

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

England & Wales · Charity number 1024544

Details

Other names	DERWENT STEPPING STONES
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Status	Registered
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Legal form	Charitable company
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Company number	02826849
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Registered	1993-08-04
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Register	View on the Charity Commission register
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Contact

Address	YMCA 770 London Road Alvaston Derby DE24 8UT
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Phone	01332372245
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Email	enquiries@derwentsteppingstones.co.uk
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Website	www.derwentsteppingstones.co.uk
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Activities

Objects: (1) ADVANCE THE EDUCATION OF CHILDREN AND TO PROVIDE RECREATIONAL FACILITIES FOR THEM IN THE INTERESTS OF SOCIAL WELFARE (2) PROVIDE EDUCATION AND VOCATIONAL TRAINING FOR ALL MEMBERS OF THE COMMUNITY IN THE EDUCATIONAL AND OTHER NEEDS OF CHILDREN AND IN THE TEACHING AND CARE OF CHILDREN (3) AID, HELP, PROTECT AND PROVIDE CARE FOR CHILDREN WHO ARE IN NEED OF SUCH ASSISTANCE

Activities: The charity operates in the Derwent, Mackworth and Normanton areas of Derby and aims to support families in a holistic way. Our Nursery settings support paying customers, adult learners and those eligible for the Free Early Education Entitlement. Learners can access children's workforce training from traineeships to Level 3 apprenticeship qualifications.

Classification

- **How:** Provides Services
- **What:** Education/training
- **Who:** Children/young People

Geography

- Derby City
- Derbyshire

Finances

Period end	Income	Expenditure	Assets	Employees
2024-07-31	£839,603	£894,161	£1,162,784	36
2023-07-31	£651,173	£751,156	£1,217,342	36
2022-03-31	£1,173,143	£1,172,087	£1,838,190	43
2021-03-31	£984,089	£951,437	£1,925,744	51
2020-03-31	£951,392	£1,104,169	£1,893,092	62

Trustees

Name	Role	Appointed
Angelina Brett		2025-08-14
Helen Smith		2024-12-19
Katherine Henshaw		2023-02-08
Kim Joyce Brooks		2025-12-19
Rachel North		2024-09-01

Accounts

Registered number: 02826849
Charity number: 1024544

**Derwent Stepping Stones Nursery
and Community Training Centre**

Trustees' report and financial statements

For the year ended 31 July 2024



Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

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Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Reference and administrative details of the Charity, its Trustees and advisers
For the year ended 31 July 2024

Trustees

N M Bamford
J Cordon (resigned 26 September 2024)
H M Wigglesworth (resigned 1 September 2024)
K Henshaw
C L Thompson (resigned 10 June 2024)
H L Dixon (resigned 10 November 2023)
R M North (appointed 1 September 2024)
K Puszczynska (appointed 24 March 2025)
H Smith (chair) (appointed 19 December 2024)

Company registered number 02826849

Charity registered number 1024544

Registered office Derwent Stepping Stones
St Marks Road
Derby
Derbyshire
DE21 6AH

Company secretary Kelly Jackson

Independent auditors Dains Audit Limited
Statutory Auditor
Suite 2, Albion House
2 Etruria Office Village
Forge Lane
Stoke on Trent
Staffordshire
ST1 5RQ

Bankers Co-operative Bank p.l.c
31 East Street
Derby
DE1 2AL

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Trustees' report
For the year ended 31 July 2024

The trustees present their annual report and financial statements for the year ended 31st July 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 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)". Derwent Stepping Stones has been a wholly owned subsidiary of YMCA Derbyshire throughout the year.

Objectives and activities

a. Objectives and Activities

The charity's objects are:

- to advance the education of children and to provide recreational facilities for them in the interests of social welfare;
- to provide education and vocational training for all members of the community in the educational and other needs of children and in teaching the care of children;
- to aid, help, protect and care for children who are in need of such assistance.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

b. Public benefit

The Trustees are of the opinion that all the purposes of Derwent Stepping Stones Nursery and Community Training Centre are for the benefit of the public. In their capacity as Trustees, they consider that they have complied with their duties under section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission.

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 July 2024

Achievements and performance

a. Main achievements of the Charity

Early Years and Childcare as an industry remains a challenge with funding levels adversely disproportionate to post pandemic child development needs and staffing costs. YMCA and DSS have worked tirelessly to reduce central costs whilst ensuring front line delivery remains at sustainable levels. Confusion around perceived free childcare has required marketing campaigns to ensure parents/ guardians are aware of their entitlements and numbers at YMCA Stepping Stones continue to grow and remain at sustainable levels.

During the period we have provided early years education to over 300 children. Occupancy at both of our sites has been good with some limits on the numbers we have been able to support set by a difficulty in recruitment of appropriately qualified staff. New models have enabled us to offer more flexibility to families, maximise ratio requirements and ensure we continue to meet our social objectives of supporting vulnerable families with fully funded sessions.

DSS became a wholly owned subsidiary of YMCA Derbyshire in October 2022. In 2023 Derwent Stepping Stones achieved Ofsted Good ratings in all settings whilst undergoing a complete rebrand to YMCA Stepping Stones. The charity also became fully integrated into YMCA Lifelong Learning directorate as part of Early Year and Childcare Service alongside Ykidz ensuring comprehensive community access to lifelong learning and childcare.

YMCA Management also advocated strongly for equity in SEND funding and developed growth strategy through 2024-2030 business plan. YMCA Stepping Stones Leadership was, through the charities CEO, invited to research and support the local authority in regard to sufficiency of staffing within the early years sector.

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 July 2024

Financial review

a. Results for the year

The results for the year are as detailed on page 13 to the financial statements.

Principal funding sources

Childcare was the principal source of funding during the year with fees received direct from government funded places and direct from Parents. This has been augmented by grants and donations and room hire income.

Investment powers, policy and performance

The trustees' investment powers are governed by the Memorandum and Articles of Association, which permits the charity's funds to be invested in, or on such investments, securities or property as may be thought fit.

b. Going Concern and Reserves policy

At the date of approving the accounts, the directors have reviewed the current management information available and forecasts for the coming 12 months. As a result of this, the directors have a reasonable expectation that the charity will continue in operational existence for the foreseeable future. Therefore the Trustees consider it appropriate to continue to adopt the going concern basis in preparing the financial statements.

At the period end total funds held by the charity amounted to £1,162,784 of which designated funds amounted to £1,192,236 leaving a deficit on general reserves of £29,452.

It is the objective of the charity to achieve and maintain free reserves of between 2 months and 3 months of core operating costs, which currently equates to between £154,000 and £230,000 and the Trustees acknowledge that steps are required to bring free reserves back in line with this objective.

During the year to July 2024 the charity has looked closely at costs, making savings where possible and is making every effort to increase numbers and, as a result, revenue, using a variety of marketing activities. Pressure on staffing costs and the availability of staff continue to be challenges making a return to an operating surplus difficult. Given this, the short term target is to return the charity to a trading surplus by the 2024-25 financial year, with a medium term aim of achieving the free reserves target. The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

c. Plans for Future Periods

Building financial sustainability is a key focus of the charity with a focus on building income to meet increasing staff costs. Income has increased in 2023-24 reducing the net deficit from 2022-23. Further increases in income are anticipated in 2024-25 with expectations of reaching break even this year subject to the need for funding rate increases to offset increased salary and NIC costs from April 2025.

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 July 2024

Structure, governance and management

a. Constitution

Derwent Stepping Stones Nursery and Community Training Centre is based at St Mark's Road, Derby, which is the company's Registered Office and principal address of the charity. Derwent Stepping Stones Nursery and Community Training Centre is a company limited by guarantee and not having a share capital (Company Registration No. 2826849) and Registered Charity (No. 1024544).

The charity's governing document is the Memorandum and Articles of Association.

The trustees, who are also the directors for the purpose of company law, and who served during the period and up to the date of signature of the financial statements were:

N M Bamford
J Cordon (resigned 26 September 2024)
H L Dixon (resigned 10 November 2023)
K Henshaw
R M North (appointed 1 September 2024)
K Puszczynska (appointed 24 March 2025)
H Smith (Chair) (appointed 19 December 2024)
C L Thompson (resigned 10 June 2024)
H M Wigglesworth (resigned 1 September 2024)

b. Methods of appointment or election of Trustees

The sole member of the company has delegated the responsibility of oversight of the company's business to the Board of Trustees (the "Board") which, in turn, has delegated the responsibility for the day to day management of the company to the Chief Executive.

Trustees are appointed by the Management Board either to fill a casual vacancy or by way of addition to the Management Board, provided that the prescribed maximum is not thereby exceeded.

In considering prospective trustees, the Management Board has regard to the requirement for a balance of specialist skills necessary for the effective management of the charity.

None of the trustees has any beneficial interest in the company.

c. Organisational structure and decision-making policies

The business of the charity is managed by the Management Board which consists of a maximum of twelve and a minimum of three trustees. Board members so appointed hold office until the following AGM, when they become eligible for re-election. Trustees are appointed by a simple majority of trustees.

The operational management of the organisation is delegated to the Chief Executive. The Chief Executive works closely with the Trustees on the strategic direction and policy of the organisation.

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 July 2024

Structure, governance and management (continued)

d. Policies adopted for the induction and training of Trustees

Prospective trustees are invited to meet with the Chief Executive and Trustees and are given information about the organisation, its activities, aims and objectives and a role description prior to submitting an interest form.

Once an individual has been elected to the Management Board they are given a welcome pack including, but not limited to, the Memorandum and Articles, business plan, annual report and latest published accounts. This pack forms the basis for the induction process.

Trustees are invited to attend training sessions, workshops and celebrations in order to maintain an understanding of the organisation and to meet with staff members.

Reports and guidance from organisations such as the Charity Commission and NCVO are regularly circulated and discussed at Trustees Meetings.

e. Pay policy for key management personnel

The trustees consider the Management Board and the Chief Executive as comprising the key management personnel of the organisation in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in notes 10 and 21 respectively to the accounts. Trustees are required to disclose all relevant interests and withdraw from decisions where a conflict of interest arises.

It is policy to review the pay of the charity's Chief Executive annually, bench-marking with charities of a similar size and activity to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

f. Related party relationships

The organisation is a wholly owned subsidiary of YMCA Derbyshire..

In so far as it is complimentary to the charity's objects, the organisation is guided both by local and national policy. Managers of the organisation sit on relevant local steering groups to ensure that the organisation is aware of local initiatives and activity.

g. Risk management

The Trustees, along with key management personnel, have conducted a review of the risks to which the organisation is exposed. A risk register has been established and, where appropriate, control systems introduced in order to mitigate the risks. All policies, procedures and risk assessments are reviewed at least annually.

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 July 2024

Structure, governance and management (continued)

h. Fundraising Policy statement

The charity carries out minor fundraising activities throughout the year. These consist of events such as summer and Christmas fairs which are organised and run voluntarily by staff members and trustees. Events are open to any member of the public and there are no entrance fees.

Money is raised through raffles, tombola's and games. The events are regarded as opportunities to publicise our services to potential new customers and free activities such as face painting and refreshments ensure that no-one has to spend money to be included.

Disclosure of information to auditors

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

Auditors

In accordance with the company's articles, a resolution proposing that Dains Audit Limited be reappointed as auditor of the company will be put at a General Meeting.

Approved by order of the members of the board of Trustees and signed on their behalf by:



H Smith
Chair of Trustees

Date: 15.5.25

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Statement of Trustees' responsibilities
For the year ended 31 July 2024

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity 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 Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on its behalf by:



H Smith
Chair of Trustees

Date: 15.5.25

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Independent auditors' report to the Members of Derwent Stepping Stones Nursery and Community Training Centre

Opinion

We have audited the financial statements of Derwent Stepping Stones Nursery and Community Training Centre (the 'charity') for the year ended 31 July 2024 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 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; 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 United Kingdom, including the Financial Reporting Council'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.

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Independent auditors' report to the Members of Derwent Stepping Stones Nursery and Community Training Centre (continued)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. 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. 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 course of 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.

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 Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 Trustees' report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Independent auditors' report to the Members of Derwent Stepping Stones Nursery and Community Training Centre (continued)

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, 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.

Auditors' 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 an Auditors' report 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the financial reporting legislation, Companies Act 2006, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Independent auditors' report to the Members of Derwent Stepping Stones Nursery and Community Training Centre (continued)

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions;

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors;

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors' report.

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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Dudley (Senior statutory auditor)

for and on behalf of
Dains Audit Limited

Statutory Auditor
Chartered Accountants

Suite 2, Albion House
2 Etruria Office Village
Forge Lane
Stoke on Trent
Staffordshire
ST1 5RQ

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 July 2024

		Unrestricted funds year ended 31 July 2024 £	Restricted funds year ended 31 July 2024 £	Total funds year ended 31 July 2024 £	Total funds 10 months ended 31 July 2023 £
	Note				
Income from:					
Donations and legacies	3	40,587	-	40,587	51,985
Charitable activities	4	291,329	495,138	786,467	587,300
Other trading activities	5	12,549	-	12,549	11,889
Total income		344,465	495,138	839,603	651,174
Expenditure on:					
Raising funds	6	-	-	-	4,543
Charitable activities	7	399,023	495,138	894,161	746,613
Total expenditure		399,023	495,138	894,161	751,156
Net movement in funds		(54,558)	-	(54,558)	(99,982)
Reconciliation of funds:					
Total funds brought forward	14	1,217,342	-	1,217,342	1,317,324
Net movement in funds		(54,558)	-	(54,558)	(99,982)
Total funds carried forward	14	1,162,784	-	1,162,784	1,217,342

The Statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The notes on pages 17 to 34 form part of these financial statements.

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)
Registered number: 02826849

Balance sheet
As at 31 July 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	10	1,258,414	1,308,595
		<u>1,258,414</u>	<u>1,308,595</u>
Current assets			
Debtors	11	42,677	26,321
Cash at bank and in hand		11,069	56,770
		<u>53,746</u>	<u>83,091</u>
Creditors: amounts falling due within one year	12	(139,703)	(154,441)
Net current liabilities		<u>(85,957)</u>	<u>(71,350)</u>
Total assets less current liabilities		<u>1,172,457</u>	<u>1,237,245</u>
Creditors: amounts falling due after more than one year	13	(9,673)	(19,903)
Net assets excluding pension asset		<u>1,162,784</u>	<u>1,217,342</u>
Total net assets		<u><u>1,162,784</u></u>	<u><u>1,217,342</u></u>
Charity funds			
Restricted funds	14	-	-
Unrestricted funds			
Designated funds	14	1,192,236	1,267,891
General funds	14	(29,452)	(50,549)
		<u>1,162,784</u>	<u>1,217,342</u>
Total unrestricted funds	14	<u>1,162,784</u>	<u>1,217,342</u>
Total funds		<u><u>1,162,784</u></u>	<u><u>1,217,342</u></u>

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)
Registered number: 02826849

Balance sheet (continued)
As at 31 July 2024

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



H Smith
Chair of Trustees
Date:

15.5.25.

The notes on pages 17 to 34 form part of these financial statements.

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Statement of cash flows
For the year ended 31 July 2024

	Year ended 31 July 2024 £	10 months ended 31 July 2023 £
Cash flows from operating activities		
Net cash generated from/ (used in) operating activities	(13,242)	9,337
Cash flows from investing activities		
Purchase of tangible fixed assets	(22,469)	(9,221)
Net cash used in investing activities	(22,469)	(9,221)
Cash flows from financing activities		
Repayments of borrowing	(9,990)	(8,142)
Net cash used in financing activities	(9,990)	(8,142)
Change in cash and cash equivalents in the year	(45,701)	(8,026)
Cash and cash equivalents at the beginning of the year	56,770	64,796
Cash and cash equivalents at the end of the year	11,069	56,770

The notes on pages 17 to 34 form part of these financial statements

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 July 2024

1. General information

Derwent Stepping Stones Nursery and Community Training Centre is a private company limited by guarantee incorporated in England and Wales. The registered office is Derwent Stepping Stones, St Marks Road, Derby, Derbyshire, DE21 6AH.

Reporting period

These financial statements have been prepared for the year ended 31 July 2024. The comparative financial information is for the 10 months ended 31 July 2023.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Derwent Stepping Stones Nursery and Community Training Centre 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.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

2.2 Going concern

The trustees acknowledge that sustainability is an issue following the effects of the pandemic and current cost of living crisis and they are closely monitoring the financial situation. They have forecast cashflow for the subsequent twelve-month period based on known factors and historical trends. They have conducted a detailed review of overhead costs and indirect staffing with the aim of minimising costs and maximising efficiencies. Direct staffing and supply of sessions is being closely managed to ensure that child adult ratios and income are maximised. They have taken, and will continue to take, advantage of local and national grant support as is available. Cashflow is closely monitored and the financial position and forecast updated at each board meeting.

At the time of approving the financial statements, the trustees have a reasonable expectation that, with the support of the parent charity, the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 July 2024

2. Accounting policies (continued)

2.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable activities. Designated funds represents the net book value of fixed assets that were originally funded from restricted funds, but for which the restriction no longer applies.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

When the charity part funds a restricted project transfers are made from unrestricted funds to the particular restricted fund. Where restricted projects cease the trustees decide whether any fund balance can be transferred to unrestricted reserves.

2.4 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Other income

Nursery fee income is recognised on the basis of child attendance. Training income is recognised when the service has been performed. Room hire is recognised on an accrual basis.

Tutoring costs given in kind are valued at commercial rates and included as unrestricted income.

Investment income

Bank interest is included in the income and expenditure account on an accrual basis.

