

# EARLY YEARS WALES 2018

England & Wales · Charity number 1056381

## Details

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Other names	WALES PRE SCHOOL PLAYGROUPS ASSOCIATION, WALES PRE-SCHOOL PROVIDERS ASSOCIATION, WALES P P A
Status	Registered
Legal form	Charitable company
Company number	<a href="#">03164233</a>
Registered	1996-06-25
Register	<a href="#">View on the Charity Commission register</a>

## Contact

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## Activities

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**Objects:** FOR THE PUBLIC BENEFIT, ALONE OR IN CONJUNCTION WITH OTHER ORGANISATIONS, THE PROMOTION AND ADVANCEMENT OF THE EDUCATION, DEVELOPMENT AND CARE OF PRE-SCHOOL CHILDREN IN WALES BY: (A) PROVIDING SUPPORT AND GUIDANCE INCLUDING UPON GOVERNANCE, REGULATION, PLANNING, QUALITY IMPROVEMENT AND WORKFORCE DEVELOPMENT TO ORGANISATIONS AND INDIVIDUALS THAT PROVIDE FOR THE EDUCATION, DEVELOPMENT AND CARE OF PRE-SCHOOL CHILDREN; AND (B) ENCOURAGING PARENTS, CARERS AND FAMILIES OF PRE-SCHOOL CHILDREN TO UNDERSTAND THEIR NEEDS AND TO PROVIDE FOR THEIR NEEDS BY ENGAGING THEM IN ACTIVITIES THAT PROMOTE THEIR EDUCATION, DEVELOPMENT AND CARE.

**Activities:** To enhance the development, care and education of pre-school children in Wales, by encouraging parents to understand and provide for their needs through high quality pre-school groups. To give adults confidence to make the best use of their knowledge and resources, for the benefit of themselves and pre-school children.

## Classification

- **How:** Makes Grants To Individuals, Provides Human Resources, Provides Services, Provides Advocacy/advice/information, Acts As An Umbrella Or Resource Body
- **What:** Other Charitable Purposes
- **Who:** Children/young People, People With Disabilities, Other Charities Or Voluntary Bodies, Other Defined Groups, The General Public/mankind

## Geography

- **Area of benefit:** WALES
- Throughout Wales

## Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£901,804	£994,126	£1,083,163	22
2024-03-31	£979,367	£1,191,939	£1,214,007	23
2023-03-31	£1,244,484	£1,301,559	£1,330,656	28
2022-03-31	£1,154,149	£1,180,418	£1,441,387	29
2021-03-31	£1,231,418	£1,109,267	£1,466,062	31

## Trustees

Name	Role	Appointed
Clare Murphy		2024-02-01
Dr David Dallimore		2020-09-24
Elly Roberts		2025-05-08
Jamie Alan Powell		2020-09-23
Kathryn Leighfield		2023-02-02
Leonie Roberts		2025-09-10
Natalie MacDonald		2024-09-26
Tanwen Haf Grover		2024-09-26

**EARLY YEARS WALES 2018**

England & Wales - Charity number 1056381

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# Accounts

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REGISTERED COMPANY NUMBER: 03164233 (England and Wales)  
REGISTERED CHARITY NUMBER: 1056381

**REPORT OF THE TRUSTEES AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2025  
FOR  
EARLY YEARS WALES 2018**

Bevan Buckland LLP  
Chartered Accountants  
And Statutory Auditors  
Ground Floor Cardigan House  
Castle Court  
Swansea Enterprise Park  
Swansea  
SA7 9LA

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FOR THE YEAR ENDED 31 MARCH 2025

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**EARLY YEARS WALES 2018**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2025**

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

**Chairperson's Statement**

It is my privilege to present this year's Trustee Annual Report, reflecting on a period of both challenge and progress for Early Years Wales.

We continue to operate in a climate where financial pressures-both personal and organisational-are felt acutely across our sector. Despite this, our unwavering commitment to children in their early years remains central to our mission. We believe that investing in early childhood is not only essential for individual development but also foundational to a thriving society in Wales.

In 2024/25, Early Years Wales took the bold step of offering free membership to all settings and individuals. This initiative, funded through our internal reserves, was designed to alleviate financial burdens and ensure that access to our support and resources remained inclusive. This decision reflects our values and our belief in the power of collective action to support children and families.

Alongside this, our Board of Trustees has driven a significant expansion in our activities. We have increased our advocacy efforts, contributed to policy development, delivered high-quality training, and enhanced our professional services. These actions are part of our strategic commitment to being a leading voice and support system for the early years sector in Wales.

Throughout the year, we have actively represented our members in Senedd discussions, policy advisory groups, and community forums. We have published thought leadership pieces, updated key policies and practice guidance, and shared these widely through our digital platforms. Our aim is to promote best practice and elevate the profile of early years care across Wales.

Looking ahead, we recognise the importance of the upcoming Senedd elections. We are working proactively with stakeholders to ensure that the needs of children, families, and early years providers are firmly embedded in political discourse. In 2025, we will launch our manifesto, outlining practical and impactful recommendations to strengthen early years provision in Wales.

We are proud of the achievements detailed in this Report and remain committed to deepening our impact in 2025/26. Our vision is clear: every child in Wales should have the opportunity to play, learn, and thrive. By working collaboratively with our members, partners, and the Welsh Government, we believe this vision is not only achievable but within reach.

Wales is uniquely positioned to lead in early years development-large enough to make a meaningful difference, yet small enough to foster genuine collaboration. Together, we can build a future where every child is supported to reach their full potential.

**EARLY YEARS WALES 2018**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2025**

**OBJECTIVES AND ACTIVITIES**

**Objectives and aims**

Early Years Wales aims to support a high-quality early years sector in Wales, working with providers to support every child in Wales having the best start in life and creating the conditions for each child to play, learn and thrive.

The Charity aims to:

- Provide support and guidance including upon governance, regulation, planning, quality improvement and workforce development to organisation and individuals that provide for the education, development and care of children in their early years (age 0-7 years); and
- Encouraging parents, carers, and families of children in their early years (aged 0-7 years) to understand their needs and to provide for their needs and to provide for their needs by engaging them in activities that promote their education, development, and care.

Early Years Wales achieves these aims through conducting research, providing advice, publishing and distributing information, cooperating with other professional bodies, and utilising funds in-line with the Charities aims and objectives. The Charity works as a membership organisation, collecting membership fees from it's members within Wales, and using these funds to support the services and publications listed above.

**Our strategic pillars**

Our work is operationally delivered through five interdependent pillars of activity. Each pillar aspires to support, value, and enhance the early years sector in Wales and each pillar is of equal value.

With over 60-years of sector experience and extensive staff knowledge, Early Years Wales is a trusted organisation for working with the sector and for providing research based and evidence-led policy and practice support.

Early Years Wales aims to provide confidence to our members and our funders by being an organisation that is long-established, robustly governed, and provides a high-quality, supportive environment for our staff. We are focused on delivering value for money.

1. Sustainable, quality childcare businesses, charities, and parent-led groups
2. A qualified, valued, and skilled workforce at all levels (including volunteers and volunteer managers)
3. Support for parents of children in the early years; support for parent-led groups (e.g., Parent and Toddler groups)
4. Promoting a positive start for all children through their early years (0-5)
5. Advocacy for the providers and users of early childhood education and care

The Trustees have paid due regard to guidance issued by the Charity Commission's public benefit guidance in deciding what activities the Charity should undertake and in planning future activities. Due diligence is given to how future activities will contribute to strategic aims and align with the aims and objectives.

**EARLY YEARS WALES 2018**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2025**

**ACHIEVEMENTS AND PERFORMANCE**

**Charitable activities**

**1. Sustainable, quality childcare businesses, charities, and parent-led groups**

**In 2024 / 2025 Early Years Wales made membership free using invested reserves to cover the costs for our members.**

Supporting Our Members Through Challenging Times:

In response to the ongoing cost-of-living crisis and continued static funding for government-funded childcare places, Early Years Wales made the decision to offer free membership for 2024/2025. This move recognised the financial pressures our members faced-particularly acute in spring 2024-and aimed to ease the financial burden on early years settings.

Thanks to generous support from the Moondance Foundation, who match-funded our investment with £25,060, we were able to provide this support at a crucial time.

We're proud to have ended the year with 1,924 unique members-stronger and more connected than ever.

**Early Years Wales Small Grant**

Supporting Members in Crisis Fund

Our small grants fund provided vital support to settings facing financial challenges that threatened their sustainability or growth plans. Through strategic partnerships with The Moondance Foundation and charitable funds from member settings transitioning ownership, we secured dedicated funding for our 2024-25 small grants programme.

**Impact at a Glance**

- £18,015 in total funding allocated across the programme
- 38 members received targeted financial support to maintain and develop their services
- 8 counties benefited from grant distribution, ensuring widespread geographical reach
- 86% success rate with 38 successful applications supporting members in need
- This fund represents our commitment to ensuring that financial barriers don't prevent quality early years provision from reaching the children and families who need it most. The support enabled settings to navigate challenging circumstances while maintaining their focus on delivering excellent care and education.

**Early Years Wales Partnership Opportunities**

Through strong partnerships, we delivered meaningful opportunities that directly supported our members' needs.

**LEGO® Education Build Me "Emotions" sets**

The LEGO Group, Early Years Alliance, The Royal Foundation Centre, Early Years Scotland, Early Years Wales and Early Years in Northern Ireland for Early Childhood joined forces to distribute LEGO® Education sets to early years providers across the country.

**Edina Trust - Little Explorer Kits**

Free Outdoor Investigation Kit for Charitable/Voluntary Settings

Other partnerships included:

- TTS
- Boogiemites
- Towergate Insurance
- Redwing HR
- Den Early Years
- Towergate Insurance
- Booktrust Cymru

Early Years Wales is grateful to all organisations who are working in partnership with us to support the childcare sector.

**Early Years Wales Charity Governance Support**

The governance project supported 420 members in all areas of governance during 2024/25.

Supporting small, charity-run childcare members in Wales is achieved through various avenues including funding, business support, and volunteer engagement. All 'not-for-profit' members are identified and added to the governance database, we check their legal status matches their Care Inspectorate Wales (CIW), Companies House, and Charity Commission registration.

"It has been really lovely working with you this year, your work is invaluable in supporting us, thank you for all your support and kindness"

- Charity Commission

## EARLY YEARS WALES 2018

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

"WOW I didn't expect you to do all this for us, this is brilliant, I didn't know where to start, I will share it with our accountant, thanks"

- Responsible Individual (Head Teacher/Charity Chair)

"Thank you so much for the info. We've had another successful CIO meeting, once again thank you for all your support. What would I do without you!?"

- Responsible Individual (Head Teacher/Charity Chair)

"Many thanks for all your help, bit of a mess really, don't know what we would do without you at the end of the phone, my stress levels are through the roof, but you are so kind and helpful it makes me feel so much better, there is a light at the end of the tunnel!"

- Trustee/Chair

#### **Early Years Wales Quality Assurance Scheme**

Our quality assurance work to support excellent practice in the sector continued in 2024/ 2025. Responding to feedback, we have improved the process to support timely completion and professional support throughout the process.

#### **Working in Partnership with Moondance Foundation for a Better Early Years Sector in Wales**

##### **Expanding Access and Growing Membership**

In 2024/25, Early Years Wales proudly offered free membership to childminders and voluntary managed providers, made possible by a generous £25,060 grant from the Moondance Foundation. This vital support enabled us to remove financial barriers and strengthen our network during a challenging year for the sector.

The impact was transformative. By the end of 2025, we achieved significant membership growth across both sectors. Childminder membership increased by 3%, reaching a total of 285 members. Voluntary managed providers experienced even more remarkable growth, with membership rising by 14% to reach 277 members.

This growth reflects both the genuine value our support provides, and the continued trust placed in our work across Wales. The partnership with Moondance Foundation has been instrumental in making quality professional support accessible to all, regardless of financial circumstances. A case study showcasing the real-world impact of this support is shared later in this report, highlighting how removing barriers creates lasting benefits for providers, children, and families.

Further member services included:

- Monthly E-Bulletin: Updates on policy, training, and exclusive opportunities.
- smalltalk Magazine: A termly publication covering key sector themes (e.g., sustainability, movement and nutrition).
- Bespoke Training & Policy Support: Leadership guidance, including training on Anti-Racist Wales Action Plan implementation.
- Essential Policy Packs: Resources for voluntary providers, including finance templates, GDPR compliance guides, and governance toolkits.
- The introduction of a new periodical publication - The Business Bulletin in March 2024 - the first edition was titled Payroll and People. This periodical was created to support early years businesses with the ever-changing challenges they face, either sector-specific or broader changes that affect all businesses.

## **2. A qualified, valued, and skilled workforce at all levels (including volunteers and volunteer managers)**

### **Foundation Learning**

#### **Curious about the Curriculum**

The Foundation Learning programme has continued to offer essential support for those working with the curriculum for non-maintained nursery settings. Sessions offered through the Curious about the Curriculum series aim to explore some of the common misunderstandings and miscommunications, as well as inform practitioners of updates and answer questions. Feedback has been positive, with participants appreciating the structure, informality and accessibility of the sessions.

- 3 sessions delivered
- 37 attendees
- 336 members reached

"I have really enjoyed this course and got a lot from this"

"I found the course beneficial and informative"

#### **Active Child**

As part of our Foundation Learning offer, we delivered:

## EARLY YEARS WALES 2018

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

Active Child training to early years practitioners and reception teachers across Swansea, Powys, and Caerphilly. This face-to-face training supports those working with 3-5-year-olds to better understand how physical development underpins all areas of learning. The course explores movement schemas, motor progression, and playful environments, helping practitioners to confidently embed active, purposeful movement into everyday curriculum delivery.

- 3 sessions delivered (Swansea, Powys and Caerphilly)
- 46 attendees

"Thank you for coming to our setting and training so many of our staff, it means as a whole PS1 unit all staff are on the same page and have a understanding of the importance of movement and how it helps children's learning further up the school."

- Active Child (Swansea)

#### **A Whole Body Approach to Learning in the Early Years**

In June 2024, as part of our Foundation Learning programme, we ran an event titled "A Whole-Body Approach to Learning in the Early Years." This full-day training, hosted at Court Colman Manor, brought together early years practitioners to explore how engaging children's senses, movement, and environment can support development across all key learning areas. A highlight of the day was a keynote presentation by consultant and author Sally Goddard-Blythe, who shared her expertise on physical development and its vital connection to learning. Participants also took part in practical, hands-on sessions and had the opportunity to network, reflect, and share innovative strategies for supporting holistic learning in early years settings.

- 53 attendees

"Great day. Amazing training. Really helpful and informative"

"Very interesting course that I feel will help our setting going forward"

#### **Self-Directed Play and Neurodiversity in Early Childhood**

In January 2025, we delivered Self-Directed Play and Neurodiversity in Early Childhood, led by early childhood and neurodiversity specialist Kerry Murphy. The session challenged the myth that neurodivergent and/or disabled children need to be taught how to play in a specific way. Through a neurodiversity-affirming lens, practitioners explored the value of self-directed play, diverse play patterns, and the importance of liberating play from developmental expectations.

- 26 attendees

"It was very informative and reassured me that I am providing the best practice for supporting the children on my caseload through play"

#### **Welsh Safeguarding**

All safeguarding courses have been updated to align with the new categories outlined in the National Minimum Standards (NMS). There has been a notable increase in attendance, particularly among frontline staff, reflecting a growing commitment to safeguarding practices.

Evaluation feedback indicates a marked improvement in staff confidence when addressing safeguarding concerns, demonstrating the positive impact of the revised training approach.

- 2 Creating a Safeguarding Culture sessions delivered
- 2 Safeguarding B courses delivered
- 2 Safeguarding C courses delivered
- 93 attendees

#### **Movement Champion**

Movement Champion training has empowered staff to promote active lifestyles within their settings and broader communities. Champions are equipped with knowledge around physical activity, motivational techniques, and inclusive approaches to movement.

#### **Active Child (Online) - February 2025**

- 18 settings / individuals that are Movement Champions

"A lovely energetic course, lovely to share ideas across a wide platform of different settings"

"Course was brilliant, great to share ideas with other practitioners. The content and delivery of the course was great. Would love to do a face-to-face so we could do more singing and exercising together"

#### **Asynchronous & Well-being Training**

## EARLY YEARS WALES 2018

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

The asynchronous format of learning has provided staff teams with flexible learning options. Modules cover Active Baby and Active Toddler, each designed to be completed in under 95 minutes.

Following completion, learners complete a 10-minute online assessment. A pass mark of 80% grants full access to related resources and a certificate of completion.

Additionally, three well-being coaching sessions were delivered to support Early Years leadership through Den Early Years.

- 23 settings / professionals purchased

#### **Lunch and Learn sessions**

As part of our commitment to accessible, relevant, and time-efficient professional development, we have introduced a series of Lunch and Learn sessions designed to provide bite-sized learning opportunities for early years practitioners.

These informal, focused sessions are delivered virtually and scheduled over lunchtime, making them convenient to attend without disrupting the working day. Each session lasts no more than 30 minutes and covers a specific theme or area of practice, often aligned with current sector priorities or feedback from practitioners.

Topics included:

- Quality for All (May 2024)
- Child Safety (June 2024)
- Food and Nutrition (July 2024)
- Lockdown Policy (September 2024)
- Well-being Coaching (October 2024)
- Social Care Wales Offer (November 2024)
- Forest Schools (January 2025)
- Little Magic Train (March 2025)

- 8 sessions delivered  
- 83 attendees

#### **Networking sessions**

Several internal networking events have been facilitated to encourage collaboration, knowledge sharing, and professional development.

These included Breakfast Bulletins and Leader & Manager Networks.

- 4 sessions delivered  
- 50 attendees

"I feel more connected and informed"

Additional training offers:

In addition to our core programmes, we have designed and delivered a suite of additional training offers that directly support the sector, shaped by insights gathered through a Training Needs Analysis (TNA).

These were delivered in partnership with sector specialists and experts, including:

- Toileting Together - Primary Steps
- Risk Taking in Play - Play Wales
- Introduction to Childcare - Early Years Wales & Social Care Wales
- Diverse Pathways of Development - Kerry Murphy
- Y Cylch Cymraeg - Matt Anthony
- Centering Play in Inclusion - Dr Sharon Colillies

- 6 sessions delivered  
- 63 attendees

"The session was well presented, and I really enjoyed listening to Kerry Murphy. With so much information covered during the session, I did feel mentally exhausted at the end (which is a compliment!). I do need to re-read my notes and go back through the slides to help embed the information"

- Diverse Pathways of Development in Early Childhood with Kerry Murphy

"It was made clear how important it is to get to know the child and understand what works best for them, how everyone is different, and we must observe and reflect"

- Diverse Pathways of Development in Early Childhood with Kerry Murphy

## EARLY YEARS WALES 2018

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

"Training was full of information. Diolch yn fawr"

- Y Cylch Cymraeg - The Observation, Assessment and Planning Cycle with Matt Anthony (Early Years Wales)

#### **Showcasing our external partnerships in delivery**

At the heart of our evolving delivery approach lies a strong commitment to working in genuine collaboration with external partners to amplify impact and extend our reach. Over the past year, our work with external organisations has been pivotal in shaping and delivering high-quality, relevant offers that support practitioners working across the early years sector.

Shifting from a non-racist to an anti-racist training approach

One key area of development has been our Shifting from a non-racist to an anti-racist training approach. This two-part training has been intentionally designed and led in-house, with input from expert voices and external partners committed to racial equity. Our focus has been on equipping early years practitioners with the practical tools, reflective spaces, and language needed to actively work towards becoming anti racist in their settings. The content is informed by lived experience, current research, and sector-wide best practice.

We have been commissioned and delivered Shifting from a non-racist to anti-racist approach training to the following Local Authorities:

- Merthyr Tydfil
- Cardiff
- Neath Port Talbot
- Flintshire

- 12 courses delivered (in-house and with local authority support)
- 142 attendees

"Really good training, very useful & the trainer made me feel at ease & was happy to answer questions & talk through scenarios"

"Thoroughly enjoyed the course, the tutor was lovely and shared lots of information with us on how to incorporate the content of the course in our setting, she also brought lots of resources with her for us to look at"

#### **Active Movement Offers**

We have continued to strengthen our Active Movement Offers, a suite of resources and training opportunities developed to encourage physical literacy and healthy habits from the earliest stages of childhood. Developed in house, these offers have been further enhanced by a partnership with Den Early Years who specialises in babies. This collaboration has enabled us to tailor delivery methods, refine content, and scale reach across Wales.

Our delivery to external partners and Local authorities continues to be underpinned by shared values, mutual learning, and a focus on long-term impact for children and families. As we look ahead, we remain committed to deepening these partnerships and our offers of training.

Camau Work Welsh - Supporting Confidence, Consistency, and Culture in the Early Years Workforce

Supporting the early years workforce to develop their Welsh language skills remains a central strand of our work. Through the Camau Work Welsh programme, we continue to offer structured, accessible, and bespoke sector-specific learning opportunities that help the workforce make a meaningful contribution to Cymraeg 2050: A million Welsh speakers.

#### **Strong Engagement and Growing Confidence**

Engagement with Camau this year has been particularly strong at Entry level, with 205 practitioners enrolling and 113 completing the programme. This impressive uptake highlights a growing appetite for Welsh among early years professionals and a positive shift in attitudes toward using the language, even among those with no prior experience.

Participants frequently reported increased confidence and a genuine sense of achievement in using Welsh in everyday situations with children, families, and colleagues.

"I used to worry about saying anything in case I got it wrong. Now I try a little every day and the children are learning with me!"

#### **Progression Through the Levels**

At Foundation level, 21 learners registered with 11 completing the programme. At Intermediate level, 4 practitioners enrolled and 2 completed. While smaller in scale, these figures are significant-they demonstrate that learners are not only building foundational Welsh skills but are actively choosing to progress and deepen their competence.

"I'm now able to lead short sessions fully in Welsh. I never thought I'd get to that point. The training has really changed what I thought was possible."

#### **Comprehensive Ongoing Support**

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### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

The success of Camau lies not only in the quality of the training, but in the ongoing support that helps practitioners embed their learning into practice. Through a blend of face-to-face, digital, and resource-based support, we created a sustainable, supportive, and responsive pathway for Welsh language development.

Support was provided through:

" Face-to-Face Follow-Up Sessions

"Having someone visit our setting after the course made a big difference. We could see how to bring the Welsh into our actual day-to-day."

- Email-Based Support and Celebrations
- Microsoft Teams Check-ins and Drop-In Sessions
- Access to Bilingual Resources
- Signposting and Progression Pathways

"It's reassuring to know there's more I can do after the course. I'm not left to figure it out alone."

#### **Welsh Language Development through Cynllun Plethu**

Cynllun Plethu has continued to play a vital role in supporting early years settings across Wales to strengthen their Welsh language provision. Working closely with three participating settings at varying stages of their bilingual journey, the project has helped foster environments where the Welsh language is both seen and heard, embedded meaningfully into daily routines, and celebrated as part of children's identity and sense of place. All three settings have transformed their use of Welsh and are moving towards providing Welsh language immersion.

Each setting continues to receive tailored support through a combination of structured training, hands-on mentoring, and goal-focused action planning. All settings engaged with the Camau Work Welsh training programme, with staff supported to complete modules appropriate to their level, from entry to intermediate. Learning was reinforced through training support sessions, delivered termly on-site or online, dependant on the learners needs. These sessions equipped staff with the confidence to use Welsh in authentic, child-led contexts such as greetings, transitions, storytelling, and song.

15 face-to-face development visits were made across the three settings, which supported.

- Real-time modelling of bilingual practice
- Reflective coaching and observation feedback
- Assistance with Welsh Promise action planning
- Joint creation of bilingual displays and visual prompts

Each setting made measurable progress:

- One setting achieved both Bronze and Silver Welsh Promise awards, with a clear whole-setting commitment to bilingualism.
- Another deepened the use of incidental Welsh, engaged confidently with parents bilingually, and demonstrated readiness to expand provision.
- The third, embraced a supportive and inclusive introduction to Welsh, with staff building skills steadily and a Welsh Language Champion.

Parents were engaged through bilingual newsletters, song sheets, and cultural events, helping extend Welsh language exposure into the home environment. Children across all settings responded positively, often repeating key phrases and demonstrating enthusiasm for Welsh songs, stories, and routines.

In addition to language-focused support, strategic business guidance was provided where needed. This included policy development, committee governance, and sustainability planning, ensuring settings were not only linguistically enriched but also structurally resilient.

Cynllun Plethu has proven to be more than just a language initiative; it is a capacity-building framework that supports professional growth, strengthens setting culture, and enriches children's early experiences with the Welsh language. The progress of the three participating settings reflects the impact of sustained, responsive, and collaborative support.

### **3. Support for parents of children in the early years; support for parent-led groups (e.g., Parent and Toddler groups)**

#### **Our work with Sport RCT | Project Overview:**

Sport RCT commissioned Early Years Wales to deliver the First 1000 Days Delivery Partnership, focusing on the development and rollout of Active Baby services across the Rhondda Cynon Taff area. This programme forms part of a broader strategy to embed movement and physical activity into the critical early stages of a child's development - starting from birth.

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The first 1000 days of life (from conception to age two) are now widely recognised as a foundational period for long-term physical, emotional, and cognitive wellbeing. This commissioned work aims to build awareness of this important child development among parents, carers, and early years professionals, using movement as a key intervention tool.

#### **Project Title: First 1000 Days Delivery Partnership - Active Baby Services**

Under a formal Service Level Agreement (SLA), Early Years Wales has been commissioned by Sport RCT to lead the delivery and rollout of Active Baby services across the Rhondda Cynon Taff Valleys.

This initiative forms part of the broader First 1000 Days Delivery Partnership, which focuses on the critical importance of early movement and physical development from birth to age two.

#### **Aims of the Partnership**

- To engage parents and carers in promoting movement from birth.
- To raise awareness of the importance of physical development in babies during the first 1000 days.
- To support families with tools and guidance that encourage healthy early movement habits at home.

#### **Activity:**

- Delivery of the messaging has commenced through a network of trained facilitators who have completed the full training pathway: Active Baby, Active Toddler, and the two-day Active Baby at Home programme. This approach is now being embedded within local community areas and nursery settings, ensuring consistent messaging reaches families across all parts of the community
- These facilitators are delivering sessions that offer practical, hands-on support to parents and carers.
- They also promote understanding of how early movement supports both physical and cognitive development in babies.

#### **Monitoring and Support**

- Early Years Wales is actively monitoring delivery quality to ensure consistency and meaningful impact across all sessions.
- All participating families receive bespoke Active Baby Packs, designed to:
  - Reinforce key messages delivered during sessions.
  - Provide simple, engaging activities for families to use at home.
- Encourage continuity of movement-based play in everyday routines.

#### **Active Baby at Home - Train the Trainer Model**

In addition to direct delivery, we have continued to deliver the Active Baby at Home - Train the Trainer model to extend our reach across Wales.

Areas currently engaged in the Active Baby at Home Train the Trainer model:

- Swansea
- Bridgend
- Merthyr
- Rhondda Cynon Taff

This model empowers local professionals to deliver consistent Active Baby messaging and support independently, with resources and guidance from Early Years Wales.

Physical Literacy courses:

- 39 practitioners attended Active Baby training in Rhondda Cynon Taff
- 32 practitioners attended Active Toddler training in Rhondda Cynon Taff
- 45 practitioners across Swansea, Merthyr Tydfil, Bridgend and Rhondda Cynon Taff who are now trained to deliver Active baby at Home

"Everyone who is pregnant, has a child, works with children should have this training, it is vital and could make such a huge difference!"

"Absolutely fantastic course. Really enjoyable and very interesting. Looking forward to delivering sessions for families"

#### **New Development: Growing Movers 6-week programme**

We have also developed and initiated delivery of the Growing Movers programme, further expanding our early years support offer. This strand focuses on holistic early development and complements the Active Baby at Home work by promoting cognitive and emotional growth alongside physical movement for 8 - 15-month-old babies.

This is currently being rolled out to families in Rhondda Cynon Taff with support from local settings.

#### **Cydweith Cymraeg - Building Family Confidence in Welsh**

The Cydweith Cymraeg programme engaged over 60 families across Wales through interactive bilingual sessions that brought children and parents together to learn Welsh side by side. Delivered in community playgroups, nurseries, and parent-toddler groups, the programme focused on building confidence in everyday Welsh through shared songs, stories, and activities.

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Families joined with varied starting points-some with little to no Welsh, others preparing for Welsh-medium education. The programme's strength lay in its gentle, low-pressure approach that created safe spaces where Welsh could be heard, repeated, and enjoyed naturally.

The impact was immediate and lasting. Parents reported using Welsh at home-greeting with "Bore da," singing bilingual songs, and understanding vocabulary their children brought home. One father shared: "I could only count to three in Welsh at the start. Now we're counting to 99 at home!" Children as young as six months responded enthusiastically, with families surprised by how quickly children engaged when Welsh was introduced through play.

Crucially, the impact extended beyond the sessions. In Monmouthshire, children began using Welsh spontaneously in play, prompting parents to seek home resources. Several families started exploring additional Welsh learning opportunities, inspired by their children's progress. Cydweith Cymraeg demonstrates that when Welsh is introduced through shared parent-child experiences, it becomes part of family life-a living language with foundations that grow well beyond the early years.

#### **Step into Welsh at St Fagans - Songs, Stories and Movement**

From September to March, we delivered Step into Welsh in collaboration with St Fagans National Museum of History, introducing young families to Welsh through playful, developmentally appropriate sessions. With 55 families participating across baby (6 weeks-12 months) and toddler (12+ months) sessions, the programme seamlessly integrated language learning with physical development.

Each session was carefully designed to reflect developmental needs. Baby sessions used gentle movements and rhythmic language, incorporating Welsh phrases like 'Codi! Codi!' during lifting motions. Toddler sessions included dynamic storytelling where children followed Welsh commands such as 'Dewch yma' while jumping or clapping, supporting both language acquisition and gross motor development.

The programme's innovative approach connected movement with language retention-activities focused on crossing the midline, hand-eye coordination, and sensory integration, all while embedding Welsh naturally into physical play. Stories were matched to developmental stages, from simple visual storytelling for babies to interactive narratives where toddlers acted out Welsh words and sounds.

Parent feedback highlighted the programme's accessibility and impact: "Fantastic free Welsh movement sessions in a great setting" and "Very relaxed... Really enjoyed. Diolch." Families gained confidence using Welsh in everyday situations while understanding the powerful connection between movement and language development.

This collaboration with St Fagans exemplifies our commitment to making Welsh language learning inclusive, engaging, and developmentally sound-creating positive early experiences that support lifelong bilingualism.

#### **4. Promoting a positive start for all children through their early years (0-5)**

##### **Movement champion campaign**

Our Movement Champion Campaign raises awareness of the importance of movement in the development of cognitive skills and physical abilities of young children. As of April 2025, the campaign had a total of 48 signups from all corners of Wales. These included entire childcare settings, childminders, Members of the Senedd and third sector organisations.

The campaign has a catch all theme, encouraging settings, childminders, individuals and organisations to sign up, receiving assets to help them promote and report on how they are implementing the campaign for the purposes of receiving a certificate.

##### **ECPLC leaflet**

Early Years Wales collaborated with the Welsh Government to produce an easy-read leaflet about Early Childhood, Play Learning and Care (ECPLC) policy which is adopted by the Welsh Government and implemented in settings across Wales. The purpose of the leaflet is to help parents and carers understand what ECPLC is, why it is important, and how the early years sector is incorporating it into their practice to support their child. A second benefit of this leaflet is raising awareness with parents about the vital work the early years sector is doing to support the physical and cognitive development of children, enhancing the sector's value in the eyes of parents.

##### **Championing the Early Years Through Policy and Advocacy**

As a non-political charity, Early Years Wales values the opportunity to contribute to Cross Party Groups (CPGs) convened by Members of the Senedd. In 2024/2025, we actively participated in eight CPGs focused on children and poverty, working alongside a broad range of stakeholders to support informed scrutiny of Welsh Government policies and initiatives.

Our Head of Policy and Advocacy played a key role in shaping these discussions-providing evidence and data that supported Senedd Members in their statements on childcare and the early years during plenary sessions. Where appropriate, we also engaged directly with Welsh Government ministers, offering insight and raising sector-relevant concerns to help inform policy development affecting children and families across Wales.

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Through these contributions, we continue to ensure the voices and experiences of our members are represented in national conversations.

**Policy updates and sector working group**

Our Head of Policy and Advocacy hosts a regular policy working group designed to create space for members to feed directly into policy calls as well as resource development. These conversations inform our direct work with the Welsh Government in various meetings such as the National Minimum Standards reviews, Fair Work forums, and task and finish groups to ensure the voice of the sector is heard by civil servants.

**Partnership working with Public Health Wales**

In Autumn 2024, Public Health Wales convened a working group of organisations from the early years, local authorities, third sector, health and wider stakeholders to consider the draft and publication of 'The Best Start in Life: An Early Years Framework for Action'. As this work is central to our strategic plan, Early Years Wales was delighted to contribute extensively to this document and are scheduled to speak at the launch event in summer 2025.

**5. Advocacy for the providers and users of early childhood education and care**

**Mental Health Survey**

At the end of 2024 and the beginning of 2025, Early Years Wales released a survey designed to gather information about the levels of mental health amongst staff who work in the early years sector. The survey provided data which was the first of its kind in Wales, giving us an insight into the mental health of individuals at different levels of pay, responsibility and experience in the sector.

Results from the survey show that many people working across the early years sector in Wales experience negative mental health and well-being. They report that this is often caused by issues such as attitudes towards the sector, lack of value and pay, and uncertainty about the future of their livelihoods. This leads to feelings of immense frustration expressed by all, at different levels both within and outside of the sector. From more junior staff, it is expressed towards management, and higher-level staff, frustration is expressed at wider social factors. This fragility and mental instability felt throughout the sector suggests that it is not always a healthy place. The impact of low pay and being undervalued results in these feelings being felt sector wide.

**Campaign for improving the childcare offer rate**

In October, our CEO spoke on an invited panel at the Cross-Party Group for Children and Families event, 'The First 1,000 Days; A Right to Childhood.'

Talking on a panel including, Dr Liz Gregory (Parent and Infant Foundation), Clare Law (Blackpool Better Start), and Chaired by John Griffiths MS, our CEO talked about the fragmented funding for the early years sector, and how this adds complexity to the system for providers and parents. In a short presentation, the key message to Ministers was to use the policy levers in place to address the system challenges and enhance the profile and working conditions for the sector by investing early and focusing on preventive measures over later intervention programmes.

**FINANCIAL REVIEW**

**Financial position**

**Incoming Resources**

Incoming resources for the year ended 31 March 2025 were £901,804 (2024: £979,367). Income from charitable activities was £872,761 and has decreased from £935,630 in 2024.

**Resources Expended**

Resources expended during the years ended 31 March 2025 were £994,126 (2024: £1,191,939).

**Results**

Net outgoing resources for the year were £130,845 (2024: £116,649). Before investment losses of £38,523 (2024: £95,923 gain), an unrestricted deficit of £83,215 was generated (2024: deficit £196,124) and a £9,107 restricted deficit generated (2024: £16,448 deficit).

**Cash Flow**

Cash flow remains strong, holding £313,833 (2024: £212,481) in cash.

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**FINANCIAL REVIEW**

**Reserves policy**

We have utilised some of our reserves over the last year to provide free membership for our members, and to supplement income to continue what we believe to be essential services.

The Charity receives external funding in the form of grants and contracts to support its very important activities in the furtherance of charitable objectives. Such funding sources are subject to chance and cannot be guaranteed. In addition, the Charity undertakes project-driven work for which restricted income is received.

The Trustees consider 12-months running costs sufficient to safeguard a loss of funding. The use of invested reserves has contributed to:

- Central Support membership services
- Governance support and advice
- Training and development services
- Welsh translation services
- Free membership for members.

At the reporting dates, the free reserves were £1,050,613 (2024: £1,170,595) representing unrestricted funds less tangible assets and restricted amounts. The remaining funds are held with an aspiration to achieve income that the Charity can spend on its aims.

**FUTURE PLANS**

- Continuing our Movement Champion Campaign - with supportive funding being secured from the KPMG Foundation, Early Years Wales will catalyse the movement champion campaign, advance the production of supportive resources and capture evidence of the impact of movement on children's development.

- Updating and enhancing our membership offer as we reinstate charges - working with partners, and through updating our products and services, members renewing and paying for membership for the first time since 2019 will see an organisation committed to system improvements and providing value for money.

- Developing our portfolio of training and learning opportunities - the early years sector runs on tight budgets. Our commitment is to provide excellent professional development opportunities that enhance practice and leadership at all levels.

- Reinstating our regional roadshows - the post-Covid world is different, and our previously hosted regional forums are managed through different technological approaches. However, the time is right to return to visiting members in their regions. We are restarting this in 2025 with a view to embedding these regional practice-sharing events in our calendar.

- Finalising our 3-year project with Arts Council of Wales on Creative Learning in the Early Years - The Creative Learning in the Early Years project has been a joyful exploration of collaborating with artists in the early years' settings around Wales. 2025/26 brings this three-year project to a conclusion. We would hope to continue this work beyond (subject to funding), however, aim to ensure that the key learning, case studies and practice are shared widely within the sector and beyond.

- Revitalising our Annual Conference, making this accessible to all members - we have an exciting conference planned for 2025, with excellent speakers. We are providing this to our members free of charge. We hope to see a large online audience to share reflections about the practice of childcare and early years.

- Launching our manifesto for the early years to help the conversation about improving the system in Wales - heading into the elections in 2026, Wales is at a crossroads. We have the basis of a proactive and targeted programme of childcare to support families. We will launch our manifest to share our vision of what steps the incoming government could take to enhance the sector for children, families and for the workforce.

- Modernising our systems - in 2025/ 2026 Early Years Wales are;

- Launching a new website
- Investing in WhatsApp messaging to enhance our communications with the members
- Investing in AI to enhance our responsiveness and productivity
- And enhancing our ability to offer asynchronous learning through a range of mediums

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

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

Early Years Wales is a charity limited by guarantee and is governed by memorandum and articles dated 12th July 2018.

**EARLY YEARS WALES 2018**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2025**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Charity constitution**

The directors of the charitable company (the Charity) are its Trustees, for the purposes of charity law and throughout this report they are collectively referred to as the Trustees.

**Recruitment and appointment of new trustees**

As set out in the articles of association, The Chair and Treasurer are elected by the Trustees. The Company Secretary is appointed by the Trustees. The Trustees are recruited using a variety of methods ranging from general advertisements, direct approach where specific skills or experiences are sought, and referrals. Trustees are appointed for a period of four years and can be reappointed for a further four years before stepping down for at least 12 months. Trustees are a blend of Early Years Wales members and volunteers with skills and experience from professional and personal experience. Co-opted Trustees may be appointed.

**Organisational structure**

The Board of Trustees, which can have up to 20 members, administers the Charity and sets the overall mission, direction, and strategies of Early Years Wales. It scrutinises performance to secure effective implementation of strategy as well as approving budgets and monitoring membership and the risk assessment register.

Details of implementation and execution are the responsibility of the management team led by the Chief Executive Officer. This ensures that:

- The organisation stays focused on its mission and strategy
- Key strategic and policy decisions are made by the board, and
- Support and constructive challenge are given by the Trustees to the management team and CEO.

