bright Start Children's Centre's: joint working/training, collaboration and sharing good practice.
- Bath Spa University, University of Bath, Norland College and other training providers, local colleges, and schools: First Steps acts as a training base for a range of student placements.
- Twerton and Whiteway Network – First Steps is a founder organisation and part of the steering group to ensure that the voice of families with children under five is heard and knowledge of the services, groups, and activities across Twerton and Whiteway is shared.
- 3SG (Third Sector Group) in Bath, First Steps is an active member of this independent membership network that supports the charity, social enterprise, faith, and voluntary sectors in Bath and North East Somerset (B&NES).

OBJECTIVES AND ACTIVITIES

ACHIEVEMENT AND PERFORMANCE.

Our achievements for 2024 – 2025

Priority One: To continue with the ambitious vision to deliver universal, inclusive children's care and education, high expectations for children's achievement and high standards of provision.

Ensure that a sharp focus is placed on improving the life chances of children through accurate evaluation of provision through information gathered from children, parents, staff and linked professionals and data from children's assessments.

To embed the concept of childhood nature, the idea that children are nature, that human health and well-being are linked to the environment and that adults have a responsibility to ensure that children have access to nature and opportunities to explore the natural world, that children are encouraged to be active citizens and are encouraged in appropriate ways to embed sustainability. To promote healthy and sustainable living for children's families and the community.

- We have continued to employ local individuals, with 60% of our staff residing within the service area where they work.
- Staff turnover has remained below the target at 15%.
- Staff have participated in learning at levels 3, 5, and above.
- 96% of children attend nursery for over 11 hours a week, which is the duration that research indicates maximises their benefits from Early Years Education.
- Excellent grades were awarded at the Ofsted Inspection for Moorlands and Twerton Nurseries.
- We consistently meet the requirements of the contract for the Specialist Early Years Service, BOP.

Priority Two: To further develop the concept of Community Nursery and Early Years Centre through the delivery of services that raise the profile of the early years in a child's life and are responsive to family needs and special educational needs. Taking actions to build an organization that includes the voice of minority groups.

- All settings have continued to hold well-attended events that involve parents in their children's care.
- BOP has continued to deliver stay and play sessions, working with local children's centres to ensure that parents receive the guidance and peer support around children's special educational needs.
- Fundraised to cover most of the costs of a fun summer outing for children at Moorlands and Twerton.
- Raised funds to ensure that children from low-income households accessed free, healthy meals and snacks.
- Demonstrating high standards when raising funds through signing up with the fundraising regulator.

Priority Three: To further develop the Social Enterprise Model, exploring new funding and trading opportunities, employing a mixed model of funding to support special projects that meet community needs.

- Average occupancy at Twerton and Moorlands was above target.
- Adjusted sessions to ensure increased occupancy
- Increased income from room rental

OBJECTIVES AND ACTIVITIES
ACHIEVEMENT AND PERFORMANCE.

Our achievements for 2024 – 2025 (continued)

Priority Four: To secure the necessary funding to successfully complete refurbishment projects at Twerton and Moorlands nurseries, as well as at the BOP site. In addition to supporting expansion initiatives at the Twerton location. Our focus is on enhancing our facilities to better serve our community and stakeholders.

- Obtained funding to expand the Twerton toddler room and refurbish community spaces at Woodhouse Road.
- Increased the baby room space at Moorlands
- Improve storage facilities at BOP.

OBJECTIVES AND ACTIVITIES
ACHIEVEMENT AND PERFORMANCE.

Our priorities for 2025 – 2026 are: -

Priority One: To continue with the ambitious vision to deliver universal, inclusive children's care and education, high expectations for children's achievement and high standards of provision.

Ensure that a sharp focus is placed on improving the life chances of children through accurate evaluation of provision through information gathered from children, parents, staff and linked professionals and data from children's assessments.
To embed the concept of Childhoodnature, the idea that children are nature and that human health and wellbeing are linked to the environment.
That adults have a responsibility to ensure that children have access to nature and opportunities to explore the natural world, that children be active citizens and are encouraged in appropriate ways to embed sustainability. To promote healthy and sustainable living for children, families and the community.

Priority Two: To ensure that both community nurseries create revenue to enable staff to be paid above industry average, together with a programme of community support for families. To explore new funding and trading opportunities, employing a mixed model of funding to include fundraising to ensure the success and security of long-term plans.

Priority three: To secure the future of the Specialist Support Service, lobbying the local authority for a partnership approach to commissioning and sourcing a more suitable long-term home for BOP.

TRUSTEES' ANNUAL REPORT

FINANCIAL REVIEW

There has been an increased demand for our services during the year, with services being full during peak sessions.

The noteworthy features of the finances during the year are as follows:

- **Nursery income** - Nursery fee income was up by 13% to £1,479,420 from the previous year.
- **Specialist Service Contract** – This contract awarded to First Steps by B&NES from September 2023 to August 2027 with a contract value of £250,369 per annum to provide support to children with high-level additional needs.
- **Other funding from B&NES** – Payments to support Inclusion from Social Services, which are dependent on individual children's needs, were higher than budget expectations and up compared to last year. Additional income was received for children whose families have opted for delayed school entry. An increased number of children were eligible for the Early Years Pupil Premium and the Disability Access Fund.
- **One-off Income** – Played a crucial role in offsetting costs, especially for capital improvements and strategic projects, which included £15,000 to support the cost of the specialist service move in the previous year and £32,348 for an expansion project expected to be completed in Summer 2025.
- **Income from Charitable Activities** - the increase in nursery fee income has meant income from charitable activities has grown by £243,088, to a total of £1,891,315 (2024: £1,648,227).
- **Employment costs** – at £1,565,749, these have risen to 80% of all spending on unrestricted activities, an increase of 4% from the previous year, which was due to rising employment costs and an increase in staff to support additional children, particularly those with special education needs.
- **Other direct costs** of £130,552, which include additional SEN training, have reduced compared to the previous year by £83,006 (2024: £213,558). The assessed value of free meals for children increased to £20,306 (2024: £19,073), funded by restricted and unrestricted donations.
- **Overheads** - amounting to £273,150 - were increased by 21% on the previous year, which included the relocation of a service.

The overall result for the year was a surplus fund of £39,544 (2024: £132,360 deficit). The movement in funds is a result of a surplus of £25,304 on restricted funds, a movement in funds to the designated fixed asset fund of a deficit of £24,508 and a surplus on unrestricted funds of £15,036.

Reserves policy

The trustees have reviewed the charity's reserves policy and determined that it is prudent to maintain free reserves at a level sufficient to meet ongoing operational commitments and to safeguard the delivery of services under existing contractual obligations. The trustees have agreed to aim for a minimum level of free reserves equivalent to three months of budgeted expenditure, with a minimum threshold of no less than two months. Based on the projected expenditure for the forthcoming financial year, the average monthly expenditure is approximately £172,788. This results in a target reserves range of £345,576 to £518,364.

As at the balance sheet date, the charity held unrestricted reserves (excluding designated fixed assets) of £350,459, which is within the acceptable range set by the trustees.

Fixed assets

Movements in fixed assets are set out in Note 13 to the financial statements; Additions during the year totalled £11,132, which mostly relates to a new boiler (2024, £10,804).

Planning for the future

Trustees have used the Theory of Change model to support decision-making and are continuing to ensure that diversity is represented within services is also reflected further up the organisation. Financial decisions have been made to strengthen the workforce and improve buildings to secure quality for future years, whilst avoiding undue financial pressures on parents. This will secure all services with the expansion of the Early Years Entitlement and particularly the Early Years specialist service.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of First Steps (Bath) for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements 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 that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charity SORP.
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditor, Sumer Auditco Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 15th July 2025 and signed on the board's behalf by:

15th July 2025

.....
E Barrett Hacking - Trustee

Opinion
We have audited the financial statements of First Steps (Bath) (the 'charitable company') for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:
- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information
The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken during the audit:
- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charitable company and its environment obtained during the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.

The extent to which our procedures can detect irregularities, including fraud is detailed below:

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK Financial Reporting Standards and UK taxation legislation.

We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.

We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.

We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Mark Powell (Senior Statutory Auditor)
for and on behalf of Sumer Auditco Limited
Statutory Auditor and Chartered Accountants
Lennox House,
3 Pierrepont Street
Bath
BA1 1LB

Date: 24/7/2025

First Steps (Bath)

Statement of Financial Activities
for the Year Ended 31 March 2025

	Notes	Unrestricted funds £	Designated Fixed Asset Reserve Fund £	Restricted funds £	2025 Total funds £	2024 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	4,680	-	68,372	73,052	32,479
Charitable activities	5					
Charitable Activities		1,891,315	-	-	1,891,315	1,648,227
Other trading activities	3	36,410	-	-	36,410	38,207
Investment income	4	8,218	-	-	8,218	7,721
Total		1,940,623	-	68,372	2,008,995	1,726,634
EXPENDITURE ON						
Charitable activities	6					
Charitable Activities		1,882,689	42,096	44,666	1,969,451	1,858,994
NET INCOME/(EXPENDITURE)		57,934	(42,096)	23,706	39,544	(132,360)
Transfers between funds	18	(9,903)	9,101	802	-	-
Net movement in funds		48,031	(32,995)	24,508	39,544	(132,360)
RECONCILIATION OF FUNDS						
Total funds brought forward		302,428	1,333,828	101,501	1,737,757	1,870,117
TOTAL FUNDS CARRIED FORWARD		350,459	1,300,833	126,009	1,777,301	1,737,757

First Steps (Bath)

Statement of Financial Position
31 March 2025

	Notes	Unrestricted funds £	Designated Fixed Asset Reserve Fund £	Restricted funds £	2025 Total funds £	2024 Total funds £
FIXED ASSETS						
Tangible assets	13	-	1,300,833	-	1,300,833	1,333,828
CURRENT ASSETS						
Stocks	14	523	-	-	523	743
Debtors	15	19,171	-	-	19,171	30,161
Cash at bank		506,379	-	126,009	632,388	524,630
		526,073	-	126,009	652,082	555,534
CREDITORS						
Amounts falling due within one year	16	(175,614)	-	-	(175,614)	(151,605)
NET CURRENT ASSETS		350,459	-	126,009	476,468	403,929
TOTAL ASSETS LESS CURRENT LIABILITIES		350,459	1,300,833	126,009	1,777,301	1,737,757
NET ASSETS		350,459	1,300,833	126,009	1,777,301	1,737,757
FUNDS	18					
Unrestricted general funds					350,459	302,428
Designated fixed asset reserve fund					1,300,833	1,333,828
Restricted funds					126,009	101,501
TOTAL FUNDS					1,777,301	1,737,757

The financial statements were approved by the Board of Trustees and authorised for issue on ..... and were signed on its behalf by:

Elizabeth Barratt Hacking

15th July 2025

.....
Elizabeth Barratt Hacking, Chair of Trustees

First Steps (Bath)

Statement of Cash Flows
for the Year Ended 31 March 2025

	Notes	2025 £	2024 £
Cash flows from operating activities			
Cash generated from operations	1	108,641	80,833
Net cash provided by operating activities		108,641	80,833
Cash flows from investing activities			
Purchase of tangible fixed assets		(11,132)	(10,804)
Sale of tangible fixed assets		2,031	-
Interest received		8,218	7,721
Net cash used in investing activities		(883)	(3,083)
Change in cash and cash equivalents in the reporting period		107,758	77,750
Cash and cash equivalents at the beginning of the reporting period		524,630	446,880
Cash and cash equivalents at the end of the reporting period		632,388	524,630

First Steps (Bath)

Notes to the Statement of Cash Flows
for the Year Ended 31 March 2025

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2025 £	2024 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	39,544	(132,360)
Adjustments for:		
Depreciation charges	42,096	39,026
Interest received	(8,218)	(7,721)
Decrease in stocks	220	196
Decrease in debtors	10,990	99,336
Increase in creditors	24,009	82,356
Net cash provided by operations	108,641	80,833

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.24 £	Cash flow £	At 31.3.25 £
Net cash			
Cash at bank	524,630	107,758	632,388
	524,630	107,758	632,388
Total	524,630	107,758	632,388

1. ACCOUNTING POLICIES

Basis of preparing the financial statements
The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

First Steps (Bath) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going Concern

As stated in the financial review section of the annual report the Trustees are confident it will be able to meet its obligations as they fall due for a minimum period of at least 12 months from the date of signing. These financial statements are therefore produced on a going-concern basis.

Income
All incoming resources are included in the statement of financial activities when the charity is entitled to the income, and the amount can be quantified with reasonable accuracy. The following specific policies are applied to categories of income:

- Contract and grant income is included as incoming resources in the period to which it relates
- When donors specify that donations or grants are for restricted purposes, the income is included as incoming resources of restricted funds when receivable. Grants received are deferred and recognised through the statement of financial activities in full when conditions for receipt are complied with
- Intangible income, including gifts in kind, is included at the trustees' valuation when known.
- No amounts are included in the financial statements for services donated by volunteers.
- Where incoming resources are for goods or services and, upon full performance of the service, any surplus funds can be retained and used for general purposes, the incoming resources and related expenditure is treated as Unrestricted.

Resources expended and liabilities
Expenditure is recognised on an accrual basis as a liability is incurred; inclusive of any VAT where this cannot be recovered. Liabilities are recognised when the charity has an obligation to transfer economic benefit as a result of a past transaction or event.

Tangible fixed assets
Tangible fixed assets costing more than £2,000 are capitalised and included at cost. Depreciation is calculated to write off the cost of the year after purchase, less estimated residual values, of tangible fixed assets over their estimated useful lives, to the charity.

1. ACCOUNTING POLICIES - continued

The annual depreciation rates and methods are:

Leasehold property	Evenly over a period of 50 years
Fixtures, fittings, and equipment	10 or 25% straight line

A review of impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognized as impairments. Impairment losses are recognized in the Statement of Financial Activities.

Stocks
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items.

Taxation
The charity is exempt from corporation tax on its charitable activities.

Fund accounting
Funds held by the charity are either:

- Unrestricted - these are donations and other income generated, for the objects of the charity without further specified purposes and which can be used in accordance with the charitable objects at the discretion of the trustees.

- Restricted - these can only be used for restricted purposes, the charity, as specified by the donor. Expenditure which meets these criteria is charged against the fund. Further details of the funds are given in the Notes to the Accounts.

Operating lease commitments
Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

Pensions
The charity's employees are eligible to participate in The Pension Trust's Defined Contribution Pension Scheme. The employer's contributions payable to this scheme are charged to the income and expenditure account in the period to which they relate.

2. DONATIONS AND LEGACIES

	2025	2024
	£	£
Donations and fundraising	4,680	5,340
Grants	68,372	27,139
	73,052	32,479

Grants received, included in the above, are as follows:

	2025	2024
	£	£
Government capital grant	32,347	-
Other revenue grants	36,025	27,139
	68,372	27,139

3. OTHER TRADING ACTIVITIES

	2025	2024
	£	£
Community lettings	30,717	32,966
Training Income	-	25
Misc Income	5,693	5,216
	36,410	38,207

4. INVESTMENT INCOME

	2025	2024
	£	£
Deposit account interest	8,218	7,721

5. INCOME FROM CHARITABLE ACTIVITIES

	2025 Charitable Activities £	2024 Total activities £
Incoming Resources	1,891,315	1,648,227

	Unrestricted Funds	Restricted Funds	Total 2025	Total 2024
Bath & North East Somerset Council:	£	£	£	£
Disability Access Fund	7,907	-	7,907	21,405
BOP Specialist Contract	250,369	-	250,369	251,184
Social Services: ISF	153,619	-	153,619	79,526
Total Revenue Funding	**411,895**	-	**411,895**	**352,115**
Nursery Fees & Related Funding:				
Early Years Entitlement	764,536	-	764,536	520,296
Nursery fees charged to parents	678,990	-	678,990	750,965
Early Years Pupil Premium	35,894	-	35,894	24,851
	1,479,420	-	**1,479,420**	**1,296,112**
Total Income from charitable activities	**1,891,315**	-	**1,891,315**	**1,648,227**

2024 Comparatives

	31.3.24 Charitable activities £	31.3.23 Total activities £
Incoming Resources	1,648,227	1,497,335

	Unrestricted Funds	Restricted Funds	Total 2024	Total 2023
Bath & North East Somerset Council:	£	£	£	£
Disability Access Fund	21,405	-	21,405	9,501
BOP Specialist Contract	251,184	-	251,184	211,000
Social Services: ISF	79,526	-	79,526	137,279
Total Revenue Funding	**352,115**	-	**352,115**	**357,780**
Nursery Fees & Related Funding:				
Early Years Entitlement	520,296	-	520,296	485,712
Nursery fees charged to parents	750,965	-	750,965	631,366
Early Years Pupil Premium	24,851	-	24,851	22,477
	1,296,112	-	**1,296,112**	**1,139,555**
Total Income from charitable activities	**1,648,227**	-	**1,648,227**	**1,497,335**

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Support Support costs (see note 7)	Totals
	£	£	£
Charitable Activities	1,954,022	15,429	1,969,451

	Unrestricted Funds	Restricted Funds	Total 2025	Total 2024
Direct Costs:	£	£	£	£
Employment costs	1,550,615	15,134	1,565,749	1,420,577
Catering costs	54,149	20,417	74,566	72,185
Staff costs (training costs, expenses etc.)	22,526	100	22,626	69,097
Special Projects: Direct Costs	15,990	1,721	17,711	51,455
Service costs	14,503	-	14,503	18,441
Bad debts - fees written off.	1,146	-	1,146	2,380
Total Direct Costs	**1,658,929**	**37,372**	**1,696,301**	**1,634,135**
Overheads:				
Premises costs	161,492	3,012	164,504	117,924
Administrative costs	10,777	4,282	15,059	14,565
Information Technology costs	36,062	-	36,062	36,497
Depreciation charges	42,096	-	42,096	39,026
Support costs (See note 7)	15,429	-	15,429	16,847
Total Overhead Costs	**265,856**	**7,294**	**273,150**	**224,859**
Total Costs of Charitable activities	**1,924,785**	**44,666**	**1,969,451**	**1,858,994**

6. CHARITABLE ACTIVITIES COSTS (continued)

2024 Comparatives

	Direct Costs	Support costs (see) note 7	Total
	£	£	£
Charitable Activities	1,842,147	16,847	1,858,994

	Unrestricted Funds	Restricted Funds	Total 2024	Total 2023
Direct Costs:	£	£	£	£
Employment costs	1,407,445	13,132	1,420,577	1,205,755
Catering costs	59,061	13,124	72,185	61,588
Staff costs (training costs, expenses etc.)	69,097	-	69,097	61,003
Special Projects: Direct Costs	51,455	-	51,455	6,878
Service costs	18,441	-	18,441	17,636
Bad debts - fees written off.	2,380	-	2,380	3,580
Total Direct Costs	**1,607,879**	**26,256**	**1,634,135**	**1,356,441**
Overheads:				
Premises costs	112,181	5,743	117,924	92,214
Administrative costs	13,144	1,421	14,565	14,440
Information Technology costs	36,497	-	36,497	31,363
Depreciation charges	39,026	-	39,026	35,980
Support costs (See note 7)	16,847	-	16,847	11,430
Total Overhead Costs	**178,669**	**7,164**	**224,859**	**185,427**
Total Costs of Charitable activities	**1,825,574**	**33,420**	**1,858,994**	**1,541,868**

7. SUPPORT COSTS

	Finance	Governance costs	Totals
	£	£	£
Charitable Activities	5,243	10,186	15,429

2024 Comparative

	Finance	Governance costs	Totals
	£	£	£
Charitable Activities	4,648	12,199	16,847

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2025	2024
	£	£
Auditors' remuneration	7,000	6,500
Other non-audit services	1,500	1,375
Depreciation - owned assets	42,096	39,026
Other operating leases	522	3,088

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2025, nor for the year ended 31 March 2024.

No remuneration or expenses were paid during the year to any of the trustees (2024: £Nil). During the year, two Trustees had children in First Steps nurseries, they paid the full rate for all services used and so received no benefit because of their role as Trustees.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2025, nor for the year ended 31 March 2024.

10. STAFF COSTS

	2025	2024
	£	£
Wages and salaries	1,418,175	1,290,193
Social security costs	90,137	76,985
Other pension costs	57,437	53,398
	1,565,749	1,420,576

The average monthly number of employees during the year was as follows:

	31.3.25	31.3.24
Delivery of Children's & Family Services	50	49
Management and Administration	4	4
	54	53

No employees received emoluments in excess of £60,000.

The key management personnel of the charity comprise the trustees, the Chief Executive Officer, Finance and Administration Manager, a Children's Services Manager for Twerton and a Children's Services Manager for Moorlands and a Children's Services Manager for BOP. The total employee benefits of the key management personnel of the Trust were £210,569 (2024: £213,709).

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Designated Fixed Asset Reserve Fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	5,340	-	27,139	32,479
Charitable activities				
Charitable Activities	1,648,227	-	-	1,648,227
Other trading activities	38,207	-	-	38,207
Investment income	7,721	-	-	7,721
Total	1,699,495	-	27,139	1,726,634
EXPENDITURE ON				
Charitable activities				
Charitable Activities	1,786,548	39,026	33,420	1,858,994
NET INCOME/(EXPENDITURE)	(87,053)	(39,026)	(6,281)	(132,360)
Transfers between funds	(10,804)	10,804	-	-
Net movement in funds	(97,857)	(28,222)	(6,281)	(132,360)
RECONCILIATION OF FUNDS				
Total funds brought forward	400,285	1,362,050	107,782	1,870,117
TOTAL FUNDS CARRIED FORWARD	302,428	1,333,828	101,501	1,737,757

12. TAXATION

First Steps (Bath) is a registered charity and, accordingly, is exempt from taxation on its income and capital gains, provided certain conditions are met.

13. TANGIBLE FIXED ASSETS

	Leasehold Property £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 April 2024	1,721,954	137,021	12,841	1,871,816
Additions	-	11,132	-	11,132
Disposals	-	(2,031)	-	(2,031)
At 31 March 2025	1,721,954	146,122	12,841	1,880,917
DEPRECIATION				
At 1 April 2024	390,404	136,035	11,549	537,988
Charge for year	33,968	7,484	644	42,096
At 31 March 2025	424,372	143,519	12,193	580,084
NET BOOK VALUE				
At 31 March 2025	1,297,582	2,603	648	1,300,833
At 31 March 2024	1,331,550	986	1,292	1,333,828

14. STOCKS

	2025 £	2024 £
Stocks	523	743

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £	2024 £
Trade debtors	15,377	18,754
Prepayments and accrued income	3,794	11,407
	19,171	30,161

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £	2024 £
Trade creditors	12,988	5,790
Social security and other taxes	30,545	28,011
Other creditors	132,081	117,804
	175,614	151,605

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued

Included in other creditors is the following deferred income:

Deferred Income	£
Bal B/f	20,827
Fee income released	(20,827)
Fee income deferred	30,280
	30,280

At the balance sheet date, the charity held funds received from parents for nursery fees invoiced in advance and the EYE grant received in advance.

17. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2025	2024
	£	£
Within one year	1,360	1,620
Between one and five years	2,235	3,420
	3,595	5,040

18. MOVEMENT IN FUNDS

	At 1.4.24	Net movement in funds	Transfers between funds	At 31.3.25
	£	£	£	£
Unrestricted funds				
General fund	302,428	57,934	(9,903)	350,459
Designated Fixed Asset Reserve	1,333,828	(42,096)	9,101	1,300,833
	1,636,256	15,838	(802)	1,651,292
Restricted funds				
Trips & Events	-	(634)	634	-
Subsidised Meals	-	406	-	406
Quartet Foundation	371	(32)	-	339
BOP	-	(168)	168	-
Partnership With Parents	279	(279)	-	-
Xmas toys/books	529	-	-	529
Children with SEN	95,269	(7,771)	-	87,498
Replacing Boiler Heating system	504	(504)	-	-
Stay and Play	4,549	340	-	4,889
Renovation Twerton	-	32,348	-	32,348
	101,501	23,706	802	126,009
TOTAL FUNDS	1,737,757	39,544	-	1,777,301

18. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,940,623	(1,882,689)	57,934
Designated Fixed Asset Reserve	-	(42,096)	(42,096)
	1,940,623	(1,924,785)	15,838
Restricted funds			
Trips & Events	1,832	(2,466)	(634)
Subsidised Meals	20,712	(20,306)	406
Quartet Foundation	-	(32)	(32)
BOP	7,200	(7,368)	(168)
Partnership With Parents	-	(279)	(279)
Children with SEN	-	(7,771)	(7,771)
Replacing Boiler Heating system	-	(504)	(504)
Stay and Play	6,280	(5,940)	340
Renovation Twerton	32,348	-	32,348
	68,372	(44,666)	23,706
TOTAL FUNDS	2,008,995	(1,969,451)	39,544

General Fund
The free reserves after allowing for all designated funds

Designated Fixed Asset Reserve fund
Includes tangible fixed assets, property, fixtures and fittings, computer equipment and depreciation.

Restricted Funds
Children with SEN (previously named BOP fund) – to support SEN children to attend nursery through the provision of extra staff, specific SEN training or resources to meet the child's needs.

Norlands Stay and Play – to provide weekly family support sessions for children with SEN needs.

18. MOVEMENT IN FUNDS - continued

Comparative 2024 movement in funds

	At 1.4.23 £	Net movement in funds £	Transfers between funds £	At 31.3.24 £
Unrestricted funds				
General fund	400,285	(87,053)	(10,804)	302,428
Designated Fixed Asset Reserve	1,362,050	(39,026)	10,804	1,333,828
	1,762,335	(126,079)	-	1,636,256
Restricted funds				
Subsidised Meals	5,460	(5,460)	-	-
Quartet Foundation	371	-	-	371
BOP	95,585	(316)	-	95,269
Partnership With Parents	518	(239)	-	279
Xmas toys/books	529	-	-	529
St Johns Language for Life	1,394	(1,394)	-	-
Consortium order Moorlands	1,800	1,128	-	2,928
Replacing Boiler Heating system	2,125	-	-	2,125
	107,782	(6,281)	-	101,501
TOTAL FUNDS	1,870,117	(132,360)	-	1,737,757

18. MOVEMENT IN FUNDS - continued

Comparative 2024 net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,699,495	(1,786,548)	(87,053)
Designated Fixed Asset Reserve	-	(39,026)	(39,026)
	1,699,495	(1,825,574)	(126,079)
Restricted funds			
Subsidised Meals	7,571	(13,031)	(5,460)
BOP	9,295	(9,611)	(316)
Partnership With Parents	-	(239)	(239)
Panto/Sensory play	400	(400)	-
St Johns Language for Life	2,660	(4,054)	(1,394)
Consortium order Moorlands			
	6,213	(5,085)	1,128
BHM - running high	1,000	(1,000)	-
	27,139	(33,420)	(6,281)
TOTAL FUNDS	1,726,634	(1,858,994)	(132,360)

19. EMPLOYEE BENEFIT OBLIGATIONS

The Charity is a member of The Pension Trust's Defined Contribution Pension Scheme. Contributions made by the charity amounted to £57,437 (2024: £53,398). Year-end contributions outstanding amounted to £Nil (2024: £Nil).

20. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES.

On 31 March 2025, there were no capital commitments or contingent liabilities (2024 - None).

21. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2025.

First Steps (Bath)

Detailed Statement of Financial Activities
for the Year Ended 31 March 2025

	2025 £	2024 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations and fundraising	4,680	5,340
Grants	68,372	27,139
	73,052	32,479
Other trading activities		
Community lettings	30,717	32,966
Training Income	-	25
Misc Income	5,693	5,216
	36,410	38,207
Investment income		
Deposit account interest	8,218	7,721
Charitable activities		
Incoming Resources	1,891,315	1,648,227
Total incoming resources	2,008,995	1,726,634
EXPENDITURE		
Charitable activities		
Wages	1,418,175	1,290,193
Social security	90,137	76,985
Pensions	57,437	53,398
Other operating leases	522	3,088
Rates and water	10,799	9,533
Insurance	10,213	9,428
Light and heat	21,998	12,463
Other Staff Costs	22,626	25,383
Service Costs	80,352	80,282
Catering Costs	74,992	72,186
Information Technology Costs	36,062	36,496
Administrative Costs	14,633	14,536
Special projects	17,711	51,455
Repairs and renewals	55,123	65,315
Bad debts - Fees written off	1,146	2,380
Improvements to property	42,096	39,026
	1,954,022	1,842,147

First Steps (Bath)

Detailed Statement of Financial Activities
for the Year Ended 31 March 2025

	2025 £	2024 £
Support costs		
Finance		
Bank charges	5,243	4,648
Governance costs		
Auditors' remuneration	7,000	6,500
Auditors' remuneration for non audit work	1,500	1,375
Accountancy and legal fees	1,686	4,324
	10,186	12,199
Total resources expended	1,969,451	1,858,994
Net income/(expenditure)	39,544	(132,360)

FIRST STEPS (BATH)

England & Wales - Charity number 1012690

Accounts

REGISTERED COMPANY NUMBER: 02656485 (England and Wales)
REGISTERED CHARITY NUMBER: 1012690

First Steps (BATH)

Report of the Trustees and Financial Statements for the year ended 31st March 2024

IN PARTNERSHIP WITH

Bath & North East Somerset Council

First Steps (Bath)

Charity registration number 1012690 Registered Company number 02656485

Contents of the Financial Statements
for the Year Ended 31 March 2024

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CHAIR'S REPORT 2024

I am pleased to report on another year when First Steps has made good progress on the objectives we have set ourselves. We wish to provide local, quality, all year around nursery care, and a support hub for families with preschool children. Our focus on the community has continued, and over half our staff live in the areas where we work.

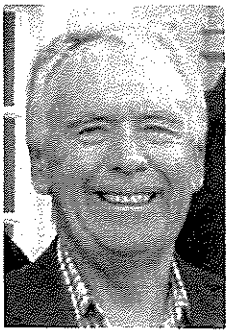
A particular challenge for us, along with other similar settings, has been to ensure that we have maintained target levels of staffing during the year without sacrificing quality and standards. We have sought to be as flexible as we can on providing fair remuneration levels and working hours, as well as in the overall support provided to staff. We have provided various training opportunities, including encouraging staff to work towards Dingley's promise 'Mark of Achievement', and additional training to support Special Educational Needs. We hope to develop these further in the year ahead.

Our overall financial position remains sound and we have been able to invest in the development of services at all three of our settings from First Steps reserves. We have successfully completed the Bath Opportunity Preschool's move to new premises, having been awarded the contract for a further five years, allowing us to continue to provide this valuable service. We have improved the garden and outdoor facilities at Twerton and made better use of our premises at Moorlands. We have provided free school meals to around a quarter of our children most in need. None of this would have been possible without the generosity of our many and varied funders, and I thank them for their support.

Funding allows us to respond more positively to the many opportunities to develop our services. The importance of the preschool years to a child's development is now well recognised, and the recent changes in early years entitlements will increase the demand for the services we provide. I am confident First Steps is in a good position to respond to these.

I have now completed nine years as a First Steps trustee, six of them as chair, and have decided to step down at the end of this year. It is important that Boards are regularly refreshed with new people with new ideas. I have continually been impressed by the quality of the staff at all levels, and by the commitment of parents, volunteers and funders. Particularly I want to thank the excellent group of trustees that I have had the opportunity of working with. Without exception they have provided thoughtful comment and advice, as well as, most importantly, time to support many different areas of our activities. I will miss being an active part of this.

Best wishes
Ken Littlewood
Chair of Trustees



TRUSTEES' ANNUAL REPORT

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2024. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2022).

STRATEGIC REPORT

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

REFERENCE AND ADMINISTRATIVE DETAILS

Chair	Ken Littlewood	Retired Business Executive
Vice Chair	Janet Rose	Director
Vice Chair	Elisabeth Hacking	Senior Lecturer and Deputy Head, Department of Education, University of Bath
Treasurer	*Tom Williams	Management Accountant
Other trustees	Isobel Michael	Fundraiser
Resigned Oct 2023	*Kate Tuckwell	Senior Lecturer of Social and Policy Sciences
	Meg North	Retired local government officer
	Marina Sloan	Specialist Speech & Language Therapist
Resigned Oct 2023	Mike Turner	Manager Director
	*Simon Andrews	Project Manager
	Val Wheeler	Retired Health Visitor
	*Jayanna Witt	Parent
* Denotes parents whose children used First Steps (Bath) services during the year.		
Senior Management Team		
	Roz Lambert	Chief Executive
	Sarah Elliott	Finance & HR Manager and Company Secretary
Maternity Leave Jan 23 to Oct 23	Charlotte Miller	Children's Services Manager - Moorlands
Resigned Aug 2023	Sian Barnett	Acting Children's Services Manager - Moorlands
	Louise Hewings	Children's Services Manager - Twerton
	Stefanie Walbyoff	Children's Services Manager - BOP
Registered Company number	02656485 (England and Wales)	
Registered Charity number	1012690	
Registered Office	Ms S Elliott, Woodhouse Road, Twerton, Bath, BA2 1SY	
E-mail	info@firststepsbath.org.uk	
Website	www.firststepsbath.org.uk	

TRUSTEES' ANNUAL REPORT

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational Structure
First Steps (Bath) is governed by a Charity Board of Trustees, which includes parents using our services and local professionals. The Board's membership reflects key stakeholders in the local community including local public services, local businesses, independent consultants, voluntary organisations, and schools. Trustees therefore bring a wide range of individual skills and experience to the Board.
The Trustee Board, which met five times during the year, makes decisions on the annual budget, formulates policy, and considers strategic issues which affect the charity. At the Annual General Meeting the Trustees elect the Chairperson.
The Trustees of First Steps (Bath) delegate the day-to-day running of the charity to the Chief Executive and Senior Management Team, who attend Trustee Board meetings in an advisory capacity. The Trustee Board has power to require the Chief Executive and members of staff to withdraw from meetings whenever confidential matters are being discussed.
Recruitment and appointment of Trustee Board members
Recruitment of new Trustees is ongoing; interested potential Trustees are invited to submit a CV and meet with the Chair of Trustees and CE before attending a Board meeting as an observer. Before being nominated for election, the procedures for safe recruitment are followed.
Trustee Induction and Training
The structure and process of new Trustee induction and training has been developed as part of the recruitment of new Trustees. Information packs containing copies of the financial statements, Memoranda and Articles of Association, and recent Board Meeting Minutes are provided. An invitation is made to visit staff and volunteers. Training is offered through specific sessions tailored to meet the needs of current Trustees.
Risk Management
The Trustee Board has responsibility to manage risk within the charity. They have updated and reviewed risks within the year and agreed on a schedule of actions to mitigate the identified risks. Any updates to the risk assessments are brought to Board meetings and the risk assessments are reviewed by the Board annually.
Related parties
No trustees receive remuneration or other benefit from their work with the charity. Any contractual relationship with a related party between a trustee and senior manager of the charity must be disclosed to the full board of trustees. In the current year, no such related party transactions were reported.

AIMS

Our Mission

First Steps has a governing document (Memorandum and Articles of Association dated 10 June 1992) which sets out our 'Objects' as a charity. These have been summarised into our mission:
"To work in partnership with children, families, colleagues and the community by being a responsive, informed, reflective and innovative provider of early years' education, childcare and integrated family services"
In pursuing this mission First Steps will deliver value to:

- Children, through access to quality integrated care, play and early learning opportunities.
- Families, through a range of services which are responsive to their individual needs, emphasising bringing services to families.
- Staff, by maintaining a stimulating environment that encourages innovation and best practice and developing and implementing a coherent range of policies understood and valued by all.
- Other stakeholders, through our commitment to working collaboratively with professionals from other disciplines, sharing expertise and exploiting opportunities in areas of common interest.
- To guide our actions as an organisation and ensure a culture of shared values and direction we:
- Work in partnership not in competition.
- Are committed to an integrated service approach that brings professionals from various disciplines together.
- Foster an ethos of providing professional support in a non-judgmental and non-stigmatising way.
- Encourage open-mindedness within our practice and ensure that our policies are sufficiently flexible to admit new ideas.
- Respect parents as partners in their children's educational and developmental progress.

TRUSTEES' ANNUAL REPORT
STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Our guiding principles

- Create a culture that values and celebrates children and families in a way that strengthens our community.
- Seek new ways of doing things, explore new approaches, and are open to learning from others.
- Measure our success by the way we deliver on our commitment to better outcomes for children and families.

OBJECTIVES AND ACTIVITIES

The principal objectives of First Steps (Bath) are to advance the development of education of children below compulsory school age (by encouraging parents to understand and provide for the needs of their children) in particular through the provision of safe and satisfying group play in which parents have the right to take part and by encouraging the study of the needs of children and their families and by promoting public interest in and recognition of such needs in the City of Bath and as a result of the provision of such facilities to relieve cases of need hardship or distress.

This work is conducted through two Community Nurseries, First Steps Twerton and First Steps Moorlands and an Early Years Specialist service, First Steps Bath Opportunity Preschool, (BOP). A contract with the Local Authority for early years specialist provision funds BOP.

In shaping these priorities and planning our activities the Trustees have considered the Charity Commission's guidance on public benefit. The Trustees undertake an annual review of day care fees; in setting the level of fees and concessions, the Trustees give careful consideration to ensuring the accessibility of the service for those on low incomes.

Our Purpose

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

Our Partners

Much of our work is delivered in partnership with other agencies, to provide integrated 'seamless' support for children and families when they need it. Examples of the partners include:

- HCRG Care Group - Health Visitors have an office in Woodhouse Road delivering the Healthy Child Programme.
- Speech & Language service: We use the pupil premium funding to pay for a speech and language therapist embedded within our services to provide special projects or groups with children; screening and individual work with children and advice and training for staff to enhance the usual support. In addition, First Steps is part of the.
- The project aims to close the persistent word gap that impacts children's later outcomes, thereby making a significant difference in their lives. The project also supports preschool children to reach their age-related expectations in communication and language development before they transition into primary school settings in Bath and Keynsham.
- Other health professionals, e.g., community paediatricians, and occupational therapists – provide staff with advice and guidance, and individual work with children and families.
- Action for Children – family support workers delivering the Children's Centre Service have an office at Woodhouse Road. Parenting programmes and support groups are delivered from there.
- Local Authority Children's Services - First Steps provides placements for 'children in need' and/or children who are the subject of a child protection plan, and 'child-friendly' venues for contact sessions.
- Local Authority Early Years and Special Educational Needs teams.
- Southside Family Project: supporting families with complex needs.
- Local schools, particularly our neighbours: Moorlands Schools Federation and Twerton Infants School.
- B&NES Bright Start Children's' Centre's: joint working or training, collaboration and sharing good practice.
- Bath Spa University, University of Bath, Norland Collage and other training providers, local colleges, and schools: First Steps acts as a training base for a range of student placements.

TRUSTEES' ANNUAL REPORT
OBJECTIVES AND ACTIVITIES

ACHIEVEMENT AND PERFORMANCE.

Our achievements for 2023 – 2024

Priority One: To continue with the ambitious vision to deliver universal, inclusive children care and education, high expectations for children's achievement and high standards of provision.

Ensure that a sharp focus is placed on improving the life chances of children through accurate evaluation of provision through information gathered from, children, parents, staff and linked professionals and data from children's assessments.

To embed the concept of childhood nature, the idea that children are nature, that human health and well-being are linked to the environment and that adults have a responsibility to ensure that children have access to nature and opportunities to explore the natural world, that children are encouraged to be active citizens and are encouraged in appropriate ways to embed sustainability. To promote healthy and sustainable living for children's families and the community.

- Continued to use the Thrive Approach a powerful assessment and interaction tool that supports children's emotional and social development.
- Consultation with staff, parents, and carers.
- Locally employed 55% of the staff team.
- Increased opportunities for staff development and progression
- Embedded new nursery software, improving communication with families.
- 96% of children attend nursery for more than 11 hours a week, which is the time that research indicates supports children to benefit most from their Early Years Education.
- Successfully moved the BOP Bath Opportunity Preschool to new premises.

Priority Two: To further develop the concept of Community Nursery and Early Years Centre through the delivery of services that raise the profile of the early years in a child's life and are responsive to family needs and special educational needs. Taking actions to build an organization that includes the voice of minority groups.

Priority Three: To further develop the Social Enterprise Model, exploring new funding and trading opportunities, employing a mixed model of funding to support special projects that meet community need.

- Secured ongoing funding to support Stay and Play sessions for children with special educational needs, thirty-two families attended across the year.
- Fundraised to deliver quality services and free meals to children from low-income families.
- Loaned home learning bags to families and held home learning sessions within the nursery.
- Maintained occupancy to capacity.
- Created increased income from room rental.

Priority Four: To enable the trustee board to reflect the voice of the community of families that services work with, (locality and community of need) to ensure confident decision making and understanding of their role and responsibilities and are ready to be accountable to families with young children who use First Steps services.

- We have recruited three new trustees to the board.

Our priorities for 2024 – 2025 are: -

Priority One: To continue with the ambitious vision to deliver universal, inclusive children care and education, high expectations for children's achievement and high standards of provision.

Ensure that a sharp focus is placed on improving the life chances of children through accurate evaluation of provision through information gathered from, children, parents, staff and linked professionals and data from children's assessments.
To embed the concept of childhood nature, the idea that children are nature, and that human health and well-being are linked to the environment and that adults have a responsibility to ensure that children have access to nature and opportunities to explore the natural world, that children are encouraged to be active citizens and are encouraged in appropriate ways to embed sustainability. To promote healthy and sustainable living for children's families and the community

Priority Two: To further develop the concept of Community Nursery and Early Years Centre through the delivery of services that raise the profile of the early years in a child's life and are responsive to family needs and special educational needs. Taking action to build an organization that includes the voice of minority groups.

Priority Three: To further develop the Social Enterprise Model, exploring new funding and trading opportunities, employing a mixed model of funding to support special projects that meet community needs.

Priority 4: To secure the necessary funding to successfully complete refurbishment projects at our Twerton and Moorlands facilities, as well as at the BOP site. In addition, to supporting expansion initiatives at the Twerton location. Our focus is on enhancing our facilities to better serve our community and stakeholders.

FINANCIAL REVIEW

There has been increase demand for our services during the year with services being full during peak sessions. The significant features of the finances during the year are as follows:

- **Nursery income** - Nursery fee income was up by 13% to £1,296,112 from the previous year.
- **Specialist Service Contract** – The specialist service contract ended in August 2023 with the new contract being awarded to First Steps with B&NES to provide a specialist service from September 2023 to August 2027 with a contract value of £250,368 per annum.
- **Funding from B&NES** – Payments to support Inclusion from Social Services which are dependent on individual children's needs were lower than budget expectations and down compared to last year. Additional income was received for children whose families have opted for delayed school entry compared to last year. A higher number of children were eligible for the Disability Access Fund and Early Years Pupil Premium.
- **Income from Charitable Activities** - the increase in nursery fee income has meant income from charitable activities has grown by £150,892; to a total of £1,648,227 (2023: £1,497,335).
- **Employment costs** – at £1,420,577 these have risen to 78% of all spending on unrestricted activities an increase of 2% to the previous year which was due to rising employment costs and an increase in staff to support additional children, particularly those with special education needs.
- **Other direct costs** – of £213,559 which include the relocation of a service and additional SEN training have increased compared to the previous year by £62,873 (2023: £150,686). The assessed value of free meals for children increased to £19,073 (2023: £14,334) which was funded by restricted and unrestricted donations.
- **Overheads** - amount to £224,859, which was a 21% increase on the previous year due to increased premises costs, redecoration of services and inflation.

The overall result for the year was a deficit fund of £132,360 (2023: £46,249 surplus). The movement in funds, is a result of a deficit of £6,281 on restricted funds, a movement in funds to the designated fixed asset fund of a deficit £28,222 and a deficit on unrestricted funds of £97,857.

Reserves policy

The trustees have carefully considered the level of free reserves that should be maintained to safeguard our obligations under our contract and the needs of users of First Steps Services. The trustees have agreed that the minimum free reserves should amount to no less than 2 months' total expenditure based on budget expectations in the new financial year, which is approximately £302,000. Currently unrestricted reserves amount to £302,428.

Considering the current economic climate on our business and indirectly with our service users and the impact on our ability to raise funds in the future, in addition to the effect of lower inflation rates and high demand for service the trustees are satisfied with the current level of reserves.

TRUSTEES' ANNUAL REPORT
FINANCIAL REVIEW (continued)

Fixed assets

Movements in fixed assets are set out in Note 13 to the financial statements; there were three additions to fixed assets during the year totalling £10,804 which relate to a new automatic door £6,150, a new telephone system £2,623 and Bike 2 Work scheme £2,031 (2023, £12,156).