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

2. Accounting policies (continued)

2.5 Expenditure (continued)

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to the category. Where costs cannot be directly allocated to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Governance costs are those incurred in connection with the charity's compliance with constitutional and statutory requirements.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Buildings	- 2% to 5% straight line
Fixtures and fittings	- 5% to 15% reducing balance
Office equipment	- 33% reducing balance

The Charity holds property at St Marks Road, Derby which was built on land owned by Derby City Council and leased to the Charity on a peppercorn basis. The lease was entered in 2005 and was 21 year term, expiring in 2026. The Trustees have however adopted a policy to depreciate this leasehold property over a period between 20 and 50 years, notwithstanding that this period will extend beyond the end of the lease term. The depreciation period is adopted on the basis that the Trustees are advised that the occupation of the property is protected under the provisions of the 1954 Landlord and Tenants Act and the charity has the right to hold over and continue to occupy the property on similar terms. The building was built specifically for the purposes of the Charity and the Trustees therefore consider that a depreciation period of up to 50 years is appropriate.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

2.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 July 2024

2. Accounting policies (continued)

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

2. Accounting policies (continued)

2.11 Pensions

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2.12 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Derwent Stepping Stones Nursery and Community Training Centre
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Notes to the financial statements
For the year ended 31 July 2024

3. Income from donations and legacies

	Unrestricted funds 2024 £	Total funds 2024 £
Donations	40,587	40,587

	Unrestricted funds 10 months ended 31 July 2023 £	Total funds 10 months ended 31 July 2023 £
Donations	51,984	51,984

4. Income from charitable activities

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Local authority grants & nursery fees	223,714	495,138	718,852
Other training costs	67,615	-	67,615
	291,329	495,138	786,467

	Unrestricted funds 10 month period ended 2023 £	Restricted funds 10 month period ended 2023 £	Total funds 10 month period ended 2023 £
Local authority grants & nursery fees	169,694	381,568	551,262
Other training costs	36,038	-	36,038
	205,732	381,568	587,300

Derwent Stepping Stones Nursery and Community Training Centre
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Notes to the financial statements
For the year ended 31 July 2024

5. Income from other trading activities

	Unrestricted funds 2024 £	Total funds 2024 £
Trading activity income	12,549	12,549

	Unrestricted funds 10 months ended 31 July 2023 £	Total funds 10 months ended 31 July 2023 £
Trading activity income	11,889	11,889

6. Expenditure on raising funds

Fundraising trading expenses

	Total funds 2024 £
Staff costs	-
Other costs	-
	-

Derwent Stepping Stones Nursery and Community Training Centre
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Notes to the financial statements
For the year ended 31 July 2024

6. Expenditure on raising funds (continued)

Fundraising trading expenses (continued)

	Unrestricted funds 10 months ended 31 July 2023 £	Total funds 10 months ended 31 July 2023 £
Staff costs	960	960
Other costs	3,583	3,583
	<u>4,543</u>	<u>4,543</u>

7. Analysis of expenditure by activities

	Activities undertaken directly 2024 £	Support costs 2024 £	Total funds 2024 £
Expenditure on charitable activities	<u>686,821</u>	<u>207,340</u>	<u>894,161</u>

	Activities undertaken directly 10 months ended 31 July 2023 £	Support costs 10 months ended 31 July 2023 £	Total funds 10 months ended 31 July 2023 £
Expenditure on charitable activities	<u>562,807</u>	<u>183,805</u>	<u>746,612</u>

Derwent Stepping Stones Nursery and Community Training Centre
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Notes to the financial statements
For the year ended 31 July 2024

7. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Direct costs 2024 £	Total funds 2024 £
Staff costs	521,135	521,135
Depreciation	75,655	75,655
Other staff costs	29,051	29,051
Creche, food, trips and other costs	13,610	13,610
Motor and travelling	242	242
Training and exam costs	3,149	3,149
Printing, stationery, telephone and advertising	15,606	15,606
Professional fees	5,033	5,033
Equipment repairs and maintenance	23,340	23,340
	686,821	686,821
	Direct costs 10 months ended 31 July 2023 £	Total funds 10 months ended 31 July 2023 £
Staff costs	386,108	386,108
Depreciation/impairment charge	57,843	57,843
Staff costs	75,624	75,624
Creche, food, trips and other costs	12,565	12,565
Motor and travelling	48	48
Training and exam costs	2,384	2,384
Printing, stationery, telephone and advertising	12,587	12,587
Professional fees	2,142	2,142
Equipment repairs and maintenance	13,506	13,506
	562,807	562,807

Derwent Stepping Stones Nursery and Community Training Centre
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Notes to the financial statements
For the year ended 31 July 2024

7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Support costs 2024 £	Total funds 2024 £
Staff costs	106,927	106,927
Rent, rates and Insurance	31,920	31,920
Heat and Light	20,167	20,167
Office running costs	24,033	24,033
Bank charges	1,842	1,842
Repairs and maintenance	11,346	11,346
Loan Interest	5,105	5,105
Governance costs	6,000	6,000
	207,340	207,340

	Support costs 10 months ended 31 July 2023 £	Total funds 10 months ended 31 July 2023 £
Staff costs	66,483	66,483
Rent, rates and Insurance	20,629	20,629
Heat and Light	10,044	10,044
Office running costs	16,291	16,291
Bank charges	2,284	2,284
Repairs and maintenance	13,484	13,484
Loan Interest	789	789
Governance costs	53,802	53,802
	183,806	183,806

Derwent Stepping Stones Nursery and Community Training Centre
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Notes to the financial statements
For the year ended 31 July 2024

8. Staff costs

	2024	10 months
	£	ended 31
		July 2023
		£
Wages and salaries	571,062	419,372
Social security costs	34,112	20,103
Contribution to defined contribution pension schemes	22,888	13,116
	628,062	452,591

During the year, the charity paid £nil redundancy payment to any employee (2023: £13,989).

The average number of persons employed by the Charity during the year was as follows:

	2024	10 months
	No.	ended 31
		July 2023
		No.
Charitable activities	35	35
Governance	1	1
	36	36

No employee received remuneration amounting to more than £60,000 in either year.

The key management personnel of the charity comprised the Chief Executive Officer. The total amount of employee benefits received by the key management personnel were £61,486 (2023 - £54,828).

9. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023 - £NIL).

During the year ended 31 July 2024, no Trustee expenses have been incurred (2023 - £NIL).

Derwent Stepping Stones Nursery and Community Training Centre
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Notes to the financial statements
For the year ended 31 July 2024

10. Tangible fixed assets

	Buildings £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation				
At 1 August 2023	2,830,434	71,006	31,406	2,932,846
Additions	-	22,469	-	22,469
At 31 July 2024	2,830,434	93,475	31,406	2,955,315
Depreciation				
At 1 August 2023	1,558,390	46,178	19,683	1,624,251
Charge for the year	65,100	2,460	5,090	72,650
At 31 July 2024	1,623,490	48,638	24,773	1,696,901
Net book value				
At 31 July 2024	1,206,944	44,837	6,633	1,258,414
At 31 July 2023	1,272,044	24,828	11,723	1,308,595

11. Debtors

	2024 £	2023 £
Due within one year		
Trade debtors	19,968	9,587
Other debtors	11,364	6,762
Prepayments and accrued income	11,345	9,972
	42,677	26,321

Derwent Stepping Stones Nursery and Community Training Centre
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Notes to the financial statements
For the year ended 31 July 2024

12. Creditors: Amounts falling due within one year

	2024	2023
	£	£
Bank loans	11,079	10,839
Trade creditors	4,368	5,284
Amounts owed to group undertakings	89,875	103,429
Other taxation and social security	-	3,049
Other creditors	10,703	2,770
Accruals and deferred income	23,678	29,070
	139,703	154,441

The charity has a bank loan comprising a 2.5% fixed rate loan totalling £50,000 repayable by equal instalments by June 2026, following an initial 12 month capital repayment holiday until July 2021.

13. Creditors: Amounts falling due after more than one year

	2024	2023
	£	£
Bank loans	9,673	19,903

The charity has a bank loan comprising a 2.5% fixed rate loan totalling £50,000 repayable by equal instalments by June 2026, following an initial 12 month capital repayment holiday until July 2021.

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 July 2024

14. Statement of funds

Statement of funds - current year

	Balance at 1 August 2023 £	Income £	Expenditure £	Balance at 31 July 2024 £
Unrestricted funds				
Designated funds				
Fixed asset fund	1,267,891	-	(75,655)	1,192,236
General funds				
Unrestricted funds	(50,549)	344,465	(323,368)	(29,452)
Total Unrestricted funds	1,217,342	344,465	(399,023)	1,162,784
Restricted funds				
Local authority grants	-	495,138	(495,138)	-
Total of funds	1,217,342	839,603	(894,161)	1,162,784

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 July 2024

14. Statement of funds (continued)

Statement of funds - prior period

	Balance at 1 October 2022 £	Income £	Expenditure £	Balance at 30 July 2023 £
Unrestricted funds				
Designated funds				
Fixed asset fund	1,325,735	-	(57,843)	1,267,892
General funds				
Unrestricted funds	(8,410)	269,605	(311,745)	(50,550)
Total Unrestricted funds	1,317,325	269,605	(369,588)	1,217,342
Restricted funds				
Local authority grants	-	374,668	(374,668)	-
Department of Education grants	-	6,900	(6,900)	-
	-	381,568	(381,568)	-
Total of funds	1,317,325	651,173	(751,156)	1,217,342

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 July 2024

15. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	1,258,414	1,258,414
Current assets	53,746	53,746
Creditors due within one year	(139,703)	(139,703)
Creditors due in more than one year	(9,673)	(9,673)
Total	1,162,784	1,162,784

Analysis of net assets between funds - prior period

	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	1,308,595	1,308,595
Current assets	83,091	83,091
Creditors due within one year	(154,441)	(154,441)
Creditors due in more than one year	(19,903)	(19,903)
Total	1,217,342	1,217,342

16. Reconciliation of net movement in funds to net cash flow from operating activities

	2024 £	2023 £
Net expenditure for the period (as per Statement of Financial Activities)	(54,558)	(99,982)
Adjustments for:		
Depreciation charges	72,650	59,875
Increase in debtors	(18,656)	(1,435)
Increase/(decrease) in creditors	(12,678)	50,880
Net cash provided by/(used in) operating activities	(13,242)	9,338

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 July 2024

17. Analysis of cash and cash equivalents

	2024 £	2023 £
Cash in hand	11,069	56,770
Total cash and cash equivalents	11,069	56,770

18. Analysis of changes in net debt

	At 1 August 2023 £	Cash flows £	Other non- cash changes £	At 31 July 2024 £
Cash at bank and in hand	56,770	(45,701)	-	11,069
Debt due within 1 year	(10,839)	-	(240)	(11,079)
Debt due after 1 year	(19,903)	9,990	240	(9,673)
	26,028	(35,711)	-	(9,683)

19. Operating lease commitments

At 31 July 2024 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2024 £	2023 £
Not later than 1 year	3,060	18,360
Later than 1 year and not later than 5 years	-	3,060
	3,060	21,420

20. Related party transactions

During the year, the charity received in aggregate donations amounting to £40,000 from related parties (2023: £nil). During the year YMCA Derbyshire provided an additional loan of £45,000 (2023: £50,000) and the total amount outstanding at 31 July 2024 was £95,000. Interest charges separately made were £4,464 (2023: £374). At 31 July 2024, there was amount of £5,125 (2023: £nil) owed by YMCA Derbyshire. In the prior year, YMCA Derbyshire provided £50,000 of management services and £3,055 of operating related services. The total amount owed as at 31 July 2024 to YMCA Derbyshire by the Charity was £89,875 (2023: £103,429).

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 July 2024

21. Controlling party

The ultimate controlling party is YMCA Derbyshire as the sole member of the Charity.

Accounts

Registered number: 02826849
Charity number: 1024544

**Derwent Stepping Stones Nursery
and Community Training Centre**

Trustees' report and financial statements

For the period ended 31 July 2023



**Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)**

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Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Reference and administrative details of the Charity, its Trustees and advisers
For the period ended 31 July 2023

Trustees	N Bamford J Cordon (appointed 3 October 2022) H Wigglesworth (appointed 3 October 2022) K Henshaw (appointed 31 March 2023) C L Thompson (appointed 1 May 2023) H L Dixon (resigned 10 November 2023) J Holland (resigned 24 May 2023) J Smith (appointed 3 October 2022, resigned 19 May 2023) E Fothergill (resigned 3 October 2022) P Gallimore (resigned 3 October 2022) J Rehman (resigned 3 October 2022) L Richards (resigned 3 October 2022)
Company registered number	02826849
Charity registered number	1024544
Registered office	St Marks Road Derby Derbyshire DE21 6AH
Company secretary	Kelly Jackson
Independent auditors	Dalns Audit Limited Statutory Auditor Suite 2, Ablon House 2 Etruria Office Village Forge Lane Stoke on Trent Staffordshire ST1 5RQ
Bankers	Co-op Bank plc 31 East Street Derby DE1 2AL

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Trustees' report
For the period ended 31 July 2023

The trustees present their annual report and financial statements for the 10 month period ended 31st July 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 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)".

On 3rd October 2022, Derwent Stepping Stones became a wholly owned subsidiary YMCA Derbyshire.

Objectives and activities

a. Objectives and Activities

The charity's objects are:

- to advance the education of children and to provide recreational facilities for them in the interests of social welfare;
- to provide education and vocational training for all members of the community in the educational and other needs of children and in teaching the care of children;
- to aid, help, protect and care for children who are in need of such assistance.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

b. Public benefit

The Trustees are of the opinion that all the purposes of Derwent Stepping Stones Nursery and Community Training Centre are for the benefit of the public. In their capacity as Trustees, they consider that they have complied with their duties under section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission.

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Trustees' report (continued)
For the period ended 31 July 2023

Achievements and performance

a. Main achievements of the Charity

During the period since 30th September 2022 we have provided early years education to over 300 children. Occupancy at both of our sites has been good with some limits on the numbers we have been able to support set by a difficulty in recruitment appropriately qualified staff. New models have enabled us to offer more flexibility to families, maximise ratio requirements and ensure we continue to meet our social objectives of supporting vulnerable families with fully funded sessions.

Building financial sustainability is a key focus of the charity with a focus on building income to meet increasing staff costs. Increased occupancy and funding rates in 2023 are expected to provide the opportunity for us to return to a break even financial position in 2023-24 and to surplus in 2024-25.

The Links with YMCA Derbyshire have enabled closer links with the many YMCA's that operate Nurseries providing a valuable network with which to develop best practice. A partnership with YMCA Black Country has enabled a full review of our quality improvement processes, which has contributed to the recent Ofsted grade. A new curriculum has been introduced which offers children opportunities to explore their curiosity whilst learning. The curriculum has been developed, tried and tested by YMCA Black Country and we have seen significant impact on children settling and engaging in learning. The new curriculum approach particularly supports children with emerging additional needs, of which DSS has seen a marked increase since the pandemic.

We will also be extending the reach of the St Marks centre to provide a community learning hub in partnership with YMCA Derbyshire's Key College. This will include the provision of Childcare qualifications for 16 – 19 year old students. There is an ambition to develop a close working partnership with the childcare curriculum area with Key College to offer student placements within the nursery. This will broaden the experience of the learner whilst offering a pathway into an early years career through progression onto apprenticeships. Central YMCA are now delivering our apprenticeship programme and working together we have designed a curriculum which embraces the new curriculum and offer an 'academy' style learning experience.

We were disappointed to receive a Requires Improvement rating from OFSTED for the St James Nursery in October 2022 but, due to the hard work of the staff, this setting has now returned to a Good rating when reinspected in August 2023. During the 12 months the setting was rated as requires improvement the local authority limited the numbers of funded 2 year olds, which impacted occupancy levels, this restriction has now been lifted and occupancy for 2 year olds has increased.

A successful grant application to offer services aligned with the Warm Welcome scheme allowed us to offer families a safe space to come and share a meal, access advice and guidance and gain support to apply for energy and household vouchers. DSS expanded this offer by offering all families accessing the setting a Christmas hamper, which was very well received by families who struggle over the Christmas period when schools and settings are closed.

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Trustees' report (continued)
For the period ended 31 July 2023

Financial review

a. Results for the year

The results for the year are as detailed on page 14 to the financial statements.

Principal funding sources

Childcare was the principal source of funding during the year with fees received direct from government funded places and direct from Parents. This has been augmented by grants and donations and room hire income.

Investment powers, policy and performance

The trustees' investment powers are governed by the Memorandum and Articles of Association, which permits the charity's funds to be invested in, or on such investments, securities or property as may be thought fit.

b. Going Concern and Reserves policy

At the date of approving the accounts, the directors have reviewed the current management information available and forecasts for the coming 12 months. As a result of this, the directors have a reasonable expectation that the charity will continue in operational existence for the foreseeable future. Therefore the Trustees consider it appropriate to continue to adopt the going concern basis in preparing the financial statements.

At the period end total funds held by the charity amounted to £1,217,342 of which designated funds amounted to £1,267,892 leaving a deficit on general reserves of £50,550.

It is the objective of the charity to achieve and maintain free reserves of between 2 months and 3 months of core operating costs, which currently equates to between £146,000 and £219,000 and the Trustees acknowledge that steps are required to bring free reserves back in line with this objective.