The Board meets four-times a year. The Finance Committee meets four times a year between Board meetings.

**Induction and training of new trustees**

Trustees are inducted into Early Years Wales by the CEO and Chair. There is bespoke and generic Trustee training available.

**Key management remuneration**

The key management personnel received remuneration totalling £214,272 (2024: £320,655).

The key management personnel of the charity during the year were the CEO, the Finance Manager, the Head of Membership & Local Authority Contract, the Head of Training, Learning and Development and the Head of Policy and Advocacy.

The key management personnel of the Charity has reduced from 8 in the prior year to 5 in the current year as a result of the Charity restructure.

**Related parties**

There was one related party transactions relating to the financial year 2024/25 (2023/24: nil). Jaziea Farag (Courage to Climb Ltd), provided professional services to the Charity whilst on the Board amounting to £1,966.

All interests are required to be declared and signed in the Trustee Declaration of Interest proforma as required under Early Years Wales' code of governance. A conflict-of-interest register is kept and updated annually, or when appropriate. In addition, all Trustees are asked to declare any interest pertinent to the agenda at all Board meetings.

**Risk management**

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

Early Years Wales considers itself to be a risk intelligent organisation, taking appropriate managed risks in an increasingly challenging environment. Our risk register and risk management procedures are fully embedded within the organisation. The risk register is updated and reviewed by Trustees in Board and Finance meetings.

**Pay Policy for Staff**

Salaries for all staff are approved by the Board and are set at market rate. Early Years Wales is a Real Living Wage employer. The Charities policy is to give full and fair consideration to applications for employment made by people identifying protected characteristics including disability, and minority ethnic backgrounds. Disabled employees received appropriate training to promote their career development within the Charity. Employees are kept well informed about the progress and position of the Charity by regular internal meetings.

**EARLY YEARS WALES 2018**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2025**

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**

03164233 (England and Wales)

**Registered Charity number**

1056381

**Registered office**

Unit 9 Centre Court  
Treforest  
Rhondda Cynon Taff  
CF37 5YR

**Trustees**

L M Owen  
J A Powell  
D J Dallimore  
C A Asante (resigned 12.3.25)  
E Dace (resigned 18.11.24)  
J A Elmer  
J H Farag (resigned 21.5.25)  
T H Grover (appointed 26.9.24)  
K Leighfield  
N Macdonald (appointed 26.9.24)  
G Meredith (resigned 5.2.25)  
C Murphy  
E Roberts (appointed 8.5.25)

**Company Secretary**

D Goodger

**Auditors**

Bevan Buckland LLP  
Chartered Accountants  
And Statutory Auditors  
Ground Floor Cardigan House  
Castle Court  
Swansea Enterprise Park  
Swansea  
SA7 9LA

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also the directors of Early Years Wales 2018 for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

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

In so far as the trustees are aware:

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

**EARLY YEARS WALES 2018**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2025**

**AUDITORS**

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

Approved by order of the board of trustees on .....10/09/2025..... and signed on its behalf by:



.....  
D J Dallimore - Trustee

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF EARLY YEARS WALES 2018

### Opinion

We have audited the financial statements of Early Years Wales 2018 (the 'charitable company') for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

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

### Other information

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

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

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

The financial statements of Early Years Wales 2018 for the year ended 31 March 2024 were audited by another auditor who expressed an unmodified opinion on those statements on 15 August 2024.

### Opinions on other matters prescribed by the Companies Act 2006

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

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

### Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF EARLY YEARS WALES 2018

### Responsibilities of trustees

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

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

### Our responsibilities for the audit of the financial statements

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

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

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

We identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, and then, design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

We discussed our audit independence complying with the Revised Ethical Standard 2024 with the engagement team members whilst planning the audit and continually monitored our independence throughout the process.

### Identifying and assessing potential risks related to irregularities.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- enquiring of management, including obtaining and reviewing supporting documentation, concerning the Charity's policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- discussing among the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud.
- obtaining an understanding of the legal and regulatory frameworks that the Charity operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Charity, The key laws and regulations we considered in this context included the UK Companies Act and relevant tax legislation.

### Audit response to risks identified

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations;
- enquiring of management concerning actual and potential litigation and claims; performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments;
- assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- evaluating the operational rationale of any significant transactions that are unusual or outside the normal course of operations.

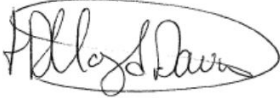
We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
EARLY YEARS WALES 2018**

**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.



Henry Lloyd Davies (Senior Statutory Auditor)  
for and on behalf of Bevan Buckland LLP  
Chartered Accountants  
And Statutory Auditors  
Ground Floor Cardigan House  
Castle Court  
Swansea Enterprise Park  
Swansea  
SA7 9LA

Date: .....10/9/2025.....

EARLY YEARS WALES 2018

STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	Unrestricted funds £	Restricted funds £	2025 Total funds £	2024 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	726	-	726	10,427
<b>Charitable activities</b>					
Grant income	4	29,740	794,392	824,132	883,828
Other income		5	-	5	3,912
Quality assurance		9,395	-	9,395	12,555
Sale of publications		6,134	-	6,134	5,065
Courses and training		32,945	-	32,945	30,270
Membership income		150	-	150	-
Investment income	3	27,211	-	27,211	31,445
Other income		1,106	-	1,106	1,865
<b>Total</b>		<b>107,412</b>	<b>794,392</b>	<b>901,804</b>	<b>979,367</b>
<b>EXPENDITURE ON</b>					
<b>Charitable activities</b>					
Charitable activities	5	190,627	803,499	994,126	1,191,938
Net gains/(losses) on investments		(38,523)	-	(38,523)	95,923
<b>NET INCOME/(EXPENDITURE)</b>		<b>(121,738)</b>	<b>(9,107)</b>	<b>(130,845)</b>	<b>(116,648)</b>
<b>Transfers between funds</b>	19	<b>(168)</b>	<b>168</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b>		<b>(121,906)</b>	<b>(8,939)</b>	<b>(130,845)</b>	<b>(116,648)</b>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		1,205,069	8,939	1,214,008	1,330,656
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>1,083,163</b>	<b>-</b>	<b>1,083,163</b>	<b>1,214,008</b>

The notes form part of these financial statements

EARLY YEARS WALES 2018

BALANCE SHEET  
31 MARCH 2025

	Notes	Unrestricted funds £	Restricted funds £	2025 Total funds £	2024 Total funds £
<b>FIXED ASSETS</b>					
Intangible assets	13	24,000	-	24,000	14,850
Tangible assets	14	8,550	-	8,550	940
Investments	15	847,145	-	847,145	1,035,668
		<u>879,695</u>	<u>-</u>	<u>879,695</u>	<u>1,051,458</u>
<b>CURRENT ASSETS</b>					
Debtors	16	19,370	-	19,370	31,275
Cash in hand		313,833	-	313,833	212,481
		<u>333,203</u>	<u>-</u>	<u>333,203</u>	<u>243,756</u>
<b>CREDITORS</b>					
Amounts falling due within one year	17	(129,735)	-	(129,735)	(81,206)
		<u>203,468</u>	<u>-</u>	<u>203,468</u>	<u>162,550</u>
<b>NET CURRENT ASSETS</b>					
		<u>1,083,163</u>	<u>-</u>	<u>1,083,163</u>	<u>1,214,008</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
		<u>1,083,163</u>	<u>-</u>	<u>1,083,163</u>	<u>1,214,008</u>
<b>NET ASSETS</b>					
		<u>1,083,163</u>	<u>-</u>	<u>1,083,163</u>	<u>1,214,008</u>
<b>FUNDS</b>					
	19				
Unrestricted funds:					
General fund				1,083,163	1,205,069
Restricted funds:					
County Funds				-	8,939
<b>TOTAL FUNDS</b>					
				<u>1,083,163</u>	<u>1,214,008</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on .....10/09/2025..... and were signed on its behalf by:



.....  
D J Dallimore - Trustee

EARLY YEARS WALES 2018

CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	2024 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(49,909)	(57,509)
Net cash used in operating activities		<u>(49,909)</u>	<u>(57,509)</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		(17,400)	-
Purchase of tangible fixed assets		(8,550)	-
Sale of fixed asset investments		150,000	120,000
Interest received		27,211	31,445
Net cash provided by investing activities		<u>151,261</u>	<u>151,445</u>
<b>Change in cash and cash equivalents in the reporting period</b>			
		101,352	93,936
<b>Cash and cash equivalents at the beginning of the reporting period</b>			
		<u>212,481</u>	<u>118,545</u>
<b>Cash and cash equivalents at the end of the reporting period</b>			
		<u><u>313,833</u></u>	<u><u>212,481</u></u>

The notes form part of these financial statements

EARLY YEARS WALES 2018

NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2025

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2025 £	2024 £
<b>Net expenditure for the reporting period (as per the Statement of Financial Activities)</b>	(130,845)	(116,648)
<b>Adjustments for:</b>		
Depreciation charges	9,190	9,190
Losses/(gain) on investments	38,523	(95,923)
Interest received	(27,211)	(31,445)
Decrease in debtors	11,905	207,411
Increase/(decrease) in creditors	48,529	(30,094)
<b>Net cash used in operations</b>	<u>(49,909)</u>	<u>(57,509)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.24 £	Cash flow £	At 31.3.25 £
<b>Net cash</b>			
Cash at bank and in hand	212,481	101,352	313,833
	<u>212,481</u>	<u>101,352</u>	<u>313,833</u>
<b>Total</b>	<u>212,481</u>	<u>101,352</u>	<u>313,833</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2025**

**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

**Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Donations income includes donations and gifts that provide core funding or are of a general nature and are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when the donor specifies it must be used in future accounting periods or the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Course and training income is recognised in the period to which the service is provided. Any income received in advance is deferred.

Income from interest and dividends is included in the accounts when receipt is probable and the amount receivable can be measured reliably.

It is not the policy of the charity to show income net of expenditure.

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities, both costs directly attributable and indirect support costs.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 33% on cost
Computer equipment	- 33% on cost

**Taxation**

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

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2025

1. ACCOUNTING POLICIES - continued

**Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

**Financial Instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

Financial instruments are recognised in the company's balance sheet when the company 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.

**Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

**Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

**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 business 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 company's contractual obligations expire or are discharged or cancelled.

**Creditors**

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

EARLY YEARS WALES 2018

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2025

1. ACCOUNTING POLICIES - continued

**Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**Cash at bank and in hand**

Cash at bank and in hand are basic financial assets and 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.

**Fixed asset investments**

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

2. DONATIONS AND LEGACIES

	2025 £	2024 £
Donations	726	10,427
	<u>726</u>	<u>10,427</u>

3. INVESTMENT INCOME

**Net gains/losses on investments**

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Revaluation of investments	(37,529)	92,649
Gain/(loss) on sale of investments	(994)	3,274
	<u>(38,523)</u>	<u>95,923</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2025 £	2024 £
Grants	Grant income	824,132	883,828
Other income	Other income	5	3,912
Quality assurance	Quality assurance	9,395	12,555
Sale of publications	Sale of publications	6,134	5,065
Courses and training	Courses and training	32,945	30,270
Membership income	Membership income	150	-
		<u>872,761</u>	<u>935,630</u>

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

	2025 £	2024 £
Welsh Government - DCELLS Early Years Coordinator	60,000	60,000
Welsh Government - Welsh Language Department	50,000	50,000
Welsh Government - Cynllyn Plethu	50,000	50,000
Newport City Council	-	106,890
Monmouthshire County Council	6,000	6,000
Ceredigion County Council - Family Information Service	5,000	5,000
Swansea City Council - Development Worker	17,499	14,990
	<u>188,499</u>	<u>292,880</u>
Carried forward	188,499	292,880

EARLY YEARS WALES 2018

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2025

4. INCOME FROM CHARITABLE ACTIVITIES - continued

	2025	2024
	£	£
Brought forward	188,499	292,880
Flintshire County Council	35,153	55,207
Denbighshire County Council - Flying Start	8,093	8,093
Isle of Anglesey County Council	8,750	8,750
Conwy County Borough Council	1,200	7,500
Welsh Government - CWLWM	473,898	473,898
Moondance	25,530	30,000
Wrexham Council	-	7,500
DARPL	3,009	-
Welsh Government Additional Funding	80,000	-
	<u>824,132</u>	<u>883,828</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Grant funding of activities (see note 6)	Support costs (see note 7)	Totals
	£	£	£	£
Charitable activities	<u>875,170</u>	<u>17,502</u>	<u>101,454</u>	<u>994,126</u>

6. GRANTS PAYABLE

	2025	2024
	£	£
Charitable activities	<u>17,502</u>	<u>74,853</u>

The total grants paid to institutions during the year was as follows:

	2025	2024
	£	£
Early Years Wales Small Grants	17,502	37,223
SE Wales Grants Payable - Assisted Places	-	2,683
SE Wales Grants Payable - Newport ANRS Grants	-	34,947
	<u>17,502</u>	<u>74,853</u>

7. SUPPORT COSTS

	Management	Support costs	Totals
	£	£	£
Charitable activities	<u>86,178</u>	<u>15,276</u>	<u>101,454</u>

8. NET INCOME/(EXPENDITURE)

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

	2025	2024
	£	£
Auditors' remuneration	15,000	17,280
Depreciation - owned assets	940	-
Computer software amortisation	<u>8,250</u>	<u>8,250</u>

EARLY YEARS WALES 2018

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2025

9. TRUSTEES' REMUNERATION AND BENEFITS

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

**Trustees' expenses**

Two trustees were reimbursed a total of £264 for travel and subsistence expenses (2024: 4 trustees reimbursed a total of £1,302).

10. STAFF COSTS

	2025 £	2024 £
Wages and salaries	692,311	737,045
	<u>692,311</u>	<u>737,045</u>

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

	2025	2024
Functional	10	17
Support	12	8
	<u>22</u>	<u>25</u>

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

Included within wages and salaries costs are redundancy payments totalling £60,428 (2024: £14,252). As at the current year end a total amount of £nil was outstanding.

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	10,427	-	10,427
<b>Charitable activities</b>			
Grant income	-	883,828	883,828
Other income	3,912	-	3,912
Quality assurance	12,555	-	12,555
Sale of publications	5,065	-	5,065
Courses and training	30,270	-	30,270
Investment income	31,445	-	31,445
Other income	1,865	-	1,865
<b>Total</b>	<u>95,539</u>	<u>883,828</u>	<u>979,367</u>
<b>EXPENDITURE ON</b>			
<b>Charitable activities</b>			
Charitable activities	<u>291,662</u>	<u>900,276</u>	<u>1,191,938</u>
Net gains on investments	<u>95,923</u>	<u>-</u>	<u>95,923</u>
<b>NET INCOME/(EXPENDITURE)</b>	<b>(100,200)</b>	<b>(16,448)</b>	<b>(116,648)</b>
<b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward	1,305,269	25,387	1,330,656

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2025**

**11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued**

	Unrestricted funds £	Restricted funds £	Total funds £
	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL FUNDS CARRIED FORWARD</b>	1,205,069	8,939	1,214,008
	<u>          </u>	<u>          </u>	<u>          </u>

**12. KEY MANAGEMENT PERSONNEL**

The key management personnel received remuneration totalling £214,272 (2024: £320,655).

The key management personnel of the charity during the year were the CEO, the Finance Manager, the Head of Membership & Local Authority Contract, the Head of Training, Learning and Development and the Head of Policy and Advocacy.

The key management personnel of the Charity has reduced from 8 in the prior year to 5 in the current year as a result of the Charity restructure.

**13. INTANGIBLE FIXED ASSETS**

	Computer software £
<b>COST</b>	
At 1 April 2024	41,250
Additions	17,400
	<u>          </u>
At 31 March 2025	58,650
	<u>          </u>
<b>AMORTISATION</b>	
At 1 April 2024	26,400
Charge for year	8,250
	<u>          </u>
At 31 March 2025	34,650
	<u>          </u>
<b>NET BOOK VALUE</b>	
At 31 March 2025	24,000
	<u>          </u>
At 31 March 2024	14,850
	<u>          </u>

**14. TANGIBLE FIXED ASSETS**

	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>			
At 1 April 2024	83,410	18,954	102,364
Additions	8,550	-	8,550
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2025	91,960	18,954	110,914
	<u>          </u>	<u>          </u>	<u>          </u>
<b>DEPRECIATION</b>			
At 1 April 2024	82,470	18,954	101,424
Charge for year	940	-	940
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2025	83,410	18,954	102,364
	<u>          </u>	<u>          </u>	<u>          </u>
<b>NET BOOK VALUE</b>			
At 31 March 2025	8,550	-	8,550
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2024	940	-	940
	<u>          </u>	<u>          </u>	<u>          </u>

EARLY YEARS WALES 2018

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2025

15. FIXED ASSET INVESTMENTS

	Listed investments £
<b>MARKET VALUE</b>	
At 1 April 2024	1,035,668
Disposals	(150,000)
Revaluations	(38,523)
	<u>847,145</u>
At 31 March 2025	847,145
<b>NET BOOK VALUE</b>	
At 31 March 2025	<u>847,145</u>
At 31 March 2024	<u>1,035,668</u>

There were no investment assets outside the UK.

Cost or valuation at 31 March 2025 is represented by:

	Listed investments £
Valuation in 2025	<u>847,145</u>

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £	2024 £
Trade debtors	4,925	8,680
Prepayments	14,445	22,595
	<u>19,370</u>	<u>31,275</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £	2024 £
Trade creditors	15,136	1,440
Social security and other taxes	12,173	12,529
Other creditors	2,485	1,911
Accruals and deferred income	76,480	47,624
Accrued expenses	23,461	17,702
	<u>129,735</u>	<u>81,206</u>

18. LEASING AGREEMENTS

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

	2025 £	2024 £
Within one year	27,547	39,993
Between one and five years	80,993	32,312
	<u>108,540</u>	<u>72,305</u>

EARLY YEARS WALES 2018

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2025

19. MOVEMENT IN FUNDS

	At 1.4.24 £	Net movement in funds £	Transfers between funds £	At 31.3.25 £
<b>Unrestricted funds</b>				
General fund	1,205,069	(121,738)	(168)	1,083,163
<b>Restricted funds</b>				
Welsh Government	-	(206)	206	-
County Funds	8,939	(8,901)	(38)	-
	<u>8,939</u>	<u>(9,107)</u>	<u>168</u>	<u>-</u>
<b>TOTAL FUNDS</b>	<u>1,214,008</u>	<u>(130,845)</u>	<u>-</u>	<u>1,083,163</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	107,412	(190,627)	(38,523)	(121,738)
<b>Restricted funds</b>				
Welsh Government	633,898	(634,104)	-	(206)
County Funds	80,494	(89,395)	-	(8,901)
Welsh Government Additional Funding	80,000	(80,000)	-	-
	<u>794,392</u>	<u>(803,499)</u>	<u>-</u>	<u>(9,107)</u>
<b>TOTAL FUNDS</b>	<u>901,804</u>	<u>(994,126)</u>	<u>(38,523)</u>	<u>(130,845)</u>

Comparatives for movement in funds

	At 1.4.23 £	Net movement in funds £	At 31.3.24 £
<b>Unrestricted funds</b>			
General fund	1,305,269	(100,200)	1,205,069
<b>Restricted funds</b>			
County Funds	25,387	(16,448)	8,939
<b>TOTAL FUNDS</b>	<u>1,330,656</u>	<u>(116,648)</u>	<u>1,214,008</u>

EARLY YEARS WALES 2018

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2025

19. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	95,539	(291,662)	95,923	(100,200)
<b>Restricted funds</b>				
Welsh Government	633,898	(633,898)	-	-
County Funds	219,930	(236,378)	-	(16,448)
Moondance	30,000	(30,000)	-	-
	<u>883,828</u>	<u>(900,276)</u>	<u>-</u>	<u>(16,448)</u>
<b>TOTAL FUNDS</b>	<u>979,367</u>	<u>(1,191,938)</u>	<u>95,923</u>	<u>(116,648)</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.23 £	Net movement in funds £	Transfers between funds £	At 31.3.25 £
<b>Unrestricted funds</b>				
General fund	1,305,269	(221,938)	(168)	1,083,163
<b>Restricted funds</b>				
Welsh Government	-	(206)	206	-
County Funds	25,387	(25,349)	(38)	-
	<u>25,387</u>	<u>(25,555)</u>	<u>168</u>	<u>-</u>
<b>TOTAL FUNDS</b>	<u>1,330,656</u>	<u>(247,493)</u>	<u>-</u>	<u>1,083,163</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	202,951	(482,289)	57,400	(221,938)
<b>Restricted funds</b>				
Welsh Government	1,267,796	(1,268,002)	-	(206)
County Funds	300,424	(325,773)	-	(25,349)
Moondance	30,000	(30,000)	-	-
Welsh Government Additional Funding	80,000	(80,000)	-	-
	<u>1,678,220</u>	<u>(1,703,775)</u>	<u>-</u>	<u>(25,555)</u>
<b>TOTAL FUNDS</b>	<u>1,881,171</u>	<u>(2,186,064)</u>	<u>57,400</u>	<u>(247,493)</u>

**Welsh Government - CWLWM.**

Awarded to the Cwlwm Partnership of Early Years Wales, Clybiau Plant Cymru Kids' Clubs, NDNA Cymru, Mudiad Meithrin and PACEY Cymru. Cwlwm's brief is to support Welsh Government's aim to ensure that families across Wales can access affordable, quality childcare providing innovative solutions to create flexible childcare and play opportunities to meet the needs of parents and their families.

To tackle issues within the Childcare and Play sector. These include but are not restricted to: sustainability,

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2025

19. **MOVEMENT IN FUNDS - continued**

workforce development and gaps in childcare provision, especially as far as Welsh-medium childcare/play and provision in rural areas are concerned. By working together, innovative solutions to flexible childcare and play opportunities, and wrap-around care to meet the needs of parents and families in all parts of Wales is achieved.

**Welsh Government - Education Directorate - Foundation Phase Development Officer.**

To provide expert support to members delivering the Foundation Phase in the non-maintained early years sector, through a programme of face-to-face visits, email support and signposting.

**Ceredigion County Council - Family Information Services.**

To support members with termly visits to registered settings, support with CIW requirements grant applications and business health checks.

**Carmarthenshire County Council - Children's Service.**

To support members to deliver quality provision by termly contact telephone/email business support and visits, CIW requirements support start-up/expansion of places, representation at local meetings, promoting Quality for All scheme.

**Pembrokeshire County Council.**

To support member childcare providers by contact through face to face and e-mail contact, raising the standard of settings and promoting Quality for All award, to promote uptake of workforce training.

**Swansea City Council - Early Intervention Service.**

Support includes, attending meetings, support to conduct CSA refresh, conducting feasibility study on expansion of childcare services, support to register and comply with CIW NMS. Promotion of Healthy Snack Award and Healthy and Sustainable pre-school schemes Isle of Anglesey County Council. To provide business, managerial and administrative advice and support to local committees, leaders and paid staff. Forward training needs to the Authority and the Children and Young People's Partnership. Provide support to the Referral Scheme and the SEN Specialist Teacher and attend any relevant specialist training to be ready for significant changes.

**Flintshire County Council .**

To provide support to early years providers to be sustainable businesses via visits, email, phone or office support.

**Flintshire County Council (Childcare Partnership)**

To provide business support for member settings in Flintshire, via development worker visits, email or telephone support. Additional needs & Brokerage coordinator supporting settings, children, families and the local authority with all aspects of their referral schemes.

**Denbighshire County Council (Flying Start)**

To provide business support and guidance to members providing Flying Start services in Denbighshire via visits to settings, email or telephone.

**Welsh Government - Welsh Language Support**

Funding to promote the existence of 'Camau' by engaging with the sector and encouraging employers to take advantage of the training available. Ensuring resources are available to support learners, sharing all Cwlmw partner resources too where possible and to provide aftercare support as required for learners and the settings they work in.

**Newport City Council.**

Childcare contract project led by Early Years Wales to provide business support to all providers including childminders and out of school clubs via visits, email/phone and virtual calls. Early Years Wales administers and runs the Early Years Wales Additional Needs Referral scheme, coordinator supports settings, parents and children as part of the scheme as well as supporting children accessing funds from the childcare offer.

**Newport City Council - Education Services.**

Additional Needs Referral scheme coordinator administers funding for 1-1 support for children with ALN who access education through the non-maintained sector. This scheme runs as part of the main scheme within the Newport childcare contract.

**Monmouthshire County Council.**

To provide support to member settings in Monmouthshire. Support for business skills, legal compliance and promotion of quality is provided via email, telephone and face to face visits.

**Healthy and Active Fund.**

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2025

**19. MOVEMENT IN FUNDS - continued**

This is a 3 year project, Early Years Wales have partnered with Welsh Gymnastics to deliver the Welsh Active Early Years Programme across Wales. The multi skills movement and play based activity programme will be delivered directly to children and parents/carers at community based venues and outdoor spaces as well as delivering training to childcare practitioners on physical literacy for 0-3 year olds.

**Donations**

Received to fund specific geographical areas as well as supporting training, resources and support funding for a child with Additional Learning Needs.

**Moondance Foundation**

Early Years Wales worked in collaboration with the Moondance Foundation to facilitate the administration of grants in response to Covid. A £30,000 grant was received by Early Years Wales and was distributed in full to member settings using an application process agreed in advance with Moondance. Early Years Wales would like to note their thanks to Moondance for the support to the early years sector through this funding.

**PACEY Cymru**

A contribution to co-delivery of funding.

**20. EMPLOYEE BENEFIT OBLIGATIONS**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £22,098 (2024: £25,706). There were no amounts outstanding at the year end in the current or previous year.

**21. RELATED PARTY DISCLOSURES**

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

EARLY YEARS WALES 2018

DETAILED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2025

	2025 £	2024 £
<b>INCOME AND ENDOWMENTS</b>		
<b>Donations and legacies</b>		
Donations	726	10,427
<b>Investment income</b>		
Curr asset inv income	27,211	31,445
<b>Charitable activities</b>		
Other income	5	3,912
Quality assurance	9,395	12,555
Sale of publications	6,134	5,065
Courses and training	32,945	30,270
Grants	824,132	883,828
Membership income	150	-
	<hr/>	<hr/>
	872,761	935,630
<b>Other income</b>		
Other income	1,106	1,865
	<hr/>	<hr/>
<b>Total incoming resources</b>	901,804	979,367
<b>EXPENDITURE</b>		
<b>Charitable activities</b>		
Wages	668,284	713,796
Insurance	456	955
Premises costs	76,946	76,379
Computer and internet	32,061	24,960
Postage and stationery	13,263	37,267
Grant funding returned	-	25,378
Other staff costs	8,172	8,984
Quality assurance	500	93
Travel and subsistence	16,463	22,431
Quality assurance costs	6,164	1,820
Publications, training & subs	28,771	55,512
Events	14,199	38,486
Other costs	30	468
Bank and other charges	-	128
Professional fees	671	(893)
Depn of fixtures and fittings	940	940
Amortisation of computer equipment	8,250	8,250
Grants payable	17,502	74,853
	<hr/>	<hr/>
	892,672	1,089,807
<b>Support costs</b>		
<b>Management</b>		
Wages	24,027	23,249
Premises	292	1,924
Insurance	8,606	8,610
Telephone	11,451	9,127
Postage and stationery	23,249	25,063
Bank and other charges	1,485	1,308
Professional fees	15,989	11,788
Publications, training & subs	685	313
Carried forward	85,784	81,382

This page does not form part of the statutory financial statements

EARLY YEARS WALES 2018

DETAILED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2025

	2025 £	2024 £
<b>Management</b>		
Brought forward	85,784	81,382
Travel and subsistence	11	7
Other staff costs	383	2,818
	<u>86,178</u>	<u>84,207</u>
<b>Support costs</b>		
Auditors' remuneration	15,000	17,280
Board expenses	276	644
	<u>15,276</u>	<u>17,924</u>
Total resources expended	<u>994,126</u>	<u>1,191,938</u>
<b>Net expenditure before gains and losses</b>	(92,322)	(212,571)
<b>Realised recognised gains and losses</b>		
Realised gains/(losses) on fixed asset investments	(38,523)	95,923
<b>Net expenditure</b>	<u><u>(130,845)</u></u>	<u><u>(116,648)</u></u>

**EARLY YEARS WALES 2018**

England & Wales - Charity number 1056381

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# Accounts

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[www.earlyyears.wales](http://www.earlyyears.wales)  
Charity number - 1056381

# Annual Report 2023 - 2024



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# Annual Report and Financial Statements

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# Chairperson's Report



**As I'm sure you will agree, we seem to be living in increasingly uncertain times but helping children achieve their potential is a fantastic investment in a collective and positive future. Providing effective support to children in their earliest years is critical to their development which is fundamentally why Early Years Wales exists - to support those who are supporting children to help them fulfil their potential. And as a membership organisation we're getting stronger - with over 1,750 members across Wales - an increase of over 1,000 since 2020!**

This report provides details about all of the things that Early Years Wales has been doing over the past year to help our members and the children and families that they in turn support. Whether it's funding, professional training, child development, business advice, quality assurance or the work we do to advocate for the sector, everything we do is focused on the needs of our members.

And because we want to keep growing and become even more responsive, we're focused on making Early Years Wales a better organisation. Over the past year we've recruited a number of new Trustees to strengthen our Board and I'm particularly pleased to have more diversity and more practitioners represented.

We've also had to respond to changes in the way that local authorities are working. This means fewer locally-based Early Years Wales staff, but we're increasing the range

of specialist support to all of our members across Wales – not just those in areas where local councils fund us.

We're also really aware of the tough times that many families have been having over recent years and the difficult situation that tight budgets have created for many early childhood services. This is why we're spending more of our time advocating for our members with Government and other public bodies to make sure that early years services are given the status and funding they deserve.

In the coming year we want to carry on increasing our membership and become an even better organisation in the service of our members and of children and their families so that we can help deliver the high quality learning, play and care services that children in Wales deserve.

**David Dallimore**  
**Chair of Trustees**



# Early Years Wales' Strategic Pillars

**Our work is operationally delivered through five interdependent pillars of activity. Each pillar aspires to support, value, and enhance the early years sector in Wales and each pillar is of equal value.**

With over 60-years of sector experience and extensive staff knowledge, Early Years Wales is a trusted organisation for working with the sector and for providing research based and evidence-led policy and practice support.

Early Years Wales aims to provide confidence to our members and our funders by being an organisation that is long-established, robustly governed, and provides a high-quality, supportive environment for our staff. We are focused on delivering value for money.



**Sustainable, quality childcare businesses, charities, and parent-led groups**



**A qualified, valued, and skilled workforce at all levels (including volunteers and volunteer managers)**



**Support for parents of children in the early years; support for parent-led groups (e.g., Parent and Toddler groups)**



**Promoting a positive start for all children through their early years (0-5)**



**Advocacy for the providers and users of early childhood education and care**



## Sustainable, quality childcare businesses, charities, and parent-led groups

### What we did

**We distributed £36.76k grant funding to the childcare and early years sector.** This funding, supported by Moondance Foundation, allowed **83** settings to receive financial support to sustain, expand, or enhance their services. These sustainability grants have protected settings from closure and helped settings with essential funds needed to maintain or enhance their services during challenging financial periods.

**We provided 12 monthly bulletins and worked with 1,720 unique childcare members across the full range of the childcare and early years sector.** Our officers have made **411** visits, **15,896** phone/email contacts, and attended **180** LA meetings in support of the partnership working we undertake.

**We have supported 423 charity providers of childcare in Wales.** During 2023/24 we helped establish **13** new Charitable Incorporated Organisations (CIOs) and provided support to **194** CIOs to help them meet their duties and compliances with the Charity Commission. In line with CIO constitutions, we have supported **52** Trustee Boards with training.

Sadly, some charities closed their services in 2023/24 we helped **11** Trustee Boards to close their charities in line with the Charity Commission's regulations and procedures. We have redistributed £2500 charity funds to similar charities following a charity dissolution process.

**We have embarked on a project to review our QfA scheme and as of October 2023 our new 'online' QfA Assessment Tool became available to purchase for our members.** During 2023/24, we sold **45** Initial Assessment Tools, of which **7** providers successfully achieved their QfA status. The new QfA process is about more than the assessment; our QfA is a reflection and improvement process that includes a professional dialogue to help recognise the providers' successes and prioritise areas of development. You can hear more about this quality scheme by [clicking here](#), including the comments made by providers about how the scheme helps them in their work.

**In support of the expansion of Flying Start in Wales, our team has helped 18 settings gain accreditation with their local authority to deliver Flying Start funded childcare for 2-year-olds.** The process of tendering can be daunting for all, but for small childcare providers, or those that have not been familiar with the processes to date, it can feel even more challenging. Early Years Wales has helped **18** providers with the information and support they needed to successfully become Flying Start providers of funded childcare.





## Moondance and Early Years Wales; working in partnership to support childcare providers in Wales


In 2023/24 Moondance provided Early Years Wales with **£30000** of grant funding to support the childcare sector. This funding was ring-fenced in our budget and 100% of the funding went directly to members. Early Years Wales took the decision in 2021 to not charge any service charges or staff time to administering grants from our partnership with Moondance.

In 2023/24 the grant funding supported **31** providers of childcare across **12** local authority areas.

### How the grants helped

The applications for grants covered a wide range of needs. This included the additional benefit of free membership to Early Years Wales, which enabled every recipient of a grant to receive the full range of member benefits available through our membership offer. As a result of the partnership with Moondance we registered **61** additional members with Early Years Wales. The applicants for support requested help with short-term sustainability issues caused by inflation, utility cost rises, or unexpected rent increases. As we know, the market volatility in 2023 and 2024 was unprecedented and many small organisations found this a challenge due to operating on very small margins.

Other applicants benefited from set-up costs which helped them establish new or extended services for children in their area. Some examples include, new outdoor forest play area, sensory playroom, set-up community toddler groups, new wraparound, marketing and family events.



In support of partnership working, some of the grant funding allowed childcare providers to purchase insurances, memberships or resources from partner organisations like NDNA Cymru and PACEY Cymru. We enabled this link because the provider was able to demonstrate how the grant would help them and there was no need for us as a facilitator of the grant funding to be protective or restrictive towards wider partnership working.

## Who the grants helped

Over the course of 2023/2024 the grants we facilitated helped:





## Case study

### Creative Childminders on Conwy beach; Environmental Artist workshop

The May 2023 issue of *smalltalk* magazine featured an article from a group of childminders in Conwy, who had been awarded funding through the small grant scheme to run an art session on the beach with local artist, Tim Pugh.

Read the article in full [here](#)



## What did the recipients say?

**“This is fantastic news thank you very much!!! We all really appreciate the support from the panel and can assure you that the money goes to such a wonderful setting and superb staff.”**

**“That is great news thank you so much for supporting our playgroup. The award of £1,000 will make such a big difference to the playgroup.”**

**“This has more than helped (and sort of saved me). I get paid weekly with the Teaching Agency and would not have been able to make payments without your help. Huge thanks to you for everything. I honestly mean that from the bottom of my heart.”**

**“Thank you so much, that’s going to be such a benefit to the children’s safety.”**



## A qualified, valued, and skilled workforce at all levels (including volunteers and volunteer managers)

### What we did

**We provided 32 training opportunities, plus 7 Lunch and Learn sessions across 3 terms during 2023/24.** Our training planners outline the availability of training across the diversity of our member interests and are updated each quarter. The offers we provide include helping with leadership and management, practice and pedagogy, and updating policies and procedures.

Through our **Foundation Learning** grant funding additional training was provided including 'Getting to know your children' observation training, an introduction to 'Through the eyes of a child' and 'Nature Notes' resources by led by an external consultant, Nia Beynon. Additionally, a recorded webinar on supporting the 'Quiet, Shy and Anxious child' was commissioned in partnership with Dr Susan Davis and Dr Rhiannon Packer from Cardiff Metropolitan University.

The Foundation Learning Excellence Programme grant has allowed the developments of two excellent resources; 'Nature Notes' resource and 'Through the eyes of a child' supporting practitioners to introduce a combination of rhymes/songs with children and a guide for practitioners' professional development.

Two case studies captured childcare providers' approaches to their anti-racism journey. These will be published on Hwb when approved by the Welsh Government alongside our previous case studies. We also hosted two in-person events focused on helping practitioners with the three-enablers in the Curriculum for the funded non-maintained nursery settings in Wales attended by over **80** practitioners across Wales.





**During 2023/24 we recruited into our Welsh language team and successfully achieved the Welsh Language commissioner's Cynnig Cymraeg recognition for our contributions to the Welsh language. We are one of 100 organisations in Wales with this accreditation.**

**145** of our members have been supported to embark on **Camau**, proving opportunities for **327** practitioners to access Welsh language learning opportunities. This work allows the staff to learn the Welsh language from beginner to fluency delivered as an asynchronous learning journey. **42** of our members have embarked on the **Welsh Promise**. This scheme underpins the practitioners' own language development with support to develop the language offer in the setting.

“The children have loved the sessions, after the first one, we noticed them singing more songs in Welsh and using phrases around the classroom and in their play, particularly role play. After the last session the children have been more engaged with the books and soft toys creating their own stories and using Welsh words that they are familiar with.” - St Paul’s Flying Start

The **Cydweith Cymraeg** has completed its pilot year, which saw **12** settings engage in the project across Wales. The piloting stage was a great success, with settings embracing the opportunities to embed the Welsh language through music and play. Read about the project in full [here](#)



We hosted a number of events highlighting Welsh language practice and development. **Cymraeg in the Curriculum** was delivered to **18** members and facilitated conversations regarding the implementation of the Welsh language in the Curriculum for Wales. We have also hosted four **'Loving the Language'** sessions that look at spoken languages that are not English, and how all settings work with home-languages in promotion of bilingualism and celebrated the Welsh language and culture with **36** childcare providers during our **Gwyl Fach** event in St Fagans in South Wales, where we focused on the use of Welsh language, rhymes, stories, and culture to enhance practice.





“Since completing the course, we have seen significant improvement in many areas of our nursery. There is more encouragement between staff members to use Welsh more often and consistently in the setting. We have embedded more Welsh activities and stories into the nursery than before. Our aim is to continue this for the future, organising play, stories and activities based around the Welsh language, including trips to better understand Welsh culture and heritage.” - Aberporth Bilingual Playgroup on completing Camau. Click [here](#) to discover how the setting achieved a fully bilingual approach.



“What started with my journey on developing my professional career, has embarked on a journey for the whole team. The work we are doing is not in addition to what we need to do, it is now embedded into our everyday practice.” - St Padarn’s Playgroup on their commitment to the Welsh Promise. [Click here to read more.](#)



# What is the threshold for safeguarding?



What are the most common questions I get asked when I deliver safeguarding courses is, are there thresholds for safeguarding? Is there a list somewhere?

## What is the threshold for safeguarding?

What are the most common questions I get asked when I deliver safeguarding courses is, are there thresholds for safeguarding? Is there a list somewhere?

How I wish! Wouldn't that make things easier? But in reality, we use a child-centred approach to safeguarding, which means there can never be a 'one size fits all' or 'checklist' approach to decisions around protecting a child from abuse, neglect or harm. Instead, we need to look at each child individually and determine what is in their best interests - prevention or protection?

As the Wales Safeguarding Procedures state, "the most effective strategy is to prevent children from experiencing abuse, neglect and harm." Safeguarding itself is much more than protection - it also includes prevention and early intervention. But how do we know what to use?

