

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)**

Contents

	Page
Reference and administrative details of the Charity, its Trustees and advisers	1
Trustees' report	2 - 8
Trustees' responsibilities statement	9
Independent auditors' report on the financial statements	10 - 13
Statement of financial activities	14
Balance sheet	15 - 16
Statement of cash flows	17
Notes to the financial statements	18 - 35

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, Alblon 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

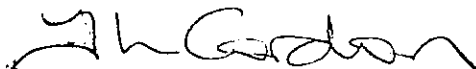
The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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:

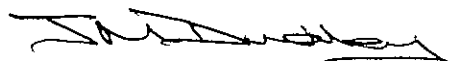
- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's 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	30
	2023	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	30
	2023	September
	£	2022
		£
Bank loans	19,903	28,884

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	<u>1,925,744</u>	<u>475,286</u>	<u>(1,083,705)</u>	<u>1,317,325</u>
Restricted funds				
Local government grants	-	697,857	(697,857)	-
Total of funds	<u>1,925,744</u>	<u>1,173,143</u>	<u>(1,781,562)</u>	<u>1,317,325</u>

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	<u>1,217,343</u>	<u>1,217,343</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

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.