The charity became a wholly owned subsidiary of YMCA Derbyshire on 3rd October 2022. During the 10 months to July 2023 the charity has looked closely at costs, making savings where possible and is making every effort to increase numbers and, as a result, revenue, using a variety of marketing activities. Pressure on staffing costs and the availability of staff continue to be challenges making a return to an operating surplus difficult. Given this, the short term target is to return the charity to a trading surplus by the 2024-25 financial year, with a medium term aim of achieving the free reserves target. The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Trustees' report (continued)
For the period ended 31 July 2023

c. Plans for Future Periods

Government support for an extension of funded early years education will provide an opportunity to increase occupancy levels over the next 2 to 3 years. Funding rates for this provision will be key to its sustainability with improved funding rates required particularly for younger age groups. The funding rate for 2 year old provision has increased from September 2023 by £2.16 per hour, 28% which is welcome. Increasing staff costs also puts pressure on parent fee levels which will be challenging for those parents on lower incomes. We will continue to lobby for fair funding for the sector, particularly for funding for 'free' entitlements and for children with additional needs. New entitlements will come into effect from April 2024 with working parents being able to access 15 hours of funding for 2 year olds, this will be expanded in September to 9 month old and in September 2025 all eligible children will receive 30 hours of support. It is noted that only 17% of early years settings will be offering these to parents which puts DSS in a good market position.

The recently published childcare sufficiency audit completed by Derby City Council highlighted that within the Chaddesden ward, which borders Derwent, there are fewer 3&4 year places than needed. DSS have designed a marketing strategy to promote our work within the ward. At St James Centre work with the community is planned to highlight the benefits of early education and accessing an alternative to school nursery. There is a very low uptake within the area as families have strong views that young children should not be in education and when they are, it should be a school setting, therefore children are on waiting lists for school nursery places.

A key issue in early years, particularly in the PVI sector, is difficulty recruiting suitable staff. In the past, we have developed our team through the use of traineeships and apprenticeships. This affects our costs as our workforce planning is based on having a mixture of qualified and unqualified staff: without that mixture costs are higher. We will be creating traineeship places at all sites throughout the year in the hope these can be converted to apprenticeships. We are working closely with Derby City Council to develop an action plan to address the recruitment crisis. The partnership with Key College will enable us to shape the experience young people have of working within the sector and inspire them to embark on a career with DSS as an apprentice.

The extension of the Community Training hub in partnership with YMCA Derbyshire's Key College will ensure that the St Marks Centre is meeting our objectives more fully alongside providing an additional income stream to help cover the wider costs of the building.

Additional services we are able to offer families due to successful fundraising and partnership working includes a unique warm hub, targeting families most in need with free nursery meals and a food hamper over Christmas. YMCAD project 'Thriving Futures' will offer sessions to parents of funded 2 year olds to support them to become 'job ready' and move into the labour market, this offers a sustainable solution for the family and increases the amount of funding we can access through the current and future extended entitlements.

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Trustees' report (continued)
For the period ended 31 July 2023

Structure, governance and management

a. Constitution

Derwent Stepping Stones Nursery and Community Training Centre is based at St Mark's Road, Derby, which is the company's Registered Office and principal address of the charity. Derwent Stepping Stones Nursery and Community Training Centre is a company limited by guarantee and not having a share capital (Company Registration No. 2826849) and Registered Charity (No. 1024544).

The charity's governing document is the Memorandum and Articles of Association.

The trustees, who are also the directors for the purpose of company law, and who served during the period and up to the date of signature of the financial statements were:

J Cordon	(Chair – Appointed 3 October 2022)
H L Dixon	(Resigned 10 November 2023)
NM Bamford	
HM Wigglesworth	(Appointed 3 October 2022)
J Smith	(Appointed 3 October 2022; Resigned 19 May 2023)
K Henshaw	(Appointed 31 March 2023)
CL Thompson	(Appointed 1 May 2023)
J Holland	(Resigned 24 May 2023)
E Fortherfill	(Resigned 3 October 2022)
P Gallimore	(Resigned 3 October 2022)
J Reham	(Resigned 3 October 2022)
L Richards	(Resigned 3 October 2022)

b. Methods of appointment or election of Trustees

The sole member of the company has delegated the responsibility of oversight of the company's business to the Board of Trustees (the "Board") which, in turn, has delegated the responsibility for the day to day management of the company to the Chief Executive.

Trustees are appointed by the Management Board either to fill a casual vacancy or by way of addition to the Management Board, provided that the prescribed maximum is not thereby exceeded.

In considering prospective trustees, the Management Board has regard to the requirement for a balance of specialist skills necessary for the effective management of the charity.

None of the trustees has any beneficial interest in the company.

c. Organisational structure and decision-making policies

The business of the charity is managed by the Management Board which consists of a maximum of twelve and a minimum of three trustees. Board members so appointed hold office until the following AGM, when they become eligible for re-election. Trustees are appointed by a simple majority of trustees.

The operational management of the organisation is delegated to the Chief Executive. The Chief Executive works closely with the Trustees on the strategic direction and policy of the organisation.

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Trustees' report (continued)
For the period ended 31 July 2023

Structure, governance and management (continued)

d. Policies adopted for the induction and training of Trustees

Prospective trustees are invited to meet with the Chief Executive and Trustees and are given information about the organisation, its activities, aims and objectives and a role description prior to submitting an interest form.

Once an individual has been elected to the Management Board they are given a welcome pack including, but not limited to, the Memorandum and Articles, business plan, annual report and latest published accounts. This pack forms the basis for the induction process.

Trustees are invited to attend training sessions, workshops and celebrations in order to maintain an understanding of the organisation and to meet with staff members.

Reports and guidance from organisations such as the Charity Commission and NCVO are regularly circulated and discussed at Trustees Meetings.

e. Pay policy for key management personnel

The trustees consider the Management Board and the Chief Executive as comprising the key management personnel of the organisation in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in notes 9 and 20 respectively to the accounts. Trustees are required to disclose all relevant interests and withdraw from decisions where a conflict of interest arises.

It is policy to review the pay of the charity's Chief Executive annually, bench-marking with charities of a similar size and activity to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

f. Related party relationships

The organisation became a wholly owned subsidiary of YMCA Derbyshire on 3rd October 2022.

In so far as it is complimentary to the charity's objects, the organisation is guided both by local and national policy. Managers of the organisation sit on relevant local steering groups to ensure that the organisation is aware of local initiatives and activity.

g. Risk management

The Trustees, along with key management personnel, have conducted a review of the risks to which the organisation is exposed. A risk register has been established and, where appropriate, control systems introduced in order to mitigate the risks. All policies, procedures and risk assessments are reviewed at least annually.

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Trustees' report (continued)
For the period ended 31 July 2023

Structure, governance and management (continued)

h. Fundraising Policy statement

The charity carries out minor fundraising activities throughout the year. These consist of events such as summer and Christmas fairs which are organised and run voluntarily by staff members and trustees. Events are open to any member of the public and there are no entrance fees.

Money is raised through raffles, tombola's and games. The events are regarded as opportunities to publicise our services to potential new customers and free activities such as face painting and refreshments ensure that no-one has to spend money to be included.

Disclosure of information to auditors

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

Auditors

In accordance with the company's articles, a resolution proposing that Dains Audit Limited be reappointed as auditor of the company will be put at a General Meeting.

Approved by order of the members of the board of Trustees and signed on their behalf by:



J Cordon
Chair of Trustees
Date: 29 February 2024

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Statement of Trustees' responsibilities
For the period ended 31 July 2023

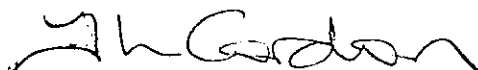
The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial period. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity 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 Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on its behalf by:



J Cordon
Chair of Trustees
Date: 29 February 2024

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Independent auditors' report to the Members of Derwent Stepping Stones Nursery and Community Training Centre

Opinion

We have audited the financial statements of Derwent Stepping Stones Nursery and Community Training Centre (the 'charity') for the period ended 31 July 2023 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2023 and of its Incoming resources and application of resources, including its income and expenditure for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 United Kingdom, including the Financial Reporting Council'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.

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Independent auditors' report to the Members of Derwent Stepping Stones Nursery and Community Training Centre (continued)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. 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. 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 course of 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.

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 Trustees' report for the financial period for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 Trustees' report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Independent auditors' report to the Members of Derwent Stepping Stones Nursery and Community Training Centre (continued)

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, 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.

Auditors' 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 an Auditors' report 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the financial reporting legislation, Companies Act 2006, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Independent auditors' report to the Members of Derwent Stepping Stones Nursery and Community Training Centre (continued)

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions;

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

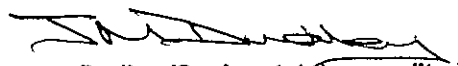
- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors;

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors' report.

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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Jonathan Dudley (Senior statutory auditor)

for and on behalf of
Dalns Audit Limited

Statutory Auditor
Chartered Accountants

Suite 2, Albion House
2 Etruria Office Village
Forge Lane
Stoke on Trent
Staffordshire
ST1 5RQ

18 March 2024

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Statement of financial activities (Incorporating income and expenditure account)
For the period ended 31 July 2023

		Unrestricted funds 10 months ended 31 July 2023 £	Restricted funds 10 months ended 31 July 2023 £	Total funds 10 months ended 31 July 2023 £	Total funds 18 months ended 30 September 2022 (restated) £
	Note				
Income from:					
Donations and legacies	4	51,984	-	51,984	120,510
Charitable activities	5	205,732	381,568	587,300	1,038,043
Other trading activities	6	11,889	-	11,889	14,590
Total income		269,605	381,568	651,173	1,173,143
Expenditure on:					
Raising funds	7	4,543	-	4,543	3,092
Charitable activities	8	385,045	381,568	746,613	1,778,471
Total expenditure		389,588	381,568	751,156	1,781,563
Net movement in funds		(99,983)	-	(99,983)	(608,420)
Reconciliation of funds:					
Total funds brought forward	15	1,317,324	-	1,317,324	1,925,744
Net movement in funds		(99,983)	-	(99,983)	(608,420)
Total funds carried forward	15	1,217,341	-	1,217,341	1,317,324

The Statement of financial activities includes all gains and losses recognised in the period.

All income and expenditure derive from continuing activities.

The notes on pages 18 to 35 form part of these financial statements.

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Balance sheet
As at 31 July 2023

			31 July	30
	Note		2023	September
			£	2022
				(restated)
				£
Fixed assets				
Tangible assets	11		1,308,595	1,359,249
			1,308,595	1,359,249
Current assets				
Debtors	12	26,321	24,886	
Cash at bank and in hand		56,770	64,796	
		83,091	89,682	
Creditors: amounts falling due within one year	13	(154,441)	(102,722)	
Net current liabilities			(71,350)	(13,040)
Total assets less current liabilities			1,237,245	1,346,209
Creditors: amounts falling due after more than one year	14		(19,903)	(28,884)
Total net assets			1,217,342	1,317,325
Charity funds				
Restricted funds	15		-	-
Unrestricted funds				
Designated funds	16	1,267,892	1,325,735	
General funds	15	(50,550)	(8,410)	
Total unrestricted funds	15		1,217,342	1,317,325
Total funds			1,217,342	1,317,325

Registered number: 02826849

**Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)**

**Balance sheet (continued)
As at 31 July 2023**

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



J Cordon
Chair of Trustees
Date: 29 February 2024

The notes on pages 18 to 35 form part of these financial statements.

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Statement of cash flows
For the period ended 31 July 2023

	10 months ended 31 July 2023 £	18 months ended 30 September 2022 (restated) £
Cash flows from operating activities		
Net cash generated from/ (used in) operating activities	9,337	(8,765)
Cash flows from investing activities		
Purchase of tangible fixed assets	(9,221)	(16,318)
Proceeds on disposal of tangible fixed assets	-	188
Net cash used in investing activities	(9,221)	(16,130)
Cash flows from financing activities		
Repayments of borrowing	(8,142)	(11,116)
Net cash used in financing activities	(8,142)	(11,116)
Change in cash and cash equivalents in the period	(8,026)	(36,011)
Cash and cash equivalents at the beginning of the period	64,796	100,807
Cash and cash equivalents at the end of the period	56,770	64,796

The notes on pages 18 to 35 form part of these financial statements

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 July 2023

1. General Information

Derwent Stepping Stones Nursery and Community Training Centre is a private company limited by guarantee incorporated in England and Wales. The registered office is St Marks Road, Derby, Derbyshire, DE21 6AH.

Reporting period

These financial statements have been prepared for the 10 month period from 1 October 2022 to 31 July 2023.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Derwent Stepping Stones Nursery and Community Training Centre 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.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

2.2 Going concern

The trustees acknowledge that sustainability is an issue following the effects of the pandemic and current cost of living crisis and they are closely monitoring the financial situation. They have forecast cashflow for the subsequent twelve-month period based on known factors and historical trends. They have conducted a detailed review of overhead costs and indirect staffing with the aim of minimising costs and maximising efficiencies. Direct staffing and supply of sessions is being closely managed to ensure that child adult ratios and income are maximised. They have taken, and will continue to take, advantage of local and national grant support as is available. Cashflow is closely monitored and the financial position and forecast updated at each board meeting.

At the time of approving the financial statements, the trustees have a reasonable expectation that, with the support of the parent charity, the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 July 2023

2. Accounting policies (continued)

2.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable activities. Designated funds represents the net book value of fixed assets that were originally funded from restricted funds, but for which the restriction no longer applies.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

When the charity part funds a restricted project transfers are made from unrestricted funds to the particular restricted fund. Where restricted projects cease the trustees decide whether any fund balance can be transferred to unrestricted reserves.

2.4 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Other income

Nursery fee income is recognised on the basis of child attendance. Training income is recognised when the service has been performed. Room hire is recognised on an accrual basis.

Tutoring costs given in kind are valued at commercial rates and included as unrestricted income.

Investment income

Bank interest is included in the income and expenditure account on an accrual basis.

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to the category. Where costs cannot be directly allocated to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Governance costs are those incurred in connection with the charity's compliance with constitutional and statutory requirements.

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 July 2023

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Buildings	- 2% to 5% straight line
Fixtures and fittings	- 5% to 15% reducing balance
Office equipment	- 33% reducing balance

The Charity holds property at St Marks Road, Derby which was built on land owned by Derby City Council and leased to the Charity on peppercorn basis. The lease was entered in 2005 and was 21 year term, expiring in 2026. The Trustees have however adopted a policy to depreciate this leasehold property over a period between 20 and 50 years, notwithstanding that this period will extend beyond the end of the lease term. The depreciation period is adopted on the basis that the Trustees are advised that the occupation of the property is protected under the provisions of the 1954 Landlord and Tenants Act and the charity has the right to hold over and continue to occupy the property on similar terms. The building was built specifically for the purposes of the Charity and the Trustees therefore consider that a depreciation period of up to 50 years is appropriate.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

2.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 July 2023

2. Accounting policies (continued)

2.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

2.11 Pensions

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 July 2023

2. Accounting policies (continued)

2.12 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

Prior year adjustment

The building within tangible fixed assets comprises the Stepping Stones Nursery on St Marks Road, the property was built on land owned by Derby City Council and leased to the Charity on a peppercorn basis. Following a review of its carrying value and with reference to a property valuation undertaken in the prior year on behalf of the Charity's sole member, YMCA Derbyshire, it was noted that this carrying value was overstated by £520,866 at 30 September 2022. As a result, the carrying value has been restated at 30 September 2022 and the resulting charge of £520,866 reflected in the statement of financial activities in the period to 30 September 2022. As a result, the previously reported loss for that year of £87,554 has been restated and shows as a loss of £608,420.

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 July 2023

4. Income from donations and legacies

	Unrestricted funds 2023 £	Total funds 2023 £
Donations	51,984	51,984

	Unrestricted funds 2022 £	Total funds 2022 £
Donations	76,719	76,719
Coronavirus Job Retention Scheme	43,791	43,791
	<u>120,510</u>	<u>120,510</u>

5. Income from charitable activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Local authority grants & nursery fees	169,694	381,568	551,262
Other training costs	36,038	-	36,038
	<u>205,732</u>	<u>381,568</u>	<u>587,300</u>

	Unrestricted funds 2022 Restated £	Restricted funds 2022 Restated £	Total funds 2022 Restated £
Local authority grants & nursery fees	340,186	697,857	1,038,043

In 2022, local authority grants totalling £697,857 were allocated to unrestricted funds. However, following a review of the agreements, these funds should have been allocated to restricted funds and have been re-classified accordingly.

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 July 2023

6. Income from other trading activities

	Unrestricted funds 2023 £	Total funds 2023 £
Trading activity income	11,889	11,889

	Unrestricted funds 2022 £	Total funds 2022 £
Trading activity income	14,590	14,590

7. Expenditure on raising funds

Fundraising trading expenses

	Unrestricted funds 2023 £	Total funds 2023 £
Staff costs	960	960
Other costs	3,583	3,583
	4,543	4,543

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 July 2023

7. Expenditure on raising funds (continued)

Fundraising trading expenses (continued)

	Unrestricted funds 2022 £	Total funds 2022 £
Staff costs	1,886	1,886
Other costs	1,206	1,206
	<u>3,092</u>	<u>3,092</u>

8. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Expenditure on charitable activities	<u>562,807</u>	<u>183,805</u>	<u>746,612</u>

	Activities undertaken directly 2022 (restated) £	Support costs 2022 (restated) £	Total funds 2022 (restated) £
Expenditure on charitable activities	<u>1,397,072</u>	<u>381,399</u>	<u>1,778,471</u>

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 July 2023

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Direct costs 2023 £	Total funds 2023 £
Staff costs	386,108	386,108
Depreciation	57,843	57,843
Other staff costs	75,624	75,624
Creche, food, trips and other costs	12,565	12,565
Motor and travelling	48	48
Training and exam costs	2,384	2,384
Printing, stationery, telephone and advertising	12,587	12,587
Professional fees	2,142	2,142
Equipment repairs and maintenance	13,506	13,506
	<u>562,807</u>	<u>562,807</u>

	Direct costs 2022 (restated) £	Total funds 2022 (restated) £
Staff costs	706,380	706,380
Depreciation/impairment charge	619,241	619,241
Creche, food, trips and other costs	20,360	20,360
Motor and travelling	261	261
Training and exam costs	2,247	2,247
Printing, stationery, telephone and advertising	7,134	7,134
Professional fees	414	414
Equipment repairs and maintenance	40,171	40,171
Recruitment costs	864	864
	<u>1,397,072</u>	<u>1,397,072</u>

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 July 2023

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Support costs 2023 £	Total funds 2023 £
Staff costs	66,483	66,483
Rent, rates and Insurance	20,629	20,629
Heat and Light	10,044	10,044
Office running costs	16,291	16,291
Bank charges	2,284	2,284
Repairs and maintenance	13,484	13,484
Loan Interest	789	789
Governance costs	53,802	53,802
	<u>183,806</u>	<u>183,806</u>

	Support costs 2022 £	Total funds 2022 £
Staff costs	227,419	227,419
Rent, rates and Insurance	60,699	60,699
Heat and Light	26,113	26,113
Office running costs	13,609	13,609
Bank charges	2,945	2,945
Repairs and maintenance	29,716	29,716
Loan Interest	2,058	2,058
Governance costs	18,840	18,840
	<u>381,399</u>	<u>381,399</u>

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 July 2023

9. Staff costs

	2023	2022
	£	£
Wages and salaries	419,372	868,332
Social security costs	20,103	39,863
Contribution to defined contribution pension schemes	13,116	25,604
	452,591	933,799

During the year, the charity has paid a redundancy payment to one employee which totalled £13,989.