One way to determine whether prevention or protection is appropriate is to first consider whether you are dealing with a need or a risk.

**Needs are things that, if addressed, will solve the problem or minimise the likelihood of risk**

Ask yourself, is there anything missing, absent or required in the child's life that would enable their well-being? Would specific advice, assistance or support make life easier for the family and achieve the desired outcome?

Needs can be met by services or support such as counselling, respite, access to food, clothing or furniture banks, adaptations with equipment or technology, support groups, or needs assessments for social care.

Risks, on the other hand, are things that mean the child is or is likely to experience abuse, neglect, or harm. Ask yourself, what are my concerns if we don't provide intervention now? What am I worried will happen?

Are you worried about the risk of abuse (physical, sexual, emotional, financial, domestic), neglect (physical, emotional, nutritional, medical, educational, supervisory, identity) or harm (impairment of their physical or mental health, or their physical, intellectual, emotional, social or behavioural development)? Identifying any risks requires us to act swiftly to ensure the child is protected and formal critical interventions are provided to keep them safe.



Celebrating the Early Years Sector in Wales

The rights & rights of our children and young people

Curriculum

Food and Nutrition Guidance for Childcare Settings

Safeguarding thresholds

Maternity Leave and Pay Act 2023



Are there any barriers to engagement with...

In general, needs can be met through early help, which can increase protective factors, reduce problems and reduce the need for protection. While protective actions are taken to protect the child...

And so, we come to the question: where's the line?!

Look critically at the situation. Have you identified and neglected the...

- Could be and Int
- Could I extra
- Could or or
- Could carr

To help our members with policy updates we have held webinars and meetings to outline new or planned changes to practice. During 2023 we were joined by Welsh Government and our incoming Chair, David Dallimore to outline to members the importance of the recent Early Childhood Play, Learning and Care policies in Wales. We held member meetings to discuss changes to safeguarding requirements and have provided safeguarding training to 130 practitioners. Our staff also provided updated information to members on the National Minimum Standards (NMS) for childcare providers, the proposed Professional Register of the workforce, and how the settings can work with children to increase the opportunities for child-centred decision making during the day.

As part of our social-funded partnership, Cwlwm, we presented to the Senedd Scrutiny panel for Social Justice on the accessibility and availability of ALN support in childcare. Our work to help members with ALN access, provision and support focuses on two distinct approaches. Through our communications and forums, we help members with the implementation of the policies and their practice along with bespoke requests responding to member enquiries.

We also provided support through funded-service level agreements in four local authority areas. This work either directly provided the brokerage and application processes on behalf of the local authorities or worked directly with settings in support of practice enhancement where an identified need was made by the local authority. Through the brokerage/ application processes we managed and facilitated funding for 38 children were identified, assessed with partnership working with the local authority and other agencies, and placed in 34 settings around Wales with the associated staff support (1:1 or as required through the planned support).

Image: What is the threshold for safeguarding? smalltalk, (October 2023), pg 14 - 15 Click here to read.

# The difference we made



The following case study highlights the impact of Play, Move, Thrive delivered in partnership with Sport RCT. Rebecca, from Cwmclydach Primary School's individual feedback is captured within this [powerful video](#).



**SportRCT**  
 @sportrct  
 www.dhswales.gov.uk | www.sportrct.co.uk

# Case Study

## Getting children more active - Play Move Thrive at Cwmclydach Primary School

Early Years Wales approached us with an idea to offer Play Move Thrive training to school teachers in RCT. Play Move Thrive aims to provide the knowledge, skills and attitudes needed to support children to be 'fully physical' in the curriculum for Wales. Early Years Wales explained that the training would help our schools to embed movement throughout the whole school day, using areas and resources that they already had. We loved how PMT used movement to enhance learning and engage children, so we organised the training, and invited Nursery and Reception teachers to attend. A lot of our schools were asking for help getting children active in the early years, specifically during wetter months, and we believed that PMT could really help them.

We held three courses and 43 teachers/teaching staff attended from 33 different primary schools. The training gave teachers an understanding of why movement is important, but also a wealth of ideas to implement in the classroom.

Rebecca from Cwmclydach Primary School completed the training, and found it informative, beneficial and fun. The training improved her understanding and increased her confidence. Since the training she has introduced subtle changes in the classroom, all with the aim of providing learners with an environment in which they can actively develop their physical skills. She has altered the layout of her classroom to allow learners to move freely throughout the day. Rebecca has evaluated the school resources and used them to develop physical skills in the classroom. The school hasn't needed to purchase any extra equipment. They have used areas, equipment and resources that were already available to them, but in a new, insightful way. The activities have impacted massively on the engagement of learners. They want to participate in the activities and often ask for them. By introducing multi-sensory, physical activities in class, Rebecca has seen changes in learners' behaviour as they are engaged in activities that are interesting to them and, most importantly, are fun.

**“This training has deepened my understanding of the importance of physical activity on young children's physical, emotional and sensory development.”**

**“I found the physical activities I participated in impactful and have since started 'good morning sun' and a sensory walk. This has been impactful on my ALN students.”**

**“We developed a bank of ideas that we could run with as soon as we got back to the classroom. I love that we don't need to spend any money to create the movement activities suggested.”**

**43** teachers trained

**100%** enjoyed the training

**100%** feel more confident

**33** schools engaged

**100%** feel they learnt new ideas and information

**YSGYBODA CYNNON IAF**

Download the case study to read in [full here](#)



## Anti-racism coaching programme in partnership with the Black Nursery Manager, Apex Educate, and Representation Matters

In 2023 we worked with Liz Pemberton, Rachel Clarke and Aisha Thomas to facilitate the delivery of a highly successful coaching programme for early years practitioners. This course focused on childcare provider leaders and aimed to go beyond one-off training and take a longer and more sustained approach to racial literacy and early years practice. The outline of the course is shared below (note in present tense as advertised at the time).

### What we promise in this course

This exciting coaching course runs across most of the academic year. Our course is aimed at Early Years practitioners and Primary school participants, who want to learn about anti-racist practice and how to plan and teach with an antiracist lens. It will involve exploring values and beliefs held, as well as opportunities to reflect on current practice. Gap tasks will be set between sessions to support the development of anti-racist knowledge and reflection.

The course is led by three anti-racist consultants, who have worked across educational sectors and beyond. All are passionate people who believe in the necessity for a more anti-racist comprehensive program for educators. This course will:

- Facilitate conversation and reflection
- Prompt thought
- Nudge beliefs and thinking
- Outline anti-racist actions that can be taken

The course will run every month for 10 months.

A bespoke 10 session coaching course to develop anti-racist practice and learning for Early Years and primary educators

# ANTI-RACISM COACHING PROGRAMME

LIZ PEMBERTON, RACHEL  
CLARKE & AISHA  
THOMAS

## What happened

We worked with **ten** providers of childcare across Wales. We selected the participants through an expression of interest application process. We asked each applicant to demonstrate that they would commit to the programme, work between the sessions on tasks, reading and deeper learning, and had the support from the staff/management structures in their setting. Over the course of the programme our participants substantially raised their understanding of anti-racist practice. The impact of this was reflected through their personal journeys.

Our three consultants were outstanding, individually and collectively. Their coaching was personal, focused, sensitive and supporting when needed, and challenging and direct when required. All participants would agree that for everyone engaged in the process, including our three staff colleagues, honesty, deep reflection, and learning took place. Misconceptions and biases were challenged with research-backed information, integrity, and personal living experiences from the consultants. This openness helped build trust and greater understanding for the participants.

As a direct result of the coaching one setting enrolled all their practitioners on entry level training and made anti-racist practice a feature of their staff development conversations in every meeting. A second multi-chain setting used their staff development meeting with over **100** childcare practitioners to share their learning and reflect on how they needed to make changes to their practice and their parental welcome policies across all **seven** settings.

Every provider that embarked on the training took the time to engage in meaningful conversations with their wider staff team and purposeful reflections about their practice. A third setting discussed how the superficial representation they had included in their setting had been replaced by meaningful and child age-appropriate activities. One great example originated from the children's interest in what the practitioners were drinking during their breaks from their safety cups. This resulted in a practitioner finding a book called 'Teatime around the world' and exploring the





Liz Pemberton  
[www.theblacknurserymanager.com](http://www.theblacknurserymanager.com)

potential of tea [the drink]. The activities spiralling from this included sampling different teas, finding where tea is grown on maps and pictures, undertaking art activities with tea leaves and tea, and a family asking to visit to share their Sri-Lankan heritage and tea making. The children made nettle tea and herbal tea from their garden and wildlife areas and understood more about the drink, the cultures, and choices people make.



Rachel Clarke  
[www.apex-educate.co.uk](http://www.apex-educate.co.uk)

Individually, course participants reported their own development. Practitioners were sharing how they had taken this work into their everyday life. One practitioner discussed how they witnessed something racially motivated in their supermarket and 'could not walk past', but felt they had to speak up and support the target of the racialised language. This participant also shared how they had started re-framing labelling language people in her village used when discussing fellow residents who were not racialised as white. A second practitioner discussed how normalised language in her community was being reflected by the children in her setting and that prior to the training it was addressed but only upon hearing the words spoken. As a result of the training, the staff planned to and addressed the issues directly, working with the community, the owners of a retail shop and the children. Staff re-directed the racialised language by giving the retail owner a name, a value, and demonstrating the positive relationship the shop has with the people in the community. The business owner visited the setting, and the children visited the shop building positive relationships.



Aisha Thomas  
[www.repmatters.co.uk](http://www.repmatters.co.uk)

These brief vignettes are a few of the many that could showcase how significant and powerful the coaching course was.

Of course, none of this was possible without the coaching provided by Liz Pemberton, Rachel Clarke and Aisha Thomas. They deserve all the credit and plaudits for this programme of learning and our delegates and Early Years Wales is grateful to all three consultants for the excellent programme of learning.



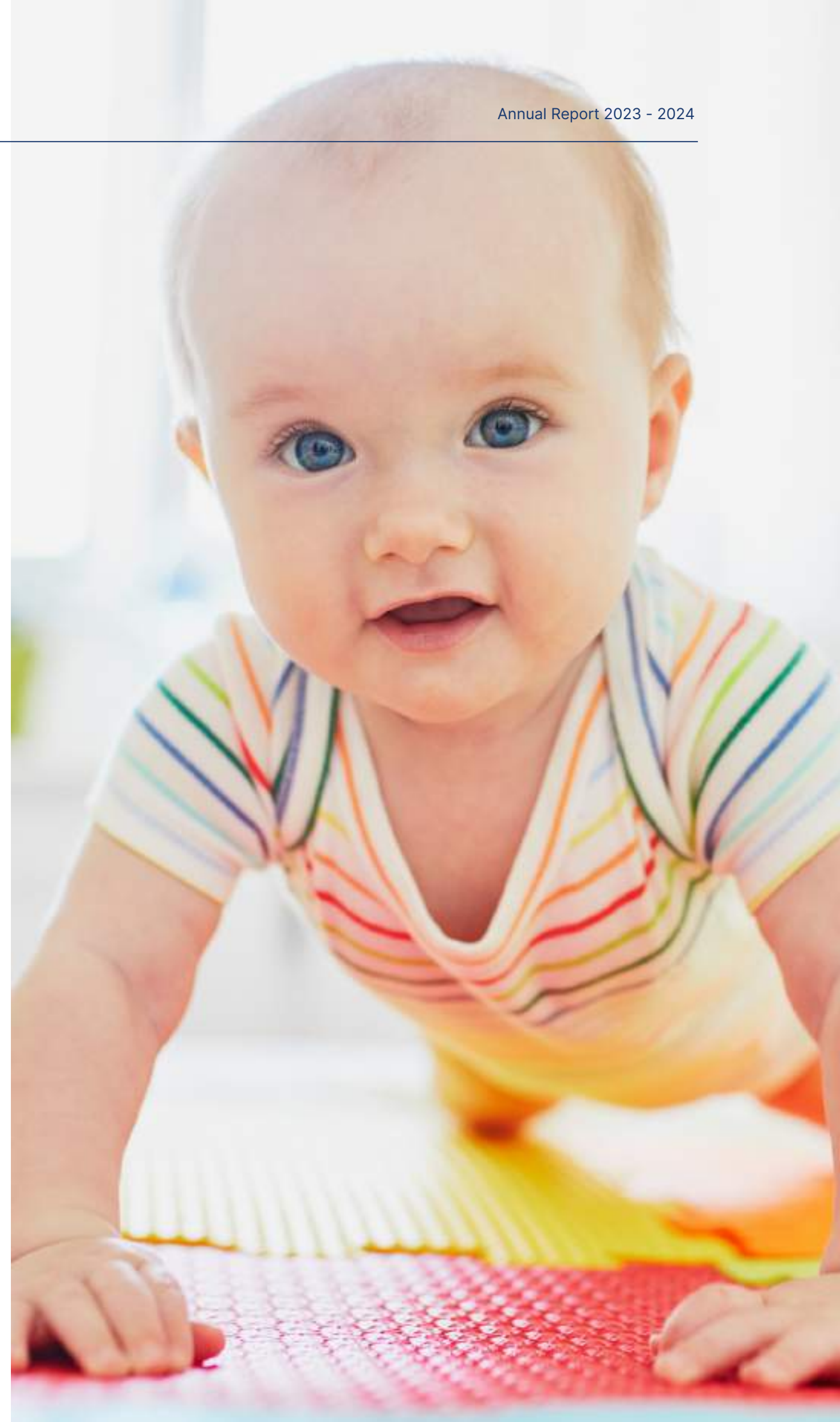
## Support for parents of children in the early years; support for parent-led groups (e.g., Parent and Toddler groups)

### What we did

**As so much of the policy landscape has changed in Wales in recent years, our policy pack for the Parent and Toddler groups was updated in 2023/24.** This important pack aims to provide the organisers of parent and toddler groups with the knowledge and information to help them run their settings effectively. The pack has been made available to current members of Early Years Wales as a free downloadable resource.

**During 2023/24 we continued to provide our training offer Active Baby and You and Active Baby at Home courses.** This training supports parents and professionals with key information about the child development pathway that babies are on. The focus is to improve the opportunities for movement with the children through the use of freely available resources that the professionals and parents can access at home. This movement promoting training aims to help everyone with the knowledge about the whole-child benefits of movement and facilitates practical invitations to move with children and to connect with the baby in their formative years.

**We launched a new, Play Move, Thrive area on our [website](#).** This area includes videos, resources and guides for parents and practitioners. The resources allow a freely accessible basic package of support, alongside more in-depth learning materials that are available following practitioner or parental attendance at one of the courses named above. We think all parents should be informed of some of the key information about a child's first **1,000 days** and have made this available to all.





# The difference we made

**Supporting parents and young children to have highly positive experiences through *smalltalk* magazine.** During 2023/24 Early Years Wales *smalltalk* magazine tackled several important issues that affect families away from the setting.

Some of those articles can be read by clicking on the images below.



Brush-up on Dental Health (May 2023)



Everyone deserves a well-furnished home (October 2023)



The Importance of Sound (May 2023)



What is Juvenile Idiopathic Arthritis (February 2024)



## Promoting a positive start for all children through their early years (0-5)

**Promoting wide-spread understanding of the importance of the first 1,000 days of childhood.** Through all our communication channels and programmes in 2023/24 we have shared the latest research in child development and neuroscience with our members, stakeholders and elected representatives. We were delighted to read from the incoming First Minister, Vaughan Gethin about his focus on the first 1,000 days for children. We established a partnership with Alberta Family Wellness Centre and have translated their asset pack on the Brain Journey they authored and promoted in partnership with Oxford University into Welsh.

**During 2023/24 we worked with the Open University to co-author a child-development module of learning, 'Incredible Years'.** This Open University hosted learning module aims to help anyone with a professional interest in working with children to understand the developmental journey they undertake and how children need play, experiences, language and communication and movement to develop holistically. The online module will become part of the Open Universities module of learning for continuous professional development in early years pedagogy.

**All staff in Early Years Wales have undertaken basic training in neurological development of children and the brain journey concepts.** We have begun to share and disseminate the brain journey information to our stakeholders through presentations and made connections to policies and practices that have robust evidence-based impact on children in early years. Our plans for 2024/2025 include rolling-out this information more widely; both to practitioners and parents.

**Working in partnership with Aneurin Bevan University Health Board (ABUHB), we have undertaken a pilot project to support the community practitioners to understand how movement, language and opportunities daily help young children's development.** This project aimed to help ABUHB with some of the challenges around infant obesity. Our approach connects the movement children undertake to their development. It includes reference to children's progressions from primitive reflexes to postural control and how these developments help children with learning, communication, self and co-regulation, and executive function.

## What we did

**Following our event Movement Matters: Holistic child development through the lens of physical development** we were approached by Public Health Gwent to deliver our umbrella physical literacy training to **five** local authorities across Gwent. The programme consisted of our Active Baby (0 -18 months), Active Toddler (18 months – 3 years), and Active Child (3 - 5 years) training courses.

Working with early years stakeholders and community sports development officers we were required to provide a post-delivery evaluation of training to assess the impact of the training and how it has been embedded into their practice. We were supported by the Healthy and Sustainable Pre-School Scheme Officers who will support the implementation across each area.

In total, we ran **5** Active Baby, **5** Active Toddler, and **4** Active Child sessions with **146** attendees across all programmes.

For more information on the courses, click [here](#)



## What the participants said

**"Thank you very much for a lovely course straight forward and easy to understand"**

**"A really interesting course that was delivered tonight. Very knowledgeable deliverers and lots of interaction with the team overall"**

**"I really enjoyed the training, it was very informative, I was excited to tell the rest of my colleagues all about what I had learnt and couldn't wait to put some of it into practise in my setting"**

**"The girls were lovely and conducted the training well , they made it fun to learn"**

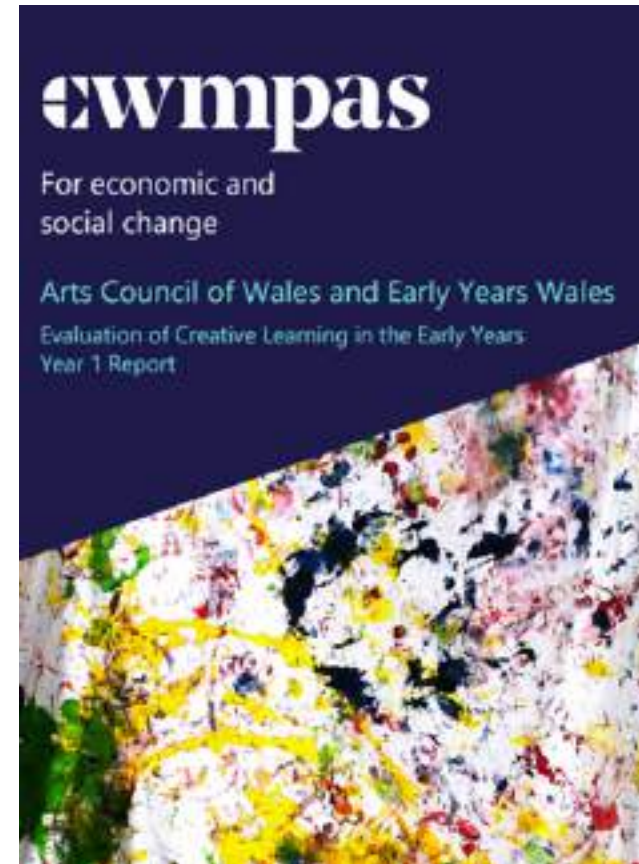
**"Jane was brilliant at delivering the course, she kept it fun and entertaining and I really learnt a lot from it!"**

**"Thank you. Very informative and interesting training. Made to feel at ease and easy to participate"**



**Creative Learning in the Early Years.** Our jointly funded project working in partnership with Paul Hamlyn Foundation, Arts Council of Wales, and externally evaluated by Cwmpas has continued to develop excitingly. During 2023/24 **12** settings completed the initial pilot with some incredible journeys noted in the report. Also during this period we facilitated the engagement of Mudiad Meithrin into the project, and recruited an additional twenty settings to work with us during year 2. The training provided has supported **12** creative professionals to work in the early years sector.

Click the cover image to read the report in full





“Opportunities to move creatively and be physically expressive are vital to the development of early years children. As a dance artist, I am fortunate to spend time playing with young children to support their physical development and communication. It is often difficult to tell who is having more fun wriggling like a worm, jumping like a frog or flying like a butterfly! The smiles are infectious, passing from one child to another around the group, and the giggling always adds another beautiful layer to music I use to help support and stimulate movement that sparks children’s imaginations.” - Angharad Harrop, Dance Artist  
Click [here](#) to read the article in full



# Bird Watching



We talked about where we  
went to look to find the birds.



We worked very hard to  
search the forest.



We showed some great  
team work!

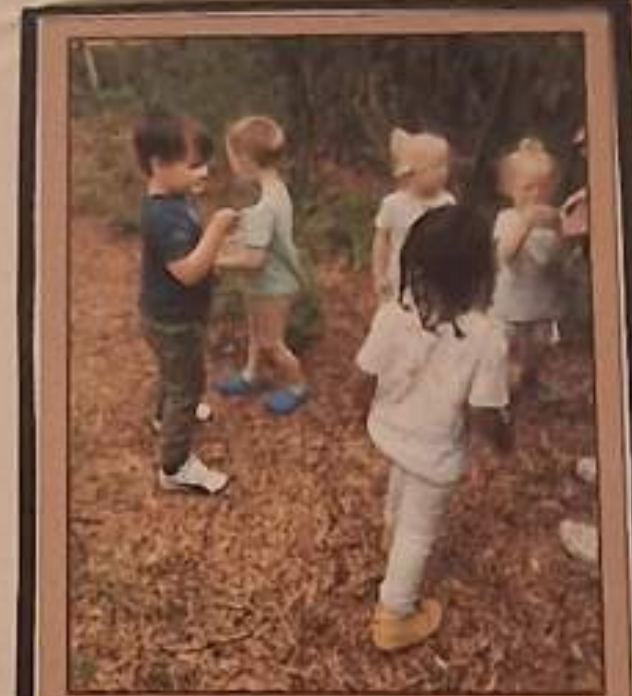


We were very proud of  
ourselves after we found them  
all.

# Bird Nest Making



We discussed what  
materials the birds may like  
to use to build their nests.



We explored the forest  
for materials.



‘Through real life experiences, children learn about the interrelationship of all living things. This helps them to think about the bigger questions of the environment, sustainability and climate change.’ (Froebel Trust: 2022)

Camau Cyntaf Rhydyfelin took art in the Creative Learning in the Early Years programme. Their area of focus was on engaging with nature and outdoor learning. The impact this project had on one child in particular was extraordinary. [Click here](#) to read the article in full

sticks to create a nest for  
our bird

look up high and down low for  
the perfect spot for our nest



## Advocacy for the providers and users of early childhood education and care

**Challenging funding levels for the childcare sector.** During autumn 2023 we recognised the challenges childcare providers would face in meeting the uplifts to the Living Wage from April 2024. We surveyed our membership and reported their concerns to the Welsh Government in January 2024. Our report highlighted the concern about financial viability and sustainability in the current economic climate. The report summary is provided [here](#).

We have worked closely with policy makers to raise awareness of the financial challenges that the sector faces from April 2024. We continue to advocate for further investment into the early years sector in Wales.

**During 2023/24 we worked with the Welsh Government cross-party groups on poverty, and children and families, and represented the childcare sector in response to reports about the impact of childcare costs on family budgets and poverty.** We attended two report launch events at the Senedd and one hosted in a family centre in RCT led by Oxfam Cymru. Working with the cross-party group on poverty, and the Welsh Government cross-party group for children and families, Early Years Wales has attended four meetings during 2023/24 to provide the perspective of the childcare and early years sector.

**In June 2023, we hosted our awards and conference event.** The awards, supported by prizes and contributions from Community Playthings for all category winners recognised the positive and innovative work that the providers of childcare undertake in Wales. (See case study below for information). The conference keynote speakers were:

- Laura Henry-Allain MBE - how stories and narrative support an anti-racist approach in early years
- Alice Sharpe - the power of imagination
- Paul Isaacs - 'Live as a fruit salad', reflecting on the many presentations of autism and behaviours that people with autism use.

Our summary [playreel](#) highlights the enthusiasm, joy, and networking that the event brought with it. For all our winners, the value they place on the recognition for the work they do with children is clear.





## Positive difference...

We believe that the early years and childcare sector makes a significant and lasting positive difference to children and our awards aim to recognise excellence, promote the impact of the work that practitioners do, and raise the profile of the sector. Read all about our 2023 winners [here](#)





## Our future plans


**As an organisation we are continually reflecting on the value of our services and the opportunities that we want to offer for our members. The following outlines some of our plans for 2024 and 2025.**

- **Free membership offer** – our Trustee Board voted to extend our free membership offer in 2024-2025. The majority of this is funded from our invested reserves. We are grateful to the Moondance Foundation for their sponsorship of the free membership offer for home-based childcare providers and charity childcare providers. This funding substantially supports our offer and extends our reach.
- **Asynchronous learning** – our learning portfolio continues to develop. This year our focus shifts towards more asynchronous learning content as we recognise that the opportunity to attend scheduled sessions in the day and evening remains challenging for our members. Our Play, Move, Thrive offer, and our related member content in our Shop area begins our population of some consistently available asynchronous learning material.
- **Supporting the transmission of the Welsh language** – our plans to support greater parental engagement in their children’s use of Welsh include more interaction with Parent and Toddler groups and more support to help parents develop the confidence to use Welsh with their children.
- **Staffing changes** – we have undertaken a staffing structure review and significantly altered our management structure to reflect our key priorities and budget resources.
- **Updated membership offers and benefits** – we are reframing our membership offers and updating the range of products and services we provide for each member category.


- **Partnership working with DARPL** - we continue to demonstrate leadership in the sector with our contribution to DARPL, and the work taking place at strategic and operational levels to embed anti-racist practice into early years in Wales. Our journey to date is summarised in our CEO's case study hosted on the [DARPL website](#). This work is supported by our bespoke training and learning offer focused on the early years of childhood and the work practitioners can do in their settings and with the families they support. We are working with DARPL on updated practitioner training.
- **Website updates** - we are updating our [website](#). This work will help us improve our public projection and share a better user journey to our products and services.
- **Office footprint** - we have rationalised our office footprint to allow staff to work more agilely. This reduction in liability from our estates frees up capacity for greater investment into people and services.






 EarlyYearsWales2018

 earlywales

 earlyyears\_wales

 Early Years Wales

[www.earlyyears.wales](http://www.earlyyears.wales)

[www.blynyddoeddcynnar.cymru](http://www.blynyddoeddcynnar.cymru)



Llywodraeth Cymru  
Welsh Government



Early Years  
Wales  
Blynyddoedd  
Cynnar Cymru

Charity registration number 1056381

Company registration number 03164233 (England and Wales)

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

# EARLY YEARS WALES 2018

## T/A EARLY YEARS WALES

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# **EARLY YEARS WALES 2018 T/A EARLY YEARS WALES TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2024**

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The trustees present their annual report and financial statements for the year ended 31 March 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 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)".

## **Objectives and activities**

The purposes of the charity as set out in the governing documents and articles are:

For the public benefit, alone or in conjunction with other organisations, the promotion and advancement of the education, development and care of preschool children in Wales by:

- a. Providing support and guidance including upon governance, regulation, planning, quality improvement and workforce development to organisations and individuals that provide for the education and care of preschool children; and
- b. Encouraging parents, carers and families of preschool children to understand their needs and to provide for their needs by engaging them in activities that promote their education, development and care.

Early Years Wales' main activity is to support all children, adults with childcare responsibilities and early years providers to give every child across Wales the best start in life. We believe that all families have the right to high-quality play, education and care opportunities to help their children reach their potential.

### **Our strategic aim:**

To support all pre-school children, their families and early years providers to give every child across Wales the best start in life.

### **Our objectives:**

1. Supporting the early years providers and the early years workforce
2. Supporting parents, carers and families to participate in play
3. Promoting the work of Early Years Wales widely
4. Contributing to policy implementation at National and local levels
5. Developing partnerships
6. Maintaining and developing the organisation's governance and management
7. Recruiting and developing staff and volunteers
8. Seeking and managing funding to maintain and expand our services

We aim to facilitate giving children the best start in life by providing services that promote child development and support families throughout Wales. This is achieved by supporting members to provide early intervention and family service programmes. We offer high-quality support and representation for our members and offering our own accredited quality assurance schemes. The charity also works collaboratively with other organisations, including other early years, childcare, education, playwork charities and statutory agencies to deliver our services. The charity promotes and delivers access to affordable, flexible, and high-quality childcare provision.

Early Years Wales has always promoted the value of parental participation in their child's development. This was a founding objective of the organisation and we continue to develop ways to ensure that families are supported from the birth of a child and throughout their early years.

We see our role as providing our members with information, guidance, offering a listening ear and supporting them to achieve their goals. We measure our success in achieving these objectives by analysing the impact of our work through our reporting and monitoring and through case studies. Through our work, Early Years Wales seeks to support its members by encouraging discussion about early years services. We keep them updated on changes to legal requirements and assist with planning to sustain their businesses.

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)**  
***FOR THE YEAR ENDED 31 MARCH 2024***

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In addition, we provide targeted one-to-one support; news about the early years sector; and signposting to qualifications and training opportunities. Early Years Wales' dedicated Foundation Phase support, Welsh Language support, our Quality for All quality assurance scheme, our Healthy and Active project, and the development of support publications and resources all serve to improve quality in the sector. We recognise that many early years providers operate in a diverse range of environments which can be challenging. These include rural communities and areas of disadvantage. Many settings are reliant on a mixed economy of funding e.g., Flying Start, Early Entitlement for 3- and 4-year-olds and parent fees, and the Childcare Offer. These factors can challenge sustainability, as can local and national funding initiatives. Our aim is to inform, support and signpost so that these issues can be addressed, and capacity maintained.

The Trustees have paid due regard to guidance issued by the Charity Commission's public benefit guidance in deciding what activities the charity should undertake and in planning future activities. Due diligence is given to how planned future activities will contribute to the strategic aim.

**Achievements and performance**

See full document for our review of the achievements and performance of Early Years Wales in 2023/24.

# **EARLY YEARS WALES 2018 T/A EARLY YEARS WALES TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2024**

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## **Financial review**

### **Incoming Resources**

Incoming resources for the year ended 31 March 2024 was £979,367 (2023: £1,244,484). Income from charitable activities was £935,630 and has increased from £1,211,099.

### **Resources Expended**

Resources expended during the year ended 31 March 2024 were £1,191,939 (2023: £1,301,559).

### **Results**

Net outgoing resources for the year were £116,649 (2023: deficit of £110,731). Before investment gains (2023: losses), an unrestricted deficit of £196,124 was generated (2023: deficit of £25,178) and a £16,448 restricted deficit generated (2023: £31,897 deficit).

### **Cash Flow**

Cash flow remains strong, holding £212,481 (2023: £118,545) in cash.

### **Principal Risks and Activity**

The principal risk identified by the Trustees is our reliance on short-term funding. We are seeking to mitigate this by widening our training offer, increasing our member services and resources, and moving towards strategies that can diversify income sources.

### **Cyber Security**

We work to the best-practice principles of Cyber Essentials. All data is stored and accessible only through an encrypted gateway. All equipment is monitored on a 6-monthly basis. All data is backed-up routinely and two unique copies are held to prevent data loss.

### **Investment Powers and Policy**

The Trustees, having regard to the liquidity requirements of the charity have previously operated a policy of keeping surplus cash balances as liquid as possible and any surplus balances will be invested in deposit accounts. Market volatility continues to limit the growth in the investment, and having set a deficit budget, we have used funding from our reserves to support our programme of delivery. There has been no negative impact on the dividend return we have achieved, and our investment is monitored closely by the Board and reviewed annually with the investment management company. Our Investment Policy Statement is reviewed annually by the Board.

### **Reserves Policy**

We have utilised some of our reserves over the past years to continue what we believe to be essential services. With increased opportunities for partnership working, the association needs to be in a strong and sound position to be confident in applying for funds.

The Charity receives external funding in the form of grants and contracts to support its very important activities in the furtherance of charitable objectives. Such funding sources are subject to change and cannot be guaranteed. In addition, the Charity undertakes project-driven work for which restricted income is received.

The Trustees in the past considered that the level of reserves needed to be sufficient to cover 12 months' running costs. As the organisation holds over this amount, the Trustees are now looking to utilise some of that money for charitable aims and review the designation for further funds. In the budget for 2022/23, the Trustees designated £280,000 to be allocated to the projects identified below:

- Central Support Services
- Governance
- Healthy and Active Fund match-funding
- People Development and Learning
- Welsh Translation

At the reporting date, free reserves were £1,170,595 (2023: £1,244,714) representing unrestricted funds less tangible fixed assets less designated reserves. The remaining funds are held with an aspiration to achieve income that the charity can spend on its aims.

# **EARLY YEARS WALES 2018 T/A EARLY YEARS WALES TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2024**

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## **Structure, governance and management**

### **Governing Document**

Early Years Wales is a charity and company limited by guarantee and is governed by memorandum and articles dated 12 July 2018.

### **Directors and Trustees**

The directors of the charitable company (the Charity) are its Trustees, for the purposes of charity law and throughout this report they are collectively referred to as the Trustees.

### **Appointment of Trustees**

As set out in the current Articles of Association, the Chair, Vice Chair and Treasurer are elected by the Trustees and members. The Company Secretary is appointed by the Trustees. The Trustees are recruited using a variety of methods ranging from general advertisements, direct approach where specific skills or experiences are sought, and referrals. Trustees are appointed for a period of four years and can be reappointed for a further four years before stepping down for at least 12 months. Trustees are a blend of Early Years Wales members representing the early years sector, and volunteers with skills and experience from professional and personal experience. Co-opted Trustees may also be appointed.

### **Trustee Induction and Training**

Trustees are inducted into Early Years Wales by the CEO and Chair. There is bespoke and generic Trustee training available.

### **Organisation**

The Board of Trustees, which can have up to 20 members, administers the Charity and sets the overall mission, direction, and strategies of Early Years Wales. It scrutinizes performance to secure effective implementation of strategy as well as approving budgets and monitoring membership and the risk assessment register.

Details of implementation and execution are the responsibility of the senior management team led by the Chief Executive Officer. This ensures that:

1. The organisation stays focused on its mission and strategy.
2. Key strategic and policy decisions are made by the board, and
3. Support and constructive challenge are given by the Trustees to the senior management team and the Chief Executive.

The board meets six times a year. The finance group meets in the interim months between board meetings.

### **Related Parties**

There are no related party transactions relating to the financial year 2023/24 (2023: nil). All interests are required to be declared and signed in the Trustees Declaration of Interests proforma as required under Early Years Wales' code of governance. A conflict-of-interest register is kept and updated annually or when appropriate. In addition, all Trustees are asked to declare any interest pertinent to the agenda at all Board Meetings.

We have plans to utilise Trustee expertise in support of our Anti-racist action plan and will report this in 2024/25 subject to any related party benefiting from payment for professional skills and services.

**EARLY YEARS WALES 2018  
T/A EARLY YEARS WALES  
TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)  
FOR THE YEAR ENDED 31 MARCH 2024**

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**Key Management Personnel**

The Trustees consider that key management personnel are the senior staff, consisting of:

Chief Executive – Dave Goodger  
National Development Manager – Maggie Kelly  
North Wales Manager – Moya Williams  
West Wales Manager – Elaine Jones (retired January 2024)  
South Wales Manager – Andrea Wright  
People Learning and Development Manager – Julie Powell  
PA and Office Manager – Julie Besley  
Finance Manager – Lisa McMullen

**Pay Policy for Staff.**

Salaries for all staff are approved by the full Board and are set at market rate. Early Years Wales is a Real Living Wage employer. Employment Policies - Early Years Wales policy is to give full and fair consideration to applications for employment made by disabled persons, having regard to their aptitudes and abilities. Disabled employees receive appropriate training to promote their career development within the charity. Employees who become disabled are retrained in their existing posts where possible or retrained for suitable alternative posts. Regular meetings are held with all staff. Employees are kept well informed about the progress and position of the charity by regular departmental meetings.

**Risk Management**

Early Years Wales considers itself to be a 'risk intelligent' organisation, taking appropriately managed risks in an increasingly difficult environment. Our risk register and risk management procedures are fully embedded within the organisation. The risk register is updated and reviewed by Trustees and Senior Managers at the Board Meetings.

**Covid-19 Response**

During 2023/24 there were no disruptions caused by Covid-19.

**EARLY YEARS WALES 2018  
T/A EARLY YEARS WALES  
TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)  
FOR THE YEAR ENDED 31 MARCH 2024**

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**Reference and administrative details**

**Charity name** Early Years Wales 2018 T/A Early Years Wales

**Charity number** 1056381

**Company number** 3164233

**Principal and registered office** Unit 1  
Coopers Yard  
Curran Road  
Cardiff  
CF10 5NB

**Trustees** Carolyn Asante  
Dr David Dallimore (Chair)  
Kathryn Leighfield  
Tom Maclean - resigned 01/02/24  
Lisa Owen  
Jamie Powell  
Emily Rice - appointed 01/02/24  
Mike Thorne - resigned 31/03/24  
Victoria Wright - resigned 01/02/24  
Jocelyn Elmer - appointed 01/02/24  
Jaziea Farag - appointed 01/02/24  
Gabriella Meredith - appointed 07/12/23  
Clare Murphy - appointed 01/02/24

**Secretary** David Goodger

**Auditors** Azets Audit Services  
Ty Derw  
Lime Tree Court  
Cardiff Gate Business Park  
Cardiff  
CF23 8AB

**Bankers** Barclays Bank  
51 Hope Street,  
Wrexham  
LL11 1BE

**Investment providers** CCLA  
Senator House  
85 Queen Victoria Street  
London  
EC4V 4ET

**EARLY YEARS WALES 2018  
T/A EARLY YEARS WALES  
TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)  
FOR THE YEAR ENDED 31 MARCH 2024**

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**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.



**David Dallimore**  
Chair

Dated: 18/07/24

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**STATEMENT OF TRUSTEES RESPONSIBILITIES**  
***FOR THE YEAR ENDED 31 MARCH 2024***

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The trustees, who are also the directors of Early Years Wales 2018 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; 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.

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

# **EARLY YEARS WALES 2018 T/A EARLY YEARS WALES INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF EARLY YEARS WALES 2018**

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## **Opinion**

We have audited the financial statements of Early Years Wales 2018 (the 'charity') for the year ended 31 March 2024 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 2024 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.

## **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.

# **EARLY YEARS WALES 2018**

## **T/A EARLY YEARS WALES**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE TRUSTEES OF EARLY YEARS WALES 2018**

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#### **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.

#### **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.

**EARLY YEARS WALES 2018  
T/A EARLY YEARS WALES  
INDEPENDENT AUDITOR'S REPORT (CONTINUED)  
TO THE TRUSTEES OF EARLY YEARS WALES 2018**

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**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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Azets Audit Services*

15 August 2024

**Azets Audit Services**

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**Chartered Accountants  
Statutory Auditor**

Ty Derw, Lime Tree Court  
Cardiff Gate Business Park  
Cardiff  
United Kingdom  
CF23 8AB

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.