Planning for the future

Trustees have used the Theory of Change model to support decision-making and are continuing to ensure that diversity is represented within services is also reflected further up the organisation. We recognise that this is a slow process but one that needs to be built with substance and commitment.
Financial decisions have been made to strengthen the workforce and improve buildings to secure quality for future years whilst avoiding undue financial pressures on parents. This will secure all services with the expansion of the Early Years Entitlement and particularly the Early Years specialist service.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of First Steps (Bath) for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements 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 that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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 statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors Moore will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 17th July 2024 and signed on the board's behalf by:

K Littlewood - Trustee

Report of the Independent Auditors to the Members of
First Steps (Bath)

Opinion
We have audited the financial statements of First Steps (Bath) (the 'charitable company') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:
- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information
The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken during the audit:
- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charitable company and its environment obtained during the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.

The extent to which our procedures can detect irregularities, including fraud is detailed below:

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK Financial Reporting Standards and UK taxation legislation.

We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.

We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.

We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Report of the Independent Auditors to the Members of
First Steps (Bath)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Mark Powell (Senior Statutory Auditor)
for and on behalf of Moore
Chartered Accountants and Statutory Auditor
30 Gay Street
Bath
BA1 2PA

Date: 29/7/2024

First Steps (Bath)

Statement of Financial Activities
for the Year Ended 31 March 2024

	Notes	Unrestricted funds £	Designated Fixed Asset Reserve Fund £	Restricted funds £	31.3.24 Total funds £	31.3.23 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	5,340	-	27,139	32,479	59,171
Charitable activities	5					
Charitable Activities		1,648,227	-	-	1,648,227	1,497,335
Other trading activities	3	38,207	-	-	38,207	29,448
Investment income	4	7,721	-	-	7,721	2,163
Total		1,699,495	-	27,139	1,726,634	1,588,117
EXPENDITURE ON						
Charitable activities	6					
Charitable Activities		1,786,548	39,026	33,420	1,858,994	1,541,868
NET INCOME/(EXPENDITURE)		(87,053)	(39,026)	(6,281)	(132,360)	46,249
Transfers between funds	18	(10,804)	10,804	-	-	-
Net movement in funds		(97,857)	(28,222)	(6,281)	(132,360)	46,249
RECONCILIATION OF FUNDS						
Total funds brought forward		400,285	1,362,050	107,782	1,870,117	1,823,868
TOTAL FUNDS CARRIED FORWARD		302,428	1,333,828	101,501	1,737,757	1,870,117

First Steps (Bath)

Statement of Financial Position
31 March 2024

	Notes	Unrestricted funds £	Designated Fixed Asset Reserve Fund £	Restricted funds £	31.3.24 Total funds £	31.3.23 Total funds £
FIXED ASSETS						
Tangible assets	13	-	1,333,828	-	1,333,828	1,362,050
CURRENT ASSETS						
Stocks	14	743	-	-	743	939
Debtors	15	30,161	-	-	30,161	129,497
Cash at bank		423,129	-	101,501	524,630	446,880
		454,033	-	101,501	555,534	577,316
CREDITORS						
Amounts falling due within one year	16	(151,605)	-	-	(151,605)	(69,249)
NET CURRENT ASSETS		302,428	-	101,501	403,929	508,067
TOTAL ASSETS LESS CURRENT LIABILITIES		302,428	1,333,828	101,501	1,737,757	1,870,117
NET ASSETS		302,428	1,333,828	101,501	1,737,757	1,870,117
FUNDS	18					
Unrestricted funds					1,636,256	1,762,335
Restricted funds					101,501	107,782
TOTAL FUNDS					1,737,757	1,870,117

The financial statements were approved by the Board of Trustees and authorised for issue on 17th June 2024 and were signed on its behalf by:

Ken Littlewood, Chair of Trustees

First Steps (Bath)

Statement of Cash Flows
for the Year Ended 31 March 2024

	Notes	31.3.24 £	31.3.23 £
Cash flows from operating activities			
Cash generated from operations	1	80,833	22,776
Net cash provided by operating activities		80,833	22,776
Cash flows from investing activities			
Purchase of tangible fixed assets		(10,804)	(12,156)
Interest received		7,721	2,163
Net cash used in investing activities		(3,083)	(9,993)
Change in cash and cash equivalents in the reporting period		77,750	12,783
Cash and cash equivalents at the beginning of the reporting period		446,880	434,097
Cash and cash equivalents at the end of the reporting period		524,630	446,880

First Steps (Bath)

Notes to the Statement of Cash Flows
for the Year Ended 31 March 2024

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.3.24	31.3.23
	£	£
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(132,360)	46,249
Adjustments for:		
Depreciation charges	39,026	35,980
Interest received	(7,721)	(2,163)
Decrease in stocks	196	117
Decrease/(increase) in debtors	99,336	(60,307)
Increase in creditors	82,356	2,900
Net cash provided by operations	80,833	22,776

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.23	Cash flow	At 31.3.24
	£	£	£
Net cash			
Cash at bank	446,880	77,750	524,630
	446,880	77,750	524,630
Total	446,880	77,750	524,630

1. ACCOUNTING POLICIES

Basis of preparing the financial statements
The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

First Steps (Bath) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going Concern

As stated in the financial review section of the annual report the Trustees are confident it will be able to meet its obligations as they fall due for a minimum period of at least 12 months from the date of signing. These financial statements are therefore produced on a going-concern basis.

Income
All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to categories of income:

- Contract and grant income is included as incoming resources in the period to which it relates
- When donors specify that donations or grants are for restricted purposes, the income is included as incoming resources of restricted funds when receivable. Grants received are deferred and recognised through the statement of financial activities in full when conditions for receipt are complied with
- Intangible income, including gifts in kind, is included at the trustees' valuation when known.
- No amounts are included in the financial statements for services donated by volunteers.
- Where incoming resources are for goods or services and, upon full performance of the service, any surplus funds can be retained and used for general purposes, the incoming resources and related expenditure is treated as Unrestricted.

Resources expended and liabilities
Expenditure is recognised on an accrual basis as a liability is incurred; inclusive of any VAT where this cannot be recovered. Liabilities are recognised when the charity has an obligation to transfer economic benefit as a result of a past transaction or event.

Tangible fixed assets
Tangible fixed assets costing more than £2,000 are capitalised and included at cost. Depreciation is calculated to write off the cost, less estimated residual values, of tangible fixed assets over their estimated useful lives to the charity.

1. ACCOUNTING POLICIES - continued

The annual depreciation rates and methods are:

Leasehold property	Evenly over a period of 50 years
Fixtures, fittings, and equipment	10 or 25% straight line

A review of impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognized as impairments. Impairment losses are recognized in the Statement of Financial Activities.

Stocks
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items.

Taxation
The charity is exempt from corporation tax on its charitable activities.

Fund accounting
Funds held by the charity are either:

- Unrestricted - these are donations and other income generated, for the objects of the charity without further specified purposes and which can be used in accordance with the charitable objects at the discretion of the trustees.
- Restricted funds - these can only be used for restricted purposes, the charity, as specified by the donor. Expenditure which meets these criteria is charged against the fund. Further details of the funds are given in the Notes to the Accounts.

Operating lease commitments
Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

Pensions
The charity's employees are eligible to participate in The Pension Trust's Defined Contribution Pension Scheme. The employer's contributions payable to this scheme are charged to the income and expenditure account in the period to which they relate.

2. DONATIONS AND LEGACIES

	31.3.24	31.3.23
	£	£
Donations and fundraising	5,340	6,757
Grants	27,139	52,414
	32,479	59,171

Grants received, included in the above, are as follows:

	31.3.24	31.3.23
	£	£
Grants - Various	27,139	52,414

3. OTHER TRADING ACTIVITIES

	31.3.24	31.3.23
	£	£
Community lettings	32,966	29,212
Training Income	25	-
Misc Income	5,216	236
	38,207	29,448

4. INVESTMENT INCOME

	31.3.24	31.3.23
	£	£
Deposit account interest	7,721	2,163

5. INCOME FROM CHARITABLE ACTIVITIES

	31.3.24 Charitable Activities	31.3.23 Total activities
	£	£
Incoming Resources	1,648,227	1,497,335

5. INCOME FROM CHARITABLE ACTIVITIES - continued

	Unrestricted Funds	Restricted Funds	Total 2024	Total 2023
Bath & North East Somerset Council:	£	£	£	£
Disability Access Fund	21,405	-	21,405	9,501
BOP Specialist Contract	251,184	-	251,184	211,000
Social Services: ISF	79,526	-	79,526	137,279
Total Revenue Funding	**352,115**	-	**352,115**	**357,780**
Nursery Fees & Related Funding:				
Early Years Entitlement	520,296	-	520,296	485,712
Nursery fees charged to parents	750,965	-	750,965	631,366
Early Years Pupil Premium	24,851	-	24,851	22,477
	1,296,112	-	**1,296,112**	**1,139,555**
Total Income from charitable activities	**1,648,227**	-	**1,648,227**	**1,497,335**

2023 Comparatives

	31.3.23 Charitable activities	31.3.22 Total activities
	£	£
Incoming Resources	1,497,335	1,262,125

	Unrestricted Funds	Restricted Funds	Total 2023	Total 2022
Bath & North East Somerset Council:	£	£	£	£
Disability Access Fund	9,501	-	9,501	6,930
BOP Specialist Contract	211,000	-	211,000	201,667
Social Services: ISF	137,279	-	137,279	119,656
Total Revenue Funding	**357,780**	-	**357,780**	**328,253**
Nursery Fees & Related Funding:				
Early Years Entitlement	485,712	-	485,712	430,601
Nursery fees charged to parents	631,366	-	631,366	480,994
Early Years Pupil Premium	22,477	-	22,477	22,277
	1,139,555	-	**1,139,555**	**933,872**
Total Income from charitable activities	**1,497,335**	-	**1,497,335**	**1,262,125**

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Support costs (see note 7)	Totals
	£	£	£
Charitable Activities	1,842,147	16,847	1,858,994

6. CHARITABLE ACTIVITIES COSTS - continued

	Unrestricted Funds	Restricted Funds	Total 2024	Total 2023
Direct Costs:	£	£	£	£
Employment costs	1,407,445	13,132	1,420,577	1,205,755
Catering costs	59,061	13,124	72,185	61,588
Staff costs (training costs, expenses etc.)	69,097	-	69,097	61,003
Special Projects: Direct Costs	51,455	-	51,455	6,878
Service costs	18,441	-	18,441	17,636
Bad debts - fees written off.	2,380	-	2,380	3,580
Total Direct Costs	**1,607,879**	**26,256**	**1,634,136**	**1,356,441**
Overheads:				
Premises costs	112,181	5,743	117,924	92,214
Administrative costs	13,144	1,421	14,565	14,440
Information Technology costs	36,497	-	36,497	31,363
Depreciation charges	39,026	-	39,026	35,980
Support costs (See note 7)	16,847	-	16,847	11,430
Total Overhead Costs	**178,669**	**7,164**	**224,859**	**185,427**
Total Costs of Charitable activities	**1,825,574**	**33,420**	**1,858,994**	**1,541,868**

2023 Comparatives

	Direct Costs	Support costs (see) note 7	Total
	£	£	£
Charitable Activities	1,530,438	11,430	1,541,868

	Unrestricted Funds	Restricted Funds	Total 2023	Total 2022
Direct Costs:	£	£	£	£
Employment costs	1,205,755	-	1,205,755	1,075,416
Catering costs	61,588	-	61,588	57,840
Staff costs (training costs, expenses etc.)	19,767	41,236	61,003	45,243
Special Projects: Direct Costs	6,878	-	6,878	8,465
Service costs	17,636	-	17,636	8,306
Bad debts - fees written off.	3,580	-	3,580	9,708
Total Direct Costs	**1,315,205**	**41,236**	**1,356,441**	**1,204,978**

6. CHARITABLE ACTIVITIES COSTS - continued

Overheads:				
Premises costs	92,214	-	92,214	70,200
Administrative costs	14,440	-	14,440	15,762
Information Technology costs	31,363	-	31,363	34,606
Depreciation charges	35,980	-	35,980	35,779
Support costs (See note 7)	11,430	-	11,430	9,293
Total Overhead Costs	**185,427**	**-**	**185,427**	**165,640**
Total Costs of Charitable activities	**1,500,632**	**41,236**	**1,541,868**	**1,370,618**

7. SUPPORT COSTS

	Finance	Governance costs	Totals
	£	£	£
Charitable Activities	4,648	12,199	16,847

2023 Comparative

	Finance	Governance costs	Totals
	£	£	£
Charitable Activities	3,894	7,536	11,430

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.3.24	31.3.23
	£	£
Auditors' remuneration	6,500	6,200
Non Audit Services	1,375	1,300
Depreciation - owned assets	39,026	35,980
Other operating leases	3,088	6,412

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustee's remuneration or other benefits for the year ended 31 March 2024 nor for the year ended 31 March 2023.

No remuneration or expenses were paid during the year to any of the trustees (2023: £Nil). During the year four Trustees had children in First Steps nurseries, they paid the full rate for all services used and so received no benefit as a result of their role as Trustees.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2024 nor for the year ended 31 March 2023.

10. STAFF COSTS

	31.3.24	31.3.23
	£	£
Wages and salaries	1,290,193	1,094,399
Social security costs	76,985	64,697
Other pension costs	53,398	46,660
	1,420,576	1,205,756

The average monthly number of employees during the year was as follows:

	31.3.24	31.3.23
Delivery of Children's & Family Services	49	46
Management and Administration	4	5
	53	51

No employees received emoluments in excess of £60,000.

The key management personnel of the charity comprise the trustees, the Chief Executive Officer, Finance and Administration Manager, a Children's Services Manager for Twerton and a Children's Services manager for Moorlands and a Childrens Services Manager for BOP. The total employee benefits of the key management personnel of the Trust were £213,709 (2023:£229,648).

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Designated Fixed Asset Reserve Fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	6,757	-	52,414	59,171
Charitable activities				
Charitable Activities	1,497,335	-	-	1,497,335
Other trading activities	29,448	-	-	29,448
Investment income	2,163	-	-	2,163
Total	1,535,703	-	52,414	1,588,117
EXPENDITURE ON				
Charitable activities				
Charitable Activities	1,464,652	35,980	41,236	1,541,868
NET INCOME/(EXPENDITURE)	71,051	(35,980)	11,178	46,249
Transfers between funds	(13,504)	12,156	1,348	-
Net movement in funds	57,547	(23,824)	12,526	46,249
RECONCILIATION OF FUNDS				
Total funds brought forward	342,738	1,385,874	95,256	1,823,868
TOTAL FUNDS CARRIED FORWARD	400,285	1,362,050	107,782	1,870,117

12. TAXATION

First Steps (Bath) is a registered charity and accordingly is exempt from taxation on its income and capital gains, provided certain conditions are met.

13. TANGIBLE FIXED ASSETS

	Leasehold Property £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 April 2023	1,721,954	126,217	12,841	1,861,012
Additions	-	10,804	-	10,804
At 31 March 2024	1,721,954	137,021	12,841	1,871,816
DEPRECIATION				
At 1 April 2023	375,804	112,253	10,905	498,962
Charge for year	14,600	23,782	644	39,026
At 31 March 2024	390,404	136,035	11,549	537,988
NET BOOK VALUE				
At 31 March 2024	1,331,550	986	1,292	1,333,828
At 31 March 2023	1,346,150	13,964	1,936	1,362,050

14. STOCKS

	31.3.24 £	31.3.23 £
Stocks	743	939

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.24 £	31.3.23 £
Trade debtors	18,754	118,528
Prepayments and accrued income	11,407	10,969
	30,161	129,497

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.24 £	31.3.23 £
Trade creditors	5,790	4,724
Social security and other taxes	28,011	20,033
Other creditors	117,804	44,492
	151,605	69,249

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued

Deferred Income	£
Bal B/f	-
Fee income deferred	20,827
	20,827

At the balance sheet date, the charity held funds received from parents for nursery fees invoiced in advance.

17. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.3.24	31.3.23
	£	£
Within one year	1,620	1,187
Between one and five years	3,420	2,362
	5,040	3,549

18. MOVEMENT IN FUNDS

	At 1.4.23	Net movement in funds	Transfers between funds	At 31.3.24
	£	£	£	£
Unrestricted funds				
General fund	400,285	(87,053)	(10,804)	302,428
Designated Fixed Asset Reserve	1,362,050	(39,026)	10,804	1,333,828
	1,762,335	(126,079)	-	1,636,256
Restricted funds				
Subsidised Meals	5,460	(5,460)	-	-
Quartet Foundation	371	-	-	371
Children with SEN	95,585	(316)	-	95,269
Partnership With Parents	518	(239)	-	279
Xmas toys/books	529	-	-	529
St Johns Language for Life	1,394	(1,394)	-	-
Stay and Play	3,421	1,128	-	4,549
Replacing Boiler Heating system	504	-	-	504
	107,782	(6,281)	-	101,501
TOTAL FUNDS	1,870,117	(132,360)	-	1,737,757

18. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,699,495	(1,786,548)	(87,053)
Designated Fixed Asset Reserve	-	(39,026)	(39,026)
	1,699,495	(1,825,574)	(126,079)
Restricted funds			
Subsidised Meals	7,571	(13,031)	(5,460)
Children with SEN	9,295	(9,611)	(316)
Partnership With Parents	-	(239)	(239)
Panto/Sensory play	400	(400)	-
St Johns Language for Life	2,660	(4,054)	(1,394)
Stay and Play			
	6,213	(5,085)	1,128
BHM - running high	1,000	(1,000)	-
	27,139	(33,420)	(6,281)
TOTAL FUNDS	1,726,634	(1,858,994)	(132,360)

General Fund
The free reserves after allowing for all designated funds

Designated Fixed Asset Reserve fund
Includes tangible fixed assets, property, fixtures and fittings, computer equipment and depreciation.

Restricted Funds
Children with SEN (previously named BOP fund) – to support SEN children to attend nursery through the provision of extra staff, specific SEN training or resources to meet the child's needs.

Norlands Stay and Play – to provide weekly family support sessions for children with SEN needs.

18. MOVEMENT IN FUNDS - continued

Comparative 2023 movement in funds

	At 1.4.22 £	Net movement in funds £	Transfers between funds £	At 31.3.23 £
Unrestricted funds				
General fund	342,738	71,051	(13,504)	400,285
Designated Fixed Asset Reserve	1,385,874	(35,980)	12,156	1,362,050
	1,728,612	35,071	(1,348)	1,762,335
Restricted funds				
Subsidised Meals	-	5,460	-	5,460
Quartet Foundation	467	(96)	-	371
Children with SEN	87,081	8,504	-	95,585
Partnership With Parents	518	-	-	518
Moorlands Decoration	141	(141)	-	-
Xmas toys/books	-	529	-	529
Panto/Sensory Play	-	(3)	3	-
St Johns Language for Life	1,328	66	-	1,394
Consortium order Moorlands	1,800	-	-	1,800
Replacing Boiler Heating system	3,421	(1,296)	-	2,125
Stay and Play	-	(1,345)	1,345	-
Waitrose Childhood Nature	500	(500)	-	-
	95,256	11,178	1,348	107,782
TOTAL FUNDS	1,823,868	46,249	-	1,870,117

18. MOVEMENT IN FUNDS - continued

Comparative 2023 net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,535,703	(1,464,652)	71,051
Designated Fixed Asset Reserve	-	(35,980)	(35,980)
	1,535,703	(1,500,632)	35,071
Restricted funds			
Trips & Events	2,500	(2,500)	-
Subsidised Meals	19,794	(14,334)	5,460
Quartet Foundation	2,181	(2,277)	(96)
Children with SEN	18,500	(9,996)	8,504
Moorlands Decoration	-	(141)	(141)
Xmas toys/books	589	(60)	529
Panto/Sensory Play	400	(403)	(3)
St Johns Language for Life	2,720	(2,654)	66
Replacing Boiler Heating system	-	(1,296)	(1,296)
Stay and Play	5,730	(7,075)	(1,345)
Waitrose Childhood Nature	-	(500)	(500)
	52,414	(41,236)	11,178
TOTAL FUNDS	1,588,117	(1,541,868)	46,249

19. EMPLOYEE BENEFIT OBLIGATIONS

The Charity is a member of The Pension Trust's Defined Contribution Pension Scheme. Contributions made by the charity amounted to £53,398 (2023:£46,660). Year ended contributions outstanding amounted to £Nil (2023:£Nil).

20. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES.

At 31 March 2024 there were no capital commitments or contingent liabilities (2023 - None).

21. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2024.

First Steps (Bath)

Detailed Statement of Financial Activities
for the Year Ended 31 March 2024

	31.3.24 £	31.3.23 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations and fundraising	5,340	6,757
Grants	27,139	52,414
	32,479	59,171
Other trading activities		
Community lettings	32,966	29,212
Training Income	25	-
Misc Income	5,216	236
	38,207	29,448
Investment income		
Deposit account interest	7,721	2,163
Charitable activities		
Incoming Resources	1,648,227	1,497,335
Total incoming resources	1,726,634	1,588,117
EXPENDITURE		
Charitable activities		
Wages	1,290,193	1,094,399
Social security	76,985	64,697
Pensions	53,398	46,660
Other operating leases	3,088	6,412
Rates and water	9,533	8,525
Insurance	9,428	8,205
Light and heat	12,463	14,286
Other Staff Costs	25,383	14,184
Service Costs	80,282	81,721
Catering Costs	72,186	61,588
Information Technology Costs	36,496	31,363
Administrative Costs	14,536	14,440
Special projects	51,455	6,878
Repairs and renewals	65,315	37,520
Carried forward	1,800,741	1,490,878

First Steps (Bath)

Detailed Statement of Financial Activities
for the Year Ended 31 March 2024

	31.3.24	31.3.23
	£	£
Charitable activities		
Brought forward	1,800,741	1,490,878
Bad debts - Fees written off	2,380	3,580
Improvements to property	39,026	35,980
	1,842,147	1,530,438
Support costs		
Finance		
Bank charges	4,648	3,894
Governance costs		
Auditors' remuneration	6,500	6,200
Auditors' remuneration for non audit work	1,375	1,300
Accountancy and legal fees	4,324	36
	12,199	7,536
Total resources expended	1,858,994	1,541,868
Net (expenditure)/income	(132,360)	46,249

FIRST STEPS (BATH)

England & Wales - Charity number 1012690

Accounts

REGISTERED COMPANY NUMBER: 02656485 (England and Wales)
REGISTERED CHARITY NUMBER: 1012690

First Steps (BATH)

Report of the Trustees and Financial Statements for the year ended 31st March 2023

IN PARTNERSHIP WITH

Bath & North East Somerset Council

First Steps (Bath)

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for the Year Ended 31 March 2023

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CHAIR'S REPORT 2023

I am pleased to report that First Steps has continued to make progress on many of our key objectives over the last year. Our main achievements are set out on page 7 of this report, but I wanted to highlight a few. We now have over three hundred children attending our nurseries at Twerton, Moorlands and BOP, and over a third of these have a SEN plan to meet their special needs. This helps us to ensure all children get the best out of their early years. And additionally, we were pleased that we were successful in being awarded the Early Years Specialist Contract for our First Steps BOP (Bath Opportunity Preschool) service for a further five years, allowing us to continue to provide this valuable service.