The average number of persons employed by the Charity during the period was as follows:

	2023	2022
	No.	No.
Charitable activities	35	42
Governance	1	1
	36	43

No employee received remuneration amounting to more than £60,000 in either year.

The key management personnel of the charity comprised the Chief Executive Officer. The total amount of employee benefits received by the key management personnel were £54,828 (2022 - £141,776 comprised of the Chief Executive Officer and Finance Manager).

10. Trustees' remuneration and expenses

During the period, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the period ended 31 July 2023, no Trustee expenses have been incurred (2022 - £NIL).

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 July 2023

11. Tangible fixed assets

	Buildings £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation				
At 1 October 2022	2,830,434	70,349	22,842	2,923,625
Additions	-	657	8,564	9,221
At 31 July 2023	2,830,434	71,006	31,406	2,932,846
Depreciation				
At 1 October 2022 (restated)	1,504,140	42,895	17,341	1,564,376
Charge for the period	54,250	3,283	2,342	59,875
At 31 July 2023	1,558,390	46,178	19,683	1,624,251
Net book value				
At 31 July 2023	1,272,044	24,828	11,723	1,308,595
At 30 September 2022 (restated)	1,326,294	27,454	5,501	1,359,249

12. Debtors

	31 July 2023 £	30 September 2022 £
Due within one year		
Trade debtors	9,587	(35)
Other debtors	6,762	5,964
Prepayments and accrued income	9,972	18,957
	26,321	24,886

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 July 2023

13. Creditors: Amounts falling due within one year

	31 July 2023 £	30 September 2022 £
Bank loans	10,839	10,000
Trade creditors	5,284	5,564
Amounts owed to group undertakings	103,429	-
Other taxation and social security	3,049	2,389
Other creditors	2,770	2,976
Accruals and deferred income	29,070	81,793
	<u>154,441</u>	<u>102,722</u>

The charity has a bank loan comprising a 2.5% fixed rate loan totalling £50,000 repayable by equal instalments by June 2026, following an initial 12 month capital repayment holiday until July 2021.

14. Creditors: Amounts falling due after more than one year

	31 July 2023 £	30 September 2022 £
Bank loans	<u>19,903</u>	<u>28,884</u>

The charity has a bank loan comprising a 2.5% fixed rate loan totalling £50,000 repayable by equal instalments by June 2026, following an initial 12 month capital repayment holiday until July 2021.

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 July 2023

15. Statement of funds

Statement of funds - current period

	Balance at 1 October 2022 (restated) £	Income £	Expenditure £	Balance at 31 July 2023 £
Unrestricted funds				
Designated funds				
Fixed asset fund	1,325,735	-	(57,843)	1,267,892
General funds				
Unrestricted funds	(8,410)	269,605	(311,745)	(50,550)
Total Unrestricted funds	1,317,325	269,605	(369,588)	1,217,342
Restricted funds				
Local authority grants	-	374,668	(374,668)	-
Department of Education grants	-	6,900	(6,900)	-
	-	381,568	(381,568)	-
Total of funds	1,317,325	651,173	(751,156)	1,217,342

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 July 2023

15. Statement of funds (continued)

Statement of funds - prior period (restated)

	Balance at 1 April 2021 £	Income £	Expenditure (restated) £	Balance at 30 September 2022 (restated) £
Unrestricted funds				
Designated funds				
Fixed asset fund	1,935,210	-	(609,475)	1,325,735
General funds				
Unrestricted funds	(9,466)	475,286	(474,230)	(8,410)
Total Unrestricted funds	1,925,744	475,286	(1,083,705)	1,317,325
Restricted funds				
Local government grants	-	697,857	(697,857)	-
Total of funds	1,925,744	1,173,143	(1,781,562)	1,317,325

16. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 31 July 2023 £	Total funds 31 July 2023 £
Tangible fixed assets	1,308,596	1,308,596
Current assets	83,091	83,091
Creditors due within one year	(154,441)	(154,441)
Creditors due in more than one year	(19,903)	(19,903)
Total	1,217,343	1,217,343

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 July 2023

16. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	Unrestricted funds 30 September 2022 (restated) £	Total funds 30 September 2022 (restated) £
Tangible fixed assets	1,359,249	1,359,249
Current assets	89,682	89,682
Creditors due within one year	(102,722)	(102,722)
Creditors due in more than one year	(28,884)	(28,884)
Total	1,317,325	1,317,325

17. Reconciliation of net movement in funds to net cash flow from operating activities

	Period ended 31 July 2023 £	Year ended 30 September 2022 (restated) £
Net expenditure for the period (as per Statement of Financial Activities)	(99,983)	(608,420)
Adjustments for:		
Depreciation charges	59,875	98,375
Impairment charge on fixed assets	-	520,866
Decrease/(increase) in debtors	(1,435)	14,610
Increase/(decrease) in creditors	50,880	(34,196)
Net cash provided by/(used in) operating activities	9,337	(8,765)

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 July 2023

18. Analysis of cash and cash equivalents

	31 July 2023 £	30 September 2022 £
Cash in hand	56,770	64,796
Total cash and cash equivalents	56,770	64,796

19. Analysis of changes in net debt

	At 1 October 2022 £	Cash flows £	Other non- cash changes £	At 31 July 2023 £
Cash at bank and in hand	64,796	(8,026)	-	56,770
Debt due within 1 year	(10,000)	-	(839)	(10,839)
Debt due after 1 year	(28,884)	8,142	839	(19,903)
	25,912	116	-	26,028

20. Operating lease commitments

At 31 July 2023 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	31 July 2023 £	30 September 2022 £
Not later than 1 year	18,360	-
Later than 1 year and not later than 5 years	3,060	-
	21,420	-

Derwent Stepping Stones Nursery and Community Training Centre
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 July 2023

21. Related party transactions

The Charity has not entered into any related party transaction during the period, nor are there any outstanding balances owing between related parties and the Charity at 31 July 2023.

During the prior year E Fothergill, a Trustee, made a donation of £61,375

Included within creditors in the previous years was a loan of £50,000 due to E Fothergill, a Trustee. During the prior year the loan was repaid in full. The total amount due to E Fothergill at the year was £nil (2022 - £nil).

During the year YMCA Derbyshire provided a loan of £50,000 and this was outstanding at 31 July 2023. Interest charges separately made were £374. YMCA Derbyshire also provide £50,000 of management costs and £3,055 of operating costs in relation to Derwent Stepping Stones and made a donation to the charity of £50,000. At 31 July 2023, the amount owed to YMCA Derbyshire by the Charity was £103,429.

22. Controlling party

The ultimate controlling party is YMCA Derbyshire as the sole member of the Charity.

Accounts

Charity registration number 1024544

Company registration number 2826849 (England and Wales)

**DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING
CENTRE**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	H L Dixon	
	N M Bamford	(Appointed 8 October 2021)
	H M Wigglesworth	(Appointed 3 October 2022)
	J Cordon	(Appointed 3 October 2022)
	K Henshaw	(Appointed 31 March 2023)
	C L Thompson	(Appointed 1 May 2023)
Secretary	K Jackson	
Charity number	1024544	
Company number	2826849	
Registered office	St Marks Road Derby Derbyshire DE21 6AH	
Auditor	Azets Audit Services Ruthlyn House 90 Lincoln Road Peterborough Cambridgeshire United Kingdom PE1 2SP	
Bankers	Co-op Bank plc 31 East Street Derby DE1 2AL	

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

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DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

The trustees present their annual report and financial statements for the period ended 30 September 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 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)".

Objectives and activities

The charity's objects are:

- to advance the education of children and to provide recreational facilities for them in the interests of social welfare;
- to provide education and vocational training for all members of the community in the educational and other needs of children and in teaching the care of children;
- to aid, help, protect and care for children who are in need of such assistance.

Main objectives for 2021/22:

The objective for the period has been to maximise income from the resources we have and to secure funding support to ensure the long term continuation of our key activities. In this regard, the trustees instigated a due diligence process leading to a merger with YMCA Derbyshire after the period end.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Volunteers

We continue to be supported by a range of volunteers. Links with local businesses are bringing new volunteers to all areas of the organisation, some for one-off projects, others are ongoing.

Achievements and performance

As lockdown restrictions eased, children returned to setting, however occupancy levels remained lower than in previous years. Parental working patterns had changed, however had not settled into a forecasting model. Many of the children returning to setting were identified as having significant developmental delays and with long waiting lists for specialist services, DSS supported families wider than the scope of Government funding.

Government funding to support early years had not been forthcoming during the pandemic and for another year the funding rate increase was fractional compared to cost of living.

During the various restrictions, front line staff undertook additional training opportunities and whilst this was online training, the knowledge supported practitioners to better help the children coming to setting. A DFE initiative to support settings 'Covid-19 Recovery Programme' requested experts and mentors from Ofsted graded 'Good' settings to support other settings in their area. DSS Chief Executive was recruited onto the programme and worked half a day per week supporting experts and mentors within Derbyshire County Council.

Chief Executive was seconded one day per week to support a Derby City Early Years Provider forum, supported several pieces of work including representation of early years providers on schools forum, project to increase uptake of 2 year places post covid, integrated health assessments, recruitment and retention, supporting children with SEND and linking settings and children's centres.

Derby College began face to face delivery of basic skills classes in January 2022.

Worked with Derby University Driven project, graduate support to identify the best MIS for DSS.

Board, Chief Executive and Finance and HR Manager working on due diligence and merger with YMCA Derbyshire.

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

Occupancy levels returning to post covid levels and ratio of working parents buying childcare or wrap around on top of funded place increased during the period.

In September 2021 DSS pulled out of provision at Breadsall Hill Top, this was due to the financial model being unsustainable once school made the decision we could no longer offer places for 3 year olds. The funding rate for 2 year olds is slighter higher but must be on a 1:4 ratio as opposed to 1:8 for 3 and 4 year olds.

In September 2022 DSS pulled out of delivering early years at Brackensdale school due to a market shift and fewer eligible 2 year olds within the locality.

Financial review

The results for the year are as detailed on page 10 to the financial statements.

Principal funding sources

Government funded childcare was the principal source of funding during the year. This has been augmented by nursery fees paid direct by parents alongside grants and donations and room hire income.

Investment powers, policy and performance

The trustees' investment powers are governed by the Memorandum and Articles of Association, which permits the charity's funds to be invested in, or on such investments, securities or property as may be thought fit.

Going concern and reserves policy

At the date of approving the accounts, the directors have reviewed the current management information available and forecasts for the coming 12 months. As a result of this, the directors have a reasonable expectation that the charity will continue in operational existence for the foreseeable future. Therefore the Trustees consider it appropriate to continue to adopt the going concern basis in preparing the financial statements.

At the period end total funds held by the charity amounted to £1,838,190 of which designated funds amounted to £1,846,600 leaving a deficit on general reserves of £(8,410).

It is the objective of the organisation to achieve and maintain free reserves of at least 3 months core operating costs which currently equates to £200,000 and the Trustees acknowledge that steps are required to bring free reserves back in line with this objective.

During the 18 months to September 2022 the charity has looked closely at costs, making savings where possible and is making every effort to increase numbers and, as a result, revenue, using a variety of marketing activities. The trustees became concerned as to their ability to maintain funding for the key activities of the organisation leading to them seeking support from a partner organisation to ensure sustainability. As a result of this the charity became a wholly owned subsidiary of YMCA Derbyshire on 3rd October 2022. Pressure on staffing costs and the availability of staff continue to be challenges making a return to an operating surplus difficult. Given this, the short term target is to return the charity to a trading surplus by the 2024-25 financial year, with a medium term aim of achieving the free reserves target.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

Plans for future periods

As the country begins to settle into the new normal, the numbers of working parents have increased, much work has been undertaken to identify how this new normal will reflect childcare demand. Our marketing activity will continue to focus on the importance of early education in improving children's life chances, our record of safe working during the pandemic, and the support with childcare costs available to working parents.

A key issue in early years, particularly in the PVI sector, is difficulty recruiting suitable staff. In the past, we have developed our team through the use of traineeships and apprenticeships. This affects our costs as our workforce planning is based on having a mixture of qualified and unqualified staff: without that mixture costs are higher. We will continue to work in partnership with training providers and other organisation to recruit and support trainees into apprenticeships.

We will continue to lobby for fair funding for the sector, particularly for funding for 'free' entitlements and for children with additional needs. Recent Government announcements have addressed these issues with a progressive implementation from September 2023:

- From September 2023, increased rates of funding for 2-year-olds;
- From April 2024, all working parents of 2-year-olds can access 15 hours per week;
- From September 2024, all working parents of children aged 9 months up to 3 years old can access 15 hours per week;
- From September 2025 all working parents of children aged 9 months up to 3 years old can access 30 hours free childcare per week.

Structure, governance and management

Derwent Stepping Stones Nursery and Community Training Centre is based at St Mark's Road, Derby, which is the company's Registered Office and principal address of the charity. Derwent Stepping Stones Nursery and Community Training Centre is a company limited by guarantee and not having a share capital (Company Registration No. 2826849) and Registered Charity (No. 1024544).

The charity's governing document is the Memorandum and Articles of Association.

The trustees, who are also the directors for the purpose of company law, and who served during the period and up to the date of signature of the financial statements were:

L J Curd	(Resigned 7 December 2021)
H L Dixon	
E J Fothergill	(Resigned 3 October 2022)
P Gallimore	(Resigned 3 October 2022)
J Rehman	(Resigned 3 October 2022)
L E Richards	(Resigned 3 October 2022)
RA Massey	(Resigned 6 January 2022)
L M Massey	(Appointed 28 April 2021 and resigned 1 October 2021)
B Naylor	(Appointed 28 April 2021 and resigned 22 October 2021)
N M Bamford	(Appointed 8 October 2021)
J L Gibling	(Appointed 13 October 2021 and resigned 18 April 2022)
J Clarke	(Appointed 27 October 2021 and resigned 19 November 2021)
H M Wigglesworth	(Appointed 3 October 2022)
J Smith	(Appointed 3 October 2022 and resigned 19 May 2023)
J Cordon	(Appointed 3 October 2022)
K Henshaw	(Appointed 31 March 2023)
C L Thompson	(Appointed 1 May 2023)

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2022

Appointment of trustees

Trustees are appointed by the Management Board either to fill a casual vacancy or by way of addition to the Management Board, provided that the prescribed maximum is not thereby exceeded.

In considering prospective trustees, the Management Board has regard to the requirement for a balance of specialist skills necessary for the effective management of the charity.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Induction and training of trustees

Prospective trustees are invited to meet with the Chief Executive and Trustees and are given information about the organisation, its activities, aims and objectives and a role description prior to submitting an interest form.

Once an individual has been elected to the Management Board they are given a welcome pack including, but not limited to, the Memorandum and Articles, business plan, annual report and latest published accounts. This pack forms the basis for the induction process.

Trustees are invited to attend training sessions, workshops and celebrations in order to maintain an understanding of the organisation and to meet with staff members.

Reports and guidance from organisations such as the Charity Commission and NCVO are regularly circulated and discussed at Trustees Meetings.

Organisational structure

The business of the charity is managed by the Management Board which consists of a maximum of twelve and a minimum of three trustees. Board members so appointed hold office until the following AGM, when they become eligible for re-election. Trustees are appointed by a simple majority of trustees.

The operational management of the organisation is delegated to the Chief Executive. The Chief Executive works closely with the Trustees on the strategic direction and policy of the organisation.

Related parties

The organisation became a wholly owned subsidiary of YMCA Derbyshire on 3rd October 2022.

In so far as it is complimentary to the charity's objects, the organisation is guided both by local and national policy. Managers of the organisation sit on relevant local steering groups to ensure that the organisation is aware of local initiatives and activity.

Pay policy for key management personnel

The trustees consider the Management Board and the Chief Executive as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in notes 9 and 21 respectively to the accounts. Trustees are required to disclose all relevant interests and withdraw from decisions where a conflict of interest arises.

It is policy to review the pay of the charity's Chief Executive annually, bench-marking with charities of a similar size and activity to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2022

Risk management

The Trustees, along with key management personnel, have conducted a review of the risks to which the organisation is exposed. A risk register has been established and, where appropriate, control systems introduced in order to mitigate the risks. All policies, procedures and risk assessments are reviewed at least annually.