**EARLY YEARS WALES 2018  
T/A EARLY YEARS WALES  
STATEMENT OF FINANCIAL ACTIVITIES  
INCLUDING INCOME AND EXPENDITURE ACCOUNT**

**FOR THE YEAR ENDED 31 MARCH 2024**

		Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
	<b>Notes</b>						
<b><u>Income and endowments from:</u></b>							
Donations and legacies	<b>3</b>	10,427	-	10,427	419	-	419
Charitable activities	<b>4</b>	51,802	883,828	935,630	29,956	1,181,143	1,211,099
Investments	<b>6</b>	31,445	-	31,445	32,351	-	32,351
Other income	<b>7</b>	1,865	-	1,865	615	-	615
<b>Total income</b>		<u>95,539</u>	<u>883,828</u>	<u>979,367</u>	<u>63,341</u>	<u>1,181,143</u>	<u>1,244,484</u>
<b><u>Expenditure on:</u></b>							
Charitable activities	<b>8</b>	<u>291,663</u>	<u>900,276</u>	<u>1,191,939</u>	<u>88,519</u>	<u>1,213,040</u>	<u>1,301,559</u>
Net gains/(losses) on investments	<b>11</b>	<u>95,923</u>	<u>-</u>	<u>95,923</u>	<u>(53,656)</u>	<u>-</u>	<u>(53,656)</u>
<b>Net movement in funds</b>		<u>(100,201)</u>	<u>(16,448)</u>	<u>(116,649)</u>	<u>(78,834)</u>	<u>(31,897)</u>	<u>(110,731)</u>
Fund balances at 1 April 2023		<u>1,305,269</u>	<u>25,387</u>	<u>1,330,656</u>	<u>1,384,103</u>	<u>57,284</u>	<u>1,441,387</u>
<b>Fund balances at 31 March 2024</b>		<u><u>1,205,068</u></u>	<u><u>8,939</u></u>	<u><u>1,214,007</u></u>	<u><u>1,305,269</u></u>	<u><u>25,387</u></u>	<u><u>1,330,656</u></u>

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.

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**BALANCE SHEET**  
**AS AT 31 MARCH 2024**

	Notes	2024		2023	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	17		14,850		23,100
Tangible assets	18		940		1,880
Investments	19		1,035,668		1,059,745
			<u>1,051,458</u>		<u>1,084,725</u>
<b>Current assets</b>					
Debtors	21	31,275		238,686	
Cash at bank and in hand		212,481		118,545	
		<u>243,756</u>		<u>357,231</u>	
<b>Creditors: amounts falling due within one year</b>	22	<u>(81,207)</u>		<u>(111,300)</u>	
Net current assets			<u>162,549</u>		<u>245,931</u>
<b>Total assets less current liabilities</b>			<u><u>1,214,007</u></u>		<u><u>1,330,656</u></u>
<b>Income funds</b>					
Restricted funds	24		8,939		25,387
<u>Unrestricted funds</u>					
Designated funds	25	34,473		60,555	
General unrestricted funds		1,170,595		1,244,714	
			<u>1,205,068</u>		<u>1,305,269</u>
			<u><u>1,214,007</u></u>		<u><u>1,330,656</u></u>

**EARLY YEARS WALES 2018  
T/A EARLY YEARS WALES  
BALANCE SHEET (CONTINUED)  
AS AT 31 MARCH 2024**

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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 2024, 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 18/02/2024



**David Dallimore- Chair**

**Company Registration No. 03164233**

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

	Notes	2024 £	£	2023 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	29		(57,509)		(209,372)
<b>Investing activities</b>					
Proceeds from disposal of investments		120,000		-	
Investment income received		31,445		32,351	
<b>Net cash generated from investing activities</b>			151,445		32,351
<b>Net cash used in financing activities</b>			-		-
<b>Net increase/(decrease) in cash and cash equivalents</b>			93,936		(177,021)
Cash and cash equivalents at beginning of year			118,545		295,566
<b>Cash and cash equivalents at end of year</b>			212,481		118,545

# **EARLY YEARS WALES 2018**

## **T/A EARLY YEARS WALES**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 MARCH 2024**

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## **1 Accounting policies**

### **Charity information**

Early Years Wales 2018 is a private company limited by guarantee incorporated in England and Wales. The registered office is Unit 1, Coopers Yard, Curran Road, Cardiff CF10 5NB.

### **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 certain financial instruments at fair value. 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.

### **1.3 Charitable funds**

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

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

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.

### **1.4 Incoming resources**

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.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount.

Incoming resources from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions. This income is recognised as the related services are provided and there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Income is deferred when the amounts received are in advance of the performance of the service or event to which they relate.

Income from memberships is recognised in the period in which the membership covers. Any income received in advance is deferred.

Income from training and course income is recognised in the period to which the service is provided. Any income received in advance is deferred.

Income from interest and dividends is included in the accounts when receipt is probable and the amount receivable can be measured reliably.

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2024**

---

**1 Accounting policies**

**(Continued)**

**1.5 Resources expended**

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.

Expenditure on charitable activities includes all costs relating to the furtherance of the charity's objectives as stated in the trustees report and their associated support costs.

Support costs have been allocated between governance costs and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources and the amount of time spent on activities for staff costs.

Where the charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SoFA once the recipient of the grant has provided the specified service or output.

Where there are no conditions attaching to the grant that enables the donor charity to realistically avoid the commitment, a liability for the full funding obligation must be recognised.

**1.6 Intangible fixed assets other than goodwill**

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation 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:

Website	20% straight line
---------	-------------------

**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 basis:

Office equipment	33.3% straight line
Computer equipment	33.3% straight line

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 the statement of financial activities.

It is the charity's policy to not capitalise computer equipment where the individual value of the item does not exceed £2,000.

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2024**

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**1 Accounting policies**

**(Continued)**

**1.8 Fixed asset investments**

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

**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.

***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

***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.

**EARLY YEARS WALES 2018  
T/A EARLY YEARS WALES  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2024**

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**1 Accounting policies (Continued)**

**1.11 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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**

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

**1.13 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

**1.14 Taxation**

As a registered charity, the charity is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

**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**

	<b>Unrestricted funds</b>	<b>Unrestricted funds</b>
	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Donations and gifts	10,427	419
	<u>          </u>	<u>          </u>

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**4 Charitable activities**

	<b>2024</b>	2023
	£	£
Membership	-	150
Courses and training	30,270	16,165
Grants	883,828	1,181,143
Quality assurance	12,555	9,511
Sale of publications and promotional items	5,065	4,130
Other income	3,912	-
	<u>935,630</u>	<u>1,211,099</u>
	<u><u>935,630</u></u>	<u><u>1,211,099</u></u>
Analysis by fund		
Unrestricted funds	51,802	29,956
Restricted funds	883,828	1,181,143
	<u>935,630</u>	<u>1,211,099</u>
	<u><u>935,630</u></u>	<u><u>1,211,099</u></u>

**5 Grants were received from the following sources:**

	<b>2024</b>	2023
	£	£
Welsh Government - CWLWM	473,898	673,898
Welsh Government - Cynllyn Plethu	50,000	29,167
Welsh Government - DCELLS: Early Years Co-Ordinator	60,000	60,000
Welsh Government - Welsh Language Department	50,000	50,000
Carmarthenshire County Council - Children's Services	-	12,500
Ceredigion County Council - Family Information Service	5,000	5,000
Conwy County Borough Council - Education Services	7,500	5,000
Denbighshire County Council - Flying Start	8,093	8,093
Flintshire County Council	55,207	80,333
Isle of Anglesey County Council	8,750	8,750
Moondance Foundation	30,000	35,000
Monmouthshire County Council	6,000	6,000
Mudiad Ysgolion Meithrin	-	1,500
Newport City Council - RSG	106,890	95,000
PACEY Cymru	-	520
Swansea City Council - Early Intervention Service	14,990	14,990
Welsh Active Early Years Project	-	92,892
Wrexham County Council	7,500	2,500
	<u>883,828</u>	<u>1,181,143</u>
	<u><u>883,828</u></u>	<u><u>1,181,143</u></u>

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2024**

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**6 Investments**

	<b>Unrestricted funds</b>	<b>Unrestricted funds</b>
	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Interest and dividends receivable	31,445	32,351
	<u>31,445</u>	<u>32,351</u>

**7 Other income**

	<b>Unrestricted funds</b>	<b>Unrestricted funds</b>
	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Other income	1,865	615
	<u>1,865</u>	<u>615</u>

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**8 Charitable activities**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Staff costs	713,797	764,037
Depreciation and impairment	9,190	1,154
Grant funding returned	25,380	2,787
Bank and other charges	128	64
Computer, internet costs and telephone	24,961	24,219
Insurance	954	483
Other costs	467	3,348
Other staff costs	8,984	12,529
Events	38,486	19,938
Printing, post and stationery	37,266	32,226
Professional fees	(893)	6,069
Publications, training and subscriptions	55,513	81,576
Quality assurance	1,912	4,967
Premises costs	76,378	95,270
Travel and subsistence	22,433	20,192
	<u>1,014,956</u>	<u>1,068,859</u>
Grant funding of activities (see note 9)	74,852	130,646
Share of support costs (see note 10)	84,207	91,651
Share of governance costs (see note 10)	17,924	10,403
	<u>1,191,939</u>	<u>1,301,559</u>
<b>Analysis by fund</b>		
Unrestricted funds	291,663	88,519
Restricted funds	900,276	1,213,040
	<u>1,191,939</u>	<u>1,301,559</u>

**9 Grants payable**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
South East Wales	37,629	67,938
Early Years Wales small grants	37,223	62,708
	<u>74,852</u>	<u>130,646</u>

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**9 Grants payable**

**(Continued)**

During the year the charity awarded £74,852 (2023: £130,646) in grants to organisations and £nil (2023: £nil) to individuals.

The number of grants awarded to member organisations during the year totalled 230 (2023: 211), the smallest grant given was £18 (2023: £8) and the largest £2,650 (2023: £1,128).

**10 Support costs**

	<b>Support costs</b>	<b>Governance costs</b>	<b>2024</b>	<b>Support costs</b>	<b>Governance costs</b>	<b>2023</b>
	£	£	£	£	£	£
Staff costs	23,249	-	23,249	19,663	-	19,663
Depreciation	-	-	-	8,516	-	8,516
Bank and other charges	1,308	-	1,308	1,593	-	1,593
IT and telephone	9,127	-	9,127	11,054	-	11,054
Premises costs	1,924	-	1,924	1,415	-	1,415
Insurance	8,610	-	8,610	10,359	-	10,359
Professional fees	11,788	-	11,788	11,108	-	11,108
Publications, training and subscriptions	313	-	313	506	-	506
Travel and subsistence	7	-	7	296	-	296
Other staff costs	2,818	-	2,818	1,912	-	1,912
Printing, post and stationery	25,063	-	25,063	25,229	-	25,229
Audit fees	-	17,280	17,280	-	9,420	9,420
Trustee expenses and meeting costs	-	644	644	-	983	983
	<u>84,207</u>	<u>17,924</u>	<u>102,131</u>	<u>91,651</u>	<u>10,403</u>	<u>102,054</u>
Analysed between						
Charitable activities	<u>84,207</u>	<u>17,924</u>	<u>102,131</u>	<u>91,651</u>	<u>10,403</u>	<u>102,054</u>

Governance costs includes payments to the auditors of £14,400 for audit fees (2023: £7,500) and accountancy fees of £2,880 (2023: £1,920).

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2024**

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**11 Net gains/(losses) on investments**

	Unrestricted funds	Unrestricted funds
	2024	2023
	£	£
Revaluation of investments	92,649	(53,656)
Gain/(loss) on sale of investments	3,274	-
	<u>95,923</u>	<u>(53,656)</u>

**12 Trustees**

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

No trustees (2023: 1 trustee) were reimbursed for IT equipment during the year, (2023: £200) 4 trustees (2023: 3) were reimbursed £1,302 (2023: £732) for travel and subsistence expenses.

**13 Taxation**

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**14 Employees**

**Number of employees**

The average monthly number of employees during the year was:

	<b>2024</b>	<b>2023</b>
	<b>Number</b>	<b>Number</b>
Functional	17	18
Support	8	10
	<u>25</u>	<u>28</u>

**Employment costs**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Wages and salaries	659,766	695,550
Social security costs	51,574	59,629
Other pension costs	25,706	28,521
	<u>737,046</u>	<u>783,700</u>

The full time equivalent number of staff employed throughout the year was 23 (2023: 24).

Included within wages and salaries costs are redundancy payments totalling £14,252 (2023: £nil). As at the current year end £nil was outstanding.

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

**15 Key management personnel**

The key management personnel received remuneration totalling £320,655 (2023: £321,542).

The key management personnel of the charity during the year were the National Development Manager, West Wales Manager, North Wales Manager, South Wales Manager, PA and Office Manager, the CEO, the People, Learning and Development Manager and the Finance Manager.

**16 Pension commitments**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £25,706 (2023 - £28,521). There were no amounts outstanding at the year end in the current or previous year.

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**17 Intangible fixed assets**

	<b>Website £</b>
<b>Cost</b>	
At 1 April 2023 and 31 March 2024	41,250
<b>Amortisation and impairment</b>	
At 1 April 2023	18,150
Amortisation charged for the year	8,250
At 31 March 2024	26,400
<b>Carrying amount</b>	
At 31 March 2024	14,850
At 31 March 2023	23,100

**18 Tangible fixed assets**

	<b>Office equipment £</b>	<b>Computer equipment £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 April 2023	83,410	18,954	102,364
At 31 March 2024	83,410	18,954	102,364
<b>Depreciation and impairment</b>			
At 1 April 2023	81,530	18,954	100,484
Depreciation charged in the year	940	-	940
At 31 March 2024	82,470	18,954	101,424
<b>Carrying amount</b>			
At 31 March 2024	940	-	940
At 31 March 2023	1,880	-	1,880

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**19 Fixed asset investments**

	<b>Listed investments £</b>
<b>Cost or valuation</b>	
At 1 April 2023	1,059,745
Valuation changes	92,649
Disposals	(116,726)
At 31 March 2024	<u>1,035,668</u>
<b>Carrying amount</b>	
At 31 March 2024	<u>1,035,668</u>
At 31 March 2023	<u>1,059,745</u>

**20 Financial instruments**

	<b>2024 £</b>	<b>2023 £</b>
<b>Carrying amount of financial assets</b>		
Instruments measured at fair value through profit or loss	<u>1,035,668</u>	<u>1,059,745</u>

**21 Debtors**

	<b>2024 £</b>	<b>2023 £</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	8,680	9,638
Prepayments and accrued income	22,595	229,048
	<u>31,275</u>	<u>238,686</u>

**22 Creditors: amounts falling due within one year**

	<b>Notes</b>	<b>2024 £</b>	<b>2023 £</b>
Other taxation and social security		12,529	16,787
Deferred income	<b>23</b>	47,624	23,329
Trade creditors		1,440	55,063
Other creditors		1,912	5,830
Accruals		17,702	10,291
		<u>81,207</u>	<u>111,300</u>

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2024**

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**23 Deferred income**

	<b>2024</b>	<b>2023</b>
	£	£
Arising from government grants	21,504	21,504
Arising from membership and training income	26,120	1,825
	<u>47,624</u>	<u>23,329</u>
	<u><u>47,624</u></u>	<u><u>23,329</u></u>

Deferred income is included in the financial statements as follows:

	<b>2024</b>	<b>2023</b>
	£	£
Balance brought forward	23,329	21,974
Income received	46,984	39,174
Income released	(22,689)	(37,819)
	<u>47,624</u>	<u>23,329</u>
	<u><u>47,624</u></u>	<u><u>23,329</u></u>

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**24 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:

	Movement in funds			Movement in funds			
	Balance at 1 April 2022	Incoming resources	Resources expended	Balance at 1 April 2023	Incoming resources	Resources expended	Balance at 31 March 2024
	£	£	£	£	£	£	£
Welsh							
Government	-	813,065	(813,065)	-	633,898	(633,898)	-
County funds	57,284	332,558	(364,455)	25,387	219,930	(236,378)	8,939
Moondance Foundation	-	35,000	(35,000)	-	30,000	(30,000)	-
PACEY Cymru	-	520	(520)	-	-	-	-
	<u>57,284</u>	<u>1,181,143</u>	<u>(1,213,040)</u>	<u>25,387</u>	<u>883,828</u>	<u>(902,576)</u>	<u>8,939</u>

**Welsh Government – CWLWM.** Awarded to the Cwlwm Partnership of Early Years Wales, Clybiau Plant Cymru Kids' Clubs, NDNA Cymru, Mudiad Meithrin and PACEY Cymru. Cwlwm's brief is to support Welsh Government's aim to ensure that families across Wales can access affordable, quality childcare providing innovative solutions to create flexible childcare and play opportunities to meet the needs of parents and their families.

To tackle issues within the Childcare and Play sector. These include but are not restricted to: sustainability, workforce development and gaps in childcare provision, especially as far as Welsh-medium childcare/play and provision in rural areas are concerned. By working together, innovative solutions to flexible childcare and play opportunities, and wrap-around care to meet the needs of parents and families in all parts of Wales is achieved.

**Welsh Government - Education Directorate – Foundation Phase Development Officer.** To provide expert support to members delivering the Foundation Phase in the non-maintained early years sector, through a programme of face-to-face visits, email support and signposting.

**Ceredigion County Council – Family Information Services.** To support members with termly visits to registered settings, support with CIW requirements grant applications and business health checks.

**Carmarthenshire County Council – Children's Service.** To support members to deliver quality provision by termly contact telephone/email business support and visits, CIW requirements support start-up/expansion of places, representation at local meetings, promoting Quality for All scheme.

**Pembrokeshire County Council.** To support member childcare providers by contact through face to face and e-mail contact, raising the standard of settings and promoting Quality for All award, to promote uptake of workforce training.

**Swansea City Council – Early Intervention Service.** Support includes, attending meetings, support to conduct CSA refresh, conducting feasibility study on expansion of childcare services, support to register and comply with CIW NMS. Promotion of Healthy Snack Award and Healthy and Sustainable pre-school schemes

**Isle of Anglesey County Council.** To provide business, managerial and administrative advice and support to local committees, leaders and paid staff. Forward training needs to the Authority and the Children and Young People's Partnership. Provide support to the Referral Scheme and the SEN Specialist Teacher and attend any relevant specialist training to be ready for significant changes.

**Flintshire County Council.** To provide support to early years providers to be sustainable businesses via visits, email, phone or office support.

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2024**

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**24 Restricted funds**

**(Continued)**

**Flintshire County Council (Childcare Partnership)** To provide business support for member settings in Flintshire, via development worker visits, email or telephone support. Additional needs & Brokerage co-ordinator supporting settings, children, families and the local authority with all aspects of their referral schemes.

**Denbighshire County Council (Flying Start)** - To provide business support and guidance to members providing Flying Start services in Denbighshire via visits to settings, email or telephone.

**Welsh Government – Welsh Language Support** - Funding to promote the existence of 'Camau' by engaging with the sector and encouraging employers to take advantage of the training available. Ensuring resources are available to support learners, sharing all Cwlwm partner resources too where possible and to provide aftercare support as required for learners and the settings they work in.

**Newport City Council.** Childcare contract project led by Early Years Wales to provide business support to all providers including childminders and out of school clubs via visits, email/phone and virtual calls. Early Years Wales administers and runs the Early Years Wales Additional Needs Referral scheme, coordinator supports settings, parents and children as part of the scheme as well as supporting children accessing funds from the childcare offer.

**Newport City Council - Education Services.** Additional Needs Referral scheme coordinator administers funding for 1-1 support for children with ALN who access education through the non-maintained sector. This scheme runs as part of the main scheme within the Newport childcare contract.

**Monmouthshire County Council.** To provide support to member settings in Monmouthshire. Support for business skills, legal compliance and promotion of quality is provided via email, telephone and face to face visits.

**Healthy and Active Fund.** This is a 3 year project, Early Years Wales have partnered with Welsh Gymnastics to deliver the Welsh Active Early Years Programme across Wales. The multi skills movement and play based activity programme will be delivered directly to children and parents/carers at community based venues and outdoor spaces as well as delivering training to childcare practitioners on physical literacy for 0-3 year olds.

**Donations** - Received to fund specific geographical areas as well as supporting training, resources and support funding for a child with Additional Learning Needs.

**Moondance Foundation** - Early Years Wales worked in collaboration with the Moondance Foundation to facilitate the administration of grants in response to Covid. A £30,000 grant was received by Early Years Wales and was distributed in full to member settings using an application process agreed in advance with Moondance. Early Years Wales would like to note their thanks to Moondance for the support to the early years sector through this funding.

**PACEY Cymru** - a contribution to co-delivery of funding.

**EARLY YEARS WALES 2018  
T/A EARLY YEARS WALES  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2024**

**25 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:

	Balance at 1 April 2022		Resources expended	Transfers	Balance at 1 April 2023		Movement in funds			Balance at 31 March 2024	
	£	£			£	£	Incoming resources	Resources expended	Transfers	£	£
People Development	-	-	-	-	-	-	-	-	38,481	-	7,821
St. Donats Donation	-	-	-	-	-	10,000	(30,660)	-	-	-	8,360
Project development	33,932	(8,410)	(8,410)	-	25,522	-	(1,640)	-	-	-	-
Governance	38,658	(32,579)	(32,579)	-	6,079	-	(25,522)	-	-	-	-
Central costs	57,510	(108,430)	(108,430)	50,920	-	-	(6,079)	-	-	-	-
Early Years Wales Welsh project	1,900	(428)	(428)	-	1,472	-	-	-	-	-	-
Fixed assets	34,649	(9,669)	(9,669)	-	24,980	-	(1,472)	-	-	-	15,790
CWLWM membership	60,000	(60,000)	(60,000)	-	-	-	(9,190)	-	-	-	-
Wrexham donation	11,391	(8,889)	(8,889)	-	2,502	-	-	-	-	-	2,502
	<u>238,040</u>	<u>(228,405)</u>	<u>(228,405)</u>	<u>50,920</u>	<u>60,555</u>	<u>10,000</u>	<u>(74,563)</u>	<u>38,481</u>	<u>34,473</u>		

**EARLY YEARS WALES 2018  
T/A EARLY YEARS WALES  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2024**

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25 Designated funds (Continued)

**Project development**  
To develop and explore new areas of funding for the organisation.

**Governance**  
Fund one part time Governance Officer post to support members to review the governance and legal structure of their business and choose the most appropriate charitable structure, support settings with Charity commission and CIW registration changes where necessary and provide on going support to not for profit members to be compliant with legal requirements.

**Central costs**  
Fund designated to fund central costs including office rent.

**Early Years Wales Welsh project**  
Fund a part time funded post to develop and promote Welsh Language within Early Years Wales which will aid to improve support to all staff and members. This will promote the Welsh Government's initiative, Cymraeg 2050 to achieve 1 million Welsh speakers in Wales by 2050.

**Fixed assets**  
Represents the unrestricted net book value of the charity's fixed assets.

**CWLWM membership**  
Utilising funds received from Welsh Government to support the early years and childcare sector Early Years Wales has made membership free to any qualifying childcare provider for 2023/24.

**Wrexham donation**  
Funds received were the result of closures of childcare CIOs in the Wrexham Local Authority Area. In line with the constitutions and policies the remaining capital was transferred to Early Years Wales to be re-distributed for like-for-like charitable aims in the local area. All funds received have been allocated to support charitable settings and organisations in the area.

**St Donats Donation**  
Funds received were the result of closure of the St Donats nursery. In line with the constitutions and policies the remaining capital was transferred to Early Years Wales to be re-distributed for like-for-like charitable aims.

**People Development**  
To develop and explore new areas of funding for staffing.

**EARLY YEARS WALES 2018  
T/A EARLY YEARS WALES  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2024**

26 Analysis of net assets between funds	Unrestricted		Designated		Restricted		Total	
	2024	2024	2024	2024	2024	2024	2023	2023
	£	£	£	£	£	£	£	£
Fund balances at 31 March 2024 are represented by:								
Intangible fixed assets	-	14,850	-	-	-	-	23,100	23,100
Tangible assets	-	940	-	-	-	-	1,880	1,880
Investments	1,035,668	-	-	-	1,059,745	-	-	1,059,745
Current assets/(liabilities)	134,927	18,683	8,939	8,939	184,969	25,387	35,575	245,931
	<u>1,170,595</u>	<u>34,473</u>	<u>8,939</u>	<u>8,939</u>	<u>1,244,714</u>	<u>25,387</u>	<u>60,555</u>	<u>1,330,656</u>

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**27 Related party transactions**

There were no disclosable related party transactions during the year (2023 - none).

**28 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:

	<b>2024</b>	<b>2023</b>
	£	£
Within one year	39,993	41,345
Between two and five years	32,312	51,391
	<u>72,305</u>	<u>92,736</u>

**29 Cash generated from operations**

	<b>2024</b>	<b>2023</b>
	£	£
Deficit for the year	(116,649)	(110,731)
Adjustments for:		
Investment income recognised in statement of financial activities	(31,445)	(32,351)
Gain on disposal of investments	(3,274)	-
Fair value gains and losses on investments	(92,649)	53,656
Amortisation and impairment of intangible assets	-	8,250
Depreciation and impairment of tangible fixed assets	9,190	1,420
Movements in working capital:		
Decrease/(increase) in debtors	207,411	(190,383)
(Decrease)/increase in creditors	(54,388)	59,412
Increase in deferred income	24,295	1,355
<b>Cash absorbed by operations</b>	<u>(57,509)</u>	<u>(209,372)</u>

**30 Analysis of changes in net funds**

The charity had no debt during the year.

**EARLY YEARS WALES 2018**

England & Wales - Charity number 1056381

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# Accounts

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**Charity registration number 1056381**

**Company registration number 03164233 (England and Wales)**

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

# EARLY YEARS WALES 2018 T/A EARLY YEARS WALES CONTENTS

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# **EARLY YEARS WALES 2018 T/A EARLY YEARS WALES CHAIRMAN'S STATEMENT**

**FOR THE YEAR ENDED 31 MARCH 2023**

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## **Statement from the Chair of the Board**

2022/23 has been a successful year for Early Years Wales. It has seen a transition from the Covid-impacted years of 2020, 2021 and early 2022, to a period where we are now returning to some pre-pandemic practices, such as hosting face-face events. This year, we have re-established a training department. These plans, which had been on hold during the pandemic, have already demonstrated success based on the interactions with our members, the uptake of courses, and the engagement with wider stakeholders.

Over the course of the year, our membership has grown to over 1,300 members. This represents the largest membership figures ever and justifies the Board's decision to extend the free membership offer that was sponsored by the Welsh Government in 2020/21, and 2021/22 into 2022/23. The Board decided to make 2022/23 free in support of the cost-of-living challenges anticipated in September 2022, making provision in the designated reserves to underpin this expense.

Our social partnership with Cwlwm and the Welsh Government continues to thrive. This social partnership works in collaboration to strategically influence policy decisions, help the sector to promote childcare and playwork, and embed new policies and procedures into their practice in settings around Wales.

During the year, our colleagues in Early Years Wales have continued to deliver the funded project Active Together Wales. This project, in the final year of delivery, has achieved so much in educating and upskilling parents and professionals with the importance of early movement, and the contributions the early years plays to developing physical literacy. The Board is also pleased to note that a partnership between Early Years Wales, the Paul Hamlyn Foundation and the Arts Council for Wales commenced in 2023, with a pilot phase of the Creative Learning in the Early Years project. This three-year project aims to discover whether the successes of the art in education programme in schools can be replicated in the early years sector. It is a project that has been in the planning stage for 18 months and was finally given permission to proceed in September 2022. We look forward to working collaboratively on this project with our partners and reporting on the outcomes in due course.

The Board does understand that the sector remains fragile and under pressure. There are continued staff shortages around Wales in the early years childcare workforce. We are working with policy makers, and through our own means to support this as much as possible. Through the dedicated use of our dividend from the invested reserves, and additional funding generously contributed by the Moondance Foundation, we have been able to support settings in their times of need through our small grants scheme. The impact of these small grants has been significant, and we are grateful to Moondance for extending our reach through their funding, (see case study on page 11 under Grant Funding).

As we move into 2023, we are adapting back to a way of working that continues the online connectivity developed over the last few years and combines this with our pre-pandemic approaches of in-person and 'in-the-room' meetings and training. As a result, we have updated our strategic plan for 2023-2026. In this, we have outlined the areas of business we do well and will continue to offer, along with our aspirations to develop and extend our offer over the coming years. We have plans to bring our annual awards and conference back as a live event but will offer online connectivity too. Our hybrid working policies will remain as our staff have found these beneficial in meeting the organisational needs alongside creating a sense of balance between work and life.

We have lots to be excited about and lots to do in Wales. We are working proactively in support of the Anti-Racist Wales Action Plan, to update the assessment arrangements for the new curriculum, to support the Welsh Government as they update the National Minimum Standards for Regulated Childcare in Wales, and to consider the policy approaches to implementing an Early Childhood Education and Care (ECEC) approach in Wales.

We have our own development plans. These include ambitions to grow our training offer, and to continue to deliver all the products, services, and member benefits that our settings have come to enjoy over the years. Our overarching aim is to see children play, learn, and thrive through a high-quality early years sector in Wales.

# **EARLY YEARS WALES 2018 T/A EARLY YEARS WALES TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2023**

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The trustees present their annual report and financial statements for the year ended 31 March 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 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)".

## **Objectives and activities**

The purposes of the charity as set out in the governing documents and articles are:

For the public benefit, alone or in conjunction with other organisations, the promotion and advancement of the education, development and care of preschool children in Wales by:

- a. Providing support and guidance including upon governance, regulation, planning, quality improvement and workforce development to organisations and individuals that provide for the education and care of preschool children; and
- b. Encouraging parents, carers and families of preschool children to understand their needs and to provide for their needs by engaging them in activities that promote their education, development and care.

Early Years Wales' main activity is to support all children, adults with childcare responsibilities and early years providers to give every child across Wales the best start in life. We believe that all families have the right to high-quality play, education and care opportunities to help their children reach their potential.

## **Our strategic aim:**

To support all pre-school children, their families and early years providers to give every child across Wales the best start in life.

## **Our objectives:**

1. Supporting the early years providers and the early years workforce
2. Supporting parents, carers and families to participate in play
3. Promoting the work of Early Years Wales widely
4. Contributing to policy implementation at National and local levels
5. Developing partnerships
6. Maintaining and developing the organisation's governance and management
7. Recruiting and developing staff and volunteers
8. Seeking and managing funding to maintain and expand our services

We aim to facilitate giving children the best start in life by providing services that promote child development and support families throughout Wales. This is achieved by supporting members to provide early intervention and family service programmes. We offer high-quality support and representation for our members and offering our own accredited quality assurance schemes. The charity also works collaboratively with other organisations, including other early years, childcare, education, playwork charities and statutory agencies to deliver our services. The charity promotes and delivers access to affordable, flexible, and high-quality childcare provision.

Early Years Wales has always promoted the value of parental participation in their child's development. This was a founding objective of the organisation and we continue to develop ways to ensure that families are supported from the birth of a child and throughout their early years.

We see our role as providing our members with information, guidance, offering a listening ear and supporting them to achieve their goals. We measure our success in achieving these objectives by analysing the impact of our work through our reporting and monitoring and through case studies. Through our work, Early Years Wales seeks to support its members by encouraging discussion about early years services. We keep them updated on changes to legal requirements and assist with planning to sustain their businesses.

# **EARLY YEARS WALES 2018**

## **T/A EARLY YEARS WALES**

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

#### **FOR THE YEAR ENDED 31 MARCH 2023**

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In addition, we provide targeted one-to-one support; news about the early years sector; and signposting to qualifications and training opportunities. Early Years Wales' dedicated Foundation Phase support, Welsh Language support, our Quality for All quality assurance scheme, our Healthy and Active project, and the development of support publications and resources all serve to improve quality in the sector. We recognise that many early years providers operate in a diverse range of environments which can be challenging. These include rural communities and areas of disadvantage. Many settings are reliant on a mixed economy of funding e.g., Flying Start, Early Entitlement for 3- and 4-year-olds and parent fees, and the Childcare Offer. These factors can challenge sustainability, as can local and national funding initiatives. Our aim is to inform, support and signpost so that these issues can be addressed, and capacity maintained.

The Trustees have paid due regard to guidance issued by the Charity Commission's public benefit guidance in deciding what activities the charity should undertake and in planning future activities. Due diligence is given to how planned future activities will contribute to the strategic aim.

#### **Achievements and performance**

##### **Highlights**

##### **Active Together Wales Project**

Our 4-year Active Together Wales project concluded in March 2023. The impact of this project on our members, stakeholders and our working practices has been significant.

This project initially targeted the production of two training outputs, Play to Learn Plus and Active Together, along with an agreed target to train:

- 120 parents/carers
- 120 children
- 120 early years practitioners

Over the duration of the project, we achieved:

- 315 parents/carers
- 330 children
- 415 early years practitioners

We also produced the following training and professionally led programmes, in addition to the two from the targets above:

- Active Baby at Home
- Active Together Wales
- Active Baby and You
- Play Move Thrive
- Active Baby at Home - Train the Trainer

Our training and professionally facilitated programmes will be embedded in our core training programme as we move beyond the funded period. We know these are successful and currently, due to our limited staff capacity, we have a waiting list of six local authorities for future training courses.

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**Case study: Active Baby at Home programme with Rhondda Kindercare 2022**

@sportrct  
[www.chwarsportrct.co.uk](http://www.chwarsportrct.co.uk) | [www.sportrct.co.uk](http://www.sportrct.co.uk)

**Sport RCT**  
**Case Study**

**Active Baby at Home**

Active Baby at Home is a six-week programme aimed at supporting new parents to understand the importance of movement through play in the first 1000 days. It brings adults together to start enjoying playing actively with their baby through everyday routines from birth. Each session is based around a topic highlighting the importance of play and how physical literacy is central to a babies development; contributing to physical and emotional wellbeing.

We partnered with Early Years Wales (EYW) to deliver the programme in Rhondda Cynon Taf. Parent and Toddler group, Rhondda Kindercare were keen to pilot the programme, so we met with them. They have a great reputation in the area as being extremely friendly and welcoming, so we knew it would be a fantastic venue to use. EYW delivered the six-week programme, with the leader of Rhondda Kindercare shadowing the facilitator each week. She then attended an 'Active Baby at Home Train the Trainer' course, allowing her to continue delivering the programme in-house, sustainably.

Six staff from the Resilient Families Nursery Nurse team and the Talk and Play team also attended the training course. We then worked with the two teams who agreed to co-deliver the programme across three sites – Aman Children and Family Centre, Flying Start Centre Penrhys and Rhydyfelin Children's Integrated Centre. The programme was free to attend at all sites.

Across the four sites, 29 families have engaged with the programme so far and we are really pleased with how much they have benefited from taking part. 100% of the families questioned feel happier, are more confident and are now more active, more often. We also received the following feedback:

**“It has been great learning how to be active with my baby, especially as a first-time mum”**

**“Meeting new parents and their babies has helped me so much”**

**“I have enjoyed all the sessions, particularly the activities and items you can make to help your baby's movement”**

**“All parents who came to the group said that they now feel more confident to do tummy time more often at home”**

**29** families engaged  
**100%** now more active, more often  
**100%** intend to continue taking part in physical activity  
**86%** feel healthier  
**100%** feel more confident  
**100%** feel happier  
**100%** made new friends

RHONDDA CYNON TAF

# EARLY YEARS WALES 2018 T/A EARLY YEARS WALES TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2023

## Training and Professional Learning

2022/23 was the first full year of operating our professional training and learning programme, following the appointment of the People Development and Learning Manager at the end of 2021/22. We have been pleased with the progression of our training and the continuous professional development opportunities offered under our new structure. The creation of this role in the management tier has allowed us to collaborate more effectively within the organisation and plan a suite of training that is matched to the needs of the sector and is organised in a way that makes the training accessible, appealing, and affordable. This is an example of a benefit arising from our new investment provider where we are reinvesting the dividend returns the invested reserves make to subsidise training and professional learning for our members' benefit.

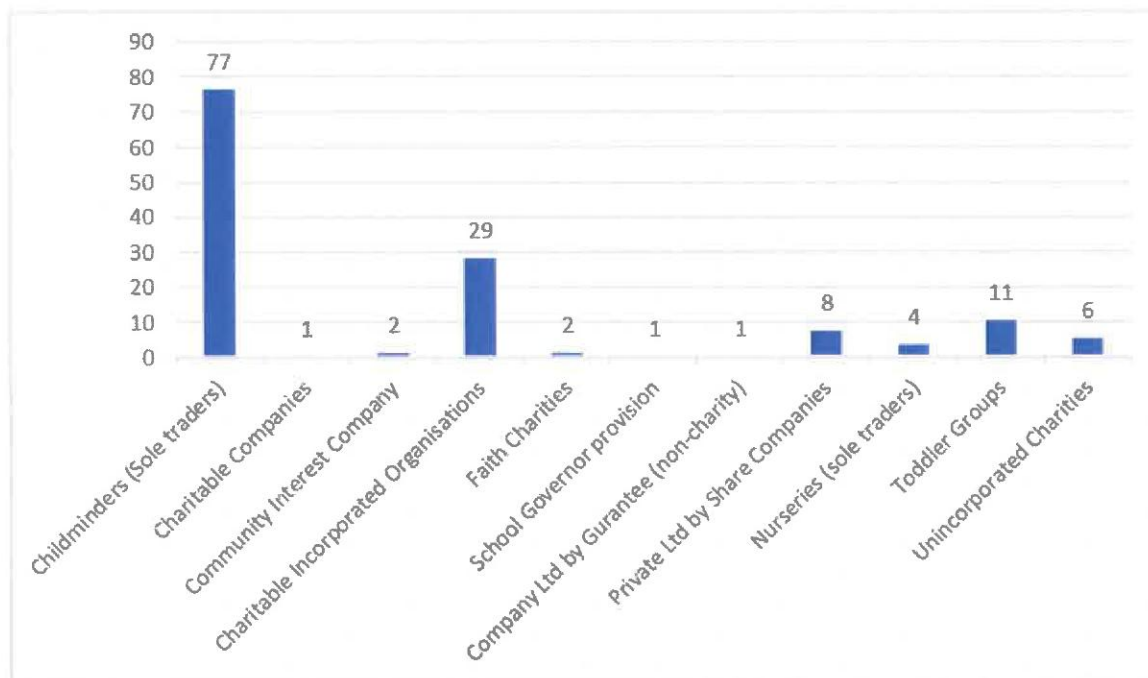


Each quarter, a professional catalogue of training is shared with our member settings. Following the pandemic, we are working in a considered way, maintaining some training as an online offer to appeal to a wide audience and engage with speakers from a wider geographical area. We have other training that is in-person and in-room offers. This networking and in-person approach is useful when the conversations and practice require participation, interaction or demonstration. Our new model includes both approaches.

## Grant funding

The main aim of our small grant was to support members struggling with short-term sustainability, adapting to new ways of working or contributing towards increased costs/set-up costs. Our small grant funding is another example of the focused use of our dividends from the invested reserves that we re-purpose for the benefit of our members. We were grateful to the generous partnership with the Moondance Foundation to support our funds and extend the reach of this grant funding. We make no service charges on the donations from Moondance and share their funding in full. In addition, we reallocated surpluses from dissolved charities following the principles in our constitution and memorandums and articles.