Maintaining our staffing levels has been particularly challenging over the last year. We have put an emphasis on staff wellbeing plans, swift recruitment processes and being flexible on hours whenever this has been possible. Consequently, we have kept satisfactory staffing levels when other settings have had to close. And over 50% of our staff live within the areas they work in, contributing significantly to providing the community approach we seek to bring to our work.

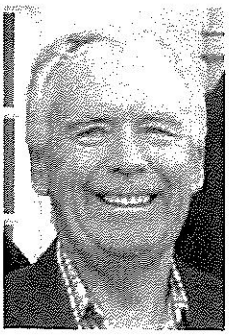
We also managed to achieve a satisfactory surplus of £46k allowing us to continue to invest further in the support we provide. In addition to the costs of moving BOP to new premises in Keynsham for September 2023, we are investing in improving the facilities on the first floor of our Twerton building and extending training opportunities for staff.

Fundraising remains a crucial element of service development, and I thank all those who have supported us during the year in a wide range of different ways. In addition to helping us provide free meals and snacks to nearly 20% of our children (who would be eligible for free school meals), kind donations and fundraising support makes such a difference in enabling First Steps to deliver a whole package of support that families need. For example, over the last year we have run special educational needs stay and play sessions for families and children.

Over the year ahead I want to make further progress in ensuring decision making and accountability at Trustee board level has a higher level of parent voice, including more diverse groups. I encourage all parents to take every opportunity to share their thoughts with us. And finally, I want to thank the First Steps management team, staff, trustees, and volunteers, as well as our partners, for their commitment and hard work during the year. This has provided the foundation for the progress we have made.

Best wishes

Ken Littlewood
Chair of Trustees



TRUSTEES' ANNUAL REPORT

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

STRATEGIC REPORT

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

REFERENCE AND ADMINISTRATIVE DETAILS

Chair	Ken Littlewood	Retired Business Executive
Vice Chair	Janet Rose	Director
Treasurer	*Tom Williams	Management Accountant
Other trustees	Elisabeth Hacking	Senior Lecturer and Deputy Head, Department of Education, University of Bath
	Isobel Michael	Fundraiser
	*Kate Tuckwell	Senior Lecturer of Social and Policy Sciences
	Meg North	Retired local government officer
	Marina Sloan	Specialist Speech & Language Therapist
	Mike Turner	Manager Director
	*Simon Andrews	Project Manager
	Val Wheeler	Retired Health Visitor
* Denotes parents whose children used First Steps (Bath) services during the year.		
Senior Management Team	Roz Lambert	Chief Executive
	Sarah Elliott	Finance & Administration Manager and Company Secretary
Maternity Leave Jan 23	Charlotte Miller	Children's Services Manager - Moorlands
	Sian Barnett	Acting Children's Services Manager - Moorlands
	Louise Hewings	Children's Services Manager - Twerton
	Stefanie Walbyoff	Children's Services Manager - BOP
Registered Company number	02656485 (England and Wales)	
Registered Charity number	1012690	
Registered Office	Ms S Elliott, Woodhouse Road, Twerton, Bath, BA2 1SY	
E-mail	info@firststepsbath.org.uk	
Website	www.firststepsbath.org.uk	

TRUSTEES' ANNUAL REPORT

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational Structure
First Steps (Bath) is governed by a Charity Board of Trustees, which includes parents using our services and local professionals. The Board's membership reflects key stakeholders in the local community including local public services, local businesses, independent consultants, voluntary organisations and schools. Trustees therefore bring a wide range of individual skills and experience to the Board.
The Trustee Board, which met five times during the year, makes decisions on the annual budget, formulates policy and considers strategic issues which affect the charity. At the Annual General Meeting the Trustees elect the Chairperson.
The Trustees of First Steps (Bath) delegate the day-to-day running of the charity to the Chief Executive and Senior Management Team, who attend Trustee Board meetings in an advisory capacity. The Trustee Board has power to require the Chief Executive and members of staff to withdraw from meetings whenever confidential matters are being discussed.
Recruitment and appointment of Trustee Board members
Recruitment of new Trustees is on-going; interested potential Trustees are invited to submit a CV and meet with the Chair of Trustees and CE prior to attending a Board meeting as an observer. Before being nominated for election, the procedures for safe recruitment are followed.
Trustee Induction and Training
The structure and process of new Trustee induction and training has been developed as part of the recruitment of new Trustees. Information packs containing copies of the financial statements, Memoranda and Articles of Association, and recent Board Meeting Minutes are provided. An invitation is made to visit staff and volunteers. Training is offered through specific sessions tailored to meet the needs of current Trustees.
Risk Management
The Trustee Board has responsibility to manage risk within the charity. They have updated and reviewed risks within the year and agreed a schedule of actions to mitigate the identified risks. Any updates to the risk assessments are brought to Board meetings and the risk assessments are reviewed by the Board annually.
Related parties
No trustees receive remuneration or other benefit from their work with the charity. Any contractual relationship with a related party between a trustee and senior manager of the charity must be disclosed to the full board of trustees. In the current year no such related party transactions were reported.

AIMS

Our Mission

First Steps has a governing document (Memorandum and Articles of Association dated 10 June 1992) which sets out our 'Objects' as a charity. These have been summarised into our mission:
"to work in partnership with children, families, colleagues and the community by being a responsive, informed, reflective and innovative provider of early years' education, childcare and integrated family services"
In pursuing this mission First Steps will deliver value to:

- Children, through access to quality integrated care, play and early learning opportunities.
- Families, through a range of services which are responsive to their individual needs with an emphasis on bringing services to families.
- Staff, by maintaining a stimulating environment that encourages innovation and best practice and developing and implementing a coherent range of policies understood and valued by all.
- Other stakeholders, through our commitment to working collaboratively with professionals from other disciplines, sharing expertise and exploiting opportunities in areas of common interest.
- To guide our actions as an organisation and ensure a culture of shared values and direction we:
- Work in partnership not in competition
- Are committed to an integrated service approach that brings professionals from various disciplines together.
- Foster an ethos of providing professional support in a non-judgmental and non-stigmatising way.
- Encourage open-mindedness within our practice and ensure that our policies are sufficiently flexible to admit new ideas.
- Respect parents as partners in the educational and developmental progress of their children

Our guiding principles

- Create a culture that values and celebrates children and families in a way that strengthens our community.
- Seek new ways of doing things, explore new approaches, and are open to learning from others.
- Measure our success by the way we deliver on our commitment to better outcomes for children and families.

OBJECTIVES AND ACTIVITIES

The principal objectives of First Steps (Bath) are to advance the development of education of children below compulsory school age (by encouraging parents to understand and provide for the needs of their children) in particular through the provision of safe and satisfying group play in which parents have the right to take part and by encouraging the study of the needs of children and their families and by promoting public interest in and recognition of such needs in the City of Bath and as a result of the provision of such facilities to relieve cases of need hardship or distress.

This work is conducted through two Community Nurseries, First Steps Twerton and First Steps Moorlands and an Early Years Specialist service, First Steps Bath Opportunity Preschool, (BOP). A contract with the Local Authority for early years specialist provision funds BOP.

In shaping these priorities and planning our activities the Trustees have considered the Charity Commission's guidance on public benefit. The Trustees undertake an annual review of day care fees; in setting the level of fees and concessions, the Trustees give careful consideration to ensuring the accessibility of the service for those on low incomes.

Our Purpose

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

Our Partners

Much of our work is delivered in partnership with other agencies, to provide integrated 'seamless' support for children and families when they need it. Examples of the partners include:

- HCRG Care Group - Health Visitors have an office in Woodhouse Road delivering the Healthy Child Programme.
- Speech & Language service: We use the pupil premium funding to pay for a speech and language therapist to be embedded within our services to provide special projects or groups with children; screening and individual work with children and advice and training for staff to enhance the usual support.

  Other health professionals, e.g., community pediatricians, occupational therapists – provide staff with advice and guidance, individual work with children and families.
- Action for Children – family support workers delivering the Children's Centre Service have an office at Woodhouse Road. Parenting programmes and support groups are delivered from there.
- Local Authority Children's Services - First Steps provide placements for 'children in need' and/or children who are the subject of a child protection plan, and 'child friendly' venues for contact sessions.
- Local Authority Early Years and Special Educational Needs teams.
- Southside Family Project: supporting families with complex needs.
- Local schools, particularly our neighbours: Moorlands Schools Federation and Twerton Infants School.
- B&NES Bright Start Children's' Centres: joint working or training, collaboration and sharing good practice.
- Bath Spa University, University of Bath, Norland Collage and other training providers, local colleges, and schools: First Steps acts as a training base for a range of student placements.

TRUSTEES' ANNUAL REPORT
OBJECTIVES AND ACTIVITIES

ACHIEVEMENT AND PERFORMANCE.

Our achievements for 2022 - 2023

Priority One: To continue with the ambitious vision to deliver universal, inclusive children care and education, high expectations for children's achievement and high standards of provision.
Ensure that a sharp focus is placed on improving the life chances of children through accurate evaluation of provision through information gathered from, children, parents, staff and linked professionals and data from children's assessments.
To embed the concept of Childhoodnature, the idea that children are nature that human health and wellbeing is linked to the environment.
That adults have a responsibility to ensure that children have access to nature and opportunities to explore the natural world, that children are encouraged to be active citizens and are encouraged in appropriate ways to embed sustainability. To be promoting healthy and sustainable living for children families and the community.

- Continued to support social and emotional development of all the children we work with through the Thrive Approach.
- Provided continuity for children with a low staff turnover of 12%
- Consulted with staff, parents and carers.
- Locally employed 52% of the staff team.
- Increased opportunities for staff development and progression
- Providing training on Childhoodnature amongst the staff team to support curriculum planning.
- Embedded new nursery software, improving communication with families.

Priority Two: To further develop the concept of Community Nursery and Early Years Centre through the delivery of services that raise the profile of the early years in a child's life and are responsive to family needs and special educational needs.

- Secured ongoing funding to support Stay and Play sessions for children with special educational needs, thirty-two families attended across the year.
- Fundraised £52,414 to deliver quality services and free meals to children from low-income families.
- Loaned home learning bags to families

Priority Three: To further develop the Social Enterprise Model, exploring new funding and trading opportunities, employing a mixed model of funding to ensure the success and security of our long-term future plans.

- Maintained occupancy to capacity.
- Improved ability to monitor occupancy of children through the new nursery management software.
- Created increased income from room rental.

Priority Four: To develop the theory of change, identifying the core problem that First Steps aims to address, its root causes and consequences, question assumptions and establish evidence of need. Leading to meaningful and measurable activities that meet community need and can be clearly articulated.

- A diagram of First Steps Theory of Change model has been approved by the trustee board.
- The model has been used to support decision making and strategic planning.

Our priorities for 2023 – 2024 are: -

Priority One: Continue with the ambitious vision to deliver universal, inclusive children care and education, high expectations for children's achievement and high standards of provision.
Ensure that a sharp focus is placed on improving the life chances of children through accurate evaluation of provision through information gathered from, children, parents, staff and linked professionals and data from children's assessments. To embed the concept of Childhoodnature, the idea that children are nature that human health and wellbeing is linked to the environment.

TRUSTEES' ANNUAL REPORT

OBJECTIVES AND ACTIVITIES
Our priorities for 2023 – 2024 (continued)

That adults have a responsibility to ensure that children have access to nature and opportunities to explore the natural world, that children are encouraged to be active citizens and are encouraged in appropriate ways to embed sustainability. To be promoting healthy and sustainable living for children's families and the community.

Priority Two: To further develop the concept of Community Nursery and Early Years Centre through the delivery of services that raise the profile of the early years in a child's life and are responsive to family needs and special educational needs. Taking actions to build an organization that includes the voice of minority groups.

Priority Three: To further develop the Social Enterprise Model, exploring new funding and trading opportunities, employing a mixed model of funding to support special projects that meet community.

Priority Four: To enable the trustee board to reflect the voice of the community of families that services work with, (locality and community of need) to ensure confident decision making and understanding of their role and responsibilities and are ready to be accountable to families with young children who use First Steps services.

FINANCIAL REVIEW

Occupancy has recovered to pre Covid-19 levels with high demand for peak sessions.
The significant features of the finances during the year are as follows:

- **Nursery income** - Nursery fee income was up by 22% to £1,139,555 from the previous year.
- **Specialist Service Contract** – First Steps was awarded a 3-year contract with B&NES to take on the provision of a specialist service from August 2018 with a contract value of £200,000 per annum which has been extended a further 2 years until July 2023 with a small uplift.
- **Funding from B&NES** – Placement and Inclusion payments from Social Services exceeded budget expectations and up by 14% compared to last year. Other income was received for Delayed School entry children, the Disability Access Fund and Early Years Pupil Premium.
- **Total incoming resources** - the increase in nursery fee income has meant incoming resources from charitable activities have grown by £235,210; after including income from fundraising £59,171 (£52,414 restricted) and other sources; to a total £1,588,117, (2022: £1,318,616).
- **Employment costs** – at £1,205,756 these remain at 78% of all spending on unrestricted activities in line with the previous year which is due to rising employment costs and increase in staff to support additional children, particularly those with special educational needs and increased numbers of children attending which matches our increased income.
- **Other direct costs** – of £150,686 have increased compared to the previous year by £21,124 (2022: £129,562) (2021: £159,506). The assessed value of free meals for children increased to £14,334 (2022: £13,578) of which was funded by restricted donations.
- **Overheads** - amount to £185,427, which was a 12% increase on the previous year due to rising utility costs and increased repair charges.

The overall result for the year was a surplus funds of £46,249 (2022: £52,002 deficit), movement in funds, this was a result of a surplus of £12,526 on restricted funds, a deficit against the fixed asset fund of £23,824 and a surplus on unrestricted funds of £57,547.

Reserves policy

The trustees have carefully considered the level of free reserves that should be maintained to safeguard our obligations under our contract and the needs of users of First Steps Services. The trustees have agreed that the minimum free reserves should amount to no less than 2 months' total expenditure based on budget expectations in the new financial year, which is approximately £270,000. Currently free reserves amount to £400,285 which includes £130,000 assigned for special projects as outlined in our priorities for the year leaving £270,000- or 2-months total expenditure.
In light of the current economic climate on our business and indirectly with our service users and the impact on our ability to raise funds in the future, in addition to the effect of high inflation rates the trustees are satisfied with the current level of reserves.

Fixed assets
Movements in fixed assets are set out in Note 13 to the financial statements; there were two additions to fixed assets during the year totalling £12,156 which relate to new Gas Cooker £2,640 and new LED lights £9,516 (2022, £2,580).

Planning for the future
Trustees have used the Theory of Change model to support decision making and are continuing to ensure that the diversity clearly represented within services is also reflected further up the organisation. We recognise that this is a slow process but one that needs to build with substance and commitment. Financial decisions have been made to strengthen the workforce and secure quality for future years whilst avoiding undue financial pressures on parents from fee increases, reflecting the cost-of-living crises. This will secure all services, particularly the Early Years specialist service as it moves to the new contract for service delivery.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of First Steps (Bath) for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements 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 that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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 statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors Moore will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 18th July 2023 and signed on the board's behalf by:

K Littlewood - Trustee

Report of the Independent Auditors to the Members of
First Steps (Bath)

Opinion

We have audited the financial statements of First Steps (Bath) (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information
The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK Financial Reporting Standards and UK taxation legislation.

We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.

We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.

We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Mark Powell (Senior Statutory Auditor)
for and on behalf of Moore
Chartered Accountants and
Statutory Auditor
30 Gay Street, Bath
BA1 2PA

Date: 9 August 2023

First Steps (Bath)

Statement of Financial Activities
for the Year Ended 31 March 2023

	Notes	Unrestricted funds £	Designated Fixed Asset Reserve Fund £	Restricted funds £	31.3.23 Total funds £	31.3.22 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	6,757	-	52,414	59,171	35,245
Charitable activities	5					
Charitable Activities		1,497,335	-	-	1,497,335	1,262,125
Other trading activities	3	29,448	-	-	29,448	21,201
Investment income	4	2,163	-	-	2,163	45
Total		1,535,703	-	52,414	1,588,117	1,318,616
EXPENDITURE ON						
Charitable activities	6					
Charitable Activities		1,464,652	35,980	41,236	1,541,868	1,370,618
NET INCOME/(EXPENDITURE)		71,051	(35,980)	11,178	46,249	(52,002)
Transfers between funds	18	(13,504)	12,156	1,348	-	-
Net movement in funds		57,547	(23,824)	12,526	46,249	(52,002)
RECONCILIATION OF FUNDS						
Total funds brought forward		342,738	1,385,874	95,256	1,823,868	1,875,870
TOTAL FUNDS CARRIED FORWARD		400,285	1,362,050	107,782	1,870,117	1,823,868

First Steps (Bath)

Statement of Financial Position
31 March 2023

	Notes	Unrestricted funds £	Designated Fixed Asset Reserve Fund £	Restricted funds £	31.3.23 Total funds £	31.3.22 Total funds £
FIXED ASSETS						
Tangible assets	13	-	1,362,050	-	1,362,050	1,385,874
CURRENT ASSETS						
Stocks	14	939	-	-	939	1,056
Debtors	15	129,497	-	-	129,497	69,190
Cash at bank		339,098	-	107,782	446,880	434,097
		469,534	-	107,782	577,316	504,343
CREDITORS						
Amounts falling due within one year	16	(69,249)	-	-	(69,249)	(66,349)
NET CURRENT ASSETS		400,285	-	107,782	508,067	437,994
TOTAL ASSETS LESS CURRENT LIABILITIES		400,285	1,362,050	107,782	1,870,117	1,823,868
NET ASSETS		400,285	1,362,050	107,782	1,870,117	1,823,868
FUNDS	18					
Unrestricted funds					1,762,335	1,728,612
Restricted funds					107,782	95,256
TOTAL FUNDS					1,870,117	1,823,868

The financial statements were approved by the Board of Trustees and authorised for issue on 18th July 2023 and were signed on its behalf by:

Ken Littlewood, Chair of Trustees

First Steps (Bath)

Statement of Cash Flows
for the Year Ended 31 March 2023

	Notes	31.3.23 £	31.3.22 £
Cash flows from operating activities			
Cash generated from operations	1	22,776	156,812
Net cash provided by operating activities		22,776	156,812
Cash flows from investing activities			
Purchase of tangible fixed assets		(12,156)	(2,580)
Interest received		2,163	45
Net cash used in investing activities		(9,993)	(2,535)
Change in cash and cash equivalents in the reporting period		12,783	154,277
Cash and cash equivalents at the beginning of the reporting period		434,097	279,820
Cash and cash equivalents at the end of the reporting period		446,880	434,097

First Steps (Bath)

Notes to the Statement of Cash Flows
for the Year Ended 31 March 2023

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.3.23 £	31.3.22 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	46,249	(52,002)
Adjustments for:		
Depreciation charges	35,980	35,779
Interest received	(2,163)	(45)
Decrease in stocks	117	243
(Increase)/decrease in debtors	(60,307)	162,516
Increase in creditors	2,900	10,321
Net cash provided by operations	-22,776	156,812

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.22 £	Cash flow £	At 31.3.23 £
Net cash			
Cash at bank	434,097	12,783	446,880
	434,097	12,783	446,880
Total	434,097	12,783	446,880

1. ACCOUNTING POLICIES

Basis of preparing the financial statements
The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

First Steps (Bath) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going Concern

As stated in the financial review section of the annual report the Trustees are confident it will be able to meet its obligations as they fall due for a minimum period of at least 12 months from the date of signing. These financial statements are therefore produced on a going concern basis.

Income
All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Contract and grant income is included as incoming resources in the period to which it relates
- When donors specify that donations or grants are for particular restricted purposes, the income is included as incoming resources of restricted funds when receivable. Grants received are deferred and recognised through the statement of financial activities in full when conditions for receipt are complied with
- Intangible income, including gifts in kind, is included at the trustees' valuation when known;
- No amounts are included in the financial statements for services donated by volunteers.
- Where incoming resources are for goods or services and, upon full performance of the service, any surplus funds can be retained and used for general purposes, the incoming resources and related expenditure is treated as Unrestricted.

Resources expended and liabilities
Expenditure is recognised on an accruals basis as a liability is incurred; inclusive of any VAT where this cannot be recovered. Liabilities are recognised when the charity has an obligation to transfer economic benefit as a result of a past transaction or event.

Tangible fixed assets
Tangible fixed assets costing more than £2,000 are capitalised and included at cost. Depreciation is calculated to write off the cost, less estimated residual values, of tangible fixed assets over their estimated useful lives to the charity. The annual depreciation rates and methods are:

Leasehold property	Evenly over a period of 50 years

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Fixtures, fittings and equipment	10 or 25% straight line

A review of impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognized as impairments. Impairment losses are recognized in the Statement of Financial Activities.

Stocks
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation
The charity is exempt from corporation tax on its charitable activities.

Fund accounting
Funds held by the charity are either:

- Unrestricted - these are donations and other income generated, for the objects of the charity without further specified purposes and which can be used in accordance with the charitable objects at the discretion of the trustees.
- Restricted funds - these can only be used for particular restricted purposes, the charity, as specified by the donor. Expenditure which meets these criteria is charged against the fund. Further details of the funds are given in the Notes to the Accounts.

Operating lease commitments
Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pensions
The charity's employees are eligible to participate in The Pension Trust's Defined Contribution Pension Scheme. The employer's contributions payable to this scheme are charged to the income and expenditure account in the period to which they relate.