Fundraising policy statement

The charity carries out minor fundraising activities throughout the year. These consist of events such as summer and Christmas fairs which are organised and run voluntarily by staff members and trustees. Events are open to any member of the public and there are no entrance fees.

Money is raised through raffles, tombola's and games. The events are regarded as opportunities to publicise our services to potential new customers and free activities such as face painting and refreshments ensure that no-one has to spend money to be included.

Auditor

In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.



J Cordon
Chair

Date: 26.6.23

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

The trustees, who are also the directors of Derwent Stepping Stones Nursery and Community Training Centre for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

Opinion

We have audited the financial statements of Derwent Stepping Stones Nursery and Community Training Centre (the 'charity') for the period ended 30 September 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2022 and of its incoming resources and application of resources, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity 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 trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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.

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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 charity for the purpose 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 charity'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.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

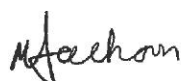
In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Mr Mark Jackson FCA DChA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor

26.6.2023

Ruthlyn House
90 Lincoln Road
Peterborough
Cambridgeshire
PE1 2SP

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD ENDED 30 SEPTEMBER 2022

	Notes	Unrestricted funds 2022 £	Designated funds 2022 £	Total Unrestricted funds 18 months 2022 £	Designated funds 2021 £	Restricted funds 2021 £	Total 12 months 2021 £
<u>Income from:</u>							
Donations and legacies	3	120,510	-	120,510	204,280	-	204,280
Charitable activities	4	1,038,043	-	1,038,043	775,883	-	775,883
Other trading activities	5	14,590	-	14,590	3,926	-	3,926
Total income		1,173,143	-	1,173,143	984,089	-	984,089
<u>Expenditure on:</u>							
Raising funds	6	3,092	-	3,092	2,007	-	2,007
Charitable activities	7	1,168,995	88,610	1,257,605	889,709	59,721	949,430
Total expenditure		1,172,087	88,610	1,260,697	891,716	59,721	951,437
Gross transfers between funds		-	-	-	1,935,210	(1,885,210)	-
Net income for the period/ Net movement in funds		1,056	(88,610)	(87,554)	42,373	(1,944,931)	32,652
Fund balances at 1 April 2021		(9,466)	1,935,210	1,925,744	(51,839)	1,944,931	1,893,092
Fund balances at 30 September 2022		(8,410)	1,846,600	1,838,190	(9,466)	-	1,925,744

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

The statement of financial activities includes all gains and losses recognised in the period.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

BALANCE SHEET

AS AT 30 SEPTEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	11		1,880,115		1,962,359
Current assets					
Debtors	12	24,885		39,495	
Cash at bank and in hand		64,796		100,807	
		89,681		140,302	
Creditors: amounts falling due within one year	14	(102,722)		(83,584)	
Net current (liabilities)/assets			(13,041)		56,718
Total assets less current liabilities			1,867,074		2,019,077
Creditors: amounts falling due after more than one year	15		(28,884)		(93,333)
Net assets			1,838,190		1,925,744
Income funds					
Designated funds			1,846,600		1,935,210
Unrestricted funds			(8,410)		(9,466)
			1,838,190		1,925,744

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

BALANCE SHEET (CONTINUED)

AS AT 30 SEPTEMBER 2022

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the period ended 30 September 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the period in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on

14th June 2023



J Cordon

Chair

Treasurer

Company Registration No. 2826849

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	22		(8,765)		88,924
Investing activities					
Purchase of tangible fixed assets		(16,318)		-	
Proceeds on disposal of tangible fixed assets		188		-	
Net cash used in investing activities			(16,130)		-
Financing activities					
Repayment of bank loans		(11,116)		(2,008)	
Net cash used in financing activities			(11,116)		(2,008)
Net (decrease)/increase in cash and cash equivalents			(36,011)		86,916
Cash and cash equivalents at beginning of period			100,807		13,891
Cash and cash equivalents at end of period			64,796		100,807

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

1 Accounting policies

Charity information

Derwent Stepping Stones Nursery and Community Training Centre is a private company limited by guarantee incorporated in England and Wales. The registered office is St Marks Road, Derby, Derbyshire, DE21 6AH.

1.1 Reporting period

These financial statements have been prepared for a period longer than 12 months, from 1 April 2021 to 30 September 2022.

1.2 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.3 Going concern

The trustees acknowledge that sustainability is an issue following the effects of the pandemic and current cost of living crisis and they are closely monitoring the financial situation. They have forecast cashflow for the subsequent twelve-month period based on known factors and historical trends. They have conducted a detailed review of overhead costs and indirect staffing with the aim of minimising costs and maximising efficiencies. Direct staffing and supply of sessions is being closely managed to ensure that child:adult ratios and income are maximised. They have taken, and will continue to take, advantage of local and national grant support as is available. Cashflow is closely monitored and the financial position and forecast updated at each board meeting.

At the time of approving the financial statements, the trustees have a reasonable expectation that, with the support of the parent charity, the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

When the charity part funds a restricted project transfers are made from unrestricted funds to the particular restricted fund. Where restricted projects cease the trustees decide whether any fund balance can be transferred to unrestricted reserves.

1.5 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

Nursery fee income is recognised on the basis of child attendance. Training income is recognised when the service has been performed. Room hire is recognised on an accruals basis.

Tutoring costs given in kind are valued at commercial rates and included as unrestricted income.

Grants

Grants are included in full in the income and expenditure account as soon as they become receivable. Grants that are received specifically for use in a future period are deferred.

Investment income

Bank interest is included in the income and expenditure account on an accruals basis.

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to the category. Where costs cannot be directly allocated to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Governance costs are those incurred in connection with the charity's compliance with constitutional and statutory requirements.

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Buildings	2% straight line
Fixtures and fittings	5% to 15% reducing balance
Office equipment	33% reducing balance

The Charity holds property at St Marks Road, Derby which was built on land owned by Derby City Council and leased to the Charity on a peppercorn basis. The lease was entered into in 2005 and was a 21 year term, expiring in 2026. The Trustees have however adopted a policy to depreciate this leasehold property over a 50 year term, notwithstanding that this period will extend beyond the end of the lease term. This depreciation period is adopted on the basis that the Trustees are advised that the occupation of the property is protected under the provisions of the 1954 Landlord and Tenants Act and the charity has the right to hold over and continue to occupy the property on similar terms. The building was built specifically for the purposes of the Charity and the Trustees therefore consider that a 50 year depreciation period is appropriate.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2022

1 Accounting policies (Continued)

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Donations and gifts	76,719	62,500
Coronavirus Job Retention Scheme	43,791	141,780
	<u>120,510</u>	<u>204,280</u>

4 Charitable activities

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Local authority grants	697,857	640,670
Nursery fees and training	340,186	135,213
	<u>1,038,043</u>	<u>775,883</u>

5 Other trading activities

	2022	2021
	£	£
Trading activity income: other	<u>14,590</u>	<u>3,926</u>

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2022

6 Raising funds

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Staff costs	1,886	1,561
Other costs	1,206	446
	<u>3,092</u>	<u>2,007</u>

7 Charitable activities

	2022 £	2021 £
Staff costs	706,380	593,811
Depreciation and impairment	98,375	63,026
Crèche, food, trips and other costs	20,360	11,152
Motor and travelling	261	236
Training and exam costs	2,247	1,602
Printing, stationery, telephone and advertising	7,134	5,301
Professional fees	414	1,585
Equipment repairs and maintenance	40,171	20,190
Recruitment costs	864	349
	<u>876,206</u>	<u>697,252</u>
Share of support costs (see note 8)	362,559	237,918
Share of governance costs (see note 8)	18,840	14,260
	<u>1,257,605</u>	<u>949,430</u>
Analysis by fund		
Unrestricted funds	1,168,995	889,709
Designated funds	88,610	-
Restricted funds	-	59,721
	<u>1,257,605</u>	<u>949,430</u>

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

8 Support costs

	Support costs £	Governance costs £	2022 Support costs £	Governance costs £	2021 £
Staff costs	227,419	14,178	241,597	146,366	156,366
Rent, rates and insurance	60,699	-	60,699	41,149	41,149
Heat and light	26,113	-	26,113	14,816	14,816
Office running costs	13,609	-	13,609	11,960	11,960
Bank charges	2,945	-	2,945	1,505	1,505
Repairs and maintenance	29,716	-	29,716	19,944	19,944
Loan interest	2,058	-	2,058	2,172	2,172
Bad debt expense	-	-	-	6	6
Audit fees	-	4,662	4,662	-	4,260
	<u>362,559</u>	<u>18,840</u>	<u>381,399</u>	<u>237,918</u>	<u>252,178</u>
Analysed between					
Charitable activities	<u>362,559</u>	<u>18,840</u>	<u>381,399</u>	<u>237,918</u>	<u>252,178</u>

Governance costs includes payments to the auditors of £4,662 (2021 - £4,260) for audit fees.

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the period.

The key management personnel of the charity comprised the Chief Executive Officer and finance manager. The total amount of employee benefits received by key management personnel were £141,776 (2021: £99,905).

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2022

10 Employees

The average monthly number of employees during the period was:

	2022 Number	2021 Number
Charitable activities	42	52
Governance	1	1
Total	43	53
Employment costs	2022 £	2021 £
Wages and salaries	884,396	705,701
Social security costs	39,863	32,292
Other pension costs	25,604	13,745
	949,863	751,738

There were no employees whose annual remuneration was £60,000 or more.

11 Tangible fixed assets

	Buildings £	Fixtures and fittings £	Office equipment £	Total £
Cost				
At 1 April 2021	2,830,434	59,861	18,134	2,908,429
Additions	-	11,610	4,708	16,318
Disposals	-	(1,122)	-	(1,122)
At 30 September 2022	2,830,434	70,349	22,842	2,923,625
Depreciation and impairment				
At 1 April 2021	898,361	33,905	13,804	946,070
Depreciation charged in the period	84,913	9,924	3,537	98,374
Eliminated in respect of disposals	-	(934)	-	(934)
At 30 September 2022	983,274	42,895	17,341	1,043,510
Carrying amount				
At 30 September 2022	1,847,160	27,454	5,501	1,880,115
At 31 March 2021	1,932,073	25,956	4,330	1,962,359

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2022

12 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	2,757	9,901
Other debtors	3,172	2,345
Prepayments and accrued income	18,956	27,249
	<u>24,885</u>	<u>39,495</u>

13 Loans and overdrafts

	2022 £	2021 £
Bank loans	38,884	50,000
Payable within one year	10,000	6,667
Payable after one year	28,884	43,333

The charity has a bank loan comprising a 2.5% fixed rate loan totalling £50,000 repayable by equal instalments by June 2026, following a 12 month capital repayment holiday.

14 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank loans	13	10,000	6,667
Other taxation and social security		2,389	16,030
Trade creditors		5,564	4,811
Other creditors		2,976	13,973
Accruals and deferred income		81,793	42,103
		<u>102,722</u>	<u>83,584</u>

15 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Bank loans	13	28,884	43,333
Trustee loan		-	50,000
		<u>28,884</u>	<u>93,333</u>

The trustee loan of £50,000 was unsecured and had no fixed repayment terms. The loan has been repaid in full during the year.

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2022

16 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2020	Resources expended	Transfers	Balance at 1 April 2021	Movement in funds Incoming resources	Balance at 30 September 2022
	£	£	£	£	£	£
Main project	1,931,165	(56,609)	(1,874,556)	-	-	-
Other projects	666	(100)	(566)	-	-	-
Early years - Outdoor capital	10,603	(1,484)	(9,119)	-	-	-
Early years - Co-op	1,221	(252)	(969)	-	-	-
Awards for all	1,276	(1,276)	-	-	-	-
	<u>1,944,931</u>	<u>(59,721)</u>	<u>(1,885,210)</u>	<u>-</u>	<u>-</u>	<u>-</u>

Funds commentary:

The New Build Project is a capital build project funded by New Deal for Communities, European Regional Development Fund, Derby and Derbyshire Economic Partnership, Derby City Council Children's Centres and Futurebuilders England. New premises, designed in consultation with the community, have been built on the original site of the organisation. The building was completed on 18 February 2007, and opened for operations on 20 February 2007.

Early Years Outdoor Capital is part of a Derby City Council Early Years initiative to develop outdoor play spaces to support the implementation of the Early Years Foundation Stage. Extensive work was carried out in the gardens including replacing grassed areas with soft play tarmac and redesign to create free flow play areas.

Co-op is a grant from Central England Co-op to install wi-fi at the St Marks Road setting.

Awards for All is a grant from the National Lottery to pilot a project to work with funded two-year olds around communication and language.

Transfers

During the previous year the trustees reviewed the funds and no longer believe that there are any ongoing restrictions in respect of the funds represented by fixed assets and they have therefore been transferred to designated funds.

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

17 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds				
	Balance at 1 April 2020	Transfers	Balance at 1 April 2021	Resources expended	Balance at 30 September 2022
	£	£	£	£	£
Fixed asset fund	-	1,935,210	1,935,210	(88,610)	1,846,600
	-	1,935,210	1,935,210	(88,610)	1,846,600

The fixed asset fund represents the net book value of fixed assets that were originally funded from restricted funds, but for which the restriction no longer applies.

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2022

18 Analysis of net assets between funds

Fund balances at 30 September 2022 are represented by:

Tangible assets
Current assets/(liabilities)
Long term liabilities

	Unrestricted funds 2022	Designated funds 2022	Total 2022	Unrestricted funds 2021	Designated funds 2021	Restricted funds 2021	Total 2021
	£	£	£	£	£	£	£
	33,515	1,846,600	1,880,115	27,149	1,935,210	-	1,962,359
	(13,041)	-	(13,041)	56,718	-	-	56,718
	(28,884)	-	(28,884)	(93,333)	-	-	(93,333)
	(8,410)	1,846,600	1,838,190	(9,466)	1,935,210	-	1,925,744

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

19 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	-	24,114
Between two and five years	-	22,356
	<u>-</u>	<u>46,470</u>

20 Events after the reporting date

On 3 October 2022 YMCA Derbyshire, a separate charity, became the sole legal member of Derwent Stepping Stones Nursery and Community Centre.

21 Related party transactions

During the year E Fothergill, a Trustee, made a donation of £61,375 (2021: £50,000) to the charity.

Included within creditors in the previous year is a loan of £50,000 due to E Fothergill, a Trustee. Interest on the loan of £10,625 was included within accruals. During the year this loan has been repaid in full. The loan was unsecured and was due to be repaid in 12 equal instalments from July 2014 but the Trustee delayed repayment for the foreseeable future. The total amount due to E Fothergill at the year end was £nil (2021: £60,625).

22 Cash generated from operations	2022 £	2021 £
(Deficit)/surplus for the period	(87,554)	32,652
Adjustments for:		
Depreciation and impairment of tangible fixed assets	98,375	63,026
Movements in working capital:		
Decrease/(increase) in debtors	14,610	(18,544)
(Decrease)/increase in creditors	(34,196)	11,790
Cash (absorbed by)/generated from operations	<u>(8,765)</u>	<u>88,924</u>

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2022

23 Analysis of changes in net funds

	At 1 April 2021	Cash flows At 30 September 2022	
	£	£	£
Cash at bank and in hand	100,807	(36,011)	64,796
Loans falling due within one year	(6,667)	(3,333)	(10,000)
Loans falling due after more than one year	(43,333)	14,449	(28,884)
	<u>50,807</u>	<u>(24,895)</u>	<u>25,912</u>

Accounts

Charity Registration No. 1024544

Company Registration No. 2826849 (England and Wales)

**DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING
CENTRE**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	L J Curd	
	H L Dixon	
	E J Fothergill	
	P Gallimore	
	J Rehman	
	L E Richards	
	R A Massey	
	B Naylor	(Appointed 28 April 2021)
	N M Bamford	(Appointed 8 October 2021)
	J L Gibling	(Appointed 13 October 2021)
	J Clarke	(Appointed 27 October 2021)
Secretary	J M Holland	
Charity number	1024544	
Company number	2826849	
Registered office	St Marks Road Derby Derbyshire DE21 6AH	
Auditor	Azets Audit Services Ruthlyn House 90 Lincoln Road Peterborough United Kingdom PE1 2SP	
Bankers	Co-op Bank plc 31 East Street Derby DE1 2AL	

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

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Statement of cash flows	16
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DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

This was a challenging year, although not as challenging as the current year has turned out to be.

There are longstanding issues about funding rates for the 'free' early education entitlement, with National Living Wage and National Minimum Wage increasing significantly more than funding rates. In April 2019 NLW and NMW rose by 6.2% and 6.5% respectively. Funding for two year olds increased by 1.5% and for 3 & 4 year olds by 3.5%. This pattern has been repeated over the past several years, putting pressure on many providers. We are grateful to our local MP, Amanda Sollaway, for meeting with us and advocating for us at local and national government level.

Occupancy levels were much lower than expected, particularly in the autumn term. This led us to look at occupancy patterns, finding that our fully flexible approach was impeding us from maximising our operating capacity, or rationalising the workforce. A new delivery model was designed and was due to be introduced in Summer 2020, however from 23rd March we were closed to all but vulnerable children and the children of key workers.

We are proud of our staff team and their dedication to continuing professional development. There were a range of opportunities available this year and staff took full advantage. Congratulations to all who achieved new qualifications and skills this year.

We are very pleased to see real progress being made in improving children's speech, language and communication skills. We have been able to demonstrate that the interventions we have put in place have been effective. Being able to communicate effectively is perhaps the most important of all life skills and effective early intervention makes a long-term improvement to children's life chances.

Planning for the future is incredibly difficult whilst the pandemic continues. Our immediate focus is on being able to continue to provide a consistent quality early education in a COVID-19 secure way.