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- 77 Childminders (sole traders)
- 1 Charitable Company
- 2 Community Interest Companies
- 29 Charitable Incorporated Organisations (CIO)
- 2 Faith Charities
- 1 School Governor provision
- 1 Company Ltd by Guarantee (non-charity)
- 8 Private Ltd by Share Companies
- 4 Nurseries (sole traders)
- 11 Toddler Groups
- 6 Unincorporated Charities

We also welcomed applications from non-members, who were then offered free membership. This not only gave them access to the grant, it gave them the opportunity to use all Early Years Wales' services, resources and expertise.

**Case Study:** (smalltalk Winter/Spring 2022) Childminders in Conwy work with local artist following a small grant award

### Welsh Language

Through the additional funding for Welsh language received during 2022/23, we have extended our staffing in the Welsh language area. This additional resource allocation has already been beneficial and will continue to make a positive impact on our aspiration to support Cymraeg 2050 - <https://www.gov.wales/sites/default/files/publications/2018-12/cymraeg-2050-welsh-language-strategy.pdf> a million Welsh speakers, and the expansion plans for Flying Start in Wales – <https://www.gov.wales/phased-expansion-early-years-provision>

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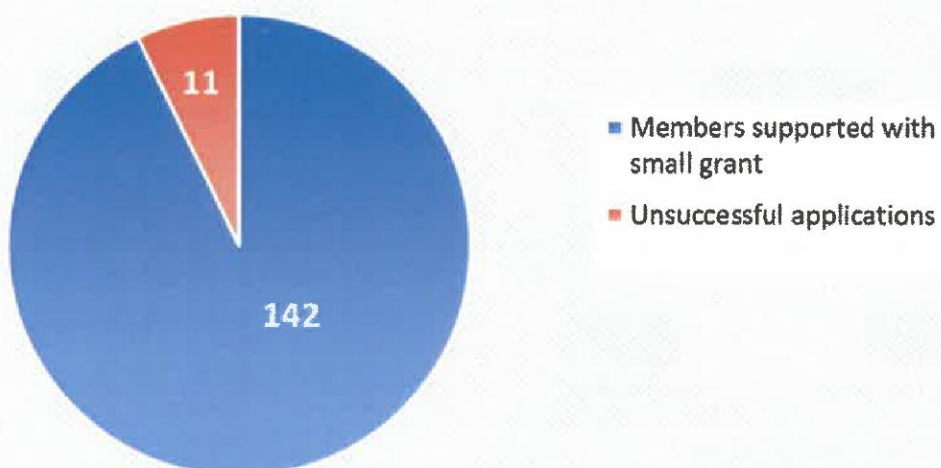
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Where funding from the dissolution was allocated, we follow the principles outlined below.

1. Honouring the intentions of the dissolved Trustee Board following their instruction of where to allocate their surpluses.
2. Allocating the surpluses in the local area to support similar charitable organisations locally.
3. Where the above is not possible, or not identifiable, we allocated funds within the local authority area; utilising funds to benefit children in the same region as the original charity worked.

**Grants awarded in 17 out of 22 local authority areas**

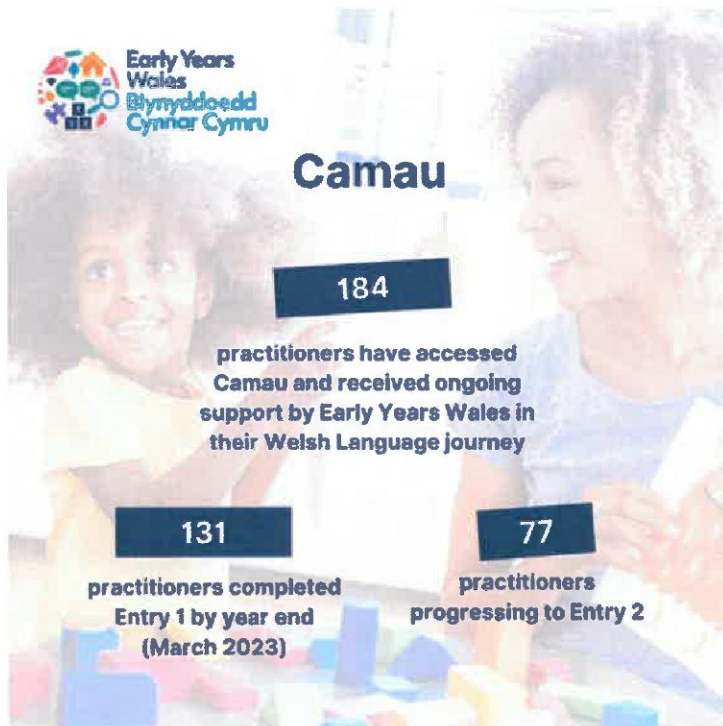
**£57,739 funding allocated @ 31st March 2023**



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Early Years Wales has continued to work collaboratively with NDNA Cymru to lead Cwlwm's response to Camau, The National Centre for Learning Welsh's Work Welsh scheme for the early years, childcare and playwork sectors. This Camau scheme aims to upskill practitioners and move them along the language continuum towards Welsh fluency. Early Years Wales supported 184 practitioners to access Camau and begin their language journey. Of those 184, by year-end (March 23), 131 had completed Entry 1 with 77 progressing to Entry 2.

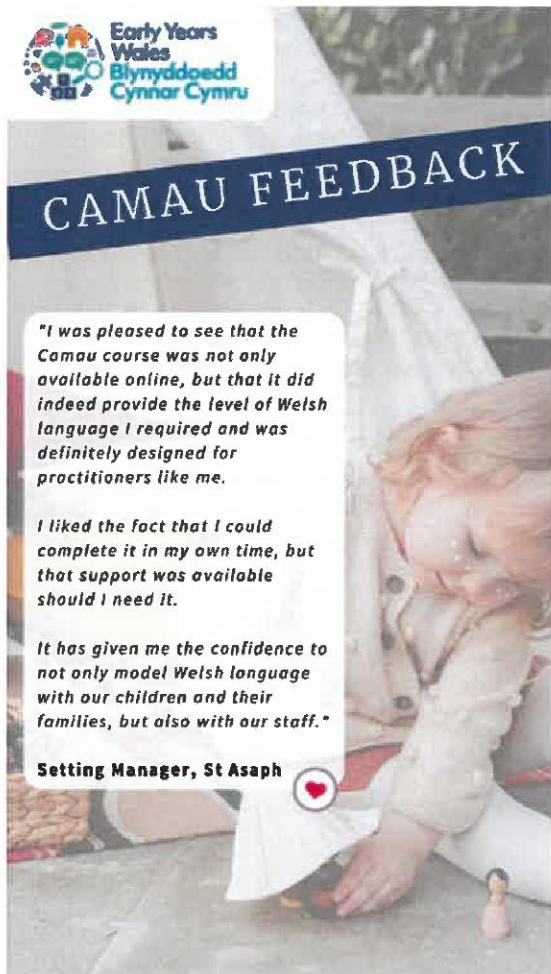


Early Years Wales led the creation of marketing materials on behalf of the Cwlwm partnership, creating 17 new posters/leaflets aimed at different audiences within the early years, education and childcare sectors i.e., childminders, play workers and playgroup leaders. Early Years Wales also led the creation of three interactive presentations; these were used by Cwlwm partners to market Camau in local authority meetings, conferences and other such events when given opportunities to meet with the workforce.

As one of the lead partners for the Camau initiative, Early Years Wales delivered four Camau Nesaf online learning sessions, (one per term), which ensured training influenced practice. Camau Nesaf sessions were used to model and expand on the language taught through Camau and were also used as an open forum for practitioners to share ideas.

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The digital world played an increasing role in the Welsh language support Early Years Wales delivered and allowed us greater reach and flexibility in our approach. Video conferencing software such as Zoom and/or Microsoft Teams was used to meet learners individually and as small teams to discuss pronunciation, best practices and sharing of ideas. It was also used to deliver information sessions to local authorities, Flying Start settings and colleges.

Social media was utilised for sharing the positive experiences of learners as a marketing tool, with 11 posts being circulated from learners that had completed Camau Entry 1. Early Years Wales also led the creation and development of Word of the Week. Word of the Week shared vocabulary, pertinent to the week ahead, allowing learners to incorporate the vocabulary into their plans and daily activities. Early Years Wales created 52 Word of the Week videos and these were shared across all Cwllwm partners' social media pages.

Early Years Wales created 34 brand new resources to complement the Camau courses, ensuring that there were at least four resources per available unit. These resources are available to Camau learners as downloadable resources through their learning portals and via the Cwllwm website.

Early Years Wales' Welsh Support webpage underwent a revamp, taking it to a higher standard and making it more user-friendly for our members. Welsh and bilingual resources now sit on the 'Resource Hub' webpage and can be accessed by the entire early years, education, and childcare workforce.

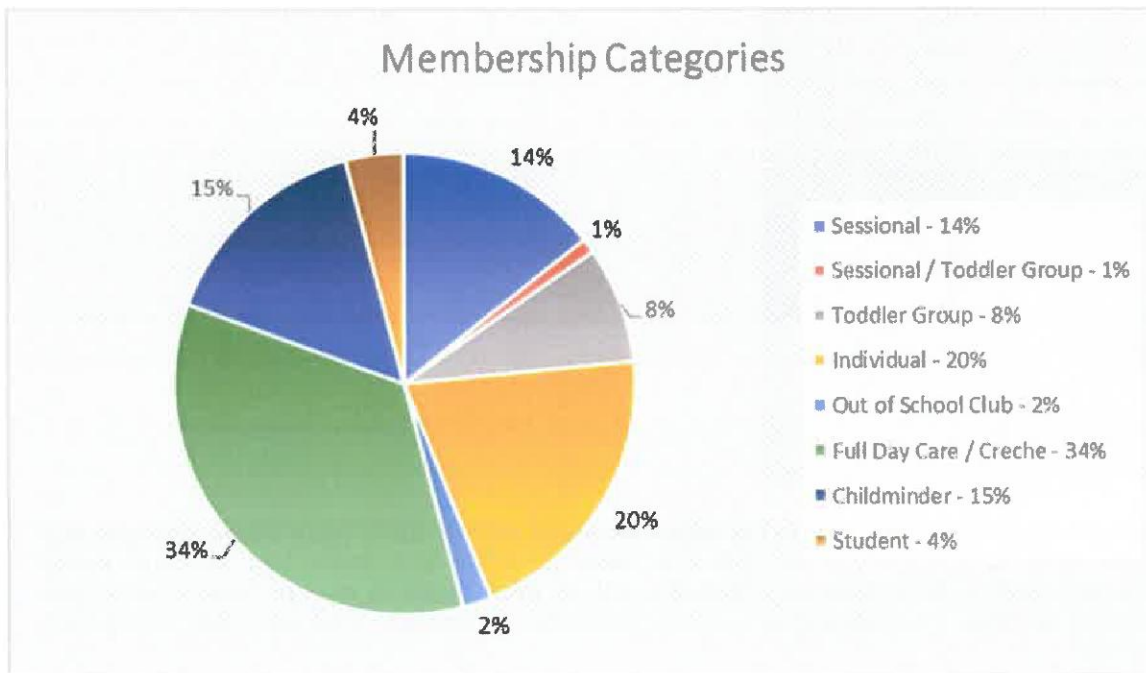
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Internally, Early Years Wales furthered its commitment to its use of Welsh by developing the Early Years Wales Welsh Language Development Plan, in conjunction with the Welsh Language Commissioner's Hybu Team. Early Years Wales embarked on the Welsh Language Commissioners flagship scheme the Cynnig Cymraeg (Welsh Offer). The Cynnig Cymraeg gives recognition by the Commissioner to organisations with a strong Plan and is an opportunity to transform your engagement with the public and workforce and Early Years Wales hopes to gain this recognition in 2023/24.

**Early Years Wales Membership**

Early Years Wales' membership comprises organisations of different legal structures from private businesses e.g., sole traders and limited companies to not-for-profit businesses (charities, CIOs). In 2022/23, our membership grew significantly from 1,070 (which was our highest to date) to 1,431. This is an increase of 33.8% in this financial year. Whilst we notice increases across the spectrum of our membership, we have seen a significant increase in childminders, toddler groups, and individuals (both student and individual professionals). This will influence our membership work and offers moving forward.

Our membership distribution by membership type and local authority area is illustrated below:



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**Additional Achievements and Performance**

**Central Support and Member Benefits**

Central Support and the member benefits continue to be a core offer from Early Years Wales. Our Central Support posts are internally funded (although support for these positions has been secured through the additional Welsh Government funding in 2022/23).

The central support and member benefits have been strengthened to ensure that all members can access and receive services from head office and regional offices via phone, email, mail, website, social media and video-conferencing. The support that we provide centrally enables providers to keep up to date with developments in childcare policy and regulation and provide a point of contact for our members in local authority areas where we are not funded to provide development officer support.

Our member benefits include:

- Access to support and guidance on all aspects of running a childcare setting from our dedicated and passionate Early Years team.
- A like-minded support network at our high-quality member forums.
- Regular mailings to keep you up to date with important sector and legislation updates.
- Access to useful resources including a subscription to our highly acclaimed members magazine, Smalltalk.
- 25% discount on all of our English and Welsh language publications and quality assurance scheme – Quality for All.
- Free listing of setting's contact details and job vacancies on our website.
- Representation on all aspects of early years provision including foundation phase, CIW and local authorities.
- Access to group public liability insurance and discounted services from Towergate Insurance.
- Discounted DBS services from uCheck.

# **EARLY YEARS WALES 2018 T/A EARLY YEARS WALES TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2023**

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## **Cwlwm Partnership**

The Cwlwm partnership continues to work extremely well in supporting the Welsh Government with the strategic implementation of policy and practice for the early years childcare and playwork sector. Again, in recognition of the impact of this partnership, the Welsh Government allocated additional funding late in 2022/23. It should be noted that the timing of such additional funding is a mixed blessing, being extremely useful, but presenting limitations on the scope to spend this before the end of the financial year.

During this financial year, the extended business plan required Cwlwm, and Early Years Wales to report on actions in response to the Anti-Racist Wales Action Plan (see 3.2.7) and contribute to the planned expansion of Flying Start and the provision of more childcare places available through the medium of Welsh (see 3.1.4). All funded targets have been met, and the annual report for the Cwlwm partnership has been submitted to the Welsh Government, along with the quarterly monitoring reports.

In terms of outputs, Early Years Wales as part of Cwlwm has:

- Produced 4 quarterly newsletters on a range of topics.
- Submitted 12 papers or consultation responses.
- Worked in collaboration with the Welsh Government on Early Childhood Learning, Education, and Care (formerly known as ECEC), the updated National Minimum Standards, conversations to professionally register the childcare and playwork workforce, responses to the Anti-Racist Wales Action Plan, the development of the workforce (including Welsh language alongside strategic development such as practice, pedagogy and knowledge-sharing).
- Worked as part of the wider stakeholder group to inform policy and practice in early years, childcare and playwork in Wales.

## **Business Support and Charity Governance Support**

Business support has continued with Development Workers in eight local authority areas across Wales working with their funding authority to provide business support and quality improvement for the sector. We have continued to support providers on a one-to-one basis in areas where we are funded for a local development worker.

Our People Learning and Development Lead has led a monthly Lunch and Learn session with members online. This selects a topic of interest or development for the early years members we support and provides a lead input, followed by a question-and-answer session. These are well-received by the members and upwards of 30 settings join these conversations each month.

In response to the cost-of-living concerns in September 2022, Early Years Wales hosted two meetings with member settings to canvass the voice of the sector and underpin theoretical and policy discussions with facts and implications at a setting level. A subsequent paper was submitted to the Welsh Government on the findings and made suggestions to the Welsh Government to support the sector as a whole.

The governance project supports 405 members in all areas of governance. 2022/23 saw an increase of 98 members joining the project, these new additions are made up of after-school clubs, schools registering their wraparound, and/or settings that have had the wrong legal status recorded.

Members' legal status' are checked and matched to their Care Inspectorate Wales (CIW), Companies House, and Charity Commission registration. All 'not-for-profit' members are identified and added to the governance project for support.

## **As at 31/03/23 the Governance database includes:**

- 181 Charity Incorporated Organisations (CIO's) Registered
- 66 Unincorporated Associations
- 51 Governor / Faith Managed Settings
- 7 Community Interest Companies
- 44 Charitable Companies
- 56 Community & Charitable Toddler Groups

# **EARLY YEARS WALES 2018**

## **T/A EARLY YEARS WALES**

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

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Support provided included:

- Adopting a new unincorporated constitution
- Registering new constitutions with the Charity Commission
- Checking unincorporated associations have the right registration with CIW
- Ordering lost constitutions and documents from the Charity Commission
- Registering a new charity/CIO (fast-track system set up)
- Assisting with CIW reregistration
- Uploading relevant documents
- Legal transfer s105 certificates
- Head Teacher support for school-based childcare & capital builds

Additional information shared:

- Holding Virtual member/trustee meetings, EGM and AGM's
- Virtual voting and minute taking
- Employment Law support – ACAS & mediation
- Chasing outstanding Trustee Annual Reports (TAR) & Accounts (templates shared)
- Roles & Responsibilities of Committee/Board members
- Committee Skills Presentations
- Governance support for Head Teachers & School Governors

All Unincorporated Associations were reminded of the importance of carrying out a financial risk assessment to ensure Trustees and members are aware of their personal liability. In these settings, individual members are personally responsible for any debts and contractual obligations.

128 charities were contacted as they had been identified as non-compliant with their accounts and their Trustee Annual Reports in default, help was offered, and templates were shared.

#### **Quality for All (QfA)**

During 2022/23, we have been able to restart with some QfA assessments. This remains one area of business that is not fully operational following the pandemic. This has been, in part, because we have used funding provided by the Welsh Government to update and modernise this quality assurance scheme. In line with Estyn, we have moved away from the importance of a summative judgment to a professionally supportive scheme that identifies areas of development, alongside making recommendations for future developmental steps.

In updating the service, we have invested in the capacity to have an online portal for the application, the evidence reviews and the sharing of feedback from the assessment process. This should support settings as their annual statement of return to the CIW is a digital service, therefore, the documentation is not being duplicated. Additionally, being linked to our member database, a lot of the information provided by settings in their membership will automate in their QfA assessment submission. In combination, this should reduce the bureaucracy and allow applicants to focus on the evidence and practice section when they submit their applications. The updated service is being piloted by five settings.

We have completed the reassessment of 49 settings and recruited an additional six assessors to the bank of assessors, alongside our three long-standing associates.

#### **Foundation Learning Support**

The Foundation Learning offer is funded through Welsh Government's education grant. This aims to support settings with their understanding of the principles and pedagogies in the Curriculum for Funded Non-Maintained Nurseries in Wales. This curriculum became statutory in September 2022 following a long implementation process. Over the course of the year we have seen an increase in confidence and application of the curriculum in both settings funded to offer early education entitlement and those offering childcare without the early education funding.

# **EARLY YEARS WALES 2018 T/A EARLY YEARS WALES TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2023**

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In preparation for September 2022, we hosted three online webinars supported by Estyn. Each session included an exemplar member setting sharing their practice and over 100 member settings attended through this series. In addition, with these, we hosted three webinars from Dr Stella Lois on understanding schemas with over 90 participants; and two training pathways led by Debi Keyte-Hartland; one on ensuring a child-centered approach to authentic and meaningful learning and one on identifying the needs, skills, and progress of learners through observation and planning.

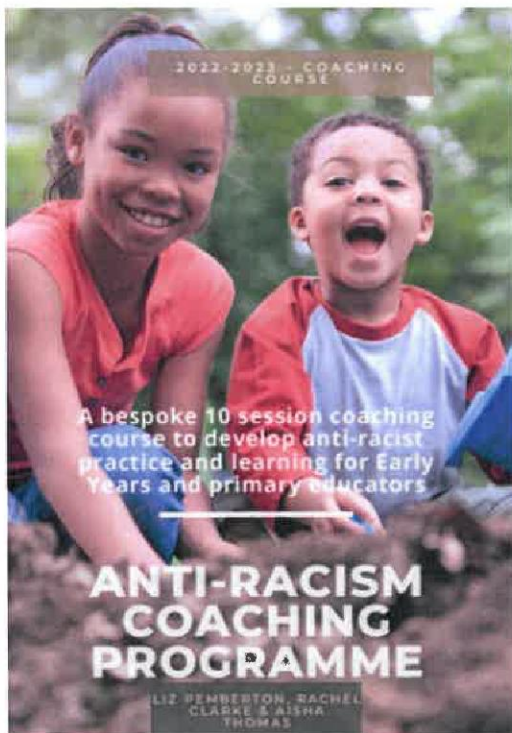
We also piloted one of our first large, in-room training events following the pandemic in February 2023 with our Foundation Learning colleagues. We hosted 60 practitioners in a Caerphilly local authority area venue and had lead presentations from Nia Beynon (creating the learning environment), Cath Corrie (emotionally intelligent leadership), and Sheena O'Leary (using the outdoors).

### **Anti-Racist Wales Action Plan Support and Response**

Since 2020, Early Years Wales has demonstrated a commitment to anti-racist actions (as evidenced in previous annual reports). As part of the childcare sector in Wales, we now frame our response in line with our Cwlwm target and the Anti-Racist Wales Action Plan.

In 2022/23, we updated all staff training in anti-racism working in collaboration with No Boundaries. In addition, we commissioned No Boundaries to undertake a review of our print and social media outputs, our website, and our written reports to raise any issues or areas for development for us to consider.

Working with our member settings, we selected a cohort of 10 committed leaders around Wales who had previously engaged in anti-racist training to undertake an action-research coaching programme. This programme commenced in November 2022 and concludes in September 2023, with a sharing event to showcase the impact on the whole setting. We are supporting this programme with additional resources, policy updates and coaching sessions in the settings with the wider staff teams.



# **EARLY YEARS WALES 2018**

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We also formalised the strategic partnership between DARPL (Diversity and Anti-Racist Professional Learning Team) who are sponsored by the Welsh Government to lead professional learning in education on anti-racist practice and pedagogy and Cwlwm. In addition, on a monthly basis, the CEO, alongside other senior leaders in childcare and playwork, meets with officials from the Welsh Government to monitor the sector response to the Anti-Racist Wales Action Plan.

#### **Additional Learning Needs (ALN Support)**

As the updated ALN Act has begun to be implemented in Wales, we have worked extensively with the Welsh Government to support the early years sector with knowledge, understanding and updated information to implement the required changes in practice.

During the initial change processes to the new Act, our staff committed significant time to working with a range of Welsh Government officials aiming to overcome initial challenges and clarify roles and responsibilities from the new legislation for member settings. Following this, an informative blog post was published through Cwlwm led by Early Years Wales to disseminate some key messages related to the ALN Act.

Publication of the Additional Learning Needs Code for Wales 2021 was completed in late 2021 and support has been given to settings to ensure their understanding. Early Years Wales produced an updated ALN policy to include new legislation requirements.

#### **Regional Work**

During 2022/23 we re-opened our Swansea regional office in slightly larger premises to accommodate our staff in the region in a better working environment. Our office footprint has been restored to the pre-pandemic arrangements:

- Cardiff – Head Office and South Wales function
- St Asaph – North Wales Regional Staff
- Swansea – West Wales Regional Staff
- Newport – Newport and Monmouthshire Staff

We have 8 local authority-funded contracts and in other areas our members are supported remotely (in the main) as outlined on page 11, Central Support and Member Benefits. Our regional managers work with their local authority contacts, attend key meetings in the local area and provide support for the members in their area. This support includes business support, checking the status of member settings in-line with targets identified in the service level agreements, holding local meetings and supporting the local authority with funding and implementation plans to increase the capacity of childcare in each area.

#### **Covid Related Deviations**

There were much fewer Covid-related interruptions in 2022 and 2023 to the service provision. There were a few events where participation numbers were impacted by Covid-related absences and one event was rescheduled due to a Covid illness of a lead presenter. As the year progressed we noted an increase in travel compared to the two previous years, however, this is not yet back to the pre-pandemic levels. It might not return to these levels, as the use of digital connections and meetings continues across all areas of the business.

#### **Indicators of Success**

Early Years Wales reports on funded project outcomes in line with the Service Level Agreements (SLAs). These reports include qualitative and quantitative data as outlined in the respective SLA. For internally funded projects, Early Years Wales monitors the impact of funding through a range of metrics including data, number of contacts or service uses, case studies (a few examples are included in this report) and member feedback.

In addition, Early Years Wales undertakes reviews of all aspects of business through the Trustee reporting processes. This practice ensures that operational targets are met and that value is added to the sector from our charitable work. Budget management - ensuring value for money is maintained through formal monitoring of accounts monthly.

# **EARLY YEARS WALES 2018 T/A EARLY YEARS WALES TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2023**

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## **Financial review**

### **Incoming Resources**

Incoming resources for the year ended 31 March 2023 was £1,244,844 (2022: £1,154,149). Income from charitable activities was £1,211,099 and has increased from £1,125,102.

### **Resources Expended**

Resources expended during the year ended 31 March 2023 were £1,301,559 (2022: £1,180,418).

### **Results**

Net outgoing resources for the year were £110,731 (2022: deficit of £24,675). Before investment losses (2022: gains), an unrestricted deficit of £25,178 was generated (2022: deficit of £98,946) and a £31,897 restricted deficit generated (2022: £12,497 surplus).

### **Cash Flow**

Cash flow remains strong, holding £118,545 (2022: £295,566) in cash.

### **Principal Risks and Activity**

The principal risk identified by the Trustees is our reliance on short-term funding. We are seeking to mitigate this by widening our training offer, increasing our member services and resources, and moving towards strategies that can diversify income sources.

### **Cyber Security**

Cyber security is becoming more of a risk with reliance on online and digital services. As well as working to best practice principles identified in Cyber Essentials, we had a bespoke policy in our 2022/23 insurance policy for cyber threats.

### **Investment Powers and Policy**

The Trustees, having regard to the liquidity requirements of the charity have previously operated a policy of keeping surplus cash balances as liquid as possible and any surplus balances will be invested in deposit accounts. The invested funds were subject to market volatility during autumn due to international trading conditions and the conflict in Ukraine. There has been no negative impact on the dividend return we have achieved, and our investment is monitored closely by the Board and reviewed annually with the investment management company. Our Investment Policy Statement is reviewed annually by the Board.

### **Reserves Policy**

We have utilised some of our reserves over the past years to continue what we believe to be essential services. With increased opportunities for partnership working, the association needs to be in a strong and sound position to be confident in applying for funds.

The Charity receives external funding in the form of grants and contracts to support its very important activities in the furtherance of charitable objectives. Such funding sources are subject to change and cannot be guaranteed. In addition, the Charity undertakes project-driven work for which restricted income is received.

The Trustees in the past considered that the level of reserves needed to be sufficient to cover 12 months' running costs. As the organisation holds over this amount, the Trustees are now looking to utilise some of that money for charitable aims and review the designation for further funds. In the budget for 2022/23, the Trustees designated £280,000 to be allocated to the projects identified below:

- Central Support Services
- Governance
- Healthy and Active Fund match-funding
- People Development and Learning
- Welsh Translation

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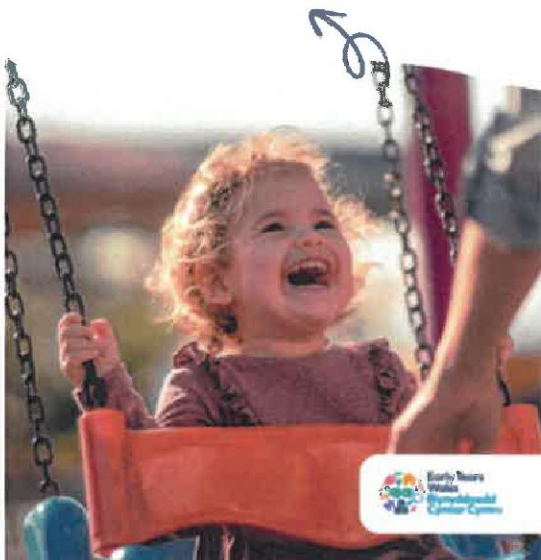
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At the reporting date, free reserves were £1,244,714 (2022: £1,146,063) representing unrestricted funds less tangible fixed assets less designated reserves. The remaining funds are held with an aspiration to achieve income that the charity can spend on its aims.

**Plans for Future Periods**

Early Years Wales has updated the strategic plan for 2023. This plan outlines many areas for development that are targeted for 2023 – 2026. Some of these are noted below for inclusion in this annual report.

**Strategy**  
2023-2026



We have undertaken actions to bring the most positive outputs from the Healthy and Active Funded Active Together Wales project into our core offer through the training we run. We will continue to explore funding opportunities for these highly regarded programmes.

Following a long application process, we are pleased to see the Creative Early Years project commence in partnership with the Arts Council for Wales. This three-year project will see 70 settings get an opportunity to work with skilled artists to develop their understanding of creativity. The pilot will start live sessions in settings in the summer of 2023 and year two of three will commence in the autumn of 2023.

In support of the updated National Minimum Standards for childcare, our People Learning and Development Manager has been busy sourcing training opportunities to complement the local authority offer and meet the anticipated increased demand in some of the mandatory training that the sector is required to complete. We are also exploring the opportunity to create some online modules to support training further, alongside maintaining the successful training calendar from 2022/23.

As noted on page 34, Welsh Language, we are working in collaboration with the Welsh Language Commission to achieve their Cynnig Cymraeg (Welsh Offer) accreditation. We have also added to our staff resources, allowing us to support Welsh learners in more depth and to work collaboratively with local authorities to support their Welsh in Education Strategic Plans.

# **EARLY YEARS WALES 2018 T/A EARLY YEARS WALES TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2023**

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We continue to work in social partnership with the Welsh Government and local authorities to implement key policies related to childcare and the early years sector. This includes Early Childhood Play, Learning and Care (formerly known as ECEC), the updated National Minimum Standards, the expansion plans for Flying Start, the Childcare Offer funding, and early education in non-maintained settings.

As our membership has grown and diversified, we are reflecting on how we strengthen our offer in some areas to meet the needs of our members and respond to the needs of the sector segment that they work within.

## **Structure, governance and management**

### **Governing Document**

Early Years Wales is a charity and company limited by guarantee and is governed by memorandum and articles dated 12 July 2018.

### **Directors and Trustees**

The directors of the charitable company (the Charity) are its Trustees, for the purposes of charity law and throughout this report they are collectively referred to as the Trustees.

### **Appointment of Trustees**

As set out in the current Articles of Association, the Chair, Vice Chair and Treasurer are elected by the Trustees and members. The Company Secretary is appointed by the Trustees. The Trustees are recruited using a variety of methods ranging from general advertisements, direct approach where specific skills or experiences are sought, and referrals. Trustees are appointed for a period of four years and can be reappointed for a further four years before stepping down for at least 12 months. Trustees are a blend of Early Years Wales members representing the early years sector, and volunteers with skills and experience from professional and personal experience. Co-opted Trustees may also be appointed.

### **Trustee Induction and Training**

Trustees are inducted into Early Years Wales by the CEO and Chair. There is bespoke and generic Trustee training available.

### **Organisation**

The Board of Trustees, which can have up to 20 members, administers the Charity and sets the overall mission, direction, and strategies of Early Years Wales. It scrutinizes performance to secure effective implementation of strategy as well as approving budgets and monitoring membership and the risk assessment register.

Details of implementation and execution are the responsibility of the senior management team led by the Chief Executive Officer. This ensures that:

1. The organisation stays focused on its mission and strategy.
2. Key strategic and policy decisions are made by the board, and
3. Support and constructive challenge are given by the Trustees to the senior management team and the Chief Executive.

The board meets six times a year. The finance group meets in the interim months between board meetings.

### **Related Parties**

There are no related party transactions relating to the financial year 2022/23 (2022: nil). All interests are required to be declared and signed in the Trustees Declaration of Interests proforma as required under Early Years Wales' code of governance. A conflict-of-interest register is kept and updated annually or when appropriate. In addition, all Trustees are asked to declare any interest pertinent to the agenda at all Board Meetings.

**EARLY YEARS WALES 2018  
T/A EARLY YEARS WALES  
TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)  
FOR THE YEAR ENDED 31 MARCH 2023**

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**Key Management Personnel**

The Trustees consider that key management personnel are the senior staff, consisting of:

Chief Executive – Dave Goodger  
National Development Manager – Maggie Kelly  
North Wales Manager – Moya Williams  
West Wales Manager – Elaine Jones  
South Wales Manager – Andrea Wright  
People Learning and Development Manager – Julie Powell  
PA and Office Manager – Julie Besley  
Finance Manager – Lisa McMullen

**Pay Policy for Staff.**

Salaries for all staff are approved by the full Board and are set at market rate. Early Years Wales is a Real Living Wage employer. Employment Policies - Early Years Wales policy is to give full and fair consideration to applications for employment made by disabled persons, having regard to their aptitudes and abilities. Disabled employees receive appropriate training to promote their career development within the charity. Employees who become disabled are retrained in their existing posts where possible or retrained for suitable alternative posts. Regular meetings are held with all staff. Employees are kept well informed about the progress and position of the charity by regular departmental meetings.

**Risk Management**

Early Years Wales considers itself to be a 'risk intelligent' organisation, taking appropriately managed risks in an increasingly difficult environment. Our risk register and risk management procedures are fully embedded within the organisation. The risk register is updated and reviewed by Trustees and Senior Managers at the Board Meetings.

**Covid-19 Response**

During 2022/23 there were fewer disruptions caused by Covid-19. The impact of the pandemic has not negatively impacted the organisation and the ability to work towards and meet organisational aims and aspirations. To be noted, that this was a result of a significant effort on behalf of all staff, supported by the Trustee Board

**EARLY YEARS WALES 2018  
T/A EARLY YEARS WALES  
TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)  
FOR THE YEAR ENDED 31 MARCH 2023**

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**Reference and administrative details**

**Charity name** Early Years Wales 2018 T/A Early Years Wales

**Charity number** 1056381

**Company number** 3164233

**Principal and registered office** Unit 1  
Coopers Yard  
Curran Road  
Cardiff  
CF10 5NB

**Trustees** Carolyn Asante- appointed 3/2/23  
Dr David Dallimore  
Kathryn Leighfield - appointed 2/2/23  
Tom Maclean - appointed 2/2/23  
Lisa Owen  
Jamie Powell  
Dr Mirain Rhys - resigned 27/6/22  
Mike Thorne (Chair)  
Victoria Wright

**Secretary** David Goodger

**Auditors** Azets Audit Services  
Ty Derw  
Lime Tree Court  
Cardiff Gate Business Park  
Cardiff  
CF23 8AB

**Bankers** Barclays Bank  
51 Hope Street,  
Wrexham  
LL11 1BE

**Investment providers** CCLA  
Senator House  
85 Queen Victoria Street  
London  
EC4V 4ET

**EARLY YEARS WALES 2018  
T/A EARLY YEARS WALES  
TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)  
FOR THE YEAR ENDED 31 MARCH 2023**

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**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.



**Mike Thorne  
Chair**

Dated: 19-9-23

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**STATEMENT OF TRUSTEES RESPONSIBILITIES**  
***FOR THE YEAR ENDED 31 MARCH 2023***

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The trustees, who are also the directors of Early Years Wales 2018 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.

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

# **EARLY YEARS WALES 2018**

## **T/A EARLY YEARS WALES**

### **INDEPENDENT AUDITOR'S REPORT**

#### **TO THE TRUSTEES OF EARLY YEARS WALES 2018**

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#### **Opinion**

We have audited the financial statements of Early Years Wales 2018 (the 'charity') for the year ended 31 March 2023 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 2023 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.

#### **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.

# **EARLY YEARS WALES 2018 T/A EARLY YEARS WALES INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF EARLY YEARS WALES 2018**

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## **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.

## **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.

**EARLY YEARS WALES 2018  
T/A EARLY YEARS WALES  
INDEPENDENT AUDITOR'S REPORT (CONTINUED)  
TO THE TRUSTEES OF EARLY YEARS WALES 2018**

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**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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Azets Audit Services*

**Azets Audit Services**

*18-10-2023*

**Chartered Accountants  
Statutory Auditor**

Ty Derw, Lime Tree Court  
Cardiff Gate Business Park  
Cardiff  
United Kingdom  
CF23 8AB

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.

**EARLY YEARS WALES 2018  
T/A EARLY YEARS WALES  
STATEMENT OF FINANCIAL ACTIVITIES  
INCLUDING INCOME AND EXPENDITURE ACCOUNT**

**FOR THE YEAR ENDED 31 MARCH 2023**

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
	<b>Notes</b>						
<b>Income and endowments from:</b>							
Donations and legacies	3	419	-	419	300	9,964	10,264
Charitable activities	4	29,956	1,181,143	1,211,099	8,431	1,116,671	1,125,102
Investments	6	32,351	-	32,351	15,932	-	15,932
Other income	7	615	-	615	2,851	-	2,851
<b>Total income</b>		<b>63,341</b>	<b>1,181,143</b>	<b>1,244,484</b>	<b>27,514</b>	<b>1,126,635</b>	<b>1,154,149</b>
<b>Expenditure on:</b>							
Charitable activities	8	88,519	1,213,040	1,301,559	126,460	1,053,958	1,180,418
Net gains/(losses) on investments	11	(53,656)	-	(53,656)	1,594	-	1,594
Gross transfers between funds		-	-	-	60,180	(60,180)	-
<b>Net movement in funds</b>		<b>(78,834)</b>	<b>(31,897)</b>	<b>(110,731)</b>	<b>(37,172)</b>	<b>12,497</b>	<b>(24,675)</b>
Fund balances at 1 April 2022		1,384,103	57,284	1,441,387	1,421,275	44,787	1,466,062
<b>Fund balances at 31 March 2023</b>		<b>1,305,269</b>	<b>25,387</b>	<b>1,330,656</b>	<b>1,384,103</b>	<b>57,284</b>	<b>1,441,387</b>

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.

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**BALANCE SHEET**  
**AS AT 31 MARCH 2023**

	Notes	2023		2022	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	17		23,100		31,350
Tangible assets	18		1,880		3,299
Investments	19		1,059,745		1,113,401
			<u>1,084,725</u>		<u>1,148,050</u>
<b>Current assets</b>					
Debtors	21	238,686		48,304	
Cash at bank and in hand		118,545		295,566	
			<u>357,231</u>		<u>343,870</u>
<b>Creditors: amounts falling due within one year</b>	22	(111,300)		(50,533)	
Net current assets			<u>245,931</u>		<u>293,337</u>
<b>Total assets less current liabilities</b>			<u>1,330,656</u>		<u>1,441,387</u>
<b>Income funds</b>					
Restricted funds	24		25,387		57,284
<u>Unrestricted funds</u>					
Designated funds	25	60,555		238,040	
General unrestricted funds		1,244,714		1,146,063	
			<u>1,305,269</u>		<u>1,384,103</u>
			<u>1,330,656</u>		<u>1,441,387</u>

**EARLY YEARS WALES 2018  
T/A EARLY YEARS WALES  
BALANCE SHEET (CONTINUED)  
AS AT 31 MARCH 2023**

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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 2023, 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 19-9-23



**Mike Thorne- Chair**

**Company Registration No. 03164233**

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	29		(209,372)		(64,676)
<b>Investing activities</b>					
Purchase of intangible assets		-		(16,500)	
Purchase of tangible fixed assets		-		(2,820)	
Purchase of investments		-		(1,164,464)	
Proceeds from disposal of investments		-		1,164,464	
Investment income received		32,351		15,932	
<b>Net cash generated from/(used in) investing activities</b>			32,351		(3,388)
<b>Net cash used in financing activities</b>			-		-
<b>Net decrease in cash and cash equivalents</b>			(177,021)		(68,064)
Cash and cash equivalents at beginning of year			295,566		363,630
<b>Cash and cash equivalents at end of year</b>			118,545		295,566

# **EARLY YEARS WALES 2018**

## **T/A EARLY YEARS WALES**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 MARCH 2023**

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## **1 Accounting policies**

### **Charity information**

Early Years Wales 2018 is a private company limited by guarantee incorporated in England and Wales. The registered office is Unit 1, Coopers Yard, Curran Road, Cardiff CF10 5NB.