2. DONATIONS AND LEGACIES

	31.3.23	31.3.22
	£	£
Donations and fundraising	6,757	11,953
Grants	52,414	23,292
	59,171	35,245

Grants received, included in the above, are as follows:

	31.3.23	31.3.22
	£	£
B&NES Small Grants	-	6,560
Grants - Various (exc B&NES)	52,414	16,732
	52,414	23,292

3. OTHER TRADING ACTIVITIES

	31.3.23	31.3.22
	£	£
Community lettings	29,212	16,824
Misc Income	236	4,377
	29,448	21,201

4. INVESTMENT INCOME

	31.3.23	31.3.22
	£	£
Deposit account interest	2,163	45

5. INCOME FROM CHARITABLE ACTIVITIES

	31.3.23 Charitable Activities	31.3.22 Total activities
	£	£
Incoming Resources	1,497,335	1,262,125

5. INCOME FROM CHARITABLE ACTIVITIES - continued

	Unrestricted Funds	Restricted Funds	Total 2023	Total 2022
Bath & North East Somerset Council:	£	£	£	£
Disability Access Fund	9,501	-	9,501	6,930
BOP	211,000	-	211,000	201,667
Social Services: CHIF	137,279	-	137,279	119,656
Other revenue funding	-	-	-	-
Total Revenue Funding	**357,780**	-	**357,780**	**328,253**
Nursery Fees & Related Funding:				
Early Years Entitlement	485,712	-	485,712	430,601
Nursery fees charged to parents	631,366	-	631,366	480,994
Early Years Pupil Premium	22,477	-	22,477	22,277
	1,139,555	-	**1,139,555**	**933,872**
Total Income from charitable activities	**1,497,335**	-	**1,497,335**	**1,262,125**

2022 Comparatives

	31.3.22 Charitable activities	31.3.21 Total activities
	£	£
Incoming Resources	1,262,125	1,238,963

	Unrestricted Funds	Restricted Funds	Total 2022	Total 2021
Bath & North East Somerset Council:	£	£	£	£
Disability Access Fund	6,930	-	6,930	42,950
BOP	201,667	-	201,667	200,000
Social Services: CHIF	119,656	-	119,656	205,012
Other revenue funding	-	-	-	360
Total Revenue Funding	**328,253**	-	**328,253**	**448,332**
Nursery Fees & Related Funding:				
Early Years Entitlement	430,601	-	430,601	434,387
Nursery fees charged to parents	480,994	-	480,994	334,479
Early Years Pupil Premium	22,277	-	22,277	21,775
	933,872	-	**933,872**	**790,641**

5. INCOME FROM CHARITABLE ACTIVITIES - continued

Total Income from charitable activities	**1,262,125**	**-**	**1,262,125**	**1,238,963**

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Support costs (see note 7)	Totals
	£	£	£
Charitable Activities	1,530,438	11,430	1,541,868

6. CHARITABLE ACTIVITIES COSTS - continued

	Unrestricted Funds	Restricted Funds	Total 2023	Total 2022
Direct Costs:	£	£	£	£
Employment costs	1,205,755	-	1,205,755	1,075,416
Catering costs	61,588	-	61,588	57,840
Staff costs (training costs, expenses etc.)	19,767	41,236	61,003	45,243
Special Projects: Direct Costs	6,878	-	6,878	8,465
Service costs	17,636	-	17,636	8,306
Bad debts - fees written off.	3,580	-	3,580	9,708
Total Direct Costs	**1,315,205**	**41,236**	**1,356,441**	**1,204,978**
Overheads:				
Premises costs	92,214	-	92,214	70,200
Administrative costs	14,440	-	14,440	15,762
Information Technology costs	31,363	-	31,363	34,606
Depreciation charges	35,980	-	35,980	35,779
Support costs (See note 7)	11,430	-	11,430	9,293
Total Overhead Costs	**185,427**	-	**185,427**	**165,640**
Total Costs of Charitable activities	**1,500,632**	**41,236**	**1,541,868**	**1,370,618**

2022 Comparatives

	Direct Costs	Support costs (see) note 7	Total
	£	£	£
Charitable Activities	1,349,665	20,953	1,370,618

	Unrestricted Funds	Restricted Funds	Total 2021	Total 2021
Direct Costs:	£	£	£	£
Employment costs	1,054,463	20,953	1,075,416	928,710
Catering costs	57,840	-	57,840	39,362
Staff costs (training costs, expenses etc.)	45,243	-	45,243	14,184
Special Projects: Direct Costs	8,465	-	8,465	71,478
Service costs	8,306	-	8,306	25,465
Bad debts - fees written off.	9,708	-	9,708	9,017

6. CHARITABLE ACTIVITIES COSTS - continued

Total Direct Costs	**1,184,025**	**20,953**	**1,204,978**	**1,088,216**
Overheads:				
Premises costs	70,200	-	70,200	59,739
Administrative costs	15,762	-	15,762	15,907
Information Technology costs	34,606	-	34,606	26,383
Depreciation charges	35,779	-	35,779	37,267
Support costs (See note 7)	9,293	-	9,293	8,362
Total Overhead Costs	**165,640**	**-**	**165,640**	**147,658**
Total Costs of Charitable activities	**1,349,665**	**20,953**	**1,370,618**	**1,235,874**

7. SUPPORT COSTS

	Finance	Governance costs	Totals
	£	£	£
Charitable Activities	3,894	7,536	11,430

2022 Comparative

	Finance	Governance costs	Totals
	£	£	£
Charitable Activities	2,154	7,139	9,293

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.3.23	31.3.22
	£	£
Auditors' remuneration	6,236	6,000
Depreciation - owned assets	35,980	35,779
Other operating leases	6,412	6,400

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustee's remuneration or other benefits for the year ended 31 March 2023 nor for the year ended 31 March 2022.

No remuneration or expenses were paid during the year to any of the trustees (2022:£Nil). Two Trustees have children in a children's centre nursery, they paid the full rate for all services used and so received no benefit as result of their role as Trustees.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2023 nor for the year ended 31 March 2022.

10. STAFF COSTS

	31.3.23	31.3.22
	£	£
Wages and salaries	1,094,399	980,257
Social security costs	64,697	54,353
Other pension costs	46,660	40,806
	1,205,756	1,075,416

The average monthly number of employees during the year was as follows:

	31.3.23	31.3.22
Delivery of Children's & Family Services	46	44
Management and Administration	5	5
	51	49

No employees received emoluments in excess of £60,000.

The key management personnel of the charity comprise the trustees, the Chief Executive , Finance and Administration Manager, a Children's Service Manager for BOP, a Children's Services Manager for Twerton and a Children's Services Manager for Moorlands. The total employee benefits of the key management personnel of the Trust were £229,648 (2022:£184,862).

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Designated Fixed Asset Reserve Fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	9,025	-	26,220	35,245
Charitable activities				
Charitable Activities	1,262,125	-	-	1,262,125
Other trading activities	21,201	-	-	21,201
Investment income	45	-	-	45
Total	1,292,396	-	26,220	1,318,616
EXPENDITURE ON				
Charitable activities				
Charitable Activities	1,313,886	35,779	20,953	1,370,618
NET INCOME/(EXPENDITURE)	(21,490)	(35,779)	5,267	(52,002)
Transfers between funds	(2,777)	2,580	197	-
Net movement in funds	(24,267)	(33,199)	5,464	(52,002)
RECONCILIATION OF FUNDS				
Total funds brought forward	367,005	1,419,073	89,792	1,875,870
TOTAL FUNDS CARRIED FORWARD	342,738	1,385,874	95,256	1,823,868

12. TAXATION

First Steps (Bath) is a registered charity and accordingly is exempt from taxation on its income and capital gains, provided certain conditions are met.

13. TANGIBLE FIXED ASSETS

	Leasehold Property £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 April 2022	1,721,954	114,061	12,841	1,848,856
Additions	-	12,156	-	12,156
At 31 March 2023	1,721,954	126,217	12,841	1,861,012
DEPRECIATION				
At 1 April 2022	341,836	110,885	10,261	462,982
Charge for year	33,968	1,368	644	35,980
At 31 March 2023	375,804	112,253	10,905	498,962
NET BOOK VALUE				
At 31 March 2023	1,346,150	13,964	1,936	1,362,050
At 31 March 2022	1,380,118	3,176	2,580	1,385,874

14. STOCKS

	31.3.23 £	31.3.22 £
Stocks	939	1,056

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23 £	31.3.22 £
Trade debtors	118,528	59,855
Prepayments and accrued income	10,969	9,335
	129,497	69,190

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23	31.3.22
	£	£
Trade creditors	4,724	13,510
Social security and other taxes	20,033	20,911
Other creditors	44,492	31,928
	69,249	66,349

17. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.3.23	31.3.22
	£	£
Within one year	1,187	1,468
Between one and five years	2,362	3,549
	3,549	5,017

18. MOVEMENT IN FUNDS

	At 1.4.22 £	Net movement in funds £	Transfers between funds £	At 31.3.23 £
Unrestricted funds				
General fund	342,738	71,051	(13,504)	400,285
Designated Fixed Asset Reserve	1,385,874	(35,980)	12,156	1,362,050
	1,728,612	35,071	(1,348)	1,762,335
Restricted funds				
Subsidised Meals	-	5,460	-	5,460
Quartet Foundation	467	(96)	-	371
BOP	87,081	8,504	-	95,585
Partnership With Parents	518	-	-	518
Moorlands Decoration	141	(141)	-	-
Xmas toys/books	-	529	-	529
Children with SEN	-	(3)	3	-
St Johns Language for Life	1,328	66	-	1,394
Consortium order Moorlands	1,800	-	-	1,800
Replacing Boiler Heating system	3,421	(1,296)	-	2,125
Stay and Play	-	(1,345)	1,345	-
Waitrose Childhood Nature	500	(500)	-	-
	95,256	11,178	1,348	107,782
TOTAL FUNDS	1,823,868	46,249	-	1,870,117

18. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,535,703	(1,464,652)	71,051
Designated Fixed Asset Reserve	-	(35,980)	(35,980)
	1,535,703	(1,500,632)	35,071
Restricted funds			
Trips & Events	2,500	(2,500)	-
Subsidised Meals	19,794	(14,334)	5,460
Quartet Foundation	2,181	(2,277)	(96)
BOP	18,500	(9,996)	8,504
Moorlands Decoration	-	(141)	(141)
Xmas toys/books	589	(60)	529
Children with SEN	400	(403)	(3)
St Johns Language for Life	2,720	(2,654)	66
Replacing Boiler Heating system	-	(1,296)	(1,296)
Stay and Play	5,730	(7,075)	(1,345)
Waitrose Childhood Nature	-	(500)	(500)
	52,414	(41,236)	11,178
TOTAL FUNDS	1,588,117	(1,541,868)	46,249

18. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.21 £	Net movement in funds £	Transfers between funds £	At 31.3.22 £
Unrestricted funds				
General fund	367,005	(21,490)	(2,777)	342,738
Designated Fixed Asset Reserve	1,419,073	(35,779)	2,580	1,385,874
	1,786,078	(57,269)	(197)	1,728,612
Restricted funds				
Subsidised Meals	1,811	(1,811)	-	-
Quartet Foundation	-	467	-	467
BOP	87,081	-	-	87,081
Partnership With Parents	518	-	-	518
Moorlands Decoration	382	(241)	-	141
Children with SEN	-	(197)	197	-
St Johns Language for Life	-	1,328	-	1,328
Replacing Boiler Heating system	-	1,800	-	1,800
Stay and Play	-	3,421	-	3,421
Waitrose Childhood Nature	-	500	-	500
	89,792	5,267	197	95,256
TOTAL FUNDS	1,875,870	(52,002)	-	1,823,868

18. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,292,396	(1,313,886)	(21,490)
Designated Fixed Asset Reserve	-	(35,779)	(35,779)
	1,292,396	(1,349,665)	(57,269)
Restricted funds			
Trips & Events	2,533	(2,533)	-
Subsidised Meals	9,946	(11,757)	(1,811)
Quartet Foundation	1,175	(708)	467
Moorlands Decoration	-	(241)	(241)
Xmas toys/books	731	(731)	-
Children with SEN	1,200	(1,397)	(197)
St Johns Language for Life	2,880	(1,552)	1,328
Theory of Change	1,618	(1,618)	-
Consortium order Moorlands	181	(181)	-
Replacing Boiler Heating system	1,800	-	1,800
Stay and Play	3,656	(235)	3,421
Waitrose Childhood Nature	500	-	500
	26,220	(20,953)	5,267
TOTAL FUNDS	1,318,616	(1,370,618)	(52,002)

19. EMPLOYEE BENEFIT OBLIGATIONS

The Charity is a member of The Pension Trust's Defined Contribution Pension Scheme. Contributions made by the charity amounted to £46,660 (2022:£40,806). Year ended contributions outstanding amounted to £8,069 (2022:£7,662).

20. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES.

At 31 March 2023 there were no capital commitments or contingent liabilities (2022 - None).

21. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2023.

First Steps (Bath)

Detailed Statement of Financial Activities
for the Year Ended 31 March 2023

	31.3.23 £	31.3.22 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations and fundraising	6,757	11,953
Grants	52,414	23,292
	59,171	35,245
Other trading activities		
Community lettings	29,212	16,824
Misc Income	236	4,377
	29,448	21,201
Investment income		
Deposit account interest	2,163	45
Charitable activities		
Incoming Resources	1,497,335	1,262,125
Total incoming resources	1,588,117	1,318,616
EXPENDITURE		
Charitable activities		
Wages	1,094,399	980,257
Social security	64,697	54,353
Pensions	46,660	40,806
Other operating leases	6,412	6,400
Rates and water	8,525	3,507
Insurance	8,205	7,241
Light and heat	14,286	11,943
Sundries	-	(19)
Other Staff Costs	14,184	15,737
Service Costs	81,721	49,410
Catering Costs	61,588	57,841
Information Technology Costs	31,363	34,605
Administrative Costs	14,440	15,891
Special projects	6,878	8,465
Repairs and renewals	37,520	29,402
Carried forward	1,490,878	1,315,839

First Steps (Bath)

Detailed Statement of Financial Activities
for the Year Ended 31 March 2023

	31.3.23	31.3.22
	£	£
Charitable activities		
Brought forward	1,490,878	1,315,839
Bad debts - Fees written off	3,580	9,708
Improvements to property	35,980	35,341
Computer equipment	-	438
	1,530,438	1,361,326
Support costs		
Finance		
Bank charges	3,894	2,153
Governance costs		
Auditors' remuneration	6,236	6,000
Accountancy and legal fees	1,300	1,139
	7,536	7,139
Total resources expended	1,541,868	1,370,618
Net income/(expenditure)	46,249	(52,002)

FIRST STEPS (BATH)

England & Wales - Charity number 1012690

Accounts

First Steps (BATH)

Financial Statements for the year ended 31st March 2022

IN PARTNERSHIP WITH

Bath & North East Somerset Council

Social Enterprise
TRADING FOR PEOPLE AND PLANET

Charity registration number 1012690

Registered Company number 02656485

FIRST STEPS (BATH)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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FIRST STEPS (BATH)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

CHAIR'S REPORT 2022

The last two years have been very challenging for all of us, having to deal with the pandemic. In some ways we found 2021/22 was more difficult for First Steps than the previous year as we had more staff off sick and isolating and did not have the same level of financial support. However, thanks to the commitment, understanding, and flexibility of both staff and parents, we managed to stay open throughout the period, with minimal room closures, and completed the year well.

Over the last twelve months we drew on the high levels of financial support that we were given by trusts and foundations, and individual and community supporters in 2020/21, and consequently again finished the year in a sound financial position. This allows us to look to the future with confidence. Our social enterprise approach allows us to add quality to our services in areas which are difficult to fund. This year we have continued to develop career progression and training for our staff.

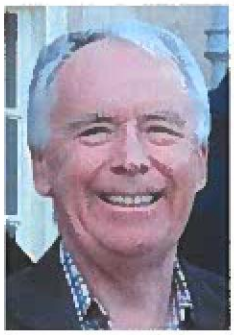
Fundraising remains a crucial element of service development, enabling First Steps to deliver a whole package of support that families need. These activities have allowed us to develop links with the communities we serve, and we hope we can strengthen these further over the year ahead. For example, the Norland Foundation funded a year of stay and play sessions for children with special educational needs and their families, and the St Johns Foundation funded a summer outing for parents, carers and children who would not usually be able to visit a Zoo Park. I thank all those who have supported us during the year in a wide range of different ways.

The trustees were very pleased with the Ofsted reports we received during the year for both Moorlands Centre and the Bath Opportunity Playgroup. These, taken in combination with the earlier report on our Twerton Centre, and our programme of quality development, give us confidence in the services we provide. Our focus on the community will remain – we wish to provide local, quality, all year around nursery care and identify special projects to further develop a support hub for families with children under five.

For us to achieve this aim it is important that we provide a range of opportunities for feedback from all parents, and particularly those from marginalised groups. We want to understand fully what is valued most and how we can improve in order to guide our future investment plans. We will be establishing several ways to facilitate this in the year ahead and we will be looking to improve communication with all our stakeholders. Please support this initiative as much as you can, and I hope to have the opportunity to speak to many of you directly as part of this.

Ken Littlewood

Chair of Trustees



FIRST STEPS (BATH)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

TRUSTEES' ANNUAL REPORT

The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ending 31 March 2022 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).
The Committee of Management presents its report for the year up to 31st March 2022.
Further information about the charity and its work may be found on First Steps (Bath) website (www.firststepsbath.org.uk) and through direct enquiry to the main office at Woodhouse Road, Twerton, Bath, BA2 1SY.

REFERENCE AND ADMINISTRATIVE INFORMATION

Chair	Ken Littlewood	Retired Business Executive
Vice Chair	Janet Rose	Director
Treasurer	*Tom Williams	Management Accountant
Other trustees	Elisabeth Hacking	Lecturer and Researcher University of Bath
	Isobel Michael	Director NSP Philanthropy
	*Kate Tuckwell	Senior Lecturer of Social and Policy Sciences
	Meg North	Retired local government officer
	Marina Sloan	Specialist Speech & Language Therapist
	Mike Turner	Manager Director
	*Simon Andrews	Project Manager
	Val Wheeler	Retired Health Visitor
* Denotes parents whose children used First Steps (Bath) services during the year.		
Senior Management Team	Roz Lambert	Chief Executive
	Sarah Elliott	Finance & Administration Manager and Company Secretary
	Charlotte Miller	Children's Services Manager - Moorlands
	Louise Hewings	Children's Services Manager - Twerton
	Stefanie Walbyoff	Children's Services Manager - BOP
Registered Office	Woodhouse Road, Twerton, Bath, BA2 1SY	
E-mail	info@firststepsbath.org.uk	
Website	www.firststepsbath.org.uk	

FIRST STEPS (BATH)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

TRUSTEES' ANNUAL REPORT

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document
First Steps (Bath) is a company limited by guarantee and is a registered charity, which is governed by its Memorandum and Articles of Association dated 10 June 1992. The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Trustee Board.

Organisational Structure
First Steps (Bath) is governed by a Charity Board of Trustees, which includes parents using our services and local professionals. The Board's membership reflects key stakeholders in the local community including local public services, local businesses, independent consultants, voluntary organisations and schools. Trustees therefore bring a wide range of individual skills and experience to the Board.

The Trustee Board, which met five times during the year, makes decisions on the annual budget, formulates policy and considers strategic issues which affect the charity. At the Annual General Meeting the Trustees elect the Chairperson.

The Trustees of First Steps (Bath) delegate the day-to-day running of the charity to the Chief Executive and Senior Management Team, who attend Trustee Board meetings in an advisory capacity. The Trustee Board has power to require the Chief Executive and members of staff to withdraw from meetings whenever confidential matters are being discussed.

Recruitment and appointment of Trustee Board members
Recruitment of new Trustees is on-going; interested potential Trustees are invited to submit a CV and meet with the Chair of Trustees and CE prior to attending a Board meeting as an observer. Before being nominated for election, the procedures for safe recruitment are followed.

Trustee Induction and Training
The structure and process of new Trustee induction and training has been developed as part of the recruitment of new Trustees. Information packs containing copies of the financial statements, Memoranda and Articles of Association, and recent Board Meeting Minutes are provided. An invitation is made to visit staff and volunteers. Training is offered through specific sessions tailored to meet the needs of current Trustees.

Risk Management
The Trustee Board has responsibility to manage risk within the charity. They have updated and reviewed risks within the year and agreed a schedule of actions to mitigate the identified risks. Any updates to the risk assessments are brought to Board meetings and the risk assessments are reviewed by the Board annually.

FIRST STEPS (BATH)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

TRUSTEES' ANNUAL REPORT

STRUCTURE, GOVERNANCE AND MANAGEMENT

Related parties
No trustees receive remuneration or other benefit from their work with the charity. Any contractual relationship with a related party between a trustee and senior manager of the charity must be disclosed to the full board of trustees. In the current year no such related party transactions were reported.

AIMS

Our Mission
First Steps has a governing document (Memorandum and Articles of Association dated 10 June 1992) which sets out our 'Objects' as a charity. These have been summarised into our mission:

"to work in partnership with children, families, colleagues and the community by being a responsive, informed, reflective and innovative provider of early years' education, childcare and integrated family services"

In pursuing this mission First Steps will deliver value to:

- Children, through access to quality integrated care, play and early learning opportunities.
- Families, through a range of services which are responsive to their individual needs with an emphasis on bringing services to families
- Staff, by maintaining a stimulating environment that encourages innovation and best practice and developing and implementing a coherent range of policies understood and valued by all
- Other stakeholders, through our commitment to working collaboratively with professionals from other disciplines, sharing expertise and exploiting opportunities in areas of common interest

Our guiding principles

- To guide our actions as an organisation and ensure a culture of shared values and direction we:
- Work in partnership not in competition
- Are committed to an integrated service approach that brings professionals from various disciplines together
- Foster an ethos of providing professional support in a non-judgemental and non-stigmatising way
- Encourage open-mindedness within our practice and ensure that our policies are sufficiently flexible to admit new ideas
- Respect parents as partners in the educational and developmental progress of their children
- Create a culture that values and celebrates children and families in a way that strengthens our community
- Seek new ways of doing things, explore new approaches, and are open to learning from others
- Measure our success by the way we deliver on our commitment to better outcomes for children and families

FIRST STEPS (BATH)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

TRUSTEES' ANNUAL REPORT

OBJECTIVES AND ACTIVITIES

The principal objectives of First Steps (Bath) are to advance the development of education of children below compulsory school age (by encouraging parents to understand and provide for the needs of their children) in particular through the provision of safe and satisfying group play in which parents have the right to take part and by encouraging the study of the needs of children and their families and by promoting public interest in and recognition of such needs in the City of Bath and as a result of the provision of such facilities to relieve cases of need hardship or distress.