E J Fothergill

Chairman

Dated: 18 November 2021

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

The trustees present their report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 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)".

Objectives and activities

The charity's objects are:

- to advance the education of children and to provide recreational facilities for them in the interests of social welfare;
- to provide education and vocational training for all members of the community in the educational and other needs of children and in teaching the care of children;
- to aid, help, protect and care for children who are in need of such assistance.

Main objectives for 2020/21:

The objective for the year, prior to the pandemic, had been to re-design our offer to enable us to maximise income from the resources we have. As the pandemic took hold and the country was put into lockdown, the objective was to safely deliver care to keyworker and vulnerable children, and eventually all children.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Volunteers

We continue to be supported by our two dedicated 'handymen' who help keep the building and grounds in order. Links with local businesses are bringing new volunteers to all areas of the organisation, some for one-off projects, others are ongoing.

Achievements and performance

In the early months of the pandemic, there was a great deal of uncertainty about many things, and guidance changed extremely frequently. One of the first issues when education settings were closed, was the definition of 'key workers'. The first list was published just before settings closed but was revised just days later once lockdown had been announced.

Among other things that changed during that period was the list of official covid-19 symptoms, self-isolation periods, the use of 'bubbles' within settings, the wearing of face coverings and the children eligible to attend settings. A great deal of management time was spent keeping up with all of the changes, assessing the impact on the setting, updating the risk assessment, adapting practice, and communicating changes to all staff and parents.

As the pandemic continued and settings were required to open for all children, a major issue was planning for expected occupancy, a challenge at the best of times. The country went through a period of easing restrictions, with retail and hospitality re-opening, schools re-opening and a second wave of the pandemic leading to tiers, regional restrictions, and another lockdown. Parents' need for childcare was altered depending on whether they or their children were shielding, they were working from home, home schooling older children, losing their jobs, being partially or fully furloughed or had lost access to informal childcare. They often did not know what was happening from one week to the next which meant that planning for future terms was extremely difficult.

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

More immediately disruptive was the requirement to self-isolate. Anyone experiencing symptoms of covid-19, living in the household of someone experiencing symptoms or close contacts of anyone who tested positive, were required to self-isolate. In cases where staff were required to isolate, the need to maintain 'bubbles' and not mix groups of staff and children led to difficulties in providing services, with us having to turn some children away from nursery on a few occasions.

At the beginning of March 2020, we were caring for 124 children at our St Marks Road setting. During the first week of lockdown 23 children attended. Occupancy gradually increased over the summer, but at the end of the financial year remained at approximately 66% of pre-pandemic occupancy. This is in line with national occupancy in early years settings as reported by the Department for Education.

Financial review

The results for the year are as detailed on page 12 to the financial statements.

Principal funding sources

As would be expected there was an immediate sharp decline in income from fee-paying parents at the start of the pandemic. Government funded childcare was the principal source of funding during the year. For the summer and autumn terms, funding was given for occupancy levels that would have been expected if it were not for the pandemic. In spring 2021, funding was based on actual occupancy, which was much lower than pre-pandemic levels.

Investment powers, policy and performance

The trustees' investment powers are governed by the Memorandum and Articles of Association, which permits the charity's funds to be invested in, or on such investments, securities or property as may be thought fit.

Going concern and reserves policy

At the date of approving the accounts, the directors have reviewed the current management information available and forecasts for the coming 12 months. As a result of this, the directors have a reasonable expectation that the charity will continue in operational existence for the foreseeable future. Therefore the Trustees consider it appropriate to continue to adopt the going concern basis in preparing the financial statements.

At the year end total funds held by the charity amounted to £1,925,744 of which designated funds amounted to £1,935,210 leaving a deficit on general reserves of £(9,466).

It is the objective of the organisation to achieve and maintain free reserves of at least 3 months core operating costs which currently equates to £260,000 and the Trustees acknowledge that steps are required to bring free reserves back in line with this objective.

Over the past 12 months the organisation has looked closely at costs, making savings where possible and is making every effort to increase numbers and, as a result, revenue, using a variety of marketing activities. This is an ongoing process and the short term target is to return the charity to a trading surplus in the current year overall, with a medium term aim of achieving the free reserves target.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Plans for future periods

There continues to be uncertainty about the level of demand for childcare, with occupancy numbers in early years lower than pre-pandemic levels across the country. The pandemic has changed working patterns for many sectors, with people continuing to work from home, or moving to a more hybrid way of working. Childcare is a significant family expense which parents will seek to minimise where they can. There is also still some question as to whether people are reluctant to take up early education because of coronavirus anxiety. Our marketing activity will focus on the importance of early education in improving children's life chances, our record of safe working during the pandemic, and the support with childcare costs available to working parents.

A key issue in early years, particularly in the PVI sector, is difficulty recruiting suitable staff. In the past, we have developed our team through the use of traineeships and apprenticeships. Whilst restrictions on social contacts were in place it was not possible to recruit new candidates so we have not had new staff coming through. This affects our costs as our workforce planning is based on having a mixture of qualified and unqualified staff: without that mixture costs are higher. We will be creating traineeship places at all sites throughout the year in the hope these can be converted to apprenticeships.

Our partnerships with schools have changed. Brackensdale School became an academy in April 2021 and the academy trust which has taken over does not work with 3rd party providers. The previous agreement had come to an end and discussions took place about the future of the partnership. We have decided to work together for a further year to explore how the relationship might develop. The setting was refurbished and re-launched and we look forward to continuing our work in Mackworth.

After similar discussions with the trust which manages Breadsall Hill Top School we mutually agreed to end the partnership. Staff and children who had been attending the setting were able to move to St Marks Rd.

We will continue to lobby for fair funding for the sector, particularly for funding for 'free' entitlements and for children with additional needs.

Structure, governance and management

Derwent Stepping Stones Nursery and Community Training Centre is based at St Mark's Road, Derby, which is the company's Registered Office and principal address of the charity. Derwent Stepping Stones Nursery and Community Training Centre is a company limited by guarantee and not having a share capital (Company Registration No. 2826849) and Registered Charity (No. 1024544).

The charity's governing document is the Memorandum and Articles of Association.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

L J Curd	
H L Dixon	
E J Fothergill	
P Gallimore	
J Rehman	
L E Richards	
R A Massey	
L M Massey	(Appointed 28 April 2021 and resigned 1 October 2021)
B Naylor	(Appointed 28 April 2021)
N M Bamford	(Appointed 8 October 2021)
J L Gibling	(Appointed 13 October 2021)
J Clarke	(Appointed 27 October 2021)

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Appointment of trustees

Trustees are appointed by the Management Board either to fill a casual vacancy or by way of addition to the Management Board, provided that the prescribed maximum is not thereby exceeded.

In considering prospective trustees, the Management Board has regard to the requirement for a balance of specialist skills necessary for the effective management of the charity.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Induction and training of trustees

Prospective trustees are invited to meet with the Chief Executive and Trustees and are given information about the organisation, its activities, aims and objectives and a role description prior to submitting an interest form.

Once an individual has been elected to the Management Board they are given a welcome pack including, but not limited to, the Memorandum and Articles, business plan, annual report and latest published accounts. This pack forms the basis for the induction process.

Trustees are invited to attend training sessions, workshops and celebrations in order to maintain an understanding of the organisation and to meet with staff members.

Reports and guidance from organisations such as the Charity Commission and NCVO are regularly circulated and discussed at Trustees Meetings.

Organisational structure

The business of the charity is managed by the Management Board which consists of a maximum of twelve and a minimum of three trustees. Board members so appointed hold office until the following AGM, when they become eligible for re-election. Trustees are appointed by a simple majority of trustees.

The operational management of the organisation is delegated to the Chief Executive. The Chief Executive works closely with the Trustees on the strategic direction and policy of the organisation.

Related parties

In so far as it is complimentary to the charity's objects, the organisation is guided both by local and national policy. Managers of the organisation sit on relevant local steering groups to ensure that the organisation is aware of local initiatives and activity.

Pay policy for key management personnel

The trustees consider the Management Board, the Chief Executive and the Finance & HR Manager as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in notes 9 and 20 respectively to the accounts. Trustees are required to disclose all relevant interests and withdraw from decisions where a conflict of interest arises.

It is policy to review the pay of the charity's Chief Executive and Finance & HR Manager annually, benchmarking with charities of a similar size and activity to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles. Pay rates for the senior staff have not increased for several years due to the difficult financial situation.

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Risk management

The Trustees, along with key management personnel, have conducted a review of the risks to which the organisation is exposed. A risk register has been established and, where appropriate, control systems introduced in order to mitigate the risks. All policies, procedures and risk assessments are reviewed at least annually.

Fundraising policy statement

The charity carries out minor fundraising activities throughout the year. These consist of events such as summer and Christmas fairs which are organised and run voluntarily by staff members and trustees. Events are open to any member of the public and there are no entrance fees.

Money is raised through raffles, tombola's and games. The events are regarded as opportunities to publicise our services to potential new customers and free activities such as face painting and refreshments ensure that no-one has to spend money to be included.

Auditor

In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the company will be put at a General Meeting.

The trustees' report was approved by the Board of Trustees.

E J Fothergill

Chair

Dated: 18 November 2021

L E Richards

Treasurer

Dated: 6 December 2021

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2021

The trustees, who are also the directors of Derwent Stepping Stones Nursery and Community Training Centre for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

Opinion

We have audited the financial statements of Derwent Stepping Stones Nursery and Community Training Centre (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity 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 trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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.

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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 charity for the purpose 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 charity'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.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 an auditor's report 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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Mr Mark Jackson FCA DChA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

6 December 2021

Chartered Accountants
Statutory Auditor

Ruthlyn House
90 Lincoln Road
Peterborough
United Kingdom
PE1 2SP

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

Current financial year

		Unrestricted funds	Designated funds	Restricted funds	Total	Total
	Notes	2021 £	2021 £	2021 £	2021 £	2020 £
<u>Income from:</u>						
Donations and legacies	3	204,280	-	-	204,280	-
Charitable activities	4	775,883	-	-	775,883	940,747
Other trading activities	5	3,926	-	-	3,926	10,645
Total income		984,089	-	-	984,089	951,392
<u>Expenditure on:</u>						
Raising funds	6	2,007	-	-	2,007	2,464
Charitable activities	7	889,709	-	59,721	949,430	1,101,705
Total resources expended		891,716	-	59,721	951,437	1,104,169
Net incoming/(outgoing) resources before transfers		92,373	-	(59,721)	32,652	(152,777)
Net incoming/(outgoing) resources before transfers		92,373	-	(59,721)	32,652	(152,777)
Gross transfers between funds		(50,000)	1,935,210	(1,885,210)	-	-
Net income/(expenditure) for the year/ Net movement in funds		42,373	1,935,210	(1,944,931)	32,652	(152,777)
Fund balances at 1 April 2020		(51,839)	-	1,944,931	1,893,092	2,045,869
Fund balances at 31 March 2021		(9,466)	1,935,210	-	1,925,744	1,893,092

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

Prior financial year

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
<u>Income from:</u>				
Charitable activities	4	940,747	-	940,747
Other trading activities	5	10,645	-	10,645
Total income		951,392	-	951,392
<u>Expenditure on:</u>				
Raising funds	6	2,464	-	2,464
Charitable activities	7	1,042,592	59,113	1,101,705
Total resources expended		1,045,056	59,113	1,104,169
Net incoming/(outgoing) resources before transfers		(93,664)	(59,113)	(152,777)
Gross transfers between funds		(6,616)	6,616	-
Net income/(expenditure) for the year/ Net movement in funds		(100,280)	(52,497)	(152,777)
Fund balances at 1 April 2019		48,441	1,997,428	2,045,869
Fund balances at 31 March 2020		(51,839)	1,944,931	1,893,092

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	11	1,962,359		2,025,385	
Current assets					
Debtors	12	39,495		20,951	
Cash at bank and in hand		100,807		13,891	
		<u>140,302</u>		<u>34,842</u>	
Creditors: amounts falling due within one year	14	<u>(83,584)</u>		<u>(76,593)</u>	
Net current assets/(liabilities)			56,718		(41,751)
Total assets less current liabilities			<u>2,019,077</u>		<u>1,983,634</u>
Creditors: amounts falling due after more than one year	15		(93,333)		(90,542)
Net assets			<u><u>1,925,744</u></u>		<u><u>1,893,092</u></u>
Income funds					
Restricted funds	16		-		1,944,931
Designated funds			1,935,210		-
Unrestricted funds			(9,466)		(51,839)
			<u><u>1,925,744</u></u>		<u><u>1,893,092</u></u>

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2021

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2021, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 6 December 2021

E J Fothergill
Chair

L E Richards
Treasurer

Company Registration No. 2826849

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	21		88,924		(87,187)
Investing activities					
Purchase of tangible fixed assets		-		(22,494)	
Net cash used in investing activities			-		(22,494)
Financing activities					
Repayment of bank loans		(2,008)		(6,616)	
Net cash used in financing activities			(2,008)		(6,616)
Net increase/(decrease) in cash and cash equivalents			86,916		(116,297)
Cash and cash equivalents at beginning of year			13,891		130,188
Cash and cash equivalents at end of year			100,807		13,891

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

Derwent Stepping Stones Nursery and Community Training Centre is a private company limited by guarantee incorporated in England and Wales. The registered office is St Marks Road, Derby, Derbyshire, DE21 6AH.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006 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 charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The trustees acknowledge that sustainability is an issue following the effects of the pandemic and they are closely monitoring the financial situation. They have forecast cashflow for the subsequent twelve-month period based on known factors and historical trends. They have conducted a detailed review of overhead costs and indirect staffing with the aim of minimising costs and maximising efficiencies. Direct staffing and supply of sessions is being closely managed to ensure that child:adult ratios and income are maximised. They have taken, and will continue to take, advantage of local and national grant support related to the effects of coronavirus. Cashflow is monitored on a weekly basis by management and the finance committee meet monthly, or as often as is deemed necessary.

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

When the charity part funds a restricted project transfers are made from unrestricted funds to the particular restricted fund. Where restricted projects cease the trustees decide whether any fund balance can be transferred to unrestricted reserves.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Nursery fee income is recognised on the basis of child attendance. Training income is recognised when the service has been performed. Room hire is recognised on an accruals basis.

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Tutoring costs given in kind are valued at commercial rates and included as unrestricted income.

Grants

Grants are included in full in the income and expenditure account as soon as they become receivable. Grants that are received specifically for use in a future period are deferred.

Investment income

Bank interest is included in the income and expenditure account on an accruals basis.

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to the category. Where costs cannot be directly allocated to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Governance costs are those incurred in connection with the charity's compliance with constitutional and statutory requirements.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Buildings	2% straight line
Fixtures and fittings	5% to 15% reducing balance
Office equipment	33% reducing balance

The Charity holds property at St Marks Road, Derby which was built on land owned by Derby City Council and leased to the Charity on a peppercorn basis. The lease was entered into in 2005 and was a 21 year term, expiring in 2026. The Trustees have however adopted a policy to depreciate this leasehold property over a 50 year term, notwithstanding that this period will extend beyond the end of the lease term. This depreciation period is adopted on the basis that the Trustees are advised that the occupation of the property is protected under the provisions of the 1954 Landlord and Tenants Act and the charity has the right to hold over and continue to occupy the property on similar terms. The building was built specifically for the purposes of the Charity and the Trustees therefore consider that a 50 year depreciation period is appropriate.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Total
	2021 £	2020 £
Donations and gifts	62,500	-
Coronavirus Job Retention Scheme	141,780	-
	<u>204,280</u>	<u>-</u>

4 Charitable activities

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Local authority grants	640,670	680,335
Nursery fees and training	135,213	260,412
	<u>775,883</u>	<u>940,747</u>

5 Other trading activities

	2021 £	2020 £
Trading activity income: other	<u>3,926</u>	<u>10,645</u>

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

6 Raising funds

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Staff costs	1,561	1,550
Other costs	446	914
	<u>2,007</u>	<u>2,464</u>

7 Charitable activities

	2021 £	2020 £
Staff costs	593,811	685,230
Depreciation and impairment	63,026	61,788
Crèche, food, trips and other costs	11,152	20,987
Motor and travelling	236	1,837
Training and exam costs	1,602	3,058
Printing, stationery, telephone and advertising	5,301	4,088
Professional fees	1,585	1,475
Equipment repairs and maintenance	20,190	38,528
Recruitment costs	349	289
	<u>697,252</u>	<u>817,280</u>
Share of support costs (see note 8)	237,918	270,725
Share of governance costs (see note 8)	14,260	13,700
	<u>949,430</u>	<u>1,101,705</u>
Analysis by fund		
Unrestricted funds	889,709	1,042,592
Restricted funds	59,721	59,113
	<u>949,430</u>	<u>1,101,705</u>

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

8 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Staff costs	146,366	10,000	156,366	158,204	9,500	167,704
Rent, rates and insurance	41,149	-	41,149	49,156	-	49,156
Heat and light	14,816	-	14,816	12,613	-	12,613
Office running costs	11,960	-	11,960	16,848	-	16,848
Bank charges	1,505	-	1,505	2,034	-	2,034
Repairs and maintenance	19,944	-	19,944	17,520	-	17,520
Loan interest	2,172	-	2,172	5,885	-	5,885
Bad debt expense	6	-	6	7,957	-	7,957
Staff training and recruitment	-	-	-	508	-	508
Audit fees	-	4,260	4,260	-	4,200	4,200
	<u>237,918</u>	<u>14,260</u>	<u>252,178</u>	<u>270,725</u>	<u>13,700</u>	<u>284,425</u>
Analysed between Charitable activities	<u>237,918</u>	<u>14,260</u>	<u>252,178</u>	<u>270,725</u>	<u>13,700</u>	<u>284,425</u>

Governance costs includes payments to the auditors of £4,260 (2020 - £4,200) for audit fees.