### **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 certain financial instruments at fair value. 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.

### **1.3 Charitable funds**

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

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

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.

### **1.4 Incoming resources**

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.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount.

Incoming resources from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions. This income is recognised as the related services are provided and there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Income is deferred when the amounts received are in advance of the performance of the service or event to which they relate.

Income from memberships is recognised in the period in which the membership covers. Any income received in advance is deferred.

Income from training and course income is recognised in the period to which the service is provided. Any income received in advance is deferred.

Income from interest and dividends is included in the accounts when receipt is probable and the amount receivable can be measured reliably.

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**1 Accounting policies**

**(Continued)**

**1.5 Resources expended**

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.

Expenditure on charitable activities includes all costs relating to the furtherance of the charity's objectives as stated in the trustees report and their associated support costs.

Support costs have been allocated between governance costs and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources and the amount of time spent on activities for staff costs.

Where the charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SoFA once the recipient of the grant has provided the specified service or output.

Where there are no conditions attaching to the grant that enables the donor charity to realistically avoid the commitment, a liability for the full funding obligation must be recognised.

**1.6 Intangible fixed assets other than goodwill**

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation 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:

Website	20% straight line
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**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 basis:

Office equipment	33.33% straight line
Computer equipment	33.3% straight line

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 the statement of financial activities.

It is the charity's policy to not capitalise computer equipment where the individual value of the item does not exceed £2,000.

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**1 Accounting policies**

**(Continued)**

**1.8 Fixed asset investments**

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

**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.

***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

***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.

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**1 Accounting policies** **(Continued)**

**1.11 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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**

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

**1.13 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

**1.14 Taxation**

As a registered charity, the charity is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

**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	Restricted funds	Total
	2023 £	2022 £	2022 £	2022 £
Donations and gifts	419	300	9,964	10,264
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**EARLY YEARS WALES 2018**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**4 Charitable activities**

	2023 £	2022 £
Membership	150	40
Courses and training	16,165	-
Grants	1,181,143	1,116,671
Quality assurance	9,511	2,949
Sale of publications and promotional items	4,130	5,442
	<u>1,211,099</u>	<u>1,125,102</u>
Analysis by fund		
Unrestricted funds	29,956	8,431
Restricted funds	1,181,143	1,116,671
	<u>1,211,099</u>	<u>1,125,102</u>

**5 Grants were received from the following sources:**

	2023 £	2022 £
Welsh Government - CWLWM	673,898	572,708
Welsh Government - Cynllyn Plethu	29,167	-
Welsh Government - DCELLS: Early Years Co-Ordinator	60,000	54,250
Welsh Government - Welsh Language Department	50,000	50,000
Carmarthenshire County Council - Children's Services	12,500	13,187
Ceredigion County Council - Family Information Service	5,000	4,472
Conwy County Borough Council - Education Services	5,000	20,300
Denbighshire County Council - Flying Start	8,093	8,093
Flintshire County Council	80,333	58,651
Isle of Anglesey County Council	8,750	8,750
Moondance Foundation	35,000	10,000
Monmouthshire County Council	6,000	6,000
Mudiad Ysgolion Meithrin	1,500	3,975
Newport City Council - RSG	95,000	208,000
PACEY Cymru	520	-
Swansea City Council - Early Intervention Service	14,990	12,527
Welsh Active Early Years Project	92,892	85,758
Wrexham County Council	2,500	-
	<u>1,181,143</u>	<u>1,116,671</u>

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**6 Investments**

	<b>Unrestricted funds</b>	<b>Unrestricted funds</b>
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Interest receivable	32,351	15,932
	<u>          </u>	<u>          </u>

**7 Other income**

	<b>Unrestricted funds</b>	<b>Unrestricted funds</b>
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Other income	615	2,851
	<u>          </u>	<u>          </u>

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**8 Charitable activities**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Staff costs	764,037	679,727
Depreciation and impairment	1,154	736
Grant funding returned	2,787	-
Bank and other charges	64	-
Computer, internet costs and telephone	24,219	28,995
Insurance	483	158
Other costs	3,348	774
Other staff costs	12,529	92,393
Events	19,938	22,226
Printing, post and stationery	32,226	34,997
Professional fees	6,069	18,328
Publications, training and subscriptions	81,576	36,315
Quality assurance	4,967	805
Premises costs	95,270	70,217
Travel and subsistence	20,192	10,943
	<u>1,068,859</u>	<u>996,614</u>
Grant funding of activities (see note 9)	130,646	100,167
Share of support costs (see note 10)	91,651	72,589
Share of governance costs (see note 10)	10,403	11,048
	<u>1,301,559</u>	<u>1,180,418</u>
<b>Analysis by fund</b>		
Unrestricted funds	88,519	126,460
Restricted funds	1,213,040	1,053,958
	<u>1,301,559</u>	<u>1,180,418</u>

**9 Grants payable**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
South East Wales	67,938	48,221
Moondance Foundation	35,000	10,000
Early Years Wales small grants	27,708	41,946
	<u>130,646</u>	<u>100,167</u>

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**9 Grants payable**

**(Continued)**

During the year the charity awarded £130,646 (2022: £100,167) in grants to organisations and £nil (2022: £nil) to individuals.

The number of grants awarded to member organisations during the year totalled 211 (2022: 151), the smallest grant given was £8 (2022: £27) and the largest £1,128 (2022: £1,010).

**10 Support costs**

	<b>Support costs</b>	<b>Governance costs</b>	<b>2023</b>	<b>Support costs</b>	<b>Governance costs</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Staff costs	19,663	-	19,663	20,620	-	20,620
Depreciation	8,516	-	8,516	6,096	-	6,096
Bank and other charges	1,593	-	1,593	1,038	-	1,038
IT and telephone	11,054	-	11,054	9,405	-	9,405
Premises costs	1,415	-	1,415	1,195	-	1,195
Insurance	10,359	-	10,359	11,572	-	11,572
Professional fees	11,108	-	11,108	3,049	-	3,049
Publications, training and subscriptions	506	-	506	662	-	662
Travel and subsistence	296	-	296	49	-	49
Other staff costs	1,912	-	1,912	2,752	-	2,752
Printing, post and stationery	25,229	-	25,229	16,151	-	16,151
Audit fees	-	9,420	9,420	-	9,330	9,330
Trustee expenses and meeting costs	-	983	983	-	1,718	1,718
	<u>91,651</u>	<u>10,403</u>	<u>102,054</u>	<u>72,589</u>	<u>11,048</u>	<u>83,637</u>
Analysed between						
Charitable activities	<u>91,651</u>	<u>10,403</u>	<u>102,054</u>	<u>72,589</u>	<u>11,048</u>	<u>83,637</u>

Governance costs includes payments to the auditors of £7,500 for audit fees (2022: £7,500) and accountancy fees of £1,920 (2022: £1,830).

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**11 Net gains/(losses) on investments**

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Revaluation of investments	(53,656)	1,594

**12 Trustees**

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

1 trustee (2022: 1 trustee) was reimbursed £200 (2022: £250) for IT equipment during the year, 3 trustees (2022: 5) were reimbursed £732 (2022: £795) for travel and subsistence expenses.

**13 Taxation**

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

**14 Employees**

**Number of employees**

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Functional	18	19
Support	10	10
	<u>28</u>	<u>29</u>

**Employment costs**

	2023 £	2022 £
Wages and salaries	695,550	627,233
Social security costs	59,629	48,050
Other pension costs	28,521	25,064
	<u>783,700</u>	<u>700,347</u>

The full time equivalent number of staff employed throughout the year was 24 (2022: 26).

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

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**15 Key management personnel**

The key management personnel received remuneration totalling £321,542 (2022: £273,431).

The key management personnel of the charity during the year were the National Development Manager, West Wales Manager, North Wales Manager, South Wales Manager, PA and Office Manager, the CEO, the People, Learning and Development Manager and the Finance Manager.

**16 Pension commitments**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £28,521 (2022 - £25,064). There were no amounts outstanding at the year end in the current or previous year.

**17 Intangible fixed assets**

	Website £
<b>Cost</b>	
At 1 April 2022 and 31 March 2023	41,250
<b>Amortisation and impairment</b>	
At 1 April 2022	9,900
Amortisation charged for the year	8,250
At 31 March 2023	18,150
<b>Carrying amount</b>	
At 31 March 2023	23,100
At 31 March 2022	31,350

**18 Tangible fixed assets**

	Office equipment £	Computer equipment £	Total £
<b>Cost</b>			
At 1 April 2022	83,410	18,954	102,364
At 31 March 2023	83,410	18,954	102,364
<b>Depreciation and impairment</b>			
At 1 April 2022	80,590	18,475	99,065
Depreciation charged in the year	940	479	1,419
At 31 March 2023	81,530	18,954	100,484
<b>Carrying amount</b>			
At 31 March 2023	1,880	-	1,880
At 31 March 2022	2,820	479	3,299

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**19 Fixed asset investments**

	<b>Listed investments £</b>
<b>Cost or valuation</b>	
At 1 April 2022	1,113,401
Valuation changes	(53,656)
At 31 March 2023	<u>1,059,745</u>
<b>Carrying amount</b>	
At 31 March 2023	<u>1,059,745</u>
At 31 March 2022	<u>1,113,401</u>

**20 Financial instruments**

	<b>2023 £</b>	<b>2022 £</b>
<b>Carrying amount of financial assets</b>		
Instruments measured at fair value through profit or loss	<u>1,059,745</u>	<u>1,113,401</u>

**21 Debtors**

	<b>2023 £</b>	<b>2022 £</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	9,638	25,109
Prepayments and accrued income	229,048	23,195
	<u>238,686</u>	<u>48,304</u>

**22 Creditors: amounts falling due within one year**

	<b>Notes</b>	<b>2023 £</b>	<b>2022 £</b>
Other taxation and social security		16,787	-
Deferred income	<b>23</b>	23,329	21,974
Trade creditors		55,063	17,579
Other creditors		5,830	1,445
Accruals		10,291	9,535
		<u>111,300</u>	<u>50,533</u>

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**23 Deferred Income**

	<b>2023</b>	<b>2022</b>
	£	£
Arising from government grants	21,504	21,504
Arising from membership and training income	1,825	470
	<u>23,329</u>	<u>21,974</u>

Deferred income is included in the financial statements as follows:

	<b>2023</b>	<b>2022</b>
	£	£
Balance brought forward	21,974	26,654
Income received	39,174	21,974
Income released	(37,819)	(26,654)
	<u>23,329</u>	<u>21,974</u>

**EARLY YEARS WALES 2018  
T/A EARLY YEARS WALES  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2023**

**24 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 2021		Movement in funds			Movement in funds			Balance at 31 March 2023	
	£	£	Incoming resources	Resources expended	Transfers	Balance at 1 April 2022	Incoming resources	Resources expended	£	£
Welsh Government	-	676,958	676,958	(616,778)	(60,180)	-	813,065	(813,065)	-	-
County funds	44,787	429,713	429,713	(417,216)	-	57,284	332,558	(364,455)	25,387	25,387
Donations	-	9,964	9,964	(9,964)	-	-	-	-	-	-
Moondance Foundation	-	10,000	10,000	(10,000)	-	-	35,000	(35,000)	-	-
PACEY Cymru	-	-	-	-	-	-	520	(520)	-	-
	44,787	1,126,635	1,126,635	(1,053,958)	(60,180)	57,284	1,181,143	(1,213,040)	25,387	25,387

**EARLY YEARS WALES 2018  
T/A EARLY YEARS WALES  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2023**

**24 Restricted funds**

**(Continued)**

**Welsh Government – CWLWM.** Awarded to the Cwlwm Partnership of Early Years Wales, Clybiau Plant Cymru Kids' Clubs, NDNA Cymru, Mudlad Meithrin and PACEY Cymru. Cwlwm's brief is to support Welsh Government's aim to ensure that families across Wales can access affordable, quality childcare providing innovative solutions to create flexible childcare and play opportunities to meet the needs of parents and their families.

To tackle issues within the Childcare and Play sector. These include but are not restricted to: sustainability, workforce development and gaps in childcare provision, especially as far as Welsh-medium childcare/play and provision in rural areas are concerned. By working together, innovative solutions to flexible childcare and play opportunities, and wrap-around care to meet the needs of parents and families in all parts of Wales is achieved.

**Welsh Government - Education Directorate– Foundation Phase Development Officer.** To provide expert support to members delivering the Foundation Phase in the non-maintained early years sector, through a programme of face-to-face visits, email support and signposting.

**Ceredigion County Council – Family Information Services.** To support members with termly visits to registered settings, support with CIW requirements grant applications and business health checks.

**Carmarthenshire County Council – Children's Service.** To support members to deliver quality provision by termly contact telephone/email business support and visits, CIW requirements support start-up/expansion of places, representation at local meetings, promoting Quality for All scheme.

**Pembrokeshire County Council.** To support member childcare providers by contact through face to face and e-mail contact, raising the standard of settings and promoting Quality for All award, to promote uptake of workforce training.

**Swansea City Council – Early Intervention Service.** Support includes, attending meetings, support to conduct CSA refresh, conducting feasibility study on expansion of childcare services, support to register and comply with CIW NMS. Promotion of Healthy Snack Award and Healthy and Sustainable pre-school schemes

**Isle of Anglesey County Council.** To provide business, managerial and administrative advice and support to local committees, leaders and paid staff. Forward training needs to the Authority and the Children and Young People's Partnership. Provide support to the Referral Scheme and the SEN Specialist Teacher and attend any relevant specialist training to be ready for significant changes.

**Flintshire County Council.** To provide support to early year's providers to be sustainable businesses via visits, email, phone or office support.

**EARLY YEARS WALES 2018  
T/A EARLY YEARS WALES  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2023**

**24 Restricted funds**

**(Continued)**

**Flintshire County Council (Childcare Partnership)** To provide business support for member settings in Flintshire, via development worker visits, email or telephone support. Additional needs & Brokerage co-ordinator supporting settings, children, families and the local authority with all aspects of their referral schemes.

**Denbighshire County Council (Flying Start)** - To provide business support and guidance to members providing Flying Start services in Denbighshire via visits to settings, email or telephone.

**Welsh Government – Welsh Language Support** - Funding to promote the existence of 'Camau' by engaging with the sector and encouraging employers to take advantage of the training available. Ensuring resources are available to support learners, sharing all Cwlmw partner resources too where possible and to provide aftercare support as required for learners and the settings they work in.

**Newport City Council.** Childcare contract project led by Early Years Wales to provide business support to all providers including childminders and out of school clubs via visits, email/phone and virtual calls. Early Years Wales administers and runs the Early Years Wales Additional Needs Referral scheme, coordinator supports settings, parents and children as part of the scheme as well as supporting children accessing funds from the childcare offer.

**Newport City Council - Education Services.** Additional Needs Referral scheme coordinator administers funding for 1-1 support for children with ALN who access education through the non-maintained sector. This scheme runs as part of the main scheme within the Newport childcare contract.

**Monmouthshire County Council.** To provide support to member settings in Monmouthshire. Support for business skills, legal compliance and promotion of quality is provided via email, telephone and face to face visits.

**Healthy and Active Fund.** This is a 3 year project, Early Years Wales have partnered with Welsh Gymnastics to deliver the Welsh Active Early Years Programme across Wales. The multi skills movement and play based activity programme will be delivered directly to children and parents/carers at community based venues and outdoor spaces as well as delivering training to childcare practitioners on physical literacy for 0-3 year olds.

**Donations-** Received to fund specific geographical areas as well as supporting training, resources and support funding for a child with Additional Learning Needs.

**Moondance Foundation-** Early Years Wales worked in collaboration with the Moondance Foundation to facilitate the administration of grants in response to Covid. A £30,000 grant was received by Early Years Wales and was distributed in full to member settings using an application process agreed in advance with Moondance. Early Years Wales would like to note their thanks to Moondance for the support to the early years sector through this funding.

**PACEY Cymru** - a contribution to co-delivery of funding.

**EARLY YEARS WALES 2018  
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2023**

**25 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:

	Balance at 1 April 2021 £	Resources expended £	Transfers £	Balance at 1 April 2022 £	Resources expended £	Transfers £	Balance at 31 March 2023 £
Project development	27,015	(35,000)	41,917	33,932	(8,410)	-	25,522
Governance	38,454	(37,706)	37,910	38,658	(32,579)	-	6,079
Central costs	48,734	(45,251)	54,027	57,510	(108,430)	50,920	-
Early Years Wales Welsh project	10,967	(2,727)	(6,340)	1,900	(428)	-	1,472
Fixed assets	22,161	(6,832)	19,320	34,649	(9,669)	-	24,980
CWLWM membership	51,500	(51,500)	60,000	60,000	(60,000)	-	-
Wrexham donation	20,691	(9,300)	-	11,391	(8,889)	-	2,502
	219,522	(188,316)	206,834	238,040	(228,405)	50,920	60,555

**Project development**

To develop and explore new areas of funding for the organisation.

**Governance**

Fund one part time Governance Officer post to support members to review the governance and legal structure of their business and choose the most appropriate charitable structure, support settings with Charity commission and CIW registration changes where necessary and provide on going support to not for profit members to be compliant with legal requirements.

**Central costs**

Fund designated to fund central costs including office rent.

**Early Years Wales Welsh project**

Fund a part time funded post to develop and promote Welsh Language within Early Years Wales which will aid to improve support to all staff and members. This will promote the Welsh Government's initiative, Cymraeg 2050 to achieve 1 million Welsh speakers in Wales by 2050.

**EARLY YEARS WALES 2018  
T/A EARLY YEARS WALES  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2023**

(Continued)

<b>25</b>	<b>Designated funds</b>	
	<b>Fixed assets</b>	
	Represents the unrestricted net book value of the charity's fixed assets.	
	<b>CWLWM membership</b>	
	Utilising funds received from Welsh Government to support the early years and childcare sector Early Years Wales has made membership free to any qualifying childcare provider for 2022/23.	
	<b>Wrexham donation</b>	
	Funds received were the result of closures of childcare CIO's in the Wrexham Local Authority Area. In line with the constitutions and policies the remaining capital was transferred to Early Years Wales to be re-distributed for like-for-like charitable aims in the local area. All funds received have been allocated to support charitable settings and organisations in the area.	
	<b>Transfers</b>	
	Transfers in to the funds in the year relate to additional amounts designated by the board in relation to staff winter hardship payments.	

<b>26</b>	<b>Analysis of net assets between funds</b>				
	Fund balances at 31 March 2023 are represented by:				
	Intangible fixed assets				Total 2022 £
	Tangible assets	2023	2022	2022	2022
	Investments	£	£	£	£
	Current assets/(liabilities)	2023	2022	2022	2022
		£	£	£	£
		2023	2022	2022	2022
		£	£	£	£
		2023	2022	2022	2022
		£	£	£	£
		2023	2022	2022	2022
		£	£	£	£
		2023	2022	2022	2022
		£	£	£	£
		2023	2022	2022	2022
		£	£	£	£
		2023	2022	2022	2022
		£	£	£	£
		2023	2022	2022	2022
		£	£	£	£
		2023	2022	2022	2022
		£	£	£	£
		2023	2022	2022	2022
		£	£	£	£
		2023	2022	2022	2022
		£	£	£	£
		2023	2022	2022	2022
		£	£	£	£
		2023	2022	2022	2022
		£	£	£	£
		2023	2022	2022	2022
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		2023	2022	2022	2022
		£	£	£	£
		2023	2022	2022	2022
		£	£	£	£
		2023	2022	2022	2022
		£	£	£	£
		2023	2022	2022	2022
		£	£	£	£
		2023	2022	2022	2022
		£	£	£	£
		2023	2022	2022	2022
		£	£	£	£
		2023	2022	2022	2022
		£	£	£	£
		2023	2022	2022	2022
		£	£	£	£
		2023	2022	2022	2022
		£	£	£	£
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**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**27 Related party transactions**

There were no disclosable related party transactions during the year (2022 - none).

**28 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:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Within one year	41,345	36,835
Between two and five years	51,391	760
	<u>92,736</u>	<u>37,595</u>

**29 Cash generated from operations**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Deficit for the year	(110,731)	(24,675)
Adjustments for:		
Investment income recognised in statement of financial activities	(32,351)	(15,932)
Fair value gains and losses on investments	53,656	(1,594)
Amortisation and impairment of intangible assets	8,250	-
Depreciation and impairment of tangible fixed assets	1,420	6,832
Movements in working capital:		
(Increase) in debtors	(190,383)	(28,992)
Increase in creditors	59,412	4,365
Increase/(decrease) in deferred income	1,355	(4,680)
<b>Cash absorbed by operations</b>	<u>(209,372)</u>	<u>(64,676)</u>

**30 Analysis of changes in net funds**

The charity had no debt during the year.



**EARLY YEARS WALES 2018**

England & Wales - Charity number 1056381

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# Accounts

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**Charity Registration No. 1056381**

**Company Registration No. 03164233 (England and Wales)**

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

# EARLY YEARS WALES 2018 T/A EARLY YEARS WALES CONTENTS

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# **EARLY YEARS WALES 2018 T/A EARLY YEARS WALES CHAIRMAN'S STATEMENT**

***FOR THE YEAR ENDED 31 MARCH 2022***

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2021/2022 continued to be another year that was significantly impacted by the Covid-19 pandemic. The impact on the childcare sector has continued to see our members challenged by a range of issues, from staffing, to maintaining service continuity, increased operating costs, and reduced uptake of childcare compared to pre-pandemic levels. As a result, we have been pleased to have been able to extend our Welsh Government supported free membership offer. This has allowed all members to receive the full benefits of membership to Early Years Wales and enabled us to offer our support to as many childcare providers as possible in these challenging times.

During 2020/2021, our Trustee Board evaluated the impact that our invested reserves were having in supporting our charitable aims. As a result, we have moved our reserves to a new management company and have been able to utilise the dividends to bring our members a small grants scheme. This has been widely welcomed and a significant number of members have benefited directly from the receipt of these small grants. In addition, we have been able to create a community link for our Healthy and Active project with a major event organiser in Wales. This link has enabled us to broaden the reach of our organisation to more community groups and more parents. It has also supported the re-start of some of the family activity programmes within the mass participation races.

In Wales, despite the promising signs in Summer 2021, by autumn and winter, we were placed back into Alert Level two, and the outcome of this was that many of our planned face-face events in late 2021 and early 2022 were either re-planned as online opportunities or postponed until later in 2022. As we look forwards, we are hopeful that the Covid interruptions of the last two years are lessened and that our planned activities can return allowing us to meet, train and support our members in a more consistent way.

The Trustees recognise that the staff team in Early Years Wales has worked incredibly hard to maintain the breadth and quality of service to the membership, sometimes in difficult circumstances. Like many of the settings we support, staff continuity has been challenging with the impact of the Covid-19 pandemic. The staff have supported each other by stepping into unfamiliar roles and projects to fulfil promises and plans made to our member organisations. We are pleased to report that as 2021/22 comes to an end we have been able to return to a full complement of offices, update our working policies to support the staff team, and finally, appoint to the training and development role that we had planned to recruit to in 2020, and had paused as a response to the uncertainty affecting the organisation during the pandemic.

Undoubtedly, Welsh Government has recognised the impact of the Cwlwm partnership (of which Early Years Wales is one of five partners), and the challenge and opportunity for 2022 and beyond is to build on our successes and develop our member offers still further to keep abreast with policy and the needs of our members. Looking forward, there is much to do in the coming years, with Welsh Government's plans to deliver universal funded childcare for 2-year-olds, a new curriculum for non-maintained settings launching in September 2022, adopting an Early Childhood Education and Care (ECEC) approach to childcare, Cymraeg 2050 (1 million Welsh speakers) and the Anti-racist Wales Action Plan. In the year ahead, as we build our new strategy, we know there will be much to be excited about, and many challenges and opportunities to embrace.

# **EARLY YEARS WALES 2018 T/A EARLY YEARS WALES TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022**

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

## **Objectives and activities**

The purposes of the charity as set out in the governing documents and articles are:

For the public benefit, alone or in conjunction with other organisations, the promotion and advancement of the education, development and care of preschool children in Wales by:

- a. Providing support and guidance including upon governance, regulation, planning, quality improvement and workforce development to organisations and individuals that provide for the education and care of preschool children; and
- b. Encouraging parents, carers and families of preschool children to understand their needs and to provide for their needs by engaging them in activities that promote their education, development and care.

Early Years Wales' main activity is to support all children, adults with childcare responsibilities and early years providers to give every child across Wales the best start in life. We believe that all families have the right to high-quality play, education and care opportunities to help their children reach their potential.

Since 1961, Early Years Wales has been the largest umbrella organisation in Wales, providing a range of comprehensive membership services to the early years sector.

## **Our strategic aim:**

**To support all pre-school children, their families and early years providers to give every child across Wales the best start in life.**

## **Our objectives**

1. Supporting the early years providers and the early years workforce
2. Supporting parents, carers and families to participate in play
3. Promoting the work of Early Years Wales widely
4. Contributing to policy implementation at National and local levels
5. Developing partnerships
6. Maintaining and developing the organisation's governance and management
7. Recruiting and developing staff and volunteers
8. Seeking and managing funding to maintain and expand our services

We aim to facilitate giving children the best start in life by providing services which promote child development and support families throughout Wales. This is achieved by supporting members to provide early intervention and family service programmes. We offer high-quality support and representation for our members and offering our own accredited quality assurance schemes. The charity also works collaboratively with other organisations, including other early years, childcare, education, playwork charities and statutory agencies to deliver our services. The charity promotes and delivers access to affordable, flexible, and high-quality childcare provision.

Early Years Wales has always promoted the value of parental participation in their child's development. This was a founding objective of the organisation and we continue to develop ways to ensure that families are supported from the birth of a child and throughout their early years.

# **EARLY YEARS WALES 2018 T/A EARLY YEARS WALES TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022**

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We see our role as providing our members with information, guidance, offering a listening ear and supporting them to achieve their goals. We measure our success in achieving these objectives by analysing the impact of our work through our reporting and monitoring and through case studies.

Through our work, Early Years Wales seeks to support its members by encouraging discussion about early years services. We keep them updated of changes to legal requirements and assist with planning to sustain their businesses. In addition, we provide targeted one-to-one support; news about the early years sector; and signposting to qualifications and training opportunities. Early Years Wales' dedicated Foundation Phase support, Welsh Language support, our Quality for All quality assurance scheme, our Healthy and Active project, and the development of support publications and resources all serve to improve quality in the sector.

We recognise that many early years providers operate in a diverse range of environments which can be challenging. These include rural communities and areas of disadvantage. Many settings that are reliant on a mixed economy of funding e.g., Flying Start, Early Entitlement for 3- and 4-year-olds and parent fees, and the Childcare Offer. These factors can challenge sustainability, as can local and national funding initiatives. Our aim is to inform, support and signpost so that these issues can be addressed, and capacity maintained.

N.B. As in 2020/21, the year 2021/22 included a significant proportion of resources and staff hours directed towards supporting the sector in the light of the Covid-19 Pandemic. This response included both a continuation of the Charity's stated strategic aim, and a moderate deviation to support the members and people who were tasked with working in childcare settings, childcare policy, and business support services. All temporary deviations have been shared in Trustee Board meetings and communicated appropriately to staff within Early Years Wales.

The Trustees have paid due regard to guidance issued by the Charity Commission's public benefit guidance in deciding what activities the charity should undertake and in planning future activities. Due diligence is given to how planned future activities will contribute to the strategic aim.

## **Achievements and performance**

Early Years Wales has continued its support to the early years sector in Wales, providing benefits to 1,074 members over the year in the following categories:

- 2.1 Central Support and Member Benefits
- 2.2 Cwlwm Partnership
- 2.3. Business Support
- 2.4. Early Years Wales Small Grants
- 2.5. Quality for All
- 2.6. Foundation Phase Support
- 2.7. Welsh Language Support
- 2.8. Wales Active Early Years (Healthy and Active Fund Project)
- 2.9. ALN Support
- 2.10. Publications and Resources
- 2.11. Covid-related deviations
- 2.12. Indicators of success

### **2.1 Central Support and Member Benefits**

Central Support and the member benefits continues to be a core pillar for Early Years Wales. Our Central Support posts are internally funded (although support for these positions has been secured through additional Welsh Government funding in 2021/22).

The central support and member benefits have been strengthened to ensure that all members can access and receive services from head office and regional offices via phone, email, mail, website, social media, and video-conferencing. The support that we provide centrally enables providers to keep up to date with developments in childcare policy and regulation.

# **EARLY YEARS WALES 2018 T/A EARLY YEARS WALES TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022**

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This support has been vital to the Covid-19 response as local dissemination of key policies and operating procedures have been required by members. For Early Years Wales, our Central Support Officers enable us to have a presence in those Local Authorities that do not fund a development worker. During 2021/22, more than 20,000 contacts were made with providers via a combination of email, social media, and conference calls.

Due to Covid, limited Central Support visits took place during windows where providers were permitted to accept external visiting staff. As in 2020/21 online and remote contacts continued to take place during the year to support members.

Early Years Wales' membership comprises organisations of different legal structures from private businesses e.g., sole-traders and limited companies to not-for-profit businesses (charities, CIOs). A breakdown is provided below:

Setting Type Number of member organisations:

Playgroup: 215  
Parent and Toddler: 83  
E-OoSC: 30  
Full-day Care: 399  
Creche: 4  
Childminder: 158  
Corporate: 8  
Individual and student: 173

In response to the Covid-19 Pandemic, frequent communication was sent out regionally and centrally to inform members about key policy changes related to the changing alert levels in Wales, and updates, business support opportunities, and HMRC furlough schemes, to name a few of the aspects of childcare business support provided.

Our member benefits include:

- Access to support and guidance on all aspects of running a childcare setting from our dedicated and passionate Early Years team.
- A like-minded support network at our high-quality member forums.
- Regular mailings to keep you up to date with important sector and legislation updates.
- Access to useful resources including a subscription to our highly acclaimed members magazine, Smalltalk.
- 25% discount on all of our English and Welsh language publications and quality assurance scheme – Quality for All.
- Free listing of your setting's contact details and job vacancies on our website.
- Representation on all aspects of early years provision including foundation phase, CIW and local authorities
- Access to group public liability insurance and discounted services from Towergate Insurance.
- Access to the government's free milk scheme – via Cool Milk.
- Discounted DBS services from uCheck.

## **2.2 Cwlwm Partnership**

The contract of funding for the Cwlwm Partnership continued in 2021/22. Having successfully achieved the objectives set for the first three years and following the publication of 'Taking Wales Forward' and other announcements which set out the Welsh Government's priorities for Early Years, Childcare, and Playwork. The following targets were agreed to address policies that interlink to influence the sector's work:

- The Childcare Offer (30 hours combining and Foundation Phase Nursery Offer with an additional 20 hours a week of funded childcare for working parents)
- Early Years Childcare and Play Workforce Plan and the development of a new suite of qualifications for the sector.

# **EARLY YEARS WALES 2018 T/A EARLY YEARS WALES TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022**

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- The 2050 strategy target of one million Welsh speakers by 2050
- Business Support for the early years, childcare, and playwork sector.
- The Additional Needs Learning Bill
- The Abolition of Defence of Reasonable Punishment (Wales)
- From March 2020 the Flood Response and Covid-19 Response were additional key areas of business

## **Cwlwm funding**

The strength of the Cwlwm partnership has been evident in the response to the Pandemic since 2020. Throughout the Pandemic Cwlwm Lead Officers have worked with Welsh Government to support and inform key policy decisions. At the same time, Cwlwm has challenged and advocated for more coherent sector-specific advice, funding, and policy when required. The benefit of the partnership to Welsh Government and the sector has been recognised by Welsh Government and additional funding was provided of which Early Years Wales received £160,000. All funding targets and reporting for the additional Covid-19 response funds were agreed and confirmed with Welsh Government and the Early Years Wales Board.

On behalf of Cwlwm, along with Mudiad Meithrin, Early Years Wales joint-funded an upgrade to the Cwlwm website to bring this up to date with modern technology. Early Years Wales also commissioned an Arad report into Pay, Recruitment and Retention issues that were being reported to us by our members in 2021, to generate meaningful data to support policy discussions with Welsh Government on behalf of the Cwlwm partnership.

## **2.3 Business Support**

During 2021/22 the governance team kept up their support and contact with members via email, phone and Zoom meetings. The team provides a range of guidance and support to settings ensuring that they are operating within statutory and regulatory frameworks. Charities are required to adopt and follow a governing document which provides a standard set of rules that must be followed, our documents are regularly checked to make sure they are fit for purpose.

The governance team now has 307 members on the database, we support them with all areas of governance. 2021/22 has seen an increase of 99 members joining the project, these are mainly schools registering their wraparound and/or after school clubs or voluntary managed settings that required support with CIW processes.

## **As at 31/03/22**

- 138 CIO's Registered
- 106 Unincorporated Associations
- 23 Governor / Faith Managed Settings
- 40 Charitable Companies

## **2021-2022**

- 46 Zoom/Teams meetings
- 1,587 governance emails/phone calls
- 4 governance forums
- 1 drop-in (Powys) session
- Committee Skills presentation events

Our support provided included:

- Adopting a new unincorporated constitution
- Registering new constitutions with the Charity Commission
- Checking if unincorporated associations have the right registration with CIW
- Ordering lost constitutions and documents from the Charity Commission
- Registering a new charity/CIO (fast-track system set up)
- Assisting with CIW re-registration
- Uploading relevant documents
- Legal transfer s105 certificates
- Head Teacher support for school-based childcare & capital builds

# **EARLY YEARS WALES 2018 T/A EARLY YEARS WALES TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022**

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Additional information shared:

- Holding Virtual member/trustee meetings, EGM and AGM's
- Virtual voting and minute taking
- Relaxing of Charity Commission requirements
- Extensions to accounts/TAR
- Employment Law support – ACAS & mediation
- Chasing outstanding TAR & Accounts
- Roles & Responsibilities of Committee/Board members
- Committee Skills Presentations
- Governance support for Head Teachers & School Governors

All Unincorporated Associations were reminded of the importance of carrying out a financial risk assessment to ensure trustees and members are aware of their personal liability. Individual members are personally responsible for any debts and contractual obligations.

12 charities were contacted as they had been identified by the Charity Commission as non-compliant with their accounts and trustee annual reports being in default. Help was offered, and templates were shared to comply with regulatory duties. Early Years Wales staff attended a Teams meeting with the 'Head of Customer Service Charity Commission' to discuss a way to support the Charity Commission in dealing with members who were non-compliant, and processes for settings closing to set up private provisions.

Business support has continued with Development Workers in nine local authority areas across Wales working with their funding authority to provide business support and quality improvement for the sector. We have continued to support providers on a one-to-one basis in areas where we are funded for a local development worker. We have worked closely with Local Authorities and Welsh Government in delivering and assessing the impact of the Childcare Offer/C-CAS, and in submitting data for Childcare Sufficiency Assessments.

Early Years Wales has been supporting members in relation to Covid-19. Early Years Wales works in partnership with Social Care Wales, and Business Wales to facilitate business support and grant application support for childcare providers. We also work in partnership with Social Care Wales on challenges facing the sector with recruitment and retention, and to promote childcare as a career.

## **2.4 Early Years Wales Small Grants**

In 2021/22 Early Years Wales designated funds for a small grants scheme to support the childcare sector in overcoming short-term challenges related to the Covid-19 pandemic. Our funding, which comes from our invested reserves, was enhanced by support from The Moondance Foundation, Conwy County Borough Council, charitable funds from dissolved childcare charities and small LA underspends. The total fund available from combined sources was £69,580.

The main aim of this small grant was to support members struggling with short-term sustainability, adapting to new ways of working, or towards increased costs/set-up costs.

We also supported applications from non-members from the additional funds provided by third parties, who were then offered a free membership, which not only gave them access to the grant it gave them the opportunity to use all of Early Years Wales' services, resources, and expertise.

### **HOW DID WE DO?**

**£53,325** funding allocated @ 31st March 2022

**18** counties were supported

**32 NEW** members

**5** unsuccessful applications

# **EARLY YEARS WALES 2018 T/A EARLY YEARS WALES TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022**

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119 childcare providers received funding of which:

- 54 Childminders (sole traders)
- 4 Charitable Companies
- 1 Community Interest Company
- 24 Charitable Incorporated Organisations (CIO)
- 2 Faith Charities
- 1 School Governor provision
- 1 Company Ltd by Guarantee (non-charity)
- 14 Private Ltd by Share Companies
- 7 Nurseries (sole traders)
- 4 Toddler Groups
- 7 Unincorporated Charities

## **2.5 Quality for All**

We continued to show our commitment to supporting the delivery of high-quality childcare in 2021-22. We delivered our interim Quality Awareness Toolkit (QAT), developed in 2020-21, to 90 existing QfA accredited settings whilst traditional assessments remained paused due to the ongoing Covid Pandemic. Feedback from providers has been overwhelmingly positive. They have told us that this guided reflection toolkit and the accompanying remote professional discussion with assessors, supported their Covid recovery.

Expanding use of the QAT beyond existing QfA accredited providers, we invited expressions of interest in undertaking the QAT to our wider membership in July 2021 and had a limited number available funded from our Covid-19 recovery funding. 20 members took up the offer and 10 assessments were completed before the end of March 2022.

We closely monitored our earlier decision, taken in March 2020, to pause QfA assessment visits in line with actions taken by Care Inspectorate Wales (CIW) and Estyn. We gave due consideration to the evolution of the pandemic and changing guidance issued by Welsh Government, and to the challenges faced and the needs of our sector.

In January 2022, we decided that the time was right to restart assessments, initially offering re-accreditation assessments to providers who were keen to confirm and evidence the excellent practice they continue to provide. In recognition of challenges faced by the sector and guidance from Welsh Government, we are trialling a virtual assessment option for providers, however, the option of having an in-person assessment visit is also available.

Whilst QfA assessments were paused, we took the opportunity to update the forms, guidance, and processes used and we also wanted to incorporate the highly successful elements of the QAT process into the QfA system. This led us to devise a refreshed new-style QfA Initial Tool. Similar in style to the QAT, it guides reflection on key operating areas and provides a clearer link to regulatory requirements thus being a more useful tool for providers. An electronic hosting platform has been commissioned as an addition to our website that will enable easier administration of the revised QfA for providers. This allows providers to upload QfA self-assessments and their evidence to the site making the process easier for them.

Piloting of the new Tool commenced at the end of March and will extend into June 2022.

## **2.6 Foundation Phase**

The Foundation Phase Development Officer post is funded by Welsh Government, and we report every quarter detailing the work we have done, what targets we have achieved and detailing our plans for the following quarter.

This has been an interesting and busy year for the Foundation Phase team, one coordinator has been on maternity leave and the other one left Early Years Wales at Christmas, thankfully two members of Early Years

# **EARLY YEARS WALES 2018 T/A EARLY YEARS WALES TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022**

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Wales staff were able to step into the team on a temporary basis to allow support to continue. We have supported 213 funded providers, an increase from last year, and while staff were able to undertake some visits most of this support has been by phone and Zoom meetings as well as regular articles in SmallTalk. These varied articles included a 2-part series for Early Years Wales Foundation Phase Talking Point, written by Dr. Amanda Thomas and Pavla Boulton, from the University of South Wales, Newport.