This work is conducted through two Community Nurseries, First Steps Twerton and First Steps Moorlands and an Early Years Specialist service, First Steps Bath Opportunity Preschool, (BOP). A contract with the Local Authority for early years specialist provision funds BOP.

In shaping these priorities and planning our activities the Trustees have considered the Charity Commission's guidance on public benefit. The Trustees undertake an annual review of day care fees; in setting the level of fees and concessions, the Trustees give careful consideration to ensuring the accessibility of the service for those on low incomes.

Our Purpose

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

Our Partners

Much of our work is delivered in partnership with other agencies, to provide integrated 'seamless' support for children and families when they need it. Examples of the partners include:

- HCRG Care Group - Health Visitors have an office in Woodhouse Road delivering the Healthy Child Programme they hold one to one meetings with parents, on site and support team around the child meetings.
- Speech & Language service: We use the pupil premium funding to pay for a speech and language therapist to be embedded within our services to provide special projects or groups with children; screening and individual work with children and advice and training for staff to enhance the usual support.

  Other health professionals, e.g., community paediatricians, occupational therapists – provide staff with advice and guidance; individual work with children and families
- Action for Children – family support workers delivering the Children's Centre Service have an office at Woodhouse Road. Parenting programmes and support groups are delivered from there.
- First Steps provide placements for 'children in need' and/or children who are the subject of a child protection plan, and 'child friendly' venues for contact sessions.
- Southside Family Project: supporting families with complex needs.
- Local schools, particularly our neighbours: Moorlands Schools Federation, St. Michaels C of E Junior School and Twerton Infants School; together with B&NES Children's Service and school staff, e.g., on school transition and we work with Advisory Teachers, the Behaviour Support Service who provide advice and individual work.
- B&NES Bright Start Children's' Centres: joint working or training, collaboration and sharing good practice
- Bath Spa University, University of Bath, Norland Collage and other training providers, local colleges, and schools: First Steps acts as a training base for a range of student placements

FIRST STEPS (BATH)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

TRUSTEES' ANNUAL REPORT

OBJECTIVES AND ACTIVITIES

ACHIEVEMENT AND PERFORMANCE.

Our achievements for 2021 - 2022

Priority One: To continue with the ambitious vision to deliver universal, inclusive children care and education, high expectations for children's achievement and high standards of provision.

Ensure that a sharp focus is placed on improving the life chances of children through accurate evaluation of provision through information gathered from, children, parents, staff and linked professionals and data from children's assessments.

To embed the concept of Childhoodnature, the idea that children are nature that human health and wellbeing is linked to the environment. That adults have a responsibility to ensure that children have access to nature and opportunities to explore the natural world, that children are encouraged to be active citizens and are encouraged in appropriate ways to embed sustainability. To be promoting healthy and sustainable living for children, families, and the community.

- Continued to support social and emotional development of all the children we work with through the Thrive Approach
- Provided continuity for children with a low staff turnover of 13%
- Consulted with staff, parents and carers
- Locally employed 51% of the staff team.
- Increased opportunities for staff development and progression

Priority Two: To further develop the concept of Community Nursery and Early Years Centre through the delivery of services that raise the profile of the early years in a child's life and are responsive to family needs and special educational needs.

- Secured funding to support Stay and Play sessions for children with special educational needs
- Raised £31,464 to enhance services
- Enabled children from low-income families to have a hot nutritious meal whilst attending nursery.
- Loaned home learning bags to 30 families

Priority Three: To further develop the Social Enterprise Model, exploring new funding and trading opportunities, employing a mixed model of funding to ensure the success and security of our long-term plans.

- Maintained occupancy to capacity
- Created income from room rental
- Developed an online system for booking rooms removing barriers to access.

Priority Four: To develop the theory of change, identifying the core problem that First Steps aims to address, its root causes and consequences, question assumptions and establish evidence of need. Leading to meaningful and measurable activities that meet community need and can be clearly articulated.

- Created opportunities for families, staff and trustees to meet and gather feedback to being the process of developing a First Steps Theory of Change
- First draft of the process has been completed.

TRUSTEES' ANNUAL REPORT

OBJECTIVES AND ACTIVITIES (continued)

Our priorities for 2022 – 2023 are: -

Priority One: To continue with the ambitious vision to deliver universal, inclusive children care and education, high expectations for children's achievement and high standards of provision.

Ensure that a sharp focus is placed on improving the life chances of children through accurate evaluation of provision through information gathered from, children, parents, staff and linked professionals and data from children's assessments.

To embed the concept of Childhoodnature, the idea that children are nature that human health and wellbeing is linked to the environment.

That adults have a responsibility to ensure that children have access to nature and opportunities to explore the natural world, that children are encouraged to be active citizens and are encouraged in appropriate ways to embed sustainability. To be promoting healthy and sustainable living for children, families and the community.

Priority Two: To further develop the concept of Community Nursery and Early Years Centre through the delivery of services that raise the profile of the early years in a child's life and are responsive to family needs and special educational needs.

Priority Three: To further develop the Social Enterprise Model, exploring new funding and trading opportunities, employing a mixed model of funding to ensure the success and security of our long-term future.

Priority Four: To develop the theory of change, identifying the core problem that First Steps aims to address, its root causes and consequences, question assumptions and establish evidence of need. Leading to meaningful and measurable activities that meet community need and can be clearly articulated.

FINANCIAL REVIEW

The Covid-19 Pandemic continued to have an impact on occupancy through the year with services having to partially close rooms due to staff being off with Covid which has had a small impact on income with some fees being refunded to parents. B&NES supported businesses through some COVID funding to enable purchase of PPE and funding was recovered from HMRC for Statutory sick pay for staff off with COVID.

The significant features of the finances during the year are as follows:

- **Nursery income** - Nursery fee income was up by 18% to £933,872 from previous year and up 8% up against pre-covid 2019-20.
- **Specialist Service Contract** – First Steps was awarded a 3-year contract with B&NES to take on the provision of a specialist service from August 2018 with a contract value of £200,000 per annum which has been extended a further 2 years until July 2023.
- **Funding from B&NES** – Placement and Inclusion payments from Social Services exceeded budget expectations by 66% and even though income was down compared to last year it was up by £21,439 from 2019-20. Other income was received for Delayed School entry children, the Disability Access Fund and Early Years Pupil Premium.
- **COVID Grant** – awarded from local government to support the additional costs of remaining open within Covid restrictions

TRUSTEES' ANNUAL REPORT

FINANCIAL REVIEW (continued)

- **Total incoming resources** - the increase in nursery fee income was offset by decreased B&NES funding. This meant incoming resources from charitable activities have grown by £23,162; after including income from fundraising £35,245 (£26,220 restricted) and other sources; to a total £1,318,606, (2021: £1,420,079).
- **Employment costs** – at £1,075,416 these amount to 78% of all spending on unrestricted activities an increase from previous year due to rising employment costs and increase in staff to support additional children, particularly those with special educational needs and increased numbers of children attending.
- **Other direct costs** – of £129,562 have reduced compared to previous year by £29,944 (2021: £159,506) (2020: £118,231) mainly a result of reduced Special Projects. The assessed value of free meals for children increased to £13,578 (2021: £11,946) of which was funded by restricted and unrestricted donations.
- **Overheads** - amount to £165,640 which was 12% increase than previous year due to rising utility costs and the re-introduction of business rates which the government did not charge in 2020-21.

The overall result for the year was a deficit funds of £52,002 (2021: £184,205 surplus), movement in funds, this was a result of a surplus of £5,267 on restricted funds, a deficit against the fixed asset fund of £35,779 and a deficit on restricted funds of £21,490.

In 2020, the trustees have also created a designated fixed asset reserve to allow clearer recognition of working capital (expendable free reserves) and those reserves tied up as liquid assets. Further information can be found in the notes to the accounts.

Reserves policy
The trustees have carefully considered the level of free reserves that should be maintained to safeguard our obligations under our contract and the needs of users of First Steps Services. The trustees have agreed that the minimum free reserves should amount to no less than 2 months total expenditure for the new financial year which is approximately £240,000. Currently free reserves amount to £342,738, 2.8 months total expenditure. The balance will be invested in the business following the consultation exercise described in the Chair's Report (p2).

In light of the continuing effect of Covid both directly on our business and indirectly with our service users and the impact on our ability to raise funds in the future, in addition to the effect of high inflation rates the trustees are satisfied with the current level of reserves.

Fixed assets
Movements in fixed assets are set out in Note 13 to the financial statements; there was one addition to fixed assets during the year which relates to new CCTV system £2,580 (2021, £2,550).

PLANNING FOR THE FUTURE
Trustees are working to ensure that the local community has a voice directing our strategic direction using the Theory of Change and we remain a grassroots organisation embedded in the areas we work in. We recognise that diversity clearly represented with services is not reflected further up the organisation and are working with a local organisation whose aim is to cultivate belonging in Bath and the surrounding area through co-creation, collaboration, conversation and learning.

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

TRUSTEES' ANNUAL REPORT

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The charity trustees (who are also the directors of the First Steps (Bath) for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each 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 group for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then 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 financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

FIRST STEPS (BATH)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

TRUSTEES' ANNUAL REPORT

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the auditor is unaware, and

- the trustees, having made enquiries of fellow directors and the auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the board of trustees

AUDITORS

The auditors, Moore, will be proposed for re-appointment at the forthcoming Annual General Meeting.
Approved by order of the board of trustees on 19th July 2022 and signed on its behalf by:-

Ken Littlewood - Chair

Sarah Elliott – Company Secretary

FIRST STEPS (BATH)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIRST STEPS (BATH)

Opinion

We have audited the financial statements of First Steps Bath Ltd (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIRST STEPS (BATH) (continued)

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIRST STEPS (BATH) (continued)

Responsibilities of trustees (continued)

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, Charities Act 2011, Charities SORP 2019, UK Financial Reporting Standards and UK taxation legislation.

We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.

We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.

We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIRST STEPS (BATH) (continued)

Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Powell (Senior Statutory Auditor)
for and on behalf of Moore Chartered Accountants and Statutory Auditors
30 Gay Street
Bath
BA1 2PA

Date: 26/7/2022

FIRST STEPS (BATH)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

STATEMENT OF FINANCIAL ACTIVITES
(INCLUDING INCOME & EXPENDITURE ACCOUNT)

	Notes	Unrestricted funds £	Designated Fixed Asset Reserve Fund £	Restricted funds £	31.3.22 Total funds £	31.3.21 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	9,025	-	26,220	35,245	163,814
Charitable activities	5					
Charitable Activities		1,262,125	-	-	1,262,125	1,238,963
Other trading activities	3	21,201	-	-	21,201	17,156
Investment income	4	45	-	-	45	146
Total		1,292,396	-	26,220	1,318,616	1,420,079
EXPENDITURE ON						
Charitable activities	6					
Charitable Activities		1,313,886	35,779	20,953	1,370,618	1,235,874
NET INCOME/(EXPENDITURE)		(21,490)	(35,779)	5,267	(52,002)	184,205
Transfers between funds	18	(2,777)	2,580	197	-	-
Net movement in funds		(24,267)	(33,199)	5,464	(52,002)	184,205
RECONCILIATION OF FUNDS						
Total funds brought forward		367,005	1,419,073	89,792	1,875,870	1,691,665
TOTAL FUNDS CARRIED FORWARD		342,738	1,385,874	95,256	1,823,868	1,875,870

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

FIRST STEPS (BATH)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

BALANCE SHEET AT 31 MARCH 2021

	Notes	Unrestricted funds £	Designated Fixed Asset Reserve Fund £	Restricted funds £	31.3.22 Total funds £	31.3.21 Total funds £
FIXED ASSETS						
Tangible assets	13	-	1,385,874	-	1,385,874	1,419,073
CURRENT ASSETS						
Stocks	14	1,056	-	-	1,056	1,299
Debtors	15	69,190	-	-	69,190	231,706
Cash at bank		338,841	-	95,256	434,097	279,820
		409,087	-	95,256	504,343	512,825
CREDITORS						
Amounts falling due within one year	16	(66,349)	-	-	(66,349)	(56,028)
NET CURRENT ASSETS		342,738	-	95,256	437,994	456,797
TOTAL ASSETS LESS CURRENT LIABILITIES		342,738	1,385,874	95,256	1,823,868	1,875,870
NET ASSETS		342,738	1,385,874	95,256	1,823,868	1,875,870
FUNDS	18					
Unrestricted funds					1,728,612	1,786,078
Restricted funds					95,256	89,792
TOTAL FUNDS					1,823,868	1,875,870

The financial statements were approved by the Board of Trustees on 19th July 2022 and were signed on its behalf by:

Ken Littlewood - Chair

Sarah Elliott – Company Secretary

FIRST STEPS (BATH)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

STATEMENT OF CASH FLOWS

	Notes	31.3.22 £	31.3.21 £
Cash flows from operating activities			
Cash generated from operations	1	156,812	13,935
Net cash provided by operating activities		156,812	13,935
Cash flows from investing activities			
Purchase of tangible fixed assets		(2,580)	(2,550)
Interest received		45	146
Net cash used in investing activities		(2,535)	(2,404)
Change in cash and cash equivalents in the reporting period		154,277	11,531
Cash and cash equivalents at the beginning of the reporting period		279,820	268,289
Cash and cash equivalents at the end of the reporting period		434,097	279,820

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.3.22 £	31.3.21 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(52,002)	184,205
Adjustments for:		
Depreciation charges	35,779	37,267
Interest received	(45)	(146)
Decrease in stocks	243	857
Decrease/(increase) in debtors	162,516	(187,529)
Increase/(decrease) in creditors	10,321	(20,719)
Net cash provided by operations	156,812	13,935

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.21 £	Cash flow £	At 31.3.22 £
Net cash			
Cash at bank	279,820	154,277	434,097
	279,820	154,277	434,097
Total	279,820	154,277	434,097

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

The accompanying accounting policies and notes form an integral part of these financial statements

1. PRINCIPAL ACCOUNTING POLICIES

Basis of preparing the financial statements

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

First Steps (bath) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going Concern
The trustees have considered the financial resources and commitments of the charity and concluded that they have sufficient resources to meet liabilities as they fall due. The trustees therefore consider it appropriate to prepare the financial statement on the going concern basis.

Incoming resources
All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Contract and grant income is included as incoming resources in the period to which it relates;
- When donors specify that donations or grants are for particular restricted purposes, the income is included as incoming resources of restricted funds when receivable. Grants received are deferred and recognised through the statement of financial activities in full when conditions for receipt are complied with;
- Intangible income, including gifts in kind, is included at the trustees' valuation when known;
- No amounts are included in the financial statements for services donated by volunteers;
- Where incoming resources are for goods or services and, upon full performance of the service, any surplus funds can be retained and used for general purposes, the incoming resources and related expenditure is treated as Unrestricted.

Resources expended and liabilities
Expenditure is recognised on an accruals basis as a liability is incurred; inclusive of any VAT where this cannot be recovered. Liabilities are recognised when the charity has an obligation to transfer economic benefit as a result of a past transaction or event.

PRINCIPAL ACCOUNTING POLICIES (continued)

Stocks
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation
The charity is exempt from corporation tax on its charitable activities.

Pensions
The charity's employees are eligible to participate in The Pension Trust's Defined Contribution Pension Scheme. The employer's contributions payable to this scheme are charged to the income and expenditure account in the period to which they relate.

Fund accounting
Funds held by the charity are either:

- Unrestricted - these are donations and other income generated, for the objects of the charity without further specified purposes and which can be used in accordance with the charitable objects at the discretion of the trustees.
- Designated – These are Unrestricted funds, set aside by the trustees for specific purposes and do not represent free reserves.
- Restricted funds - these can only be used for particular restricted purposes, the charity, as specified by the donor. Expenditure which meets these criteria is charged against the fund.

Further details of the funds are given in the Notes to the Accounts.

Tangible Fixed Assets
Tangible fixed assets costing more than £2,000 are capitalised and included at cost. Depreciation is calculated to write off the cost, less estimated residual values, of tangible fixed assets over their estimated useful lives to the charity. The annual depreciation rates and methods are:

Leasehold property	Evenly over a period of 50 years
Fixtures, fittings and equipment	10 or 25% straight line

A review of impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognized as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Operating lease agreements
Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

NOTES TO THE FINANCIAL STATEMENTS

2. DONATIONS AND LEGACIES

	31.3.22	31.3.21
	£	£
Donations and fundraising	11,953	85,963
Grants	23,292	77,851
	35,245	163,814

Grants received, included in the above, are as follows:

	31.3.22	31.3.21
	£	£
B&NES Small Grants	6,560	-
Grants - Various (exc B&NES)	16,732	3,050
Government Grants	-	74,801
	23,292	77,851

The government grant in 2021 related to the Coronavirus Job Retention Scheme (CJRS). No CJRS grants were received in the year ended 31 March 2022.

3. OTHER TRADING ACTIVITIES

	31.3.22	31.3.21
	£	£
Community lettings	16,824	15,665
Miscall Income	4,377	1,491
	21,201	17,156

4. INVESTMENT INCOME

	31.3.22	31.3.21
	£	£
Deposit account interest	45	146

NOTES TO THE FINANCIAL STATEMENTS

5. INCOME FROM CHARITABLE ACTIVITIES

	31.3.22 Charitable Activities £	31.3.21 Total Activities £
Incoming Resources	1,262,125	1,238,963

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Bath & North East Somerset Council:				
Children's Centre Contract Funding	10,610	-	10,610	42,950
BOP	201,667	-	201,667	200,000
Social Services: CHIF	119,656	-	119,656	205,012
Other grant funding	-	-	-	-
Other revenue funding	-	-	-	360
Total Revenue Funding	**331,933**	-	**331,933**	**448,332**
Nursery Fees & Related Funding:				
Early Years Entitlement	430,601	-	430,601	434,387
Nursery fees charged to parents	477,314	-	477,314	334,479
Early Years Pupil Premium	22,277	-	22,277	21,775
	930,312	-	**930,312**	**790,641**
Total Income from charitable activities	**1,262,125**	-	**1,262,125**	**1,238,963**

2021 Comparative

	Unrestricted Funds £	Restricted Funds £	Total 2021 £
Bath & North East Somerset Council:			
Children's Centre Contract Funding	42,950	-	42,950
BOP	200,000	-	200,000
Social Services: CHIF	205,012	-	205,012
Other grant funding	-	-	-
Other revenue funding	360	-	360
Total Revenue Funding	**448,322**	-	**448,332**
Nursery Fees & Related Funding:			
Early Years Entitlement	434,387	-	434,387
Nursery fees charged to parents	334,479	-	334,479
Early Years Pupil Premium	21,775	-	21,775
	790,641	-	**790,641**
Total Income from charitable activities	**1,238,963**	-	**1,238,963**

NOTES TO THE FINANCIAL STATEMENTS

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Support costs (see note 7)	Totals
	£	£	£
Charitable Activities	1,361,326	9,292	1,370,618

	Unrestricted Funds	Restricted Funds	Total 2022	Total 2021
Direct Costs:	£	£	£	£
Employment costs	1,054,463	20,953	1,075,416	928,710
Catering costs	57,840	-	57,840	39,362
Staff costs (training costs, expenses etc.)	45,243	-	45,243	14,184
Special Projects: Direct Costs	8,465	-	8,465	71,478
Service costs	8,306	-	8,306	25,465
Bad debts - fees written off.	9,708	-	9,708	9,017
Total Direct Costs	**1,184,025**	**20,953**	**1,204,978**	**1,088,216**
Overheads:				
Premises costs	70,200	-	70,200	59,739
Administrative costs	15,762	-	15,762	15,907
Information Technology costs	34,606	-	34,606	26,383
Depreciation charges	35,779	-	35,779	37,267
Support costs (See note 7)	9,293	-	9,293	8,362
Total Overhead Costs	**165,640**	-	**165,640**	**147,658**
Total Costs of Charitable activities	**1,349,665**	**20,953**	**1,370,618**	**1,235,874**

NOTES TO THE FINANCIAL STATEMENTS

6. CHARITABLE ACTIVITIES COSTS

2021 Comparative

	Direct Costs	Support costs (see) note 7	Total
	£	£	£
Charitable Activities	1,227,512	8,362	1,235,874

	Unrestricted Funds	Restricted Funds	Total 2021
Direct Costs:	£	£	£
Employment costs	853,909	74,801	928,710
Catering costs	39,362	-	39,362
Staff costs (training costs, expenses etc.)	14,184	-	14,184
Special Projects: Direct Costs	8,858	62,620	71,478
Service costs	25,465	-	25,465
Bad debts - fees written off	9,017	-	9,017
Total Direct Costs	**950,795**	**137,421**	**1,088,216**
Overheads:			
Premises costs	59,739	-	59,739
Administrative costs	15,907	-	15,907
Information Technology costs	26,383	-	26,383
Depreciation charges	37,267	-	37,267
Support costs (See note 7)	8,362	-	8,362
Total Overhead Costs	**147,658**	-	**147,658**
Total Costs of Charitable activities	**1,098,453**	**137,421**	**1,235,874**

NOTES TO THE FINANCIAL STATEMENTS

7. SUPPORT COSTS

	Finance	Governance costs	Totals
	£	£	£
Charitable Activities	2,153	7,139	9,292

2021 Comparative

	Finance	Governance costs	Totals
	£	£	£
Charitable Activities	1,656	6,706	8,362

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.3.22	31.3.21
	£	£
Auditors' remuneration	6,000	5,650
Depreciation - owned assets	35,779	37,268
Other operating leases	6,400	6,389

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustee's remuneration or other benefits for the year ended 31 March 2022 nor for the year ended 31 March 2021.

No remuneration or expenses were paid during the year to any of the trustees (2021:£Nil). Two Trustees have children in a children's centre nursery, they paid the full rate for all services used and so received no benefit as result of their role as Trustees.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2022 nor for the year ended 31 March 2021.

NOTES TO THE FINANCIAL STATEMENTS

10. STAFF COSTS

	31.3.22	31.3.21
	£	£
Wages and salaries	980,257	845,135
Social security costs	54,353	47,384
Other pension costs	40,806	36,191
	1,075,416	928,710

The average monthly number of employees during the year was as follows:

	31.3.22	31.3.21
Delivery of Children's & Family Services	44	39
Management and Administration	5	3
	49	42

No employees received emoluments in excess of £60,000.