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

The key management personnel of the charity comprises the Chief Executive Officer and finance director. The total amount of employee benefits received by key management personnel were £99,905 (2020: £98,830).

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

10 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	52	61
	1	1
Total	53	62

Employment costs	2021 £	2020 £
Wages and salaries	705,701	804,751
Social security costs	32,292	34,979
Other pension costs	13,745	14,754
	751,738	854,484

There were no employees whose annual remuneration was £60,000 or more.

11 Tangible fixed assets

	Buildings £	Fixtures and fittings £	Office equipment £	Total £
Cost				
At 1 April 2020	2,830,434	91,914	45,815	2,968,163
Disposals	-	(32,053)	(27,681)	(59,734)
At 31 March 2021	2,830,434	59,861	18,134	2,908,429
Depreciation and impairment				
At 1 April 2020	841,752	61,270	39,756	942,778
Depreciation charged in the year	56,609	4,688	1,729	63,026
Eliminated in respect of disposals	-	(32,053)	(27,681)	(59,734)
At 31 March 2021	898,361	33,905	13,804	946,070
Carrying amount				
At 31 March 2021	1,932,073	25,956	4,330	1,962,359
At 31 March 2020	1,988,682	30,644	6,059	2,025,385

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

12 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	9,901	4,243
Other debtors	2,345	3,793
Prepayments and accrued income	27,249	12,915
	<u>39,495</u>	<u>20,951</u>

13 Loans and overdrafts

	2021 £	2020 £
Bank loans	<u>50,000</u>	<u>52,008</u>
Payable within one year	6,667	11,466
Payable after one year	<u>43,333</u>	<u>40,542</u>

The charity has a bank loan comprising a 2.5% fixed rate loan totalling £50,000 repayable by equal instalments by June 2026, following a 12 month capital repayment holiday.

14 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Bank loans	13	6,667	11,466
Other taxation and social security		16,030	7,186
Trade creditors		4,811	6,694
Other creditors		13,973	23,664
Accruals and deferred income		42,103	27,583
		<u>83,584</u>	<u>76,593</u>

15 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans	13	43,333	40,542
Trustee loan		50,000	50,000
		<u>93,333</u>	<u>90,542</u>

The trustee loan of £50,000 is unsecured and has no fixed repayment terms. The trustee has confirmed that she will not request payment of the loan within 12 months of the date of approval of the accounts.

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

16 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2019 £	Resources expended £	Transfers £	Balance at 1 April 2020 £	Resources expended £	Transfers £	Balance at 31 March 2021 £
Main project	1,981,158	(56,609)	6,616	1,931,165	(56,609)	(1,874,556)	-
Other projects	783	(117)	-	666	(100)	(566)	-
Early years - Outdoor capital	11,225	(622)	-	10,603	(1,484)	(9,119)	-
Early years - Co-op	1,597	(376)	-	1,221	(252)	(969)	-
Awards for all	2,665	(1,389)	-	1,276	(1,276)	-	-
	<u>1,997,428</u>	<u>(59,113)</u>	<u>6,616</u>	<u>1,944,931</u>	<u>(59,721)</u>	<u>(1,885,210)</u>	<u>-</u>

Funds commentary:

The New Build Project is a capital build project funded by New Deal for Communities, European Regional Development Fund, Derby and Derbyshire Economic Partnership, Derby City Council Children's Centres and Futurebuilders England. New premises, designed in consultation with the community, have been built on the original site of the organisation. The building was completed on 18 February 2007, and opened for operations on 20 February 2007.

Early Years Outdoor Capital is part of a Derby City Council Early Years initiative to develop outdoor play spaces to support the implementation of the Early Years Foundation Stage. Extensive work was carried out in the gardens including replacing grassed areas with soft play tarmac and redesign to create free flow play areas.

Co-op is a grant from Central England Co-op to install wi-fi at the St Marks Road setting.

Awards for All is a grant from the National Lottery to pilot a project to work with funded two-year olds around communication and language.

Transfers

The £50,000 transfer from General funds to the Main Project fund represents movement in the year on long term liabilities against this project.

During the year the trustees have reviewed the funds and no longer believe that there are any ongoing restrictions in respect of the funds represented by fixed assets and they have therefore been transferred to designated funds.

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

17 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds			
	Incoming resources	Balance at 1 April 2020	Transfers	Balance at 31 March 2021
	£	£	£	£
Fixed asset fund	-	-	1,935,210	1,935,210
	-	-	1,935,210	1,935,210

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

18 Analysis of net assets between funds

	Unrestricted funds 2021 £	Designated funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 March 2021 are represented by:							
Tangible assets	27,149	1,935,210	-	1,962,359	35,062	1,990,323	2,025,385
Current assets/(liabilities)	56,718	-	-	56,718	(36,901)	(4,850)	(41,751)
Long term liabilities	(93,333)	-	-	(93,333)	(50,000)	(40,542)	(90,542)
	<u>(9,466)</u>	<u>1,935,210</u>	<u>-</u>	<u>1,925,744</u>	<u>(51,839)</u>	<u>1,944,931</u>	<u>1,893,092</u>

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

19 Operating lease commitments

Lessee

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	24,114	30,114
Between two and five years	22,356	46,470
	<u>46,470</u>	<u>76,584</u>

20 Related party transactions

During the year E Fothergill, a Trustee, made a donation of £50,000 (2020: £nil) to the charity.

Included within creditors is a loan of £50,000 (2020: £50,000) due to E Fothergill, a Trustee. Interest on the loan of £10,625 (2020: £9,125) is included within accruals. During the year interest charged to the Statement of Financial Activities amounted to £1,500 (2020: £1,500). The loan is unsecured and was due to be repaid in 12 equal instalments from July 2014 but the Trustee has delayed repayment for the foreseeable future. The total amount due to E Fothergill at the year end was £60,625 (2020: £59,125).

21 Cash generated from operations	2021 £	2020 £
Surplus/(deficit) for the year	32,652	(152,777)
Adjustments for:		
Depreciation and impairment of tangible fixed assets	63,026	61,788
Movements in working capital:		
(Increase)/decrease in debtors	(18,544)	14,774
Increase/(decrease) in creditors	11,790	(10,972)
Cash generated from/(absorbed by) operations	<u>88,924</u>	<u>(87,187)</u>

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

22 Analysis of changes in net funds/(debt)

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	13,891	86,916	100,807
Loans falling due within one year	(11,466)	4,799	(6,667)
Loans falling due after more than one year	(40,542)	(2,791)	(43,333)
	<u>(38,117)</u>	<u>88,924</u>	<u>50,807</u>

Accounts

Charity Registration No. 1024544

Company Registration No. 2826849 (England and Wales)

**DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING
CENTRE**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	E J Fothergill R Massey L E Richards H L Dixon P Gallimore L J Curd J Rehman	(Appointed 11 December 2019)
Secretary and Chief Executive	J M Holland	
Charity number	1024544	
Company number	2826849	
Registered office	St Marks Road Derby Derbyshire DE21 6AH	
Auditor	Azets Audit Services Ventura Park Road Tamworth Staffordshire B78 3HL	
Bankers	Co-op Bank plc 31 East Street Derby Derbyshire DE1 2AL	

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

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DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020

This was a challenging year, although not as challenging as the current year has turned out to be.

There are longstanding issues about funding rates for the 'free' early education entitlement, with National Living Wage and National Minimum Wage increasing significantly more than funding rates. In April 2019 NLW and NMW rose by 6.2% & 6.5% respectively. Funding for two year olds increased by 1.5% and for 3 & 4 year olds by 3.5%. This pattern has been repeated over the past several years, putting pressure on many providers. We are grateful to our local MP, Amanda Solloway, for meeting with us and advocating for us at local and national government level.

Occupancy levels were much lower than expected, particularly in the autumn term. This led us to look at occupancy patterns, finding that our fully flexible approach was impeding us from maximising our operating capacity, or rationalising the workforce. A new delivery model was designed and was due to be introduced in Summer 2020, however from 23rd March we were closed to all but vulnerable children and the children of key workers.

We are proud of our staff team and their dedication to continuing professional development. There were a range of opportunities available this year and staff took full advantage. Congratulations to all who achieved new qualifications and skills this year.

We are very pleased to see real progress being made in improving children's speech, language and communication skills. We have been able to demonstrate that the interventions we have put in place have been effective. Being able to communicate effectively is perhaps the most important of all life skills and effective early intervention makes a long-term improvement to children's life chances.

Planning for the future is incredibly difficult whilst the pandemic continues. Our immediate focus is on being able to continue to provide a consistent quality early education in a COVID-19 secure way.



.....
LE Richards

Trustee

Dated: ...02/03/2021....

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2020

The trustees present their report and financial statements for the year ended 31 March 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 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)".

Objectives and activities

The charitable objectives of the charity are:

- to advance the education of children and to provide recreational facilities for them in the interests of social welfare;
- to provide education and vocational training for all members of the community in the educational and other needs of children and in teaching the care of children;
- to aid, help, protect and care for children who are in need of such assistance.

Main objectives for 2019/20:

- Strive to offer high quality, flexible, affordable childcare within the constraints of sector funding issues;
- Improve practitioner skills and children's outcomes in SLC;
- Seek funding to support high demand for work with families with social care involvement and SEND.

Public benefit

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee charging.

Volunteers

We continue to be supported by our two dedicated 'handymen' who help keep the building and grounds in order. Links with local businesses are bringing new volunteers to all areas of the organisation, some for one-off projects, others are ongoing.

Achievements and performance

Representatives and advocates for the childcare PVI sector continued to lobby for fair funding as more providers ceased trading due to the low level of funding. The Chair and senior staff met with the local MP to discuss the difficulties and she raised the matter with the Chancellor of the Exchequer. To date there has been no change to policy.

Occupancy levels at all sites were lower than the previous year. At St Marks Rd it was identified that parents had been offered too much flexibility with sessions, leading to places being 'blocked' or unsellable. During the spring term extensive work was undertaken to redesign the models of sessions offered, to maximise staff ratios and increase income. Parents signing up for the summer term were offered the new model and a transition period was being introduced for families already attending. In early March it became apparent that the coronavirus was going to cause significant disruption and on 18th March the announcement was made to close early years settings to all but vulnerable children and the children of key workers. Only St Marks Rd remained open, but places were offered to eligible children from our other sites. During week commencing 23/03/20, 23 children attended, the previous week 244 had attended across all sites.

Derby Opportunity Area's programme 'TALK Derby' launched in May 19. The aim of the programme was to address the high proportion of Derby's pupils with identified speech, language, and communication needs (SLCN). A key part of the programme was to improve the skills of childcare practitioners, and almost all of our staff team attended training on SLC and Special Educational Needs. This training, and the use of the Wellcomm assessment and activity tools, enabled staff to further embed support for SLCN in their practice.

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2020**

We continue to see many families with social care involvement where children are classed as children in need, under child protection orders or who are looked after. There is a great deal of time spent in attending review and network meetings and conferences and writing referrals for specialist services and reports for social care meetings. We also have a high proportion of children with additional needs such as development delay, autism and SLC needs. Parents trust us, see us as unthreatening and sometimes seek substantial support from us in many areas of their lives. We developed a project to offer a holistic package of support to these families and submitted bids to two funders. One was unsuccessful and one was put on hold. The pandemic has prevented us from taking this any further, however we continue to provide support.

Our staff are our key asset and continuing professional development is important for our services and staff morale. In addition to the TALK Derby training, we were able to partner with another charity to provide several staff with valuable experience with disabled children. Other staff have progressed to Advanced Practitioner status and two staff achieved Early Years Senco qualifications.

Due to many public campaigns, mental health and wellbeing are talked about much more openly and we have had many more conversations than before with staff regarding their mental health. We introduced 'Wellness action plans' which helped us explore how best to support staff who were experiencing difficulties. Recognising that line managers are at the frontline we provided training in 'supporting team members in stressful times', with the aim of improving understanding and providing strategies to have supportive discussions. We were also approached by Derby University who were looking for placements for counselling and psychotherapy students. Only a few sessions took place before they had to stop as a result of the pandemic.

Financial review

The results for the year are as detailed on page 12 to the financial statements.

Principal funding sources

Childcare was the major funding source in this period, however childcare income dropped by approximately 7% on the previous year. The most significant drop was in parent's fees. Funded early education entitlement increased in real terms and as a proportion of total income.

Investment powers, policy and performance

The trustees' investment powers are governed by the Memorandum and Articles of Association, which permits the charity's funds to be invested in, or on such investments, securities or property as may be thought fit.

Going concern and reserves policy

At the date of approving the accounts, the directors have reviewed the current management information available and forecasts for the coming 12 months. As a result of this, the directors have a reasonable expectation that the charity will continue in operational existence for the foreseeable future. Therefore the Trustees consider it appropriate to continue to adopt the going concern basis in preparing the financial statements.

At the year end total funds held by the charity amounted to £1,893,092 of which restricted funds amounted to £1,944,931 leaving a deficit on general reserves of £(51,839). The deficit on free reserves amounted to £(86,901).

It is the objective of the organisation to achieve and maintain free reserves of at least 3 months core operating costs which currently equates to £260,000 and the Trustees acknowledge that steps are required to bring free reserves back in line with this objective.

Over the past 12 months the organisation has looked closely at costs, making savings where possible and is making every effort to increase numbers and, as a result, revenue, using a variety of marketing activities. This is an ongoing process and the short term target is to return the charity to a trading surplus in the current year overall, with a medium term aim of achieving the free reserves target.

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

Plans for future periods & the impact of COVID-19

On 18th March 2020 the government announced the closure of all early years settings and schools to all but the most vulnerable children and the children of key workers. Planning was difficult as the government did not publish the list of keyworker roles until 20/03/20, the last day of full opening. We closed our three satellite sites and created two teams of staff to work week on, week off, ensuring that if one team was affected by the virus, the other team could take over.

The furlough scheme was announced on 23/03/2020 and several sources, including Vicky Ford, Minister for Children, explicitly stated that early years settings would be able to fully access the furlough scheme as well as receiving their usual funding. Three weeks into the lockdown the government issued 'clarification' that settings would not be able to claim furlough costs of staff paid through FEEE funding. Twenty-five of fifty-seven employees were furloughed from April until August.

Providers were paid for the children who had signed up for summer term FEEE sessions and would have attended if it were not for Covid-19. In the first three months of 2020, income from fee paying parents averaged £2000 per week. For the period April to June this dropped to £400 per week.

Early years settings were allowed to open to all children from 1st June and we saw a small increase in fee-paying children. We were able to run a holiday club for school aged children during the summer which increased income to nearer 'normal' levels.

Our settings at Brackensdale, St James Centre and Breadsall Hill Top opened in September and all staff returned from furlough. For the autumn term settings were once again paid for the number of children they would have expected to provide places for had Covid-19 not affected attendance. Many of our parents at St Marks Rd have remained on furlough, worked from home or have lost their jobs, meaning that they have not needed childcare. As a result, income from parents is about 50% lower than the first three months of the year.

With fewer children attending we had many more contracted hours than we needed or could afford. We conducted a consultation process with all staff at St Marks Rd in October with the aim of staff voluntarily reducing working hours as an alternative to redundancies. Through this process we minimised the amount of redundancies to three staff.

Indications in November are that FEEE funding for spring term (starting January 2021) will return to normal and be based on actual children attending. The Institute for Fiscal Studies in its '*Report of Education Spending in England 2020*' (Britton et al. 03/11/2020) states that 'the main challenge facing the early years is simply remaining open as parental demand remains well below pre-pandemic levels.' Should demand not increase government support for the sector will be vital. There is much uncertainty as the government has repeatedly announced support measures at the last minute, such as the current flexible furlough scheme, which replaced the previously announced Job Support Scheme, along with delay of the Job Retention Bonus.

In the immediate future we are focussing on marketing to new parents, in print and on social media, promoting that we have worked safely throughout the pandemic and the benefits to children of early education. We will continue to monitor staffing levels and ensure that they are appropriate for occupancy levels, and where possible and appropriate, accessing any furlough or job support schemes available.

Structure, governance and management

Derwent Stepping Stones Nursery and Community Training Centre is based at St Mark's Road, Derby, which is the company's Registered Office and principal address of the charity. Derwent Stepping Stones Nursery and Community Training Centre is a company limited by guarantee and not having a share capital (Company Registration No. 2826849) and Registered Charity (No. 1024544).

The charity's governing document is the Memorandum and Articles of Association.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 MARCH 2020*

E J Fothergill
R Massey
L E Richards
H L Dixon
P Gallimore
L J Curd
J Rehman
M J Rawson
D Whitmore

(Appointed 11 December 2019)
(Resigned 11 December 2019)
(Resigned 10 September 2019)

Appointment of trustees

Trustees are appointed by the Management Board either to fill a casual vacancy or by way of addition to the Management Board, provided that the prescribed maximum is not thereby exceeded.

In considering prospective trustees, the Management Board has regard to the requirement for a balance of specialist skills necessary for the effective management of the charity.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Induction and training of trustees

Prospective trustees are invited to meet with the Chief Executive and Trustees and are given information about the organisation, its activities, aims and objectives and a role description prior to submitting an interest form.

Once an individual has been elected to the Management Board they are given a welcome pack including, but not limited to, the Memorandum and Articles, business plan, annual report and latest published accounts. This pack forms the basis for the induction process.

Trustees are invited to attend training sessions, workshops and celebrations in order to maintain an understanding of the organisation and to meet with staff members.

Reports and guidance from organisations such as the Charity Commission and NCVO are regularly circulated and discussed at Trustees Meetings.