This has been another year when we have had very few face-to-face training events, but we have provided training using Zoom. Debi Keyte Hartland led various workshops, Community of practice (CoP) workshops on *Developing and Co-constructing meaningful learning with children in the Foundation Phase and in the Curriculum for Wales 2022*, Enabling experiences in the outdoors, and with particular thought to the emphasis on observation in the non-maintained curriculum, observing and documenting authentic and purposeful learning. Following on from last year's success, CYCA led two evening courses on Resilience and Building a Resilient Team including Managing Conflict. We were also able to work with individual settings and Liz Clarke worked with three settings on Our Creative Adventure – Physical literacy and Creative Movement in the Foundation Phase.

This report would not be complete without mention of the non-maintained curriculum; this is an exciting new curriculum written for the non-maintained sector. As an organisation we were involved in its development and some of our settings have already started using it before its official rollout in September 2022. So as this report has reflected on the past year's work, we can take all that we have learned during this year and look forward with excitement to a new non-maintained curriculum and a sector eager to do all it can to educate and care for the children.

## **2.7 Welsh Language Support**

Early Years Wales continues to develop a bilingual workforce to support the vision of Cymraeg 2050: a million Welsh speakers. The support provided for Welsh Language, funded by Welsh Government, has continued with Cwllwm organisations working in partnership with The National Centre for Learning Welsh (NCfLW). The Early Years workforce demonstrates an appetite to learn and practise Welsh in their workplace and the support that we provide is tailored to meet their needs. NCfLW tasked Cwllwm (with Early Years Wales joint lead partner with NDNA Cymru) with recruiting 350 Early Years and Play practitioners to its Camau courses and provide post-training support to those that have accessed them. This aims to develop and/or improve the level of Welsh used within the settings. 131 practitioners from Early Years Wales member settings showed interest in taking part in Camau with 88 accessing the training.

The Cwllwm partnership used several different methods to engage with the sector and advertise the Camau training courses. Social media and individual partners' website pages were utilised to share branded leaflets and posters from NCfLW as well as promotional resources created by Early Years Wales on behalf of Cwllwm detailing key points regarding the Camau courses and how they could be accessed.

Welsh language coordinators engaged with all member settings in Wales through physical visits, email, telephone calls and video conferencing software such as Zoom and/or Microsoft Teams. Engagement with member settings ranged from the promotion of courses and Caffi Clebran sessions, ad-hoc bespoke support with implementing language skills, admin support throughout the enrolment process and proving language sessions with children in settings through play and story time.

Two levels of training were offered – Entry 1 and Entry 2, with Entry 2 being available on completion of Entry 1. Welsh language support was provided to all settings that had accessed the new Camau training package and settings that had accessed the previous Welsh project 'Un, dau, tri – hwyl a sbri' if they still required support.

Internally, Early Years Wales has continued its commitment to developing its use of Welsh. The Welsh Language Action Plan is being followed however our plans are to improve the processes being used, streamlining the approaches and ensuring that we maintain compliance with sector standards, and developing the staffs' working knowledge of the Policy.

# **EARLY YEARS WALES 2018 T/A EARLY YEARS WALES TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022**

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## **2.8 Welsh Early Years Active**

Our Health and Active Funded Welsh Early Years Active programme successfully bid for an extension of funding to take the 3-year project into a 4th year.

Unlike 2020/21 our 2021/22 programme has been able to deliver face to face more frequently, and in line with Welsh Government's guidance. Our match-funding (one of the criteria for year 4 funding) allowed us to support 10 parent and toddler groups with a facilitated activity programme and embedded practitioner/parent information support. To date, this has been delivered in Trefnant, Newtown, Ebbw Vale and Swansea, Wrexham, Ceredigion, and Cardiff.

The most popular programme has been 'Active Baby @Home' which aspires to support parents of children from birth to 6 months. To date, we have supported over 300 parents and 300 children with an informative, play-based programme promoting early movement and activity and providing parents and carers with ideas, resources, and the underpinning knowledge of how this activity helps their child's development.

The second half of year 4 is dedicated to the evaluation of the project and to making recommendations and pursuing opportunities to sustain the programme beyond the funded period.

## **2.9 ALN Support**

As the updated ALN Act has begun to be implemented in Wales, we have worked extensively with Welsh Government to support the early years sector with the knowledge, understanding and updated information to implement the required changes in practice. A significant time resources was applied to working with a range of Welsh Government officials to overcome initial challenges and clarify roles and responsibilities from the new legislation for member settings. In addition, Early Years Wales produced an updated ALN policy to include new legislation requirements.

The Newport Additional Needs scheme, like many Local Authorities around Wales, has had a huge increase of settings and other professionals such as Health Visitors requesting placements for children with additional needs. Many of the needs are associated with children having experienced Covid-19 lockdowns. We have noticed an increase of children showing developmental delays in Speech and Language, and Social Communication skills and behaviour challenges including attachment and anxiety. The current challenge across Wales is that there are insufficient childcare spaces, and/or insufficient staff available to support the child, rather than no funding to support.

## **2.10 Publications and Resources**

### **Publications update:**

#### **Our work during the pandemic; March 2020 – September 2021**

Published: December 2021

A reflection of the wide-reaching impact the work undertaken by Early Years Wales had during the pandemic

#### ***smalltalk***

To coincide with the publication of the Our work during the pandemic, *smalltalk* relaunched as a 64 page, fully bilingual, printed publication.

The summer 2021 issue, also saw a page increase from 28 to 32-pages. This publication continues to be a quarterly bilingual member magazine.

# **EARLY YEARS WALES 2018 T/A EARLY YEARS WALES TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022**

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## **Resources:**

### **Early Years Wales Olympic Challenge 2021**

In partnership with Welsh Active Early Years, an activity pack using 10 Olympic Sports was designed to encourage settings and families to support children's development in everyday activities. These were made available on the website for members to download. In total, 75 packs were downloaded between the Tokyo Games and the end of the financial year. These were re-branded in the spring of 2022 to be purposeful for the Commonwealth Games hosted in Birmingham in 2022.

### **Creative Learning in the Outdoors resource pack (Foundation Phase)**

Collaborative working between Early Years Wales and the Arts Council for Wales' Lead Creative Schools project.

The packs were designed to support the settings that took part in the FPEN event, Creative Learning in the Outdoors, to develop and nurture creativity as a way of approaching the world. The pack encourage wondering and questioning, exploring, investigating, playing with possibilities and using imaginations that can stimulate children's natural curiosity to learn and explore.

### **Policy updates**

Our policies and procedures pack were updated in full in 2020/21. Further updates were made in 2021/22 to the ALN policy; safeguarding policy; and recruitment policy to account for changes in regulations and legislation.

Our Parent and Toddler resources were updated in line with Welsh Government permitting the re-opening of these groups in 2021.

## **2.11 Covid-related deviations**

Through additional funding supported by Welsh Government, our membership continues to be offered free of charge for 2021/2022. In addition, we have added a number of projects to support targeted groups around Wales and enhance our work to date. Notable successes include:

### **HMP BERWYN PRISON – CHILDREN IN CRISIS**

Children whose parents are detained or imprisoned are an invisible and highly vulnerable group. We contacted PACT who run the visitor's centre at HMP Berwyn to offer support with new ideas and additional resources for them to include in their supervised play service. PACT's aim is to provide a fun, welcoming environment where fathers can maintain and strengthen their relationships with their children.

Here is an insight to what we have done so far, and our aim is to continue and build on our partnership working at HMP Berwyn.

We sought to create opportunities for the child and parent to engage in together in a safe and compliant manner within visits. This included:

- Craft box
- Sensory box
- Miscellaneous play box

All of the above were in bulk not individual so lots to go around or to keep and replenish.

**Dad Packs** – We supplied taster folders complete with activities for Dad and child to share together

**Gardening** – Jute bags, sunflower seeds, kids gloves, plant pots, flower templates – the children can take the bags home and plant the seeds, they can then show Dad photos or the actual plant during visits and the Jute Bag can then be used for school lunch, something from Dad to take to school.

# **EARLY YEARS WALES 2018 T/A EARLY YEARS WALES TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022**

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**Welsh Language** – TICW teddy bears & books, Welsh story books, games, snap cards, Hungry Caterpillar toy/book and dominoes, all with support material to help parents to interact with their child through the medium of Welsh during visits, it has been noted that Dads with Welsh as a first language choose not to speak it, we hope these additional resources will prompt the child to speak it.

## **Kick-start Parent and Toddler scheme**

The parent and toddler groups were among the last to be permitted to re-start after the Covid-19 restrictions were in place. These groups provide a vital lifeline for parents, especially new parents who haven't been able to attend sessions throughout the Covid crisis.

We were contacted by Flintshire & Conwy LA's to see if we could provide support to these small groups. Flintshire ran a small grant scheme, we were asked to assist groups (members & non-members) to complete their application forms and supply risk assessments, 20 groups received £1,000 each. Conwy asked if we could use some funding to support their groups (members & non-members), so we set up a small 2 part county wide project:

### **Part 1**

- Parent & Toddler Group guideline pack for ALL leaders provided – bilingual resource which includes:
  - Parent & Toddler Guidelines
  - Simple Guide to setting up, restarting and operating a Toddler/Baby Group
  - Group checklist
  - Risk Assessment template
  - Parent Agreement template
  - Community group / Charity Model Constitution
- Welsh language resource for the setting (TICW starter pack)
- Email updates – Covid, re-opening Community Centres, grants, etc

### **Part 2**

- Development Officer (Welsh Speaker) - Visit to toddler group
- Parent meet & greet chat, offer of free individual membership
- Resource box of toys for the setting
- Gift bag for parent/carer in attendance with an activity sheet to do with their child - this activity will then lead to an on-line session of 'Active Baby & You' all parents will get the link to the session
- 'Active Baby & You' online event - facilitated by the Welsh Active project (free)

## **Race Equality Action Plan response**

Continuing the positive work undertaken in 2020/21, Early Years Wales has provided significant training for members on understanding the Race Equality Action Plan and the interface with their work as early years providers. In 2021/22 Early Years Wales has worked with BAME Ed Wales, DARPL, The Black Nursery Manager Training and Consulting Ltd, Apex Educate and No Boundaries to provide a series of training and education events promoting race equality.

### **2.12 Indicators of Success**

Early Years Wales reports on funded project outcomes in line with the Service Level Agreement (SLA). These reports include qualitative and quantitative data as outlined in the SLA. For the internally funded projects, Early Years Wales monitors the impact of funding through a range of metrics including data, number of contacts or service uses and member feedback.

In addition, Early Years Wales undertakes reviews of all aspects of business through the Trustee reporting processes. This practice ensures that operational targets are met, and that value is added to the sector from our charitable work. Budget management, ensuring value for money is maintained through formal monitoring of accounts monthly.

**EARLY YEARS WALES 2018  
T/A EARLY YEARS WALES  
TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)  
FOR THE YEAR ENDED 31 MARCH 2022**

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**Financial review**

**Incoming Resources**

Incoming resources for the year ended 31 March 2022 was £1,154,149 (2021: £1,231,418). Income from charitable activities was £1,125,102 and has decreased from £1,193,203.

**Resources Expended**

Resources expended during the year ended 31 March 2022 were £1,180,418 (2021: £1,109,267).

**Results**

Net outgoing resources for the year were £24,675 (2021: surplus of £282,162) this consists of an unrestricted deficit before investment gains of £98,946 (2021: surplus of £75,945) and a £72,677 restricted surplus (2021: £46,206).

**Cash Flow**

Cash flow remains strong, holding £295,566 (2021: £363,630) in cash.

**Principle Risks and Activity**

The principal risk identified by the Trustees reliance on short-term funding. We are seeking to mitigate this by strengthening our central support team and moving towards strategies that can diversify income sources.

**Cyber Security**

Cyber security is becoming more of a risk with reliance on online and digital services. As well as working to best practice principles identified in Cyber Essentials, we have a bespoke policy in our 2022/23 insurance policy for cyber threats.

**Investment Powers and Policy**

The trustees, having regard to the liquidity requirements of the charity have previously operated a policy of keeping surplus cash balances as liquid as possible and any surplus balances will be invested in deposit accounts.

The invested funds were subject to market volatility during the Covid-19 Pandemic. In late 2021/22, the uncertainty around Ukraine has further interrupted the markets. Current forecasts are that the stability will return in late 2022. Our invested reserves were moved from Charity Aid Foundation to CCLA with Board approval. The outcome of this is a regular dividend payment for the charity and the invested reserves are led by the Investment Policy Statement which is reviewed annually.

**Reserves Policy**

We have utilised some of our reserves over the past years to continue what we believe to be essential services. With increased opportunities for partnership working, the association needs to be in a strong and sound position to be confident in applying for funds.

The Charity receives external funding in the form of grants and contracts to support its very important activities in the furtherance of charitable objectives. Such funding sources are subject to change and cannot be guaranteed. In addition, the Charity undertakes project-driven work for which restricted income is received.

The trustees in the past considered that the level of reserves needed to be sufficient to cover 12 months' running costs. As the organisation holds over this amount, the trustees are now looking to utilise some of that money for charitable aims and review the designation for further funds.

In December 2020, the trustees designated £280,000 for two years to be allocated to the projects identified below:

Central Support Services  
Governance  
Healthy and Active Fund match-funding  
Welsh Translation

# **EARLY YEARS WALES 2018 T/A EARLY YEARS WALES TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022**

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At the reporting date, free reserves were £1,146,063 (2021: £1,201,753) representing unrestricted funds less tangible fixed assets less designated reserves. The additional reserves represent funding received by Welsh Government to underpin Covid-19 responses. The remaining funds are held with an aspiration to achieve income which the charity can spend on its aims.

## **Plans for Future Periods**

During 2022/2023 Early Years Wales will be working towards a new strategy. The existing strategy was written in 2018 and planned to continue until 2024, however, the Board has agreed to update this in readiness for 2023. For consideration alongside the strategy are the legacy and any continuation of the Health and Active Funded work and associated Parent and Toddler physical activity programmes we have run.

In line with Welsh Government's policy direction, our work will support the sector in creating the environment and overcoming the challenges associated with providing universal funded childcare for 2-year-olds; delivering the digitalisation of the childcare offer; working to update the workforce development plan for childcare and playwork; embedding an ECEC approach to childcare and early education; supporting the launch of the curriculum for non-maintained settings; and contributing strongly to the anti-racist Wales action plan; and Cymraeg 2050: 1 million Welsh speakers.

We are excited to continue to support our members and the sector with the breadth of services they have been accustomed to over the last strategic period. In addition, we look forwards to a more substantial, enhanced and coherent training and development programme following the appointment of our People Development and Training Manager. Our grant funding programme will continue in 2022/23 and, following the removal of all mitigations due to Covid-19 in Wales, our plans to return to the face-face opportunities and services that we have either suspended or been able to run inconsistently have enthused all staff in the organisation.

## **Structure, governance and management**

### **Governing Document**

Early Years Wales is a charity and company limited by guarantee and is governed by memorandum and articles dated 12 July 2018.

### **Directors and Trustees**

The directors of the charitable company (the Charity) are its Trustees, for the purposes of charity law and throughout this report they are collectively referred to as the Trustees.

### **Appointment of Trustees**

As set out in the current Articles of Association, the Chair, Vice Chair and Treasurer are elected by the Trustees and members. The Company Secretary is appointed by the Trustees. The Trustees are recruited using a variety of methods ranging from general advertisements, direct approach where specific skills or experiences are sought, and referrals. Trustees are appointed for a period of three years and can be reappointed for a further three years before stepping down for at least 12 months. Trustees are mainly Early Years Wales members representing the early years sector and co-opted Trustees may also be appointed. An annual skills audit is used to ensure that Trustees can be chosen for the skills and experiences that they can bring to the association.

### **Trustee Induction and Training**

Trustees are inducted into Early Years Wales by the CEO and Chair. There is bespoke and generic Trustee training available.

### **Organisation**

The Board of Trustees, which can have up to 20 members, administers the Charity and sets the overall mission, direction, and strategies of Early Years Wales. It scrutinizes performance to secure effective implementation of strategy as well as approving budgets and monitoring membership and the risk assessment register.

# **EARLY YEARS WALES 2018 T/A EARLY YEARS WALES TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022**

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Details of implementation and execution are the responsibility of the senior management team led by the Chief Executive Officer. This ensures that:

1. The organisation stays focused on its mission and strategy.
2. Key strategic and policy decisions are made by the board, and
3. Support and constructive challenge are given by the Trustees to the senior management team and the Chief Executive.

The board meets six times a year. The finance group meets in the interim months between board meetings.

## **Related Parties**

There are no related party transactions relating to the financial year 2020/21 (2020: nil). All interests are required to be declared and signed in the Trustees Declaration of Interests proforma as required under Early Years Wales' code of governance. A conflict-of-interest register is kept and updated annually or when appropriate. In addition, all Trustees are asked to declare any interest pertinent to the agenda at all Board Meetings.

## **Key Management Personnel**

The Trustees consider that key management personnel are the senior staff, consisting of:

Chief Executive – Dave Goodger  
National Development Manager – Maggie Kelly  
North Wales Manager – Moya Williams  
West Wales Manager – Elaine Jones  
South Wales Manager – Andrea Wright  
People Learning and Development Manager – Julie Powell  
PA and Office Manager – Julie Besley  
Finance Manager – Lisa McMullen

## **Pay policy for staff.**

Salaries for all staff are approved by the full Board and are set at market rate.

## **Employment Policies**

Early Years Wales policy is to give full and fair consideration to applications for employment made by disabled persons, having regard to their aptitudes and abilities. Disabled employees receive appropriate training to promote their career development within the charity. Employees who become disabled are retrained in their existing posts where possible or retrained for suitable alternative posts. Regular meetings are held with all staff. Employees are kept well informed about the progress and position of the charity by regular departmental meetings.

## **Risk Management**

Early Years Wales considers itself to be a 'risk intelligent' organisation, taking appropriately managed risks in an increasingly difficult environment. Our risk register and risk management procedures are fully embedded within the organisation. The risk register is updated and reviewed by Trustees and Senior Managers at the Board Meetings.

Of note is the impact of Covid-19 on the charity. The Trustees feel the charity has been well-managed throughout the pandemic. The direction of business has retained a focus on the aims and objectives, whilst also contributing significantly to the efforts of childcare and early years during the pandemic.

In 2022, the charity was able to secure a replacement for the Swansea office that had temporarily closed during the pandemic as part of our safe working mitigations. The office footprint is reviewed by the Trustee Board periodically as part of the risk assessment process.

**EARLY YEARS WALES 2018  
T/A EARLY YEARS WALES  
TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)  
FOR THE YEAR ENDED 31 MARCH 2022**

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**Covid-19 Response**

The impact of the pandemic has not negatively impacted on the organisation and the ability to work towards and meet organisational aims and aspirations. To be noted, that this was a result of a significant effort on behalf of all staff, supported by the Trustee Board

**Reference and administrative details**

<b>Charity name</b>	Early Years Wales 2018 T/A Early Years Wales
<b>Charity number</b>	1056381
<b>Company number</b>	3164233
<b>Principal and registered office</b>	Coopers Yard Curran Road Cardiff CF10 5NB
<b>Trustees</b>	Dr David Dallimore Lisa Owen Jamie Powell Dr Mirain Rhys Mike Thorne (Chair) Victoria Wright - appointed 22/4/21 Rejwan Ahmed - resigned 1/1/22 Dr Mark Griffiths - resigned 1/1/22 Laura Griffiths - resigned 1/1/22
<b>Secretary</b>	David Goodger
<b>Auditors</b>	Azets Audit Services Ty Derw Lime Tree Court Cardiff Gate Business Park Cardiff CF23 8AB
<b>Bankers</b>	Barclays Bank 51 Hope Street, Wrexham LL11 1BE
<b>Investment providers</b>	CCLA Senator House 85 Queen Victoria Street London EC4V 4ET

**EARLY YEARS WALES 2018  
T/A EARLY YEARS WALES  
TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)  
FOR THE YEAR ENDED 31 MARCH 2022**

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**Auditor**

Azets Audit Services were appointed as auditor to the company and a resolution proposing that they be re-appointed 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.



**Mike Thorne  
Chair**

Dated: 19-7-22 .

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**STATEMENT OF TRUSTEES RESPONSIBILITIES**  
***FOR THE YEAR ENDED 31 MARCH 2022***

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The trustees, who are also the directors of Early Years Wales 2018 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; 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.

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

**EARLY YEARS WALES 2018  
T/A EARLY YEARS WALES  
INDEPENDENT AUDITOR'S REPORT  
TO THE TRUSTEES OF EARLY YEARS WALES 2018**

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**Opinion**

We have audited the financial statements of Early Years Wales 2018 (the 'charity') for the year ended 31 March 2022 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 2022 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.

**EARLY YEARS WALES 2018  
T/A EARLY YEARS WALES  
INDEPENDENT AUDITOR'S REPORT (CONTINUED)  
TO THE TRUSTEES OF EARLY YEARS WALES 2018**

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**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.

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**  
**TO THE TRUSTEES OF EARLY YEARS WALES 2018**

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**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.



**Azets Audit Services**

**Chartered Accountants**  
**Statutory Auditor**

26.07.2022

Ty Derw  
Lime Tree Court  
Cardiff Gate Business Park  
Cardiff  
United Kingdom  
CF23 8AB

**EARLY YEARS WALES 2018  
T/A EARLY YEARS WALES  
INDEPENDENT AUDITOR'S REPORT (CONTINUED)  
TO THE TRUSTEES OF EARLY YEARS WALES 2018**

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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.

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**INCLUDING INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2022**

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
	<b>Notes</b>						
<b><u>Income and endowments from:</u></b>							
Donations and legacies	<b>3</b>	300	9,964	10,264	20,634	-	20,634
Charitable activities	<b>4</b>	8,431	1,116,671	1,125,102	37,730	1,155,473	1,193,203
Investments	<b>6</b>	15,932	-	15,932	17,581	-	17,581
Other income	<b>7</b>	2,851	-	2,851	-	-	-
<b>Total income</b>		<b>27,514</b>	<b>1,126,635</b>	<b>1,154,149</b>	<b>75,945</b>	<b>1,155,473</b>	<b>1,231,418</b>
<b><u>Expenditure on:</u></b>							
Charitable activities	<b>8</b>	126,460	1,053,958	1,180,418	-	1,109,267	1,109,267
Net gains/(losses) on investments	<b>11</b>	1,594	-	1,594	160,011	-	160,011
<b>Net (outgoing)/ incoming resources before transfers</b>		<b>(97,352)</b>	<b>72,677</b>	<b>(24,675)</b>	<b>235,956</b>	<b>46,206</b>	<b>282,162</b>
Gross transfers between funds		60,180	(60,180)	-	66,846	(66,846)	-
<b>Net movement in funds</b>		<b>(37,172)</b>	<b>12,497</b>	<b>(24,675)</b>	<b>302,802</b>	<b>(20,640)</b>	<b>282,162</b>
Fund balances at 1 April 2021		1,421,275	44,787	1,466,062	1,118,473	65,427	1,183,900
<b>Fund balances at 31 March 2022</b>		<b>1,384,103</b>	<b>57,284</b>	<b>1,441,387</b>	<b>1,421,275</b>	<b>44,787</b>	<b>1,466,062</b>

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.

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**BALANCE SHEET**  
**AS AT 31 MARCH 2022**

	Notes	2022		2021	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	16		31,350		19,800
Tangible assets	17		3,299		2,361
Investments	18		1,113,401		1,111,807
			<u>1,148,050</u>		<u>1,133,968</u>
<b>Current assets</b>					
Debtors	20	48,304		19,312	
Cash at bank and in hand		295,566		363,630	
			<u>343,870</u>		<u>382,942</u>
<b>Creditors: amounts falling due within one year</b>	21	(50,533)		(50,848)	
Net current assets			<u>293,337</u>		<u>332,094</u>
<b>Total assets less current liabilities</b>			<u>1,441,387</u>		<u>1,466,062</u>
<b>Income funds</b>					
Restricted funds	23		57,284		44,787
<u>Unrestricted funds</u>					
Designated funds	24	238,040		219,522	
General unrestricted funds		1,146,063		1,201,753	
			<u>1,384,103</u>		<u>1,421,275</u>
			<u>1,441,387</u>		<u>1,466,062</u>

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**BALANCE SHEET (CONTINUED)**  
**AS AT 31 MARCH 2022**

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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 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 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 ...19-7-22.



**Mike Thorne- Chair**

**Company Registration No. 03164233**

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	28		(64,676)		174,340
<b>Investing activities</b>					
Purchase of intangible assets		(16,500)		-	
Purchase of tangible fixed assets		(2,820)		-	
Purchase of investments		(1,164,464)		(90,955)	
Proceeds on disposal of investments		1,164,464		75,241	
Investment income received		15,932		17,581	
<b>Net cash (used in)/generated from investing activities</b>			(3,388)		1,867
<b>Net cash used in financing activities</b>			-		-
<b>Net (decrease)/increase in cash and cash equivalents</b>			(68,064)		176,207
Cash and cash equivalents at beginning of year			363,630		187,423
<b>Cash and cash equivalents at end of year</b>			295,566		363,630

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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**1 Accounting policies**

**Charity information**

Early Years Wales 2018 is a private company limited by guarantee incorporated in England and Wales. The registered office is Unit 1, Coopers Yard, Curran Road, Cardiff CF10 5NB.

**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 £.

**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.

**1.3 Charitable funds**

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

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

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.

**1.4 Incoming resources**

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.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Incoming resources from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions. This income is recognised as the related services are provided and there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Income is deferred when the amounts received are in advance of the performance of the service or event to which they relate.

Income from memberships is recognised in the period in which the membership covers. Any income received in advance is deferred.

Income from interest and dividends is included in the accounts when receipt is probable and the amount receivable can be measured reliably.

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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**1 Accounting policies**

**(Continued)**

**1.5 Resources expended**

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

Expenditure on charitable activities includes all costs relating to the furtherance of the charity's objectives as stated in the trustees report and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Support costs have been allocated between governance costs and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources and the amount of time spent on activities for staff costs.

Where the charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SoFA once the recipient of the grant has provided the specified service or output.

Where there are no conditions attaching to the grant that enables the donor charity to realistically avoid the commitment, a liability for the full funding obligation must be recognised.

**1.6 Intangible fixed assets other than goodwill**

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation 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:

Website	20% straight line
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**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 basis:

Office equipment	20% straight line
Computer equipment	33.3% straight line

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.

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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**1 Accounting policies**

**(Continued)**

**1.8 Fixed asset investments**

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

**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.

***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

***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.

**EARLY YEARS WALES 2018  
T/A EARLY YEARS WALES  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2022**

**1 Accounting policies (Continued)**

**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**

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

**1.13 Taxation**

As a registered charity, the charity is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

**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	Restricted funds	Total	Unrestricted funds
	2022	2022	2022	2021
	£	£	£	£
Donations and gifts	300	9,964	10,264	20,634
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**4 Charitable activities**

	<b>2022</b>	2021
	£	£
Membership	40	35,078
Grants	1,116,671	1,155,473
Quality assurance	2,949	187
Sale of publications and promotional items	5,442	2,465
	<u>1,125,102</u>	<u>1,193,203</u>
Analysis by fund		
Unrestricted funds	8,431	37,730
Restricted funds	1,116,671	1,155,473
	<u>1,125,102</u>	<u>1,193,203</u>

**5 Grants were received from the following sources:**

	<b>2022</b>	2021
	£	£
Welsh Government - CWLWM	572,708	647,968
Welsh Government - DCELLS: Early Yrs Co-Ordinator	54,250	52,000
Welsh Government - Welsh Language Department	50,000	50,000
Carmarthenshire County Council - Children's Services	13,187	10,697
Ceredigion County Council - Family Information Service	4,472	4,500
Conwy County Borough Council - Education Services	20,300	-
Denbighshire County Council - Flying Start	8,093	8,093
Flintshire County Council	58,651	56,086
Isle of Anglesey County Council	8,750	10,840
Monmouthshire County Council	6,000	6,000
Newport City Council - RSG	208,000	92,500
Swansea City Council - Early Intervention Service	12,527	12,527
Welsh Active Early Years Project	85,758	166,937
Moondance Foundation	10,000	30,000
Mudidad Meithrin	-	7,325
	<u>1,112,696</u>	<u>1,148,148</u>

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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**6 Investments**

**Unrestricted funds**    Unrestricted funds

**2022**                    2021  
**£**                        **£**

Interest receivable	15,932	17,581
	<u>          </u>	<u>          </u>

**7 Other income**

**Unrestricted funds**                    Total

**2022**                    2021  
**£**                        **£**

Other income	2,851	-
	<u>          </u>	<u>          </u>

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**8 Charitable activities**

	2022 £	2021 £
Staff costs	679,727	677,578
Depreciation and impairment	736	6,443
Computer, internet costs and telephone	28,995	57,175
Insurance	158	9,097
Other costs	774	2,539
Other staff costs	92,393	32,689
Events	22,226	13,164
Printing, post and stationery	34,997	39,890
Professional fees	18,328	11,226
Publications, training and subscriptions	36,315	50,230
Quality assurance	805	3,816
Premises costs	70,217	65,565
Travel and subsistence	10,943	1,488
	<u>996,614</u>	<u>970,900</u>
Grant funding of activities (see note 10)	100,167	73,651
Share of support costs (see note 9)	73,634	55,413
Share of governance costs (see note 9)	10,003	9,303
	<u>1,180,418</u>	<u>1,109,267</u>
<b>Analysis by fund</b>		
Unrestricted funds	126,460	-
Restricted funds	1,053,958	1,109,267
	<u>1,180,418</u>	<u>1,109,267</u>

**EARLY YEARS WALES 2018  
T/A EARLY YEARS WALES  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2022**

**9 Support costs**

	<b>Support costs</b>	<b>Governance costs</b>	<b>2022</b>	<b>Support costs</b>	<b>Governance costs</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Staff costs	20,620	-	20,620	25,454	-	25,454
Depreciation	6,096	-	6,096	2,092	-	2,092
Bank and other charges	1,038	-	1,038	1,100	-	1,100
IT and telephone	9,405	-	9,405	9,102	-	9,102
Premises costs	1,195	-	1,195	58	-	58
Insurance	11,572	-	11,572	-	-	-
Professional fees	3,049	-	3,049	2,998	-	2,998
Publications, training and subscriptions	662	-	662	477	-	477
Travel and subsistence	49	-	49	93	-	93
Other staff costs	3,797	-	3,797	3,224	-	3,224
Printing, post and stationery	16,151	-	16,151	10,815	-	10,815
Audit fees	-	9,330	9,330	-	9,240	9,240
Meeting costs	-	673	673	-	63	63
	<u>73,634</u>	<u>10,003</u>	<u>83,637</u>	<u>55,413</u>	<u>9,303</u>	<u>64,716</u>
Analysed between Charitable activities	<u>73,634</u>	<u>10,003</u>	<u>83,637</u>	<u>55,413</u>	<u>9,303</u>	<u>64,716</u>

**10 Grants payable**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
South East Wales	48,221	39,843
Moondance Foundation	10,000	30,000
COVID-19 small grants	-	3,808
Early Years Wales small grants	41,946	-
	<u>100,167</u>	<u>73,651</u>

During the year the charity awarded £100,167 (2021: £73,651) in grants to organisations and £nil (2020: £nil) to individuals. £nil (2021: £16,545) was awarded as part of the Welsh Active Early Years Project to Welsh Gymnastics with the remaining being paid to member organisations.

The number of grants awarded to member organisations during the year totalled 151 (2021: 90), the smallest grant given was £27 (2021: £84) and the largest £1,010 (2021: £2,450).

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**11 Net gains/(losses) on investments**

	<b>Unrestricted funds</b>	<b>Unrestricted funds</b>
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Revaluation of investments	1,594	160,011
	<u>1,594</u>	<u>160,011</u>

**12 Trustees**

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

1 trustee was reimbursed £250 for IT equipment during the year, 5 trustees were reimbursed £795 for travel and subsistence expenses (2021: 11 trustees were reimbursed £515 for IT equipment, £nil travel and subsistence).

**13 Employees**

**Number of employees**

The average monthly number of employees during the year was:

	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>
Functional	19	20
Support	10	11
	<u>29</u>	<u>31</u>

**Employment costs**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	627,233	631,178
Social security costs	48,050	47,146
Other pension costs	25,064	24,708
	<u>700,347</u>	<u>703,032</u>

The full time equivalent number of staff employed throughout the year was 26 (2021: 26).

There were no statutory redundancy payments paid in the year, totalling £nil (2021: £318). There were no amounts outstanding at the current or prior year end.

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

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**14 Key management personnel**

The key management personnel received remuneration totalling £273,431 (2021: £263,915 ).

The key management personnel of the charity during the year were the National Development Manager, West Wales Manager, North Wales Manager, South Wales Manager, PA and Office Manager, the CEO and the Finance Manager.

**15 Pension commitments**

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £25,064 (2021 - £24,708). There were no amounts outstanding at the year end in the current or previous year.

**16 Intangible fixed assets**

	<b>Website £</b>
<b>Cost</b>	
At 1 April 2021	24,750
Additions	16,500
	<hr/>
At 31 March 2022	41,250
	<hr/>
<b>Amortisation and impairment</b>	
At 1 April 2021	4,950
Amortisation charged for the year	4,950
	<hr/>
At 31 March 2022	9,900
	<hr/>
<b>Carrying amount</b>	
At 31 March 2022	31,350
	<hr/> <hr/>
At 31 March 2021	19,800
	<hr/> <hr/>

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**17 Tangible fixed assets**

	Office equipment £	Computer equipment £	Total £
<b>Cost</b>			
At 1 April 2021	80,590	18,954	99,544
Additions	2,820	-	2,820
At 31 March 2022	<u>83,410</u>	<u>18,954</u>	<u>102,364</u>
<b>Depreciation and impairment</b>			
At 1 April 2021	80,590	16,593	97,183
Depreciation charged in the year	-	1,882	1,882
At 31 March 2022	<u>80,590</u>	<u>18,475</u>	<u>99,065</u>
<b>Carrying amount</b>			
At 31 March 2022	<u>2,820</u>	<u>479</u>	<u>3,299</u>
At 31 March 2021	<u>-</u>	<u>2,361</u>	<u>2,361</u>

**18 Fixed asset investments**

	Listed investments £
<b>Cost or valuation</b>	
At 1 April 2021	1,111,807
Additions	1,164,464
Valuation changes	1,594
Disposals	(1,164,464)
At 31 March 2022	<u>1,113,401</u>
<b>Carrying amount</b>	
At 31 March 2022	<u>1,113,401</u>
At 31 March 2021	<u>1,111,807</u>

**19 Financial instruments**

	2022 £	2021 £
<b>Carrying amount of financial assets</b>		
Instruments measured at fair value through profit or loss	<u>1,113,401</u>	<u>1,111,807</u>

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**20 Debtors**

	<b>2022</b>	<b>2021</b>
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	25,109	4,836
Prepayments and accrued income	23,195	14,476
	<u>48,304</u>	<u>19,312</u>

**21 Creditors: amounts falling due within one year**

	<b>Notes</b>	<b>2022</b>	<b>2021</b>
		£	£
Deferred income	<b>22</b>	21,974	26,654
Trade creditors		17,579	15,706
Other creditors		1,445	264
Accruals and deferred income		9,535	8,224
		<u>50,533</u>	<u>50,848</u>

**22 Deferred income**

	<b>2022</b>	<b>2021</b>
	£	£
Arising from government grants	21,504	26,504
Arising from membership income	470	150
	<u>21,974</u>	<u>26,654</u>

Deferred income is included in the financial statements as follows:

	<b>2022</b>	<b>2021</b>
	£	£
Balance brought forward	26,654	25,788
Income received	21,974	36,010
Income released	(26,654)	(35,144)
	<u>21,974</u>	<u>26,654</u>

**EARLY YEARS WALES 2018  
T/A EARLY YEARS WALES  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2022**

**23 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		Movement in funds			Movement in funds			Balance at 31 March 2022		
	£	£	Incoming resources	Resources expended	Transfers	Balance at 1 April 2021	Incoming resources	Resources expended	Transfers	£	£
Welsh Government	45,000	757,293	757,293	(762,978)	(39,315)	-	676,958	(616,778)	(60,180)	-	-
County funds	20,427	368,180	368,180	(316,289)	(27,531)	44,787	429,713	(417,216)	-	-	57,284
Donations	-	-	-	-	-	-	9,964	(9,964)	-	-	-
Moondance Foundation	-	30,000	30,000	(30,000)	-	-	10,000	(10,000)	-	-	-
	<u>65,427</u>	<u>1,155,473</u>	<u>1,155,473</u>	<u>(1,109,267)</u>	<u>(66,846)</u>	<u>44,787</u>	<u>1,126,635</u>	<u>(1,053,958)</u>	<u>(60,180)</u>	<u>57,284</u>	<u>57,284</u>

**EARLY YEARS WALES 2018  
T/A EARLY YEARS WALES  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2022**

**23 Restricted funds**

**(Continued)**

**Welsh Government – CWLWM.** Awarded to the Cwlwm Partnership of Early Years Wales, Clybiau Plant Cymru Kids' Clubs, NDNA Cymru, Mudiad Meithrin and PACEY Cymru. Cwlwm's brief is to support Welsh Government's aim to ensure that families across Wales can access affordable, quality childcare providing innovative solutions to create flexible childcare and play opportunities to meet the needs of parents and their families.

To tackle issues within the Childcare and Play sector. These include but are not restricted to: sustainability, workforce development and gaps in childcare provision, especially as far as Welsh-medium childcare/play and provision in rural areas are concerned. By working together, innovative solutions to flexible childcare and play opportunities, and wrap-around care to meet the needs of parents and families in all parts of Wales is achieved.

**Welsh Government - Education Directorate– Foundation Phase Development Officer.** To provide expert support to members delivering the Foundation Phase in the non-maintained early years sector, through a programme of face-to-face visits, email support and signposting.

**Ceredigion County Council – Family Information Services.** To support members with termly visits to registered settings, support with CIW requirements grant applications and business health checks.

**Carmarthenshire County Council – Children's Service.** To support members to deliver quality provision by termly contact telephone/email business support and visits, CIW requirements support start-up/expansion of places, representation at local meetings, promoting Quality for All scheme.

**Pembrokeshire County Council.** To support member childcare providers by contact through face to face and e-mail contact, raising the standard of settings and promoting Quality for All award, to promote uptake of workforce training.

**Swansea City Council – Early Intervention Service.** Support includes, attending meetings, support to conduct CSA refresh, conducting feasibility study on expansion of childcare services, support to register and comply with CIW NMS. Promotion of Healthy Snack Award and Healthy and Sustainable pre-school schemes

**Isle of Anglesey County Council.** To provide business, managerial and administrative advice and support to local committees, leaders and paid staff. Forward training needs to the Authority and the Children and Young People's Partnership. Provide support to the Referral Scheme and the SEN Specialist Teacher and attend any relevant specialist training to be ready for significant changes.

**Flintshire County Council.** To provide support to early year's providers to be sustainable businesses via visits, email, phone or office support.