The key management personnel of the charity comprise the trustees, the Chief Executive Officer, Finance and Administration Manager, Early Years Advisory Teacher, a Children's Services Manager for Twerton and a Children's Services manager for Moorlands. The total employee benefits of the key management personnel of the Trust were £184,862 (2021:£161,806).

NOTES TO THE FINANCIAL STATEMENTS

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Designated Fixed Asset Reserve Fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	15,291	-	148,523	163,814
Charitable activities				
Charitable Activities	1,238,963	-	-	1,238,963
Other trading activities	17,156	-	-	17,156
Investment income	146	-	-	146
Total	1,271,556	-	148,523	1,420,079
EXPENDITURE ON				
Charitable activities				
Charitable Activities	1,061,186	37,267	137,421	1,235,874
NET INCOME/(EXPENDITURE)	210,370	(37,267)	11,102	184,205
Transfers between funds	(2,549)	2,549	-	-
Net movement in funds	207,821	(34,718)	11,102	184,205
RECONCILIATION OF FUNDS				
Total funds brought forward	159,184	1,453,791	78,690	1,691,665
TOTAL FUNDS CARRIED FORWARD	367,005	1,419,073	89,792	1,875,870

12. TAXATION

First Steps (Bath) is a registered charity and accordingly is exempt from taxation on its income and capital gains, provided certain conditions are met.

NOTES TO THE FINANCIAL STATEMENTS

13. TANGIBLE FIXED ASSETS

	Leasehold Property £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 April 2021	1,721,954	114,061	10,261	1,846,276
Additions	-	-	2,580	2,580
At 31 March 2022	1,721,954	114,061	12,841	1,848,856
DEPRECIATION				
At 1 April 2021	308,069	109,311	9,823	427,203
Charge for year	33,767	1,574	438	35,779
At 31 March 2022	341,836	110,885	10,261	462,982
NET BOOK VALUE				
At 31 March 2022	1,380,118	3,176	2,580	1,385,874
At 31 March 2021	1,413,885	4,750	438	1,419,073

14. STOCKS

	31.3.22 £	31.3.21 £
Stocks	1,056	1,299

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.22 £	31.3.21 £
Trade debtors	59,855	157,619
Prepayments and accrued income	9,335	74,087
	69,190	231,706

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.22 £	31.3.21 £
Trade creditors	13,510	11,674
Social security and other taxes	20,911	11,508
Other creditors	31,928	32,846
	66,349	56,028

NOTES TO THE FINANCIAL STATEMENTS

17. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.3.22	31.3.21
	£	£
Within one year	1,468	1,547
Between one and five years	3,549	2,331
	5,017	3,878

18. MOVEMENT IN FUNDS

	At 1.4.21	Net movement in funds	Transfers between funds	At 31.3.22
	£	£	£	£
Unrestricted funds				
General fund	367,005	(21,490)	(2,777)	342,738
Designated Fixed Asset Reserve	1,419,073	(35,779)	2,580	1,385,874
	1,786,078	(57,269)	(197)	1,728,612
Restricted funds				
Subsidised Meals	1,811	(1,811)	-	-
Quartet Foundation	-	467	-	467
BOP	87,081	-	-	87,081
Partnership With Parents	518	-	-	518
Moorlands Decoration	382	(241)	-	141
Children with SEN	-	(197)	197	-
St Johns Language for Life	-	1,328	-	1,328
Replacing Boiler Heating system	-	1,800	-	1,800
Stay and Play	-	3,421	-	3,421
Waitrose Childhood Nature	-	500	-	500
	89,792	5,267	197	95,256
TOTAL FUNDS	1,875,870	(52,002)	-	1,823,868

The funds of the charity include both designated and restricted funds. The material funds include:

Designated Fixed Asset Reserve: - This represents the reserves tied up in fixed assets that are required to provide the services of the charity and are not easily liquidated.

BOP: to help support children with special educational needs within the nurseries.

NOTES TO THE FINANCIAL STATEMENTS

18. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,292,396	(1,313,886)	(21,490)
Designated Fixed Asset Reserve	-	(35,779)	(35,779)
	1,292,396	(1,349,665)	(57,269)
Restricted funds			
Trips & Events	2,533	(2,533)	-
Subsidised Meals	9,946	(11,757)	(1,811)
Quartet Foundation	1,175	(708)	467
Moorlands Decoration	-	(241)	(241)
Xmas toys/books	731	(731)	-
Children with SEN	1,200	(1,397)	(197)
St Johns Language for Life	2,880	(1,552)	1,328
Theory of Change	1,618	(1,618)	-
Consortium order Moorlands	181	(181)	-
Replacing Boiler Heating system	1,800	-	1,800
Stay and Play	3,656	(235)	3,421
Waitrose Childhood Nature	500	-	500
	26,220	(20,953)	5,267
TOTAL FUNDS	1,318,616	(1,370,618)	(52,002)

Comparatives for movement in funds

	At 1.4.20 £	Net movement in funds £	Transfers between funds £	At 31.3.21 £
Unrestricted funds				
General fund	159,184	210,370	(2,549)	367,005
Designated Fixed Asset Reserve	1,453,791	(37,267)	2,549	1,419,073
	1,612,975	173,103	-	1,786,078
Restricted funds				
Subsidised Meals	-	1,811	-	1,811
BOP	77,692	9,389	-	87,081
Partnership With Parents	518	-	-	518
Moorlands Decoration	480	(98)	-	382
	78,690	11,102	-	89,792
TOTAL FUNDS	1,691,665	184,205	-	1,875,870

NOTES TO THE FINANCIAL STATEMENTS

18. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,271,556	(1,061,186)	210,370
Designated Fixed Asset Reserve	-	(37,267)	(37,267)
	1,271,556	(1,098,453)	173,103
Restricted funds			
Subsidised Meals	13,757	(11,946)	1,811
BOP	12,700	(3,311)	9,389
Moorlands Decoration	-	(98)	(98)
Xmas toys/books	2,000	(2,000)	-
Panto/Sensory play	3,986	(3,986)	-
Home Learning			
	4,072	(4,072)	-
Covid related government grants			
	77,851	(77,851)	-
Julia Rausing Sustainability	34,157	(34,157)	-
	148,523	(137,421)	11,102
TOTAL FUNDS	1,420,079	(1,235,874)	184,205

19. EMPLOYEE BENEFIT OBLIGATIONS

The Charity is a member of The Pension Trust's Defined Contribution Pension Scheme. Contributions made by the charity amounted to £40,806 (2021: £36,869). Year ended contributions outstanding amounted to £7,662 (2021: £6,407).

20. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES.

At 31 March 2022 there were no capital commitments or contingent liabilities (2021 - None).

21. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2022.

FIRST STEPS (BATH)

England & Wales - Charity number 1012690

Accounts

First Steps (BATH)

Financial Statements for the year ended 31st March 2021

IN PARTNERSHIP WITH

Bath & North East Somerset Council

Social Enterprise

Charity registration number 1012690

Registered Company number 02656485

FIRST STEPS (BATH)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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FIRST STEPS (BATH)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

CHAIR'S REPORT

2020/21 has been a challenging time for us all. I am pleased to report that First Steps has stayed open throughout the pandemic, and I thank all staff, and parents, for their understanding and flexibility that has allowed us to do this. It was a significant achievement for us and enabled First Steps to continue to provide the support and services that families needed during this difficult time.

A year ago we faced some considerable financial uncertainties. However, thanks to support from a range of trusts and foundations, individual and community supporters, we could adapt and continue to deliver our charitable services over the last year. In particular the Julia and Hans Rausing Trust made a very generous donation which provided us with financial stability at a difficult time, but there were many others for whose support we are equally grateful. In total, thanks to this generosity, we have received £86,000 through fund raising in 2020/21.

Consequently, with careful management, we completed the last financial year with a healthy surplus. This has provided us with sufficient reserves to see through what I hope will be the final stages of the pandemic, and to help us look to the future with confidence.

We continue to receive positive feedback from parents, and we very much value this. Our focus on the community will remain – we wish to provide local, quality, all year around nursery care, and a support hub for families with preschool children. So we have sought to focus on the communities we serve during this difficult period, and we will continue to do this. During the year ahead we will be organising opportunities to hear more in depth feedback from parents and other stakeholders so that we can develop and focus our resources on relevant activities that meet our children's needs. I hope as many of you as possible will be able to contribute to this.

We have the capacity at both Twerton and Moorlands to do more when conditions allow, and we wish to explore with our partners how we can better meet the significant unmet demand for children with special educational needs. We have continued to work closely with the Local Authority concerning the Bath Opportunity Playgroup where the demand for places considerably exceeds the spaces available. We will be looking at ways we can do more to enhance this service in the future.

Finally, in addition to staff and parents, I want to thank trustees and volunteers, as well as our partners, for their commitment and hard work during the year. I am hopeful that we can all contribute to enhancing the impact we make as we return to normality.

Best wishes
Ken Littlewood



Chair

FIRST STEPS (BATH)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

TRUSTEES' ANNUAL REPORT

The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ending 31 March 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

The Committee of Management presents its report for the year up to 31st March 2021.

Further information about the charity and its work may be found on First Steps (Bath) website (www.firststepsbath.org.uk) and through direct enquiry to the main office at Woodhouse Road, Twerton, Bath, BA2 1SY.

REFERENCE AND ADMINISTRATIVE INFORMATION

Chair	Ken Littlewood	Retired Business Executive
Resigned 21/07/2020	Jane Millar	Professor of Social Policy University of Bath
Vice Chair	Janet Rose	Director Norland College
Treasurer	*Tom Williams	Management Accountant
Other trustees	Isobel Michael	Director NSP Philanthropy
Resigned 20/10/2020	Dougie Brown	Director of eXL Consultancy
	Meg North	Retired local government officer
	Marina Sloan	Specialist Speech & Language Therapist
	Mike Turner	Managing Director
	Val Wheeler	Retired Health Visitor
	*Simon Andrews	Project Manager
Appointed 28/04/2020	*Kate Tuckwell	Senior Lecturer of Social and Policy Sciences
Appointed 21/07/2021	Elisabeth Hacking	Lecturer and Researcher University of Bath

* Denotes parents whose children used First Steps (Bath) services during the year.

Senior Management Team	Roz Lambert	Chief Executive
	Sarah Elliott	Finance & Administration Manager and Company Secretary
Appointed 01/04/2020	Charlotte Miller	Children's Services Manager – Moorlands
	Louise Hewings	Children's Services Manager – Twerton
	Stefanie Walbyoff	Children's Services Manager- BOP
Maternity Cover from 20/04/20	Natalie Miles	Acting Children's Services Manager - BOP

Registered office	Woodhouse Road Twerton, Bath, BA2 1SY
E-mail	info@firststepsbath.org.uk
Website	www.firststepsbath.org.uk

FIRST STEPS (BATH)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

TRUSTEES' ANNUAL REPORT

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document
First Steps (Bath) is a company limited by guarantee and is a registered charity, which is governed by its Memorandum and Articles of Association dated 10 June 1992. The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Trustee Board.

Organisational Structure
First Steps (Bath) is governed by a Charity Board of Trustees, which includes parents using our services and local professionals. The Board's membership reflects key stakeholders in the local community including local public services, local businesses, independent consultants, voluntary organisations and schools. Trustees therefore bring a wide range of individual skills and experience to the Board.

The Trustee Board, which met five times during the year, makes decisions on the annual budget, formulates policy and considers strategic issues which affect the charity. At the Annual General Meeting the Trustees elect the Chairperson.

The Trustees of First Steps (Bath) delegate the day-to-day running of the charity to the Chief Executive and Senior Management Team, who attend Trustee Board meetings in an advisory capacity. The Trustee Board has power to require the Chief Executive and members of staff to withdraw from meetings whenever confidential matters are being discussed.

Recruitment and appointment of Trustee Board members
Recruitment of new Trustees is on-going; interested potential Trustees are invited to submit a CV and meet with the Chair of Trustees and CE prior to attending a Board meeting as an observer. Before being nominated for election, the procedures for safe recruitment are followed.

Trustee Induction and Training
The structure and process of new Trustee Induction and training has been developed as part of the recruitment of new Trustees. Information packs containing copies of the financial statements, Memoranda and Articles of Association, and recent Board Meeting Minutes are provided. An invitation is made to visit staff and volunteers. Training is offered through specific sessions tailored to meet the needs of current Trustees.

Risk Management
The Trustee Board has responsibility to manage risk within the charity. They have updated and reviewed risks within the year and agreed a schedule of actions to mitigate the identified risks. Any updates to the risk assessments are brought to Board meetings and the risk assessments are reviewed by the Board annually.

FIRST STEPS (BATH)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

TRUSTEES' ANNUAL REPORT

STRUCTURE, GOVERNANCE AND MANAGEMENT

Related parties
No trustees receive remuneration or other benefit from their work with the charity. Any contractual relationship with a related party between a trustee and senior manager of the charity must be disclosed to the full board of trustees. In the current year no such related party transactions were reported.

AIMS

Our Mission
First Steps has a governing document (Memorandum and Articles of Association dated 10 June 1992) which sets out our 'Objects' as a charity. These have been summarised into our mission:

"to work in partnership with children, families, colleagues and the community by being a responsive, informed, reflective and innovative provider of early years' education, childcare and integrated family services"

In pursuing this mission First Steps will deliver value to:

- Children, through access to quality integrated care, play and early learning opportunities
- Families, through a range of services which are responsive to their individual needs with an emphasis on bringing services to families
- Staff, by maintaining a stimulating environment that encourages innovation and best practice and developing and implementing a coherent range of policies understood and valued by all
- Other stakeholders, through our commitment to working collaboratively with professionals from other disciplines, sharing expertise and exploiting opportunities in areas of common interest

Our guiding principles
To guide our actions as an organisation and ensure a culture of shared values and direction we:

- Work in partnership not in competition
- Are committed to an integrated service approach that brings professionals from various disciplines together
- Foster an ethos of providing professional support in a non-judgemental and non-stigmatising way
- Encourage open-mindedness within our practice and ensure that our policies are sufficiently flexible to admit new ideas
- Respect parents as partners in the educational and developmental progress of their children
- Create a culture that values and celebrates children and families in a way that strengthens our community
- Seek new ways of doing things, explore new approaches, and are open to learning from others
- Measure our success by the way we deliver on our commitment to better outcomes for children and families

FIRST STEPS (BATH)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

TRUSTEES' ANNUAL REPORT

OBJECTIVES AND ACTIVITIES

The principal objectives of First Steps (Bath) are to advance the development of education of children below compulsory school age (by encouraging parents to understand and provide for the needs of their children) in particular through the provision of safe and satisfying group play in which parents have the right to take part and by encouraging the study of the needs of children and their families and by promoting public interest in and recognition of such needs in the City of Bath and as a result of the provision of such facilities to relieve cases of need hardship or distress.

This work is conducted through two Community Nurseries, First Steps Twerton and First Steps Moorlands and an Early Years Specialist service, First Steps Bath Opportunity Preschool, (BOP). A contract with the Local Authority for early years specialist provision funds BOP.

In shaping these priorities and planning our activities the Trustees have considered the Charity Commission's guidance on public benefit. The Trustees undertake an annual review of day care fees; in setting the level of fees and concessions, the Trustees give careful consideration to ensuring the accessibility of the service for those on low incomes.

Our Purpose
In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

Our Partners
Much of our work is delivered in partnership with other agencies, to provide integrated 'seamless' support for children and families when they need it. Examples of the partners include:

- Virgin Health Care - Health Visitors have an office in Woodhouse Road delivering the Healthy Child Programme they specifically provide baby feeding hubs, baby massage and one to one meetings with parents, on site and support team around the child meetings.
- Speech & Language service: We use the pupil premium funding to pay for a speech and language therapist to be embedded within our services to provide special projects or groups with children; screening and individual work with children and advice and training for staff to enhance the usual support.
- Other health professionals, e.g. community paediatricians, occupational therapists – provide staff with advice and guidance; individual work with children and families
- Action for Children – family support workers delivering the Children's Centre Service have an office at Woodhouse Road. Parenting programmes and support groups are delivered from there.
- First Steps provide placements for 'children in need' and/or children who are the subject of a child protection plan, and 'child friendly' venues for contact sessions.
- Southside Family Project: supporting families with complex needs.

FIRST STEPS (BATH)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

TRUSTEES' ANNUAL REPORT

OBJECTIVES AND ACTIVITIES

Our Partners (continued)

- Local schools, particularly our neighbours: Moorlands Schools Federation, St. Michaels C of E Junior School and Twerton Infants School; together with B&NES Children's Service and school staff, e.g. on school transition and we work with Advisory Teachers, the Behaviour Support Service who provide advice and individual work.
- B&NES Bright Start Children's' Centres: joint working or training, collaboration and sharing good practice
- Bath Spa University, University of Bath, Norland College and other training providers, local colleges, and schools: First Steps acts as a training base for a range of student placements

ACHIEVEMENT AND PERFORMANCE.

Our achievements for 2020/2021

Priority One: To continue with the ambitious vision to deliver universal, inclusive children care and education, high expectations for children's achievement and high standards of provision.

- Forty nine percent of Staff live locally, ensuring that the lived experience of families is understood by services and demonstrating fair employment within the community.
- 75 children from low-income families received free meals
- Home learning bags were created and shared with families during lock down and beyond.
- Training practitioners in the Thrive Approach supporting children's emotional and social development.

Priority Two: To further develop the concept of Community Nursery and Early Years Centre through the delivery of services that raise the profile of the early years in a child's life and are responsive to family needs and special educational needs.

- Despite the pandemic, sessions to support parents continued on line and in person where possible, cooking sessions and outdoor forest school informed sessions.
- Staff developed ways to link to families virtually to deliver speech and language support and music therapy.
- Managers were attuned the individual needs of families in isolation and linked them to local services as well as delivering medicine and food in emergencies.
- Over £70,000 was raised to support and enhance service provision, supporting a number of projects.
- The numbers of children at BOP were extended by 30% to meet need
- Numbers of children with special educational needs attending Community Nurseries exceeded the national average of 11%

Priority Three: To further develop the Social Enterprise Model, exploring new funding and trading opportunities, employing a mixed model of funding to ensure the success and security of our long term future plans.

- Despite the pandemic, First Steps maintained a healthy cash flow position.

TRUSTEES' ANNUAL REPORT

OBJECTIVES AND ACTIVITIES (continued)

Our priorities for 2021 – 2022 are: -

PRIORITY ONE: To continue with the ambitious vision to deliver universal, inclusive children care and education, high expectations for children's achievement and high standards of provision.

Ensure that a sharp focus is placed on improving the life chances of children through accurate evaluation of provision through information gathered from, children, parents, staff and linked professionals and data from children's assessments. To embed the concept of Childhood nature, the idea that children are nature that human health and wellbeing is linked to the environment. Those adults have a responsibility to ensure that children have access to nature and opportunities to explore the natural world, that children are encouraged to be active citizens and are encouraged in appropriate ways to embed sustainability. To be promoting healthy and sustainable living for children families and the community.

Priority Two: To further develop the concept of Community Nursery and Early Years Centre through the delivery of services that raise the profile of the early years in a child's life and are responsive to family needs and special educational needs.

Priority Three: To further develop the Social Enterprise Model, exploring new funding and trading opportunities, employing a mixed model of funding to ensure the success and security of our long-term future plans.

Priority Four: To develop the theory of change, identifying the core problems that First Steps aims to address, its root causes and consequences, question assumptions and establish evidence of need. Leading to meaningful and measurable activities that meet community need and can be clearly articulated.

FINANCIAL REVIEW

First Steps (Bath) continued to improve its financial situation through a difficult year with growth in restricted and unrestricted funds. The budget was revised considering the uncertainty that COVID brought with a cautious approach to planning in the year. All services remained open although occupancy was limited in the period April to mid-July following government Covid restrictions with access only available to vulnerable and key worker children.

The significant features of the finances during the year are as follows:

- **Nursery Income** - fee income from parents reduced by £63,000 compared to 2020 due to limiting numbers of children attending Nursery in line with Government Covid rules. The Early Years Entitlement deceased by £8,000 (down 2%) compared to last year, although occupancy was down the impact of COVID was limited as the Government guaranteed Early Years funding based on previous years for the period April to December.
- **Specialist Service Contract** – First Steps was awarded a 3-year contract with B&NES to take on the provision of a specialist service from August 2018 with a contract value of £200,000 per annum.

TRUSTEES' ANNUAL REPORT
FINANCIAL REVIEW (continued)

- **Funding from B&NES** – Placement and Inclusion payments from Social Services increased by nearly £135,000 (up 340%) compared to last year. Funding from Early Years Pupil Premium with the deprivation Supplement (previously included in the Early Years Entitlement) was at a similar rate as 2020 its aim to give extra support for children from low-income families. Funding via the Disability Access Fund increased due to the number of children attending who were eligible.
- **COVID Grant** – awarded from local government to support the additional costs of remaining open within Covid restrictions, this was based on the number of children attending during the first lockdown period.
- **Job Retention Scheme** – funding was received from the furlough of staff who are not funded by public money totalling £74,800.
- **Total incoming resources** - the increase in B&NES funding was offset by decreased nursery income. This meant incoming resources from charitable activities have grown by £107,670 (9.5%); after including income from fundraising £85,963 (of which £70,671 was restricted) and other sources; to a total £1,420,079 (2020: £1,208,002).
- **Employment costs** – at £928,710 these amount to 80% of all spending on unrestricted activities – these were in line with the previous year.
- **Other direct costs** – of £96,362 have reduced by 18% from last year, (2020: £118,231), the assessed value of subsidised meals for children reduced to £11,946 due to limited number of children attending nursery (2020: £20,005) of which was funded by restricted funds with the remaining funds of £1,810 carried forward.
- **Overheads** - amount to £113,046, which was 17% less than the previous year due to reduced premises costs due to the COVID and changing of processes.

The overall result for the year was a surplus in funds of £184,205 (2020, £1,550 deficit) which includes a surplus on restricted funds of £11,102 (2020: £24,761 deficit) and a surplus of £173,103 on unrestricted funds (2020: £23,211 surplus).

The trustees have also created a designated fixed asset reserve to allow clearer recognition of working capital (expendable free reserves) and those reserves tied up as liquid assets. Further information can be found in the notes to the accounts.

Reserve's policy.