Organisational structure

The business of the charity is managed by the Management Board which consists of a maximum of twelve and a minimum of three trustees. Board members so appointed hold office until the following AGM, when they become eligible for re-election. Trustees are appointed by a simple majority of trustees.

The operational management of the organisation is delegated to the Chief Executive. The Chief Executive works closely with the Trustees on the strategic direction and policy of the organisation.

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Related parties

In so far as it is complimentary to the charity's objects, the organisation is guided both by local and national policy. Managers of the organisation sit on relevant local steering groups to ensure that the organisation is aware of local initiatives and activity.

Pay policy for key management personnel

The trustees consider the Management Board, the Chief Executive and the Finance & HR Manager as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in notes 9 and 20 respectively to the accounts. Trustees are required to disclose all relevant interests and withdraw from decisions where a conflict of interest arises.

It is policy to review the pay of the charity's Chief Executive and Finance & HR Manager annually, benchmarking with charities of a similar size and activity to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles. Pay rates for the senior staff have not increased for several years due to the difficult financial situation.

Risk management

The Trustees, along with key management personnel, have conducted a review of the risks to which the organisation is exposed. A risk register has been established and, where appropriate, control systems introduced in order to mitigate the risks. All policies, procedures and risk assessments are reviewed at least annually.

Fundraising policy statement

The charity carries out minor fundraising activities throughout the year. These consist of events such as summer and Christmas fairs which are organised and run voluntarily by staff members and trustees. Events are open to any member of the public and there are no entrance fees.

Money is raised through raffles, tombola's and games. The events are regarded as opportunities to publicise our services to potential new customers and free activities such as face painting and refreshments ensure that no-one has to spend money to be included.

Statement about COVID-19

Since the year end, the spread of COVID-19 has severely impacted many local economies around the globe. As a result, Charities are being forced to cease or limit operations for long or indefinite periods of time. Governments and central banks have responded with monetary and fiscal interventions to stabilise economic conditions and the Charity has utilised the Furlough measures introduced by the Government. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have resulted in the Charity being forced to postpone some of its events which has had the impact of reducing its income.

The Trustees have determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 31 March 2020 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of Government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Charity for future periods.

Auditor

On 7 September 2020 Group Audit Services Limited, trading as Baldwins Audit Services, changed its name to Azets Audit Services Limited. The name they practice under is Azets Audit Services and accordingly they have signed their report in their new name. Azets Audit Services are deemed to be reappointed under Section 487 (2) of the Companies Act 2006.

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 MARCH 2020*

Disclosure of information to auditors

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information.

The trustees' report was approved by the Board of Trustees.



.....
L E Richards

Trustee

Dated: 02/03/2021

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2020

The trustees, who are also the directors of Derwent Stepping Stones Nursery and Community Training Centre for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

Opinion

We have audited the financial statements of Derwent Stepping Stones Nursery and Community Training Centre (the 'charity') for the year ended 31 March 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity'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.

Auditor's 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 an auditor's report 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

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.

Azets Audit Services

Mr Mark Jackson FCA DChA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor

2 March 2021

Ventura Park Road
Tamworth
Staffordshire
B78 3HL

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total Unrestricted funds 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Income from:							
Charitable activities	3	940,747	-	940,747	1,026,754	9,725	1,036,479
Other trading activities	4	10,645	-	10,645	214	-	214
Total income		951,392	-	951,392	1,026,968	9,725	1,036,693
Expenditure on:							
Raising funds	5	2,464	-	2,464	2,641	-	2,641
Expenditure on charitable activities	6	1,042,592	59,113	1,101,705	957,853	65,032	1,022,885
Total resources expended		1,045,056	59,113	1,104,169	960,494	65,032	1,025,526
Net (outgoing)/incoming resources before transfers		(93,664)	(59,113)	(152,777)	66,474	(55,307)	11,167
Gross transfers between funds		(6,616)	6,616	-	(10,405)	10,405	-
Net movement in funds		(100,280)	(52,497)	(152,777)	56,069	(44,902)	11,167
Fund balances at 1 April 2019		48,441	1,997,428	2,045,869	(7,628)	2,042,330	2,034,702
Fund balances at 31 March 2020		(51,839)	1,944,931	1,893,092	48,441	1,997,428	2,045,869

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	11		2,025,385		2,064,679
Current assets					
Debtors	12	20,951		35,725	
Cash at bank and in hand		13,891		130,188	
			34,842		165,913
Creditors: amounts falling due within one year	14	(76,593)		(87,565)	
Net current (liabilities)/assets			(41,751)		78,348
Total assets less current liabilities			1,983,634		2,143,027
Creditors: amounts falling due after more than one year	15		(90,542)		(97,158)
Net assets			1,893,092		2,045,869
Income funds					
Restricted funds	16	1,944,931		1,997,428	
Unrestricted funds		(51,839)		48,441	
			1,893,092		2,045,869

The financial statements were approved by the Trustees on ..02/03/2021.....



.....
L E Richards
Trustee

Company Registration No. 2826849

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	21		(87,187)		15,475
Investing activities					
Purchase of tangible fixed assets		(22,494)		(2,665)	
Net cash used in investing activities			(22,494)		(2,665)
Financing activities					
Repayment of bank loans		(6,616)		(10,401)	
Net cash used in financing activities			(6,616)		(10,401)
Net (decrease)/increase in cash and cash equivalents			(116,297)		2,409
Cash and cash equivalents at beginning of year			130,188		127,779
Cash and cash equivalents at end of year			13,891		130,188

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Charity information

Derwent Stepping Stones Nursery and Community Training Centre is a private company limited by guarantee, incorporated in England and Wales. The registered office is St Marks Road, Derby, Derbyshire, DE21 6AH. The members of the charity are the trustees. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 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 charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements on the grounds that current and future sources of funding or support will be more than adequate for the charitable company's needs. The Trustees have considered a period of twelve months from the date of approval of the financial statements and also the impact of Covid19 on the activities and finances of the charity.

1.3 Charitable funds

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Where the charity part funds a restricted project transfers are made from unrestricted funds to the particular restricted fund. Where restricted projects cease the trustees decide whether any fund balance can be transferred to unrestricted reserves.

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DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.4 Incoming resources

Income

Nursery fee income is recognised on the basis of child attendance. Training income is recognised when the service has been performed. Room hire is recognised on an accruals basis.

Tutoring costs given in kind are valued at commercial rates and included as unrestricted income.

Grants

Grants are included in full in the income and expenditure account as soon as they become receivable. Grants that are received specifically for use in a future period are deferred.

Investment income

Bank interest is included in the income and expenditure account on an accruals basis.

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to the category. Where costs cannot be directly allocated to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Governance costs are those incurred in connection with the charity's compliance with constitutional and statutory requirements.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following rates:

Buildings	2% straight line
Fixtures and fittings	5% to 15% reducing balance
Office equipment	33% reducing balance

The Charity holds property at St Marks Road, Derby which was built on land owned by Derby City Council and leased to the Charity on a peppercorn basis. The lease was entered into in 2005 and was a 21 year term, expiring in 2026. The Trustees have however adopted a policy to depreciate this leasehold property over a 50 year term, notwithstanding that this period will extend beyond the end of the lease term. This depreciation period is adopted on the basis that the Trustees are advised that the occupation of the property is protected under the provisions of the 1954 Landlord and Tenants Act and the charity has the right to hold over and continue to occupy the property on similar terms. The building was built specifically for the purposes of the Charity and the Trustees therefore consider that a 50 year depreciation period is appropriate.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

If the recoverable amount of an asset is less than the carrying amount, the carrying amount is reduced to the recoverable amount.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

1.9 Financial instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of loans which are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Taxation

The charity is exempt from tax on income and gains to the extent that these are applied to its charitable objects.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Pension costs

The charity operates a defined contribution scheme. Contributions are charged to the income and expenditure account in the period in which they are payable to the scheme.

1.13 Leases

Rentals paid under operating leases are charged to the income and expenditure account when incurred.

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Charitable activities

	2020 £	2019 £
Local authority grants	680,335	673,136
Nursery fees and training	260,412	363,343
	<u>940,747</u>	<u>1,036,479</u>
Analysis by fund		
Unrestricted funds	940,747	1,026,754
Restricted funds	-	9,725
	<u>-</u>	<u>9,725</u>

4 Other trading activities

	Unrestricted funds 2020 £	Unrestricted funds 2019 £
Catering	10,645	214
	<u>10,645</u>	<u>214</u>

5 Raising funds

	Unrestricted funds 2020 £	Unrestricted funds 2019 £
Staff costs	1,550	1,431
Depreciation and impairment	-	57
Support costs	-	18
Other costs	914	1,135
	<u>2,464</u>	<u>2,641</u>

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

5	Raising funds	(Continued)	
6	Expenditure on charitable activities		
		2020	2019
		£	£
	Staff costs	685,230	628,401
	Depreciation and loss on disposals	61,788	60,018
	Crèche, food, trips, and other costs	20,987	25,729
	Motor and travelling	1,837	2,259
	Training and exam costs	3,058	4,508
	Printing, stationery, telephone and advertising	4,088	5,031
	Professional fees	1,475	955
	Equipment repairs and maintenance	38,528	45,004
	Recruitment costs	289	881
		817,280	772,786
	Share of support costs (see note 7)	270,725	236,830
	Share of governance costs (see note 7)	13,700	13,269
		1,101,705	1,022,885
	Analysis by fund		
	Unrestricted funds	1,042,592	957,853
	Restricted funds	59,113	65,032
		1,101,705	1,022,885

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

7 Support costs	Support Governance costs £	Support Governance costs £	2020 £	Support Governance costs £	2019 £	Basis of allocation
Staff costs	158,204	9,500	167,704	153,285	162,534	Staff
Rent, rates and insurance	49,156	-	49,156	40,103	40,103	Project criteria
Heat and light	12,613	-	12,613	6,170	6,170	Project criteria
Office running costs	16,848	-	16,848	15,496	15,496	Project criteria
Bank charges	2,034	-	2,034	1,785	1,785	Project criteria
Repairs and maintenance	17,520	-	17,520	17,480	17,480	Project criteria
Loan interest	5,885	-	5,885	1,147	1,147	Project criteria
Bad debt expense	7,957	-	7,957	784	784	Project criteria
Staff training and recruitment	508	-	508	598	598	Project criteria
Audit fees	-	4,200	4,200	-	4,020	Governance
	270,725	13,700	284,425	236,848	250,117	
Analysed between						
Trading	-	-	-	18	18	
Charitable activities	270,725	13,700	284,425	236,830	250,099	
	270,725	13,700	284,425	236,848	250,117	

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

8 Net movement in funds	2020 £	2019 £
Net movement in funds is stated after charging/(crediting)		
Fees payable to the company's auditor for the audit of the company's financial statements	4,200	4,020
Depreciation of owned tangible fixed assets	61,752	59,361
Loss on disposal of tangible fixed assets	36	714
Operating lease charges	31,944	31,944
	<u> </u>	<u> </u>

9 Trustees

The Trustees did not receive any remuneration during the year nor were they reimbursed for any expenditure (2019: £Nil).

The key management personnel of the charity comprise the trustees, the Chief Executive Officer and finance director. The total amount of employee benefits received by key management personnel were £98,830 (2019: £92,113).

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Charitable activities	61	59
Governance	1	1
	<u> </u>	<u> </u>
	62	60
	<u> </u>	<u> </u>

Employment costs

	2020 £	2019 £
Wages and salaries	804,751	750,271
Social security costs	34,979	30,581
Other pension costs	14,754	11,514
	<u> </u>	<u> </u>
	854,484	792,366
	<u> </u>	<u> </u>

There were no employees whose annual remuneration was £60,000 or more.

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

11 Tangible fixed assets

	Buildings	Fixtures and fittings	Office equipment	Total
	£	£	£	£
Cost				
At 1 April 2019	2,830,434	74,822	42,299	2,947,555
Additions	-	17,092	5,402	22,494
Disposals	-	-	(1,886)	(1,886)
At 31 March 2020	2,830,434	91,914	45,815	2,968,163
Depreciation and impairment				
At 1 April 2019	785,143	58,707	39,026	882,876
Depreciation charged in the year	56,609	2,563	2,580	61,752
Eliminated in respect of disposals	-	-	(1,850)	(1,850)
At 31 March 2020	841,752	61,270	39,756	942,778
Carrying amount				
At 31 March 2020	1,988,682	30,644	6,059	2,025,385
At 31 March 2019	2,045,291	16,115	3,273	2,064,679

12 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	4,243	13,282
Other debtors	3,793	18,616
Prepayments and accrued income	12,915	3,827
	20,951	35,725

13 Loans and overdrafts

	2020	2019
	£	£
Futurebuilders England loan	52,008	58,624
Payable within one year	11,466	11,466
Payable after one year	40,542	47,158

The loan totalling £52,008 (2019: £58,624) from Futurebuilders England Limited is repayable in monthly instalments. The loan may be secured by any security that Futurebuilders may now or in the future require.

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

14 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Futurebuilders England loan	13	11,466	11,466
Other taxation and social security		7,186	7,673
Trade creditors		6,694	4,886
Other creditors		23,664	37,764
Accruals and deferred income		27,583	25,776
		<u>76,593</u>	<u>87,565</u>

15 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Futurebuilders England loan	13	40,542	47,158
Trustee loan		50,000	50,000
		<u>90,542</u>	<u>97,158</u>

The trustee loan totals £50,000, is unsecured and has no fixed repayment terms. The trustee has confirmed that she will not request repayment of the loan within 12 months of the date of approval of the accounts.

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

16 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2018 £	Movement in funds			Balance at 1 April 2019 £	Movement in funds			Transfers £	Balance at 31 March 2020 £
		Incoming resources £	Resources expended £	Transfers £		Incoming resources £	Resources expended £	Transfers £		
New Build Project:										
Main project	2,027,362	-	(56,609)	10,405	1,981,158	-	(56,609)	6,616	1,931,165	
Other projects	921	-	(138)	-	783	-	(117)	-	666	
Other Projects:										
Early years - Outdoor capital	11,888	-	(663)	-	11,225	-	(622)	-	10,603	
Early years - Co-op	2,159	-	(562)	-	1,597	-	(376)	-	1,221	
Awards for all	-	9,725	(7,060)	-	2,665	-	(1,389)	-	1,276	
	2,042,330	9,725	(65,032)	10,405	1,997,428	-	(59,113)	6,616	1,944,931	

Funds commentary:

The New Build Project is a capital build project funded by New Deal for Communities, European Regional Development Fund, Derby and Derbyshire Economic Partnership, Derby City Council Children's Centres and Futurebuilders England. New premises, designed in consultation with the community, have been built on the original site of the organisation. The building was completed on 18 February 2007, and opened for operations on 20 February 2007.

Early Years Outdoor Capital is part of a Derby City Council Early Years initiative to develop outdoor play spaces to support the implementation of the Early Years Foundation Stage. Extensive work was carried out in the gardens including replacing grassed areas with soft play tarmac and redesign to create free flow play areas.

Co-op is a grant from Central England Co-op to install wi-fi at the St Marks Road setting.

Awards for All is a grant from the National Lottery to pilot a project to work with funded two-year olds around communication and language

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

		(Continued)			
16	Restricted funds				
	Transfers				
	The transfer from General funds to the Main Project fund represents movement in the year on long term liabilities against this project.				
17	Analysis of net assets between funds				
	Fund balances at 31 March 2020 are represented by:				
	Tangible assets	Unrestricted funds	Restricted funds	Total Unrestricted funds	Restricted funds
	Current assets/(liabilities)	2020	2020	2020	2019
	Long term liabilities	£	£	£	£
		35,062	1,990,323	2,025,385	2,053,386
		(36,901)	(4,850)	(41,751)	(8,800)
		(50,000)	(40,542)	(90,542)	(47,158)
		(51,839)	1,944,931	1,893,092	1,997,428
				48,441	2,045,869

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

18 Operating lease commitments

Lessee

At the reporting end date the charity has outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	30,114	25,794
Between two and five years	46,470	16,524
	<u>76,584</u>	<u>42,318</u>

19 Events after the reporting date

Since the year end, the spread of COVID-19 has severely impacted many local economies around the globe. As a result, Charities are being forced to cease or limit operations for long or indefinite periods of time. Governments and central banks have responded with monetary and fiscal interventions to stabilise economic conditions and the Charity has utilised the Furlough measures introduced by the Government. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have resulted in the Charity being forced to postpone some of its events which has had the impact of reducing its income.

The Trustees have determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 31 March 2020 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of Government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Charity for future periods.

20 Related party transactions

The Chair of the trustees, E Fothergill, lent the charity £50,000 at an interest rate of 3% per annum. Interest charged in the Statement of Financial Activities for the year amounted to £1,500 (2019: £1,500). This loan was repayable in 12 equal instalments from July 2014 but E Fothergill has delayed repayment for the foreseeable future. Total amount due to E Fothergill in relation to this loan at the year end was £59,125 (2019: £57,625).

DERWENT STEPPING STONES NURSERY AND COMMUNITY TRAINING CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

21	Cash generated from operations	2020 £	2019 £
	(Deficit)/surplus for the year	(152,777)	11,167
	Adjustments for:		
	Depreciation and impairment of tangible fixed assets	61,788	60,075
	Movements in working capital:		
	Decrease in debtors	14,774	7,813
	(Decrease) in creditors	(10,972)	(63,580)
	Cash (absorbed by)/generated from operations	(87,187)	15,475
22	Analysis of changes in net debt	At 1 April 2019 £	Cash flowsAt 31 March 2020 £
	Cash at bank and in hand	130,188	(116,297)
	Loans falling due within one year	(11,466)	-
	Loans falling due after more than one year	(47,158)	(40,542)
		71,564	(109,681)