**EARLY YEARS WALES 2018  
T/A EARLY YEARS WALES  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2022**

**23 Restricted funds**

**(Continued)**

**Flintshire County Council (Childcare Partnership)** To provide business support for member settings in Flintshire, via development worker visits, email or telephone support. Additional needs & Brokerage co-ordinator supporting settings, children, families and the local authority with all aspects of their referral schemes.

**Denbighshire County Council (Flying Start)** - To provide business support and guidance to members providing Flying Start services in Denbighshire via visits to settings, email or telephone.

**Welsh Government – Welsh Language Support** - Funding to promote the existence of 'Camau' by engaging with the sector and encouraging employers to take advantage of the training available. Ensuring resources are available to support learners, sharing all Cwlwm partner resources too where possible and to provide aftercare support as required for learners and the settings they work in.

**Newport City Council.** Childcare contract project led by Early Years Wales to provide business support to all providers including childminders and out of school clubs via visits, email/phone and virtual calls. Early Years Wales administers and runs the Early Years Wales Additional Needs Referral scheme, coordinator supports settings, parents and children as part of the scheme as well as supporting children accessing funds from the childcare offer.

**Newport City Council - Education Services.** Additional Needs Referral scheme coordinator administers funding for 1-1 support for children with ALN who access education through the non-maintained sector. This scheme runs as part of the main scheme within the Newport childcare contract.

**Monmouthshire County Council.** To provide support to member settings in Monmouthshire. Support for business skills, legal compliance and promotion of quality is provided via email, telephone and face to face visits.

**Healthy and Active Fund.** This is a 3 year project, Early Years Wales have partnered with Welsh Gymnastics to deliver the Welsh Active Early Years Programme across Wales. The multi skills movement and play based activity programme will be delivered directly to children and parents/carers at community based venues and outdoor spaces as well as delivering training to childcare practitioners on physical literacy for 0-3 year olds.

**Donations-** Received to fund specific geographical areas as well as supporting training, resources and support funding for a child with Additional Learning Needs.

**Moondance Foundation-** Early Years Wales worked in collaboration with the Moondance Foundation to facilitate the administration of grants in response to Covid. A £30,000 grant was received by Early Years Wales and was distributed in full to member settings using an application process agreed in advance with Moondance. Early Years Wales would like to note their thanks to Moondance for the support to the early years sector through this funding.

**Transfers** - relates to the fund being fully expended during the year and the associated value being transferred to the unrestricted reserves.

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**24 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:

	Balance at 1 April 2020 £	Transfers £	Balance at 1 April 2021 £	Resources expended £	Transfers £	Balance at 31 March 2022 £
Project development	14,680	12,335	27,015	(35,000)	41,917	33,932
Events	3,197	(3,197)	-	-	-	-
Governance	95,239	(56,785)	38,454	(37,706)	37,910	38,658
Central costs	17,065	31,669	48,734	(45,251)	54,027	57,510
Early Years Wales						
Welsh project	-	10,967	10,967	(2,727)	(6,340)	1,900
Fixed assets	-	22,161	22,161	(6,832)	19,320	34,649
CWLWM						
membership	-	51,500	51,500	(51,500)	60,000	60,000
Wrexham donation	-	20,691	20,691	(9,300)	-	11,391
	<u>130,181</u>	<u>89,341</u>	<u>219,522</u>	<u>(188,316)</u>	<u>206,834</u>	<u>238,040</u>

**Project development**

To develop and explore new areas of funding for the organisation.

**Events**

An amount of £13K was designated by the Board to hold events around Wales, promoting and celebrating the work that the organisation undertakes and celebrating our name change to Early Years Wales. Going forward the organisation would like to hold similar events throughout the year around Wales.

**Governance**

Fund two FTE Governance Officer posts until March 2021 to support members to review the governance and legal structure of their business and choose the most appropriate charitable structure, support settings with Charity commission and CIW registration changes where necessary and provide ongoing support to not for profit members to be compliant with legal requirements.

**Central costs**

Fund designated to fund central costs including office rent.

**Early Years Wales Welsh project**

Fund a part time 3 year funded post to develop and promote Welsh Language within Wales PPA which will aid to improve support to all staff and members. This will promote the Welsh Government's initiative, Cymraeg 2050 to achieve 1 million Welsh speakers in Wales by 2050.

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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**24 Designated funds**

**(Continued)**

**Fixed assets**

Represents the unrestricted net book value of the charity's fixed assets.

**CWLWM membership**

Utilising funds received from Welsh Government to support the early years and childcare sector Early Years Wales has made membership free to any qualifying childcare provider for 2022/23.

**Wrexham donation**

Funds received were the result of closures of childcare CIO's in the Wrexham Local Authority Area. In line with the constitutions and policies the remaining capital was transferred to Early Years Wales to be re-distributed for like-for-like charitable aims in the local area. All funds received have been allocated to support charitable settings and organisations in the area.

**EARLY YEARS WALES 2018  
T/A EARLY YEARS WALES  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2022**

**25 Analysis of net assets between funds**

Fund balances at 31 March 2022 are represented

by:

	Unrestricted 2022 £	Designated 2022 £	Restricted 2022 £	Total 2022 £	Unrestricted 2021 £	Designated 2021 £	Restricted 2021 £	Total 2021 £
Intangible fixed assets	-	31,350	-	31,350	-	19,800	-	19,800
Tangible assets	-	3,299	-	3,299	-	2,361	-	2,361
Investments	1,113,401	-	-	1,113,401	1,111,807	-	-	1,111,807
Current assets/(liabilities)	32,662	203,391	57,284	293,337	89,946	197,361	44,787	332,094
	<u>1,146,063</u>	<u>238,040</u>	<u>57,284</u>	<u>1,441,387</u>	<u>1,201,753</u>	<u>219,522</u>	<u>44,787</u>	<u>1,466,062</u>

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**26 Related party transactions**

There were no disclosable related party transactions during the year (2021 - none).

**27 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:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Within one year	36,835	40,080
Between two and five years	760	40,840
	<u>37,595</u>	<u>80,920</u>

**28 Cash generated from operations**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
(Deficit)/surplus for the year	(24,675)	282,162
Adjustments for:		
Investment income recognised in statement of financial activities	(15,932)	(17,581)
Fair value gains and losses on investments	(1,594)	(160,011)
Depreciation and impairment of tangible fixed assets	6,832	8,535
Movements in working capital:		
(Increase)/decrease in debtors	(28,992)	79,727
Increase/(decrease) in creditors	4,365	(19,358)
(Decrease)/increase in deferred income	(4,680)	866
<b>Cash (absorbed by)/generated from operations</b>	<u>(64,676)</u>	<u>174,340</u>

**29 Analysis of changes in net funds**

The charity had no debt during the year.

**EARLY YEARS WALES 2018**

England & Wales - Charity number 1056381

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# Accounts

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**Charity Registration No. 1056381**

**Company Registration No. 03164233 (England and Wales)**

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

# EARLY YEARS WALES 2018

## T/A EARLY YEARS WALES

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# **EARLY YEARS WALES 2018 T/A EARLY YEARS WALES CHAIRMAN'S STATEMENT**

***FOR THE YEAR ENDED 31 MARCH 2021***

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In February 2020, the Trustees held a review of the Strategic Plan. The aims and objectives of the plan have remained the same. As an impact of Covid-19 all planned recruitment for roles (training lead and part time funding officer) were paused in 2020. As the year has progressed it has not been a priority to recruit against either position, but to refocus on the offer Early Years Wales currently makes.

Our commitment to the roles and projects identified within this report will provide for business continuity and job-security for colleagues through to March 2023. As a result, it has been agreed that the new strategy will be written and published by March 2023 (a year earlier than planned).

Following the pandemic and like many charities, Early Years Wales must consider the way it undertakes its business and what office footprint is required to do this is. There is a general acceptance that more flexible working is possible than there was prior to 2020 and Welsh Government are currently advocating for this too. This might have impacts on office provision in 2021 and beyond.

There is much to be positive about. Early concerns about the sustainability of the sector as a whole have not been realised and, despite some losses of individual members, Early Years Wales' membership position is strong. We recognise we need to respond by matching our offers to the needs of our membership. This includes establishing a more coherent programme of support for the parents of children in the 0-3 years space. We need to support community-based provision as restrictions around the Covid-19 pandemic relax, and yet be guarded that there might be future waves and changes in social connectedness as we settle into a new way of living, working and retaining the impact of the virus.

Business Support is a significant priority across the organisation, as many of our members are struggling with the complexity of funding support. The pandemic has demonstrated that getting constitution or business plans wrong can have huge financial implications. That is why a two-year commitment to our Governance project, supporting the charity organisations is imperative. It also suggests that there are businesses and sole traders who also require support to ensure that their policies are robust.

Due to the rapidly changing and evolving nature of social interactions and Government policy, approaches to support members and to receive feedback have been adopted. In the immediate response to Covid-19 the CEO wrote at least once a week to all members on the database. Membership terms were altered in March, providing free membership to all members during 2021/22. Interestingly, childminder organisations joined in significant numbers and therefore supporting these new members effectively is important.

Plans to source alternative funds have proven difficult during 2020 as funding was diverted to provide Covid-19 sustainability support. It is encouraging that our partner networks have increased during 2020 and there are several exploratory conversations that have been established in February and March 2021 that offer exciting opportunities in 2021/22. This reflects the high-quality work that Early Years Wales staff have provided during the pandemic and the willingness for partner organisations to work with us. There is much for Early Years Wales to continue to do and many plans that impact on the early years sector from Welsh Government continue apace in 2021/22 providing a sense of positivity about the early years sector in Wales.

# **EARLY YEARS WALES 2018**

## **T/A EARLY YEARS WALES**

### **TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)**

#### **FOR THE YEAR ENDED 31 MARCH 2021**

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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 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)".

#### **Objectives and activities**

The purposes of the charity as set out in the governing documents and articles are:

For the public benefit, alone or in conjunction with other organisations, the promotion and advancement of the education, development and care of preschool children in Wales by:

- a. Providing support and guidance including upon governance, regulation, planning, quality improvement and workforce development to organisations and individuals that provide for the education and care of preschool children; and
- b. Encouraging parents, carers and families of preschool children to understand their needs and to provide for their needs by engaging them in activities that promote their education, development and care.

Early Years Wales' main activity is to support all children, adults with childcare responsibility and early years providers to give every child across Wales the best start in life. We believe that all families have the right to high-quality play, education and care opportunities to help their children reach their potential.

Since 1961, Early Years Wales has been the largest umbrella organisation in Wales, providing a range of comprehensive membership services to the early years sector.

#### **Our strategic aim:**

**To support all pre-school children, their families and early years providers to give every child across Wales the best start in life.**

#### **Our objectives**

1. Supporting the early years providers and the early years workforce
2. Supporting parents, carers and families to participate in play
3. Promoting the work of Early Years Wales widely
4. Contributing to policy implementation at National and local levels
5. Developing partnerships
6. Maintaining and developing the organisation's governance and management
7. Recruiting and developing staff and volunteers
8. Seeking and managing funding to maintain and expand our services

We aim to facilitate giving children the best start in life by providing services which promote child development and support families throughout Wales. This is achieved by supporting members to provide early intervention and family service programmes. We offer high-quality support and representation for our members and offering our own accredited quality assurance schemes. The charity also works collaboratively with other organisations, including other early years, childcare, education, playwork charities and statutory agencies to deliver our services. The charity promotes and delivers access to affordable, flexible, and high-quality childcare provision.

# **EARLY YEARS WALES 2018 T/A EARLY YEARS WALES TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021**

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Early Years Wales has always promoted the value of parental participation in their child's development. This was a founding objective of the organisation and we continue to develop ways to ensure that families are supported from the birth of a child and throughout their early years.

We see our role as providing our members with information, guidance, offering a listening ear and supporting them to achieve their goals. We measure our success in achieving these objectives by analysing the impact of our work through our reporting and monitoring and through case studies.

Through our work, Early Years Wales seeks to support its members by encouraging discussion about early years services. We keep them updated of changes to legal requirements and assist with planning to sustain their businesses. In addition, we provide targeted one to one support, news about the early years sector and signposting to qualifications and training opportunities. Early Years Wales' dedicated Foundation Phase support, Welsh Language support, promotion of our Quality for All quality assurance scheme, and the development of support publications and resources all serve to improve quality in the sector.

We recognise that many early years providers operate in a diverse range of environments which can be challenging. These include rural communities and areas of disadvantage. Many settings that are reliant on a mixed economy of funding e.g., Flying Start, Early Entitlement for 3- and 4-year-olds and parent fees, and the Childcare Offer. These factors can challenge sustainability, as can local and national funding initiatives. Our aim is to inform, support and signpost so that these issues can be addressed, and capacity maintained.

N.B. In 2020 and 2021 a significant proportion of resources and staff hours was directed towards supporting the sector in the light of the Covid-19 Pandemic. This response included both a continuation of the Charity's stated strategic aim, and a moderate deviation to support the members and people who were tasked with working in childcare settings, childcare policy, and business support services. All temporary and sustained decisions have been shared in Trustee Board meetings and communicated appropriately to staff within Early Years Wales.

The Trustees have paid due regard to guidance issued by the charity Commission's public benefit guidance in deciding what activities the charity should undertake and in planning future activities. Due diligence is given to how planned future activities will contribute to the strategic aim.

## **Achievements and performance**

Early Years Wales has continued its support to the early years sector in Wales, providing benefits to 783 members over the year in the following categories:

1. Central Support and Member Benefits
2. Cwlwm Partnership
3. Business Support
4. Quality for All
5. Foundation Phase Support
6. Welsh Language Support
7. Wales Active Early Years (Healthy and Active Fund Project)
8. ALN Support
9. Publications and Resources
10. Measures of success
11. Covid-19 specific responses

**EARLY YEARS WALES 2018  
T/A EARLY YEARS WALES  
TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)  
FOR THE YEAR ENDED 31 MARCH 2021**

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**2.1 Central Support and Member Benefits**

Central Support and the member benefits continues to be a core pillar for Early Years Wales. In the autumn 2020 funding review Trustees committed to continuing to fund the staff positions from designated reserves until March 2023. The central support and member benefits have been strengthened to ensure that all members can access and receive services from head office and regional offices via phone, email, mail, website, social media, and videoconferencing. The support that we provide centrally enables providers to keep up to date with developments in childcare policy and regulation. This support has been vital to the Covid-19 response as local dissemination of key policies and operating procedures have been required by members. For Early Years Wales, our Central Support Officers enable us to have a presence in those Local Authorities that do not fund a development worker. During 2020/21, more than 20,000 contacts were made with providers via a combination of visits, forums, events, email, social media, and conference calls. Due to Covid, no visits took place after March 2020, but an increase in online and remote connection took place during the year to support members.

Early Years Wales' membership comprises organisations of different legal structures from private businesses e.g., sole-traders and limited companies to not-for-profit businesses (charities, CIOs). A breakdown is provided below:

Setting Type	Number of member organisations
Playgroup	205
Parent and Toddler	45
E-OoSC	20
Full-day Care	345
Creche	4
Childminder	99
Combined provision	17
Corporate	7
Individual and student	41

During 2020, our member forums have been held online and have been used to address issues such as, operating safely while open during Covid-19, hygiene and cleaning protocols, emotional and wellbeing support and the function of play and use of outdoors. In addition, in response to the Covid-19 Pandemic, frequent communication was sent out regionally and centrally to inform members about key policy changes and updates, business support opportunities, and HMRC furlough schemes, to name a few of the aspects of childcare business support provided.

**2.2 Cwlwm Partnership**

The contract of funding for the Cwlwm Partnership continued in 2020/21. Having successfully achieved the objectives set for the first three years and following the publication of 'Taking Wales Forward' and other announcements which set out the Welsh Government's priorities for Early Years, Childcare and Playwork. The following targets were agreed to address policies that interlink to influence the sector's work:

- The Childcare Offer (30 hours combining and Foundation Phase Nursery Offer with an additional 20 hours a week of funded childcare for working parents)
- Early Years Childcare and Play Workforce Plan and the development of a new suite of qualifications for the sector.
- The 2050 strategy target of one million Welsh speakers by 2050
- Business Support for the early years, childcare and play work sector.

# **EARLY YEARS WALES 2018 T/A EARLY YEARS WALES TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021**

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- The Additional Needs Learning Bill
- The Abolition of Defence of Reasonable Punishment (Wales)
- From March 2020 the Flood Response and Covid-19 Response were additional key areas of business for Cwlwm funding

The strength of the Cwlwm partnership has been evident in the response to the Pandemic in 2020. Throughout the Pandemic Cwlwm Lead Officers have worked with Welsh Government to support and inform key policy decisions. At the same time, Cwlwm has challenged and advocated for more coherent sector specific advice, funding and policy when required. Strategic meetings with Welsh Government have been held as frequently as monthly during the height of the 2019/2020 Pandemic. Towards the autumn there was a less reactive and more pre-planned schedule of meetings, although remote communication with policy decision makers continued frequently. This partnership has been recognised by Welsh Government as a key response to the Pandemic and was granted an additional £800,000 as part of Welsh Government's £3.2m Covid-19 recovery funding, of which Early Years Wales received £160,000. All funding targets and reporting for the additional Covid-19 response funds were agreed and confirmed with Welsh Government.

## **2.3 Business Support**

During 2020/21 the governance team kept up their support and contact with members via email, phone and Zoom meetings. 200 not for profit providers were contacted letting them know that the team were still available for support during lockdown. The team provides a range of guidance and support to settings ensuring that they are operating within statutory and regulatory frameworks. Charities are required to adopt and follow a governing document which provides a standard set of rules that must be followed, our documents are regularly checked to make sure they are fit for purpose.

During 2020 we shared additional guidance in relation to the Corporate Insolvency and Governance Act 2020, this put in place temporary measures aimed at easing some of the most pressing consequences businesses (CIO's) may have been experiencing because of the coronavirus (Covid-19). A copy must be provided to the Charity Commission at the time of registration. We have provided model documents that have been registered with the Charity Commission. Member Trustees were supported to continue their journey through the various processes i.e., updating their old constitution and registering it with the Charity Commission, ordering copies of their lost documents from the Charity Commission, registering a new charity/CIO and completing CIW registration.

To support members, we ensured organisations understood how to:

1. Hold virtual member/trustee meetings, EGM and AGM's
2. Virtual voting and minute taking
3. Relaxing of Charity Commission requirements
4. Covid-19 Charity Commission Guidance
5. Extensions to accounts/TAR
6. Employment Law support – ACAS & mediation
7. TAR & Accounts outstanding
8. uploading relevant documents

Early Years Wales made 299 emails direct to members offering business support.

- 38 telephone calls
- 8 Zoom/Teams meeting

A general email was sent out to all 200 not-for-profit providers to let them know that the team were still available for support as they were all working from home. Those members that got back in touch were then supported to continue their journey through the various processes:

# **EARLY YEARS WALES 2018**

## **T/A EARLY YEARS WALES**

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

#### **FOR THE YEAR ENDED 31 MARCH 2021**

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- updating their old constitution and registering it with the Charity Commission
- ordering documents from the Charity Commission
- registering a new charity/CIO
- completing CIW registration (changes to inspections/medical cert)
- uploading relevant documents

The business support staff also shared the details listed above for member support (2.3 points 1-8) with the settings engaged in working with us for support.

Early Years Wales started providing governance support in 2017, this continues with the majority of members changing their legal status by way of incorporation. Governance support continued throughout 2020/21 supporting voluntary managed settings in choosing the most appropriate legal structure for their organisation. Settings that had completed updating their status were offered guidance and support in Charity Commission compliance requirements.

Early Years Wales' model governing documents (CIO and an unincorporated constitution) were reviewed in 2020, with the Charity Commission. These will be reviewed as and when required so as to keep all documents up to date and fit for purpose; it is important that the voluntary sector is supported with appropriate governing documents which meet the needs of the aim of their businesses. We are currently working with almost 200 voluntary managed providers and supported almost 200 in undertaking the process to become Charitable Incorporated Organisations (CIOs). It was noted by the Charity Commission that our collaborative working is a model of good practice and we will continue to develop this as a priority area of work.

This work will benefit providers and will also assist funders in having a clear understanding of the legal structure of these groups and ensuring accountability for funding. This work will continue with the support of the Early Years Wales' designated governance officer.

Business support has continued with Development Workers in nine local authority areas across Wales working with their funding authority to provide business support and quality improvement for the sector. We have continued to support providers on a one-to-one basis in areas where we are funded for a local development worker. We have worked closely with Local Authorities and Welsh Government in delivering and assessing the impact of the Childcare Offer/C-CAS.

Early Years Wales has been supporting members in relation to Covid-19. It has been challenging at times as the information was rapidly changing and there were many tensions. These included, policy decisions being made by UK and Welsh Government, complexities around the Job Retention Scheme and public funding, and the many different organisations that there are in the early years sector. In March, the funding and business support elevated genuine concerns for a sector that was already vulnerable and business support will continue into 2021/22 as a priority feature for Early Years Wales.

#### **2.4 Quality for All**

In March 2020, we took a decision to pause QfA assessments. This was taken in line with Estyn and CIW pausing their inspection processes. Throughout 2020/21 we have kept this decision under review and our assessment visits remained suspended throughout 2020-21 and this will continue into 2021-22 with a recommencement date still to be decided. At the time of writing indications are a re-start of some inspections might commence in September 2021. The decisions of the inspectorate and regulatory bodies have a strong influence on when QfA can return to a similar operating model to the pre-pandemic model.

# **EARLY YEARS WALES 2018 T/A EARLY YEARS WALES TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021**

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Continuing with our support for high quality childcare, contact was maintained with the 118 providers actively involved in the scheme. This figure reflects our implementation of a 2-year time limit for completion of the scheme from point of purchase and settings closures/amalgamations since purchasing QfA. Of these 118, 87 providers have completed the scheme at least once with 31 now working towards their first accreditation. In 2020/21, five new participants joined the scheme.

In responding to the Pandemic, we developed a Quality Awareness Toolkit (QAT) as an alternative model to our traditional Quality for All (QfA). This QAT provides an interim, remote means of recognising the excellent work that continues to be carried out by childcare providers alongside some reflective evaluations with an assessor to support best practice in these challenging times and to aid setting's recovery from difficulties posed by Covid-19. This was piloted with 8 providers before being offered to the remaining 110 actively involved with the scheme. The success of this QAT scheme will result in this becoming part of the member offer for all settings, and a substantive part of Early Years Wales' business model into 2021/22. The target audience will be settings that have completed QfA and are mid-cycle and settings that are new members and/or new childcare settings.

## **2.5 Foundation Phase Support**

The two Early Years Coordinators, in a job share, are funded by Welsh Government's Education department have met targets to provide support to 192 funded providers via face-to-face visits, virtual support, forums, and workshops. We have also written articles for each of the editions of SmallTalk during 2020. Early Years Wales has provided support to implement the delivery of the Foundation Phase Action Plan which aims to raise the quality of delivery across the whole of the Foundation Phase bridging non-maintained settings and school-based Foundation Phase settings. We have been involved in the development of a non-maintained curriculum, contributing to workshops, curriculum writing and sourcing settings willing to pilot the new curriculum. Virtual *Foundation Phase Excellence* events were held and included:

- Effective Leadership and wellbeing,
- Creative Learning and Outdoor Play,
- Schemas and the outdoors
- Froebel and the engagement with nature
- Resilience, Recuperation and Staff Well-being

In following Welsh Government guidance, all events were held using remote conferencing and though the events were virtual it still gave opportunities for teachers and practitioners from non-maintained settings to network and share best practice. The feedback from participants was very positive. Early Years Wales continues to support Welsh Government in the implementation of Curriculum 2022, therefore our work with the sector and with Welsh Government continues to be a priority that we are excited to be a contributing partner of.

## **2.6 Welsh Language Support**

The support provided for Welsh Language, funded by Welsh Government, has continued with Cwlwm organisations working in partnership with The National Centre for Learning Welsh (NCfLW). The Early Years workforce demonstrates an appetite to learn and practise Welsh in their workplace and the support that we provide is tailored to meet their needs.

NCfLW tasked Cwlwm with recruiting 350 Early Years and Play practitioners to its Camau courses and provide post training support to those that have accessed them with the aim to develop and/or improve the level of Welsh used within the settings. The Cwlwm partnership used several different methods to engage with the sector and advertise the Camau training courses. Social media and individual partners' website pages were utilised to share branded leaflets and posters from NCfLW, detailing key points regarding the Camau courses and how they could be accessed.

# **EARLY YEARS WALES 2018 T/A EARLY YEARS WALES TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021**

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Welsh language coordinators also engaged with the settings they had identified of benefiting from, or interested in, attending the courses through more personal methods such as email and telephone calls. Over 1,200 emails and telephone calls were made to provide pre-training support which ranged from answering enquiries regarding the courses, pre training assessments, signposting to the Language Awareness course and enrolment onto Camau courses.

In addition to distance support, 127 peer-to-peer support visits took place. Where needed, the Gwiriwr (language placement tool) was also used to inform the Early Years and Play practitioner of the correct level of Camau course to access.

Four different levels of training were offered:

- Entry
- Foundation
- Intermediate
- Advanced

A fifth course aimed at equipping Playworkers with entry level Welsh was also offered due to the different vocabulary that would be used with older children.

A specific, early years and play Welsh language training package was launched by NCfLW, and Early Years Wales was tasked with recruitment and follow-on support. Welsh language support was provided to all settings that had accessed the new Camau training package and settings that had accessed the previous Welsh project 'Un, dau, tri – hwyl a sbri' if they still required support. 21 'new' members settings received Welsh language training and a total of 40 member settings received Welsh language support either digitally, through peer-to-peer support or both.

Internally, Early Years Wales has continued its commitment to developing the use of Welsh. A Welsh Language action plan is in place and used to inform work the organisation is involved with. Staff members have signed up to various Welsh courses and have increased their confidence to use the language incidentally in settings. Early Years Wales continues to develop a bilingual workforce to support the vision of Cymraeg 2050: a million Welsh speakers.

Modifications to the programme have been made from March 2020 to account for Covid-19 and restrictions for face-face training, with training and support shifting to online platforms.

## **2.7 Welsh Active Early Years (HAF Programme)**

The programme aims to introduce a positive culture change towards physical activity and health and well-being from the very start of life which, when embedded into everyday life, will meet the aims of the Healthy and Active Fund. Success in delivering and sustaining this project will mean that babies, young children, expectant and existing parents, carers and practitioners will achieve lifelong active lifestyles and support their families and peers to join in and benefit from physical activity. The programme will make a positive contribution towards mental wellbeing, as the link between physical activity and mental wellbeing has been well established.

This project is a new venture for Sport Wales and Public Health Wales and has been running since 2019 and plans to build and form new groups of parents within their own communities. The aim is to support parental understanding of the importance of exercise and physical activity in children's developmental progress having identified a gap in parents understanding, a lack of knowledge and a lack of confidence in knowing what to do to meet the needs of a child through activity in the first 1,000 days of a child's life.

Year 1 – the focus was on developing the programmes, identifying communities, and recruiting facilitators across Wales. Pilots were run and some courses started in February and March 2020, but a combination of flooding and pandemic brought the programme to a halt.

# **EARLY YEARS WALES 2018 T/A EARLY YEARS WALES TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021**

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Year 2 – the focus changed to redevelop the programmes to be delivered online over Zoom as a measure to continue the project roll-out during the pandemic. The team has come up with some very innovative delivery models and have worked to build networks across Wales. Year 2 has seen the project build and create significant interest with requests to deliver the programme into a wide range of communities from sporting organisations to health visitors and BAME groups. Successful innovations have included:

- Virtual delivery of the programmes, including working with parents of babies with the audience connecting from their home address.
- The development of website page within the Early Years Wales which has a section devoted to Health and wellbeing, a large library of resources and activities to try at home, signposting to other organisations who can support parents.
- Developing a good solid following across social media channels, continuing to grow daily.
- Fun activities to do at home.
- A series of videos helping parents learn about physical development in very young children.
- Newsletters.

Throughout Year Two we have continued to adapt and address the issues arising with the pandemic. We have developed a Health and Wellbeing Page on the website adapting the 5 ways to Wellbeing to meet the needs of the childcare/sporting settings in addressing wellbeing with their families. We developed a 'useful links' element on the website in support of links to organisations that provide mental health and family support. This was in response to initial results on the Edinburgh Wellbeing scores being presented in the data collection. In response to this we have increased the focus across the board on wellbeing.

Early evidence has shown us that parents are needing additional support with their and their family's wellbeing, they will need some enhanced support within the projects, and we will ensure that facilitators have received the training to enable them to support and signpost parents to the right agencies. We will work to build the confidence of new parents to increase their physical activities with their babies and use the outdoors more, supporting them to join groups for social interaction and shared activities and experiences.

Year three will continue to develop and meet the needs of the underrepresented and harder to reach groups, offering a full delivery of programmes able to operate on a digital platform. When guidelines permit, we intend to return to physical groups following Welsh Government Covid regulations and in recognition of the benefit that physical groups will bring to the programme. We will continue links built in year two with other likeminded projects to enable us to meet the needs of the diverse range of families across Wales. Our aspiration is to enable the physical activity and wellbeing messages to be filtered into these harder to reach communities.

Year 3 and year 4 will also include supporting Parent and Toddler Groups to reopen post Covid-19. This modification to the programme follows a successful application for an additional year from HAF and the match funding committed by the Trustees of Early Years Wales.

## **2.8 Additional Learning Needs (ALN)**

Over the past year there had been an expectation that the new Code to go alongside the Additional Learning Needs and Education Tribunal Act 2018 would go before the Senedd. This was originally expected to happen in September 2020 but was delayed until March 2021 due to legislators being engaged in pandemic-related legal matters. As a result of the delay no further new guidance was given to members other than signposting to the information already available.

An online training course outlining the new unified system for supporting learners with ALN has been [published on the Welsh Government's Hwb platform](#). The interactive training course gives an introductory overview of the new ALN system and will help all those involved in the system understand the new legislative duties, and the rights it confers to children, their parents/carers, and young people.

# **EARLY YEARS WALES 2018**

## **T/A EARLY YEARS WALES**

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

#### **FOR THE YEAR ENDED 31 MARCH 2021**

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We will continue to encourage staff in all sectors who work with children and young people to undertake this short course. The course may also be of interest to parents and carers.

In the summer 2020 we produced a checklist to help settings think about the difficulties they could encounter with the return of children with ALN after the Covid-19 lockdown, taking into account the change of layouts, routines and masks. These are available as free resources to members. We have also supported Local Authorities offering their own ALN training modules where appropriate.

On 23 March 2021 the ALN Code and regulations were approved by the Senedd. Along with the ALN Act 2018, the Code and regulations will create the statutory ALN system in Wales. The ALN system aims to transform the expectations, experiences and outcomes for children and young people with ALN, from September 2021 the ALN system will come into force over a three-year phased implementation period.

There is a large amount of information on the Welsh Government website regarding the transition and we regularly signpost members to these.

#### **2.9 Publication and resources**

Early Years Wales has responded to the Pandemic by increasing the publications that are made available to member organisations. As a direct result of the Pandemic our SmallTalk magazine has been re-purposed as an online magazine. It has also been made available bilingually throughout 2020, a commitment that Early Years Wales will continue with into 2021/22.

Our Employer Pack, and Policies and Procedures Pack have been reviewed in full during 2020 and republished to members. The Policies and Procedures Pack was made available for a limited time without charge as a member benefit. We also created an additional Business Preparedness Checklist, offered free to members to support decisions around re-opening their setting after the Pandemic.

As a contribution to the development of Welsh Language, during the Pandemic we produced an online resource promoting the value of play and language development. This mini-series based on Cari y Bwni (Cari the Bunny) provided parents with language, activities and resources for playing with children and communicating using some frequently used Welsh language phrases.

Through the Healthy and Active Fund (HAF), Early Years Wales have been creating resources to promote the physical literacy journey from birth to five. A large catalogue of resources has been created and shared with parents and partner organisations on the Welsh Active section of the website. In addition, a regular newsletter has been produced to consolidate activities, promote online sessions and to link to opportunities provided by other organisations that encourage healthy and active lifestyles. The aim of the newsletter is to add sustainability to the project's delivery sessions.

Using additional resources, Early Years Wales has re-branded and updated some traditional mini booklets with a focus on games and activities that have an established place in early years settings. These booklets are available as e-resources and physical resources.

Through our funded Welsh work, a systematic review of resources has taken place to map available resources into the new Camau courses. This review has been helpful in updating resources for members and identifying gaps in resource provision for Welsh.

#### **2.10 Measures of Success**

Early Years Wales reports on funded project outcomes in line with the Service Level Agreement (SLA). These reports include qualitative and quantitative data as outlined in the SLA. For internally funded project, Early Years Wales monitors the impact of funding through a range of metrics including data, number of contacts or service uses and member feedback.

# **EARLY YEARS WALES 2018 T/A EARLY YEARS WALES TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021**

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In addition, Early Years Wales undertakes reviews of all aspects of business through the Trustee reporting processes. This practice ensures that operational targets are met, and that value is added to the sector from our charitable work. Budget management, ensuring value for money is maintained through formal monitoring of accounts monthly.

## **2.11 Covid-19 specific responses**

The information below is a narrative response to the impact of Covid-19 on the charity's activities.

Along with most employers in Wales and in-line with Welsh Government guidelines, Early Years Wales decided to allow all colleagues to work from home from 26 March 2020. During the restriction easing in the summer, some colleagues chose to return to working flexibly from office spaces on a set number of days to comply with social-distancing guidelines. Again, from the 'firebreak' lockdown in October 2020 to the end of March 2021 all colleagues worked from home.

Additional charity impacts included the change of status for colleagues whose day-day work was paused through the pandemic. Many of these colleagues switched to providing 'support for member settings' in agreement with funders where necessary. Core Early Years Wales services paused included, Quality for All, Camau, work-Welsh training (Camau), Development Officer visits and face-face training and support. Whilst other work transferred to provide an online offer, including our Healthy and Active Funded programme, member training and forums, Foundation Phase Network events. Our Central Support and Governance projects used videoconferencing and telephone communication to support our members. As far as possible, we maintained a sector support function, and in response to the pandemic, we provided as much communication about the changing protocols and situations as timely as we could.

Early Years Wales had quick confirmation from major funders that the budget grants we receive would be honoured for 2020/21. This provided a level of financial continuity and facilitated the ability to continue to offer as close to a normal level of provision as possible. Where there were initial concerns about funding being withheld, many of these were small enough to allow our Trustees to consider filling the gap using designated reserves; an eventuality that was not required.

Two funding streams that were more problematic for us this year were the HAF funded project, and the Invested Reserves.

Our HAF funders required three financial re-profiles during the year and only agreed to fund actual spends to date from March 2020. This created a significant on-cost in terms of staff time. The changes over the year have not had a major impact on the programme of delivery or any impact on achieving targets, however, it is noteworthy that this fund has several layers of management and gaining agreement on funding decisions is often complex.

Along with all market-based investments, our invested reserves balance was impacted by the Global markets. This has been monitored closely throughout the year by the CEO and the market recovery was reassuring. During 2020 CAF decided to transfer the funds it holds from Octopus Investments to Aberdeen Standard Capital. During 2020, the CEO initiated a review of the purpose for the invested reserves and has updated the Investment Policy Statement.

The lasting impact from our funders was an overall increase in funds for 2019/20 and 2020/21. Welsh Government provided an additional £160k in 2020/21 to support the Covid-19 response in Wales for the Early Years sector. This money, provided in November 2021 was for work related to supporting the settings in coping with the demands of Covid-19 and all funding was committed during 2020/21 to facilitate remote working and provide sector support.

# **EARLY YEARS WALES 2018 T/A EARLY YEARS WALES TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021**

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We also have received instruction from several funders to re-allocate travel budgets and/or carry forward underspends into 2021/22. The net result has been a protection of the designated reserves against proposed costs in 2020/21 and deviation from the planned expenditure in 2019/20.

During 2020, the Trustees have confirmed to delegate the following project spends against the designated reserves:

- 2 years funding for Governance
- 2 years funding for Central Support
- 2 years of match-funding for a HAF extension-bid into a fourth year
- An additional amount to attempt to procure a call-off contract, or set number of hours for translation services

Each of the above is subject to an annual review by the Board and funding being maintained at current levels.

In response to the above timelines, the Board has agreed to undertake a strategic review, commencing in autumn 2022, for publication in spring 2023. This supersedes the planned timeline for the strategy 2018-2024.

With most funders providing on-going funding, we decided not to furlough the few colleagues we would have been able to, as we felt we continued to need their contribution, and we did not need the financial support from HMRC. Most staff were funded by public funds and, therefore, not permitted to be furloughed whilst funding was being received.

As a charity, we currently raise little funds beyond our membership fees. As reported in 2019/20, we used Covid-19 and flood response funding to provide reduced membership fees in 2020/21. There was no overall adjustment to membership income for Early Years Wales, but the membership valued the 30% reduction in fees.

All staff have been able to continue to work throughout the pandemic. We have made attempts to share proportionate workloads across the workforce. Throughout the pandemic, we used Welsh Government's identified criteria of prioritising staff health and wellbeing. This has enabled staff to make decisions based on their contexts.

As a charity, we worked collaboratively with Moondance to facilitate some small grants to members. In addition, seeing the positive feedback from these grants, we supported the fund with some additional money to enable a large number of new child-minder members to access a small grant to cope with increased running costs.

As our new financial year commences, we might look to repeat a small grants award process to support the sector in 2021/22 utilising some of the income from the invested reserves (subject to projections by the Investment Fund Manager).

In responding to Covid-19 for our staff we have incurred more costs. In every office space we have added more sanitation and hygiene. The one major adjustment to our business was in west Wales. Due to the shared office environment, public access and shared facilities, staff have not been comfortable with the office as a practical working space. If seeking to maintain a 2-metre social distancing space only one member of staff could use the office at a time and the air flow is poor, as this is impacted greatly by the shared entrance that remains shut due to security needs of the owners. As a result, we have taken the decision to end the lease on this office space from June 2021 (the earliest exit point) and to continue to operate staff working from home in west Wales until there is a more consistent point in planning with the pandemic. Additional costs have been met through Covid-response funding and include the procurement of more up to date technology and licences to facilitate home working and reduce risks to the organisation.

In terms of membership, we are maintaining very positive figures. We continue to work collegiately with our membership and address their priority service needs. We are watching closely to see how the sector stabilises after the pandemic as there are still fluctuations in demand and in service provision across Wales after Covid-19 and the childcare sector is still adjusting to the changes in working patterns for parents.

# **EARLY YEARS WALES 2018 T/A EARLY YEARS WALES TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021**

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## **Financial review**

### **Incoming Resources**

Incoming resources for the year ended 31 March 2021 was £1,231,418 (2020: £1,003,506). Income from charitable activities was £1,193,203 and has increased from £981,833.

### **Resources Expended**

Resources expended during the year ended 31 March 2021 were £1,109,267 (2020: £1,093,262).

### **Results**

Net incoming resources for the year were £282,162 (2020: deficit of £172,774) this consists of an unrestricted surplus before investment losses of £142,791 (2020: £108) and a £20,640 restricted deficit (2020: £89,864).

### **Cash Flow**

Cash flow remains strong, holding £363,630 (2020: £187,423) in cash.

### **Principle Risks and Activity**

The principal risk identified by the Trustees reliance on short-term funding. Funding only confirmed for a year at a time could result in the loss of valuable services to the sector at a time when Government initiatives need a stable sector to deliver its early