The trustees have carefully considered the level of free reserves that should be maintained to safeguard our obligations under our contract and the needs of users of First Steps Services.

The trustees have agreed that the minimum free reserves should amount to no less than 2 months total expenditure which is approximately £200,000. Currently free reserves amount to £367,005 (3.5 months total expenditure).

In light of the continuing effect of Covid both directly on our business and indirectly with our service users and the impact on our ability to raise funds in the future, the trustees are satisfied with the current level of reserves. The trustees are hopeful that the current level of free reserves will enable the charity to grow and take advantage of opportunities to further our charitable objectives in the future

TRUSTEES' ANNUAL REPORT
FINANCIAL REVIEW (continued)

Fixed assets
Movements in fixed assets are set out in Note 13 to the financial statements; there was one addition to fixed assets during the year which relates a new dishwasher at Moorlands £2,550 (2020, £5,160 of additions).

PLANNING FOR THE FUTURE

The trustee's strategic workshop was held in November 2020. In the light of the pandemic Trustees felt that it was timely to review First Steps provision of services and undertake a community consultation using the theory of Change. At the same time continuing with a commitment to delivering quality services and opportunities for growth.

Covid

The continuing impact of COVID19 has been considered and plans have been made for a potential reduction in income in the event of short term full or partial closures of services due to closing bubbles in line with government guidelines. These risks will reduce with the removal of the requirement to close bubbles and the progress of an economic recovery becomes clear

Considering the above actions, the Trustees are confident it will be able to meet its obligations as they fall due for a minimum period of at least 12 months from the date of signing.

FIRST STEPS (BATH)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

TRUSTEES' ANNUAL REPORT

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The charity trustees (who are also the directors of the First Steps (Bath) for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each 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 group for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then 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 financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

FIRST STEPS (BATH)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

TRUSTEES' ANNUAL REPORT

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the auditor is unaware, and

- the trustees, having made enquiries of fellow directors and the auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the board of trustees

AUDITORS

The auditors, Moore, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 20th July 2021 and signed on its behalf by:-

Ken Littlewood - Chair

Sarah Elliott – Company Secretary

FIRST STEPS (BATH)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIRST STEPS (BATH)

Opinion

We have audited the financial statements of First Steps (Bath) (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as of 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIRST STEPS (BATH) (continued)

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIRST STEPS (BATH) (continued)

Responsibilities of trustees (continued)

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK Financial Reporting Standards and the Charities Act 2011.

We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.

We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.

We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIRST STEPS (BATH) (continued)

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Powell (Senior Statutory Auditor)
for and on behalf of Moore Chartered Accountants and Statutory Auditors
30 Gay Street
Bath
BA1 2PA

Date: 18/8/2021

FIRST STEPS (BATH)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

STATEMENT OF FINANCIAL ACTIVITES
(INCLUDING INCOME & EXPENDITURE ACCOUNT)

	Notes	Unrestricted funds £	Designated Fixed Asset Reserve Fund £	Restricted funds £	31.3.21 Total funds £	31.3.20 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	15,291	-	148,523	163,814	48,988
Charitable activities	5					
Charitable Activities		1,238,963	-	-	1,238,963	1,131,293
Other trading activities	3	17,156	-	-	17,156	27,148
Investment income	4	146	-	-	146	573
Total		1,271,556	-	148,523	1,420,079	1,208,002
EXPENDITURE ON						
Charitable activities	6					
Charitable Activities		1,061,186	37,267	137,421	1,235,874	1,209,552
NET INCOME/(EXPENDITURE)		210,370	(37,267)	11,102	184,205	(1,550)
Transfers between funds	18	(2,549)	2,549	-	-	-
Net movement in funds		207,821	(34,718)	11,102	184,205	(1,550)
RECONCILIATION OF FUNDS						
Total funds brought forward		159,184	1,453,791	78,690	1,691,665	1,693,215
TOTAL FUNDS CARRIED FORWARD		367,005	1,419,073	89,792	1,875,870	1,691,665

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

FIRST STEPS (BATH)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

BALANCE SHEET AT 31 MARCH 2021

	Notes	Unrestricted funds £	Designated Fixed Asset Reserve Fund £	Restricted funds £	31.3.21 Total funds £	31.3.20 Total funds £
FIXED ASSETS						
Tangible assets	13	-	1,419,073	-	1,419,073	1,453,791
CURRENT ASSETS						
Stocks	14	1,299	-	-	1,299	2,156
Debtors	15	231,706	-	-	231,706	44,177
Cash at bank		190,028	-	89,792	279,820	268,289
		423,033	-	89,792	512,825	314,622
CREDITORS						
Amounts falling due within one year	16	(56,028)	-	-	(56,028)	(76,748)
NET CURRENT ASSETS		367,005	-	89,792	456,797	237,874
TOTAL ASSETS LESS CURRENT LIABILITIES		367,005	1,419,073	89,792	1,875,870	1,691,665
NET ASSETS		367,005	1,419,073	89,792	1,875,870	1,691,665
FUNDS	18					
Unrestricted funds					1,786,078	1,612,975
Restricted funds					89,792	78,690
TOTAL FUNDS					1,875,870	1,691,665

The financial statements were approved by the Board of Trustees on 20th July 2021 and were signed on its behalf by:

Ken Littlewood - Chair

Sarah Elliott – Company Secretary

FIRST STEPS (BATH)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

STATEMENT OF CASH FLOWS

	Notes	31.3.21 £	31.3.20 £
Cash flows from operating activities			
Cash generated from operations	1	13,935	48,226
Net cash provided by operating activities		13,935	48,226
Cash flows from investing activities			
Purchase of tangible fixed assets		(2,550)	(8,095)
Interest received		146	573
Net cash used in investing activities		(2,404)	(7,522)
Change in cash and cash equivalents in the reporting period		11,531	40,704
Cash and cash equivalents at the beginning of the reporting period		268,289	227,585
Cash and cash equivalents at the end of the reporting period		279,820	268,289

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.3.21 £	31.3.20 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	184,205	(1,550)
Adjustments for:		
Depreciation charges	37,267	36,393
Interest received	(146)	(573)
Decrease/(increase) in stocks	857	(702)
Increase in debtors	(187,529)	(483)
(Decrease)/increase in creditors	(20,719)	15,141
Net cash provided by operations	13,935	48,226

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.20 £	Cash flow £	At 31.3.21 £
Net cash			
Cash at bank	268,289	11,531	279,820
	268,289	11,531	279,820
Total	268,289	11,531	279,820

FIRST STEPS (BATH)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

The accompanying accounting policies and notes form an integral part of these financial statements

1. PRINCIPAL ACCOUNTING POLICIES

Basis of preparing the financial statements

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

First Steps (bath) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going Concern / Covid
During the period under review and continuing to the date that the Financial Statements were approved the coronavirus (COVID 19) outbreak has caused extensive disruptions to businesses and economic activities globally.

The trustees have considered the financial resources and commitments of the charity, particularly considering the coronavirus outbreak, and concluded that they have sufficient resources to meet liabilities as they fall due. The trustees therefore consider it appropriate to prepare the financial statement on the going concern basis.

Incoming resources
All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Contract and grant income is included as incoming resources in the period to which it relates.
- When donors specify that donations or grants are for particular restricted purposes, the income is included as incoming resources of restricted funds when receivable. Grants received are deferred and recognised through the statement of financial activities in full when conditions for receipt are complied with.
- Intangible income, including gifts in kind, is included at the trustees' valuation when known.
- No amounts are included in the financial statements for services donated by volunteers.
- Where incoming resources are for goods or services and, upon full performance of the service, any surplus funds can be retained and used for general purposes, the incoming resources and related expenditure is treated as unrestricted.

Resources expended and liabilities
Expenditure is recognised on an accruals basis as a liability is incurred; inclusive of any VAT where this cannot be recovered. Liabilities are recognised when the charity has an obligation to transfer economic benefit as a result of a past transaction or event.

PRINCIPAL ACCOUNTING POLICIES (continued)

Stocks
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation
The charity is exempt from corporation tax on its charitable activities.

Pensions
The charity's employees are eligible to participate in The Pension Trust's Defined Contribution Pension Scheme. The employer's contributions payable to this scheme are charged to the income and expenditure account in the period to which they relate.

Fund accounting
Funds held by the charity are either:

- Unrestricted - these are donations and other income generated, for the objects of the charity without further specified purposes and which can be used in accordance with the charitable objects at the discretion of the trustees.
- Restricted funds - these can only be used for particular restricted purposes, the charity, as specified by the donor. Expenditure which meets these criteria is charged against the fund. Further details of the funds are given in the Notes to the Accounts.

Tangible Fixed Assets
Tangible fixed assets costing more than £2,000 are capitalised and included at cost. Depreciation is calculated to write off the cost, less estimated residual values, of tangible fixed assets over their estimated useful lives to the charity. The annual depreciation rates and methods are:

Leasehold property	Evenly over a period of 50 years
Fixtures, fittings and equipment	10 or 25% straight line

A review of impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognized as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Operating lease agreements
Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

PRINCIPAL ACCOUNTING POLICIES (continued)

Fund accounting

Funds held by the charity are either:

- Unrestricted - these are donations and other income generated, for the objects of the charity without further specified purposes and which can be used in accordance with the charitable objects at the discretion of the trustees.

- Designated – Designed funds are fixed assets which are ringfenced to allow a clear presentation of free unrestricted reserves available.

- Restricted funds - these can only be used for particular restricted purposes, the charity, as specified by the donor. Expenditure which meets these criteria is charged against the fund. Further details of the funds are given in the Notes to the Accounts.

NOTES TO THE FINANCIAL STATEMENTS

2. DONATIONS AND LEGACIES

	31.3.21	31.3.20
	£	£
Donations and fundraising	85,963	41,248
Grants	77,851	7,740
	163,814	48,988

Grants received, included in the above, are as follows:

	31.3.21	31.3.20
	£	£
Government Grants	74,801	-
Other grants	3,050	7,740
	77,851	7,740

The government grant relates to the Coronavirus Job Retention Scheme (CJRS).

3. OTHER TRADING ACTIVITIES

	31.3.21	31.3.20
	£	£
Community lettings	15,665	26,794
Training income	-	176
Misc income	1,491	178
	17,156	27,148

4. INVESTMENT INCOME

	31.3.21	31.3.20
	£	£
Deposit account interest	146	573

NOTES TO THE FINANCIAL STATEMENTS

5. INCOME FROM CHARITABLE ACTIVITIES

	31.3.21 Charitable Activities	31.3.20 Total activities
	£	£
Incoming Resources	1,238,963	1,131,293

	Unrestricted Funds	Restricted Funds	Total 2021	Total 2020
Bath & North East Somerset Council:	£	£	£	£
Children's Centre Contract Funding	42,950	-	42,950	-
BOP	200,000	-	200,000	200,000
Social Services: CHIF	205,012	-	205,012	63,931
Other grant funding	-	-	-	1,350
Other revenue funding	360	-	360	6,055
Total Revenue Funding	448,322	-	448,332	271,336
Nursery Fees & Related Funding:				
Early Years Entitlement	434,387	-	434,387	442,604
Nursery fees charged to parents	334,479	-	334,479	397,689
Early Years Pupil Premium	21,775	-	21,775	19,664
	790,641	-	790,641	859,957
Total income from charitable activities	1,238,963	-	1,238,963	1,131,293

Comparative

	Unrestricted Funds	Restricted Funds	Total 2020
Bath & North East Somerset Council:	£	£	£
Children's Centre Contract Funding	-	-	-
BOP	200,000	-	200,000
Social Services: CHIF	63,931	-	63,931
Other grant funding	1,350	-	1,350
Other revenue funding	6,055	-	6,055
Total Revenue Funding	271,336	-	271,336
Nursery Fees & Related Funding:			
Early Years Entitlement	442,604	-	442,604
Nursery fees charged to parents	397,689	-	397,689
Early Years Pupil Premium	19,664	-	19,664
	859,957	-	859,957
Total income from charitable activities	1,131,293	-	1,131,293

NOTES TO THE FINANCIAL STATEMENTS

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Support costs (see note 7)	Totals
	£	£	£
Charitable Activities	1,227,512	8,362	1,235,874

	Unrestricted Funds	Restricted Funds	Total 2021	Total 2020
Direct Costs:	£	£	£	£
Employment costs	853,909	74,801	928,710	928,734
Catering costs	39,362	-	39,362	45,857
Staff costs (training costs, expenses etc.)	14,184	-	14,184	9,624
Special Projects: Direct Costs	8,858	62,620	71,478	41,582
Service costs	25,465	-	25,465	19,918
Bad debts - fees written off.	9,017	-	9,017	1,250
Total Direct Costs	**950,795**	**137,421**	**1,088,216**	**1,046,965**
Overheads:				
Premises costs	59,739	-	59,739	74,302
Administrative costs	15,907	-	15,907	24,363
Information Technology costs	26,383	-	26,383	19,626
Depreciation charges	37,267	-	37,267	36,393
Support costs (See note 7)	8,362	-	8,362	7,903
Total Overhead Costs	**147,658**	-	**147,658**	**162,587**
Total Costs of Charitable activities	**1,098,453**	**137,421**	**1,235,874**	**1,209,552**

NOTES TO THE FINANCIAL STATEMENTS

6. CHARITABLE ACTIVITIES COSTS

Comparative

	Direct Costs	Support costs (see note 7)	Totals
	£	£	£
Charitable	1,201,649	7,903	1,209,552

	Unrestricted Funds	Restricted Funds	Total 2020
Direct Costs:	£	£	£
Employment costs	928,734	-	928,734
Catering costs	45,857	-	45,857
Staff costs (training costs, expenses etc.)	9,624	-	9,624
Value of subsidies granted to parents	-	-	-
Special Projects: Direct Costs	9,442	32,140	41,582
Service costs	19,918	-	19,918
Bad debts - fees written off.	1,250	-	1,250
Total Direct Costs	**1,014,825**	**32,140**	**1,046,965**
Overheads:			
Premises costs	74,302	-	74,302
Administrative costs	24,363	-	24,363
Information Technology costs	19,626	-	19,626
Depreciation charges	18,093	18,300	36,393
Total Overhead Costs	**136,384**	18,300	**154,684**
Total Costs of Charitable activities	**1,151,209**	**50,440**	**1,201,649**

NOTES TO THE FINANCIAL STATEMENTS

7. SUPPORT COSTS

	Finance	Governance costs	Totals
	£	£	£
Charitable Activities	1,656	6,706	8,362

Comparative

	Finance	Governance costs	Totals
	£	£	£
Charitable	2,353	5,550	7,903

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.3.21	31.3.20
	£	£
Auditors' remuneration	5,650	5,550
Depreciation - owned assets	37,268	36,394
Other operating leases	6,389	6,845

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustee's remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

No remuneration or expenses were paid during the year to any of the trustees (2020:£Nil). Two Trustees have children in a children's centre nursery, they paid the full rate for all services used and so received no benefit as result of their role as Trustees.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2021 nor for the year ended 31 March 2020.

NOTES TO THE FINANCIAL STATEMENTS

10. STAFF COSTS

	31.3.21	31.3.20
	£	£
Wages and salaries	845,135	849,260
Social security costs	47,384	44,075
Other pension costs	36,191	35,400
	928,710	928,735

The average monthly number of employees during the year was as follows:

	31.3.21	31.3.20
Delivery of Children's & Family Services	39	40
Management and Administration	3	4
	42	44

No employees received emoluments in excess of £60,000.

The key management personnel of the charity comprise of the trustees, Chief Executive Office, Finance and Administration Manager, and Children's Services Managers for Twerton, Moorlands and BOP. The total employee benefits of the key management personnel of the Trust were £161,806. (2020; £155,989).

NOTES TO THE FINANCIAL STATEMENTS

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Designated Fixed Asset Reserve Fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	23,309	-	25,679	48,988
Charitable activities				
Charitable Activities	1,131,293	-	-	1,131,293
Other trading activities	27,148	-	-	27,148
Investment income	573	-	-	573
Total	1,182,323	-	25,679	1,208,002
EXPENDITURE ON				
Charitable activities				
Charitable Activities	1,159,112	-	50,440	1,209,552
NET INCOME/(EXPENDITURE)	23,211	-	(24,761)	(1,550)
Transfers between funds	(848,743)	1,453,791	(605,048)	-
Net movement in funds	(825,532)	1,453,791	(629,809)	(1,550)
RECONCILIATION OF FUNDS				
Total funds brought forward	984,716	-	708,499	1,693,215
TOTAL FUNDS CARRIED FORWARD	159,184	1,453,791	78,690	1,691,665

12. TAXATION

First Steps (Bath) is a registered charity and accordingly is exempt from taxation on its income and capital gains, provided certain conditions are met.

NOTES TO THE FINANCIAL STATEMENTS

13. TANGIBLE FIXED ASSETS

	Leasehold Property £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 April 2020	1,721,954	111,511	10,261	1,843,726
Additions	-	2,550	-	2,550
At 31 March 2021	1,721,954	114,061	10,261	1,846,276
DEPRECIATION				
At 1 April 2020	274,099	108,577	7,259	389,935
Charge for year	33,970	734	2,564	37,268
At 31 March 2021	308,069	109,311	9,823	427,203
NET BOOK VALUE				
At 31 March 2021	1,413,885	4,750	438	1,419,073
At 31 March 2020	1,447,855	2,934	3,002	1,453,791

14. STOCKS

	31.3.21 £	31.3.20 £
Stocks	1,299	2,156

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.21 £	31.3.20 £
Trade debtors	157,619	35,771
Prepayments and accrued income	74,087	8,406
	231,706	44,177

NOTES TO THE FINANCIAL STATEMENTS

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.21	31.3.20
	£	£
Trade creditors	11,674	12,738
Social security and other taxes	11,508	17,021
Other creditors	32,846	31,989
Accruals and deferred income	-	15,000
	56,028	76,748

17. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.3.21	31.3.20
	£	£
Within one year	1,547	742
Between one and five years	2,331	742
	3,878	1,484

18. MOVEMENT IN FUNDS

	At 1.4.20	Net movement in funds	Transfers between funds	At 31.3.21
	£	£	£	£
Unrestricted funds				
General fund	159,184	210,370	(2,549)	367,005
Designated Fixed Asset Reserve	1,453,791	(37,267)	2,549	1,419,073
	1,612,975	173,103	-	1,786,078
Restricted funds				
Subsidised Meals	-	1,811	-	1,811
BOP	77,692	9,389	-	87,081
Partnership With Parents	518	-	-	518
Moorlands Decoration	480	(98)	-	382
	78,690	11,102	-	89,792
TOTAL FUNDS	1,691,665	184,205	-	1,875,870

NOTES TO THE FINANCIAL STATEMENTS

18. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,271,556	(1,061,186)	210,370
Designated Fixed Asset Reserve	-	(37,267)	(37,267)
	1,271,556	(1,098,453)	173,103
Restricted funds			
Subsidised Meals	13,757	(11,946)	1,811
BOP	12,700	(3,311)	9,389
Moorlands Decoration	-	(98)	(98)
Xmas toys/books	2,000	(2,000)	-
Panto/Sensory play	3,986	(3,986)	-
Home Learning	4,072	(4,072)	-
Covid related grants	77,851	(77,851)	-
Julia Rausing Sustainability	34,157	(34,157)	-
	148,523	(137,421)	11,102
TOTAL FUNDS	1,420,079	(1,235,874)	184,205

The funds of the charity include restricted funds comprising of the following donations and grants

Revenue Funding
These fundraising grants made to the charity for specific purposes, as follows; any unspent balance is carried forward at the end of the financial year:

- **Free Meals** – to fund a meals for children from low income families
- **Children with SEN** – to help support children with special educational needs within the nurseries
- **Xmas Fund** – to decorate the nurseries and provide presents to children
- **Corona Recovery fund** – to support the nurseries with reduced income
- **Sustainability Grant** – to ensure all services could continue to run on reduced income
- **Home Learning** – to provide home learning materials/packs for families
- **Panto/Summer activities** – to fund a Panto and summer activities

NOTES TO THE FINANCIAL STATEMENTS

18. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.19 £	Net movement in funds £	Transfers between funds £	At 31.3.20 £
Unrestricted funds				
General fund	984,716	23,211	(848,743)	159,184
Designated Fixed Asset Reserve	-	-	1,453,791	1,453,791
	984,716	23,211	605,048	1,612,975
Restricted funds				
Trips & Events	4,216	(4,216)	-	-
Woodhouse Road	312,070	(9,773)	(302,297)	-
Moorlands - Miscellaneous grants	1,652	(1,532)	(120)	-
DFES Early Excellence	127,088	(4,455)	(122,633)	-
New Opportunities Fund	70,823	(2,483)	(68,340)	-
Awards for All Funding	1,620	(57)	(1,563)	-
BOP	84,298	(6,606)	-	77,692
Leadership Learning	1,281	(1,281)	-	-
Moorlands Garden	26,500	4,644	(31,144)	-
Moorlands Rebuild	78,951	-	(78,951)	-
Partnership With Parents	-	518	-	518
Moorlands Decoration	-	480	-	480
	708,499	(24,761)	(605,048)	78,690
TOTAL FUNDS	1,693,215	(1,550)	-	1,691,665

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,182,323	(1,159,112)	23,211
Restricted funds			
Trips & Events	3,000	(7,216)	(4,216)
Subsidised Meals	11,950	(11,950)	-
Woodhouse Road	-	(9,773)	(9,773)
Moorlands - Miscellaneous grants	-	(1,532)	(1,532)
DFES Early Excellence	-	(4,455)	(4,455)
New Opportunities Fund	-	(2,483)	(2,483)
Awards for All Funding	-	(57)	(57)
BOP	-	(6,606)	(6,606)
Leadership Learning	-	(1,281)	(1,281)
Moorlands Garden	7,740	(3,096)	4,644
Partnership With Parents	1,339	(821)	518
Outside Play	1,000	(1,000)	-
Moorlands Decoration	650	(170)	480
	25,679	(50,440)	(24,761)
TOTAL FUNDS	1,208,002	(1,209,552)	(1,550)

NOTES TO THE FINANCIAL STATEMENTS

19. PENSION COSTS

The charity is a member of The Pension Trust's Defined Contribution Pension Scheme. Contributions made by the charity amounted to £36,869 (2020: £35,400).

Year-end contributions outstanding amounted to £6,407 (2020: £5,975).

20. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

At 31 March 2021 there were no capital commitments or contingent liabilities (2020 - none).

21. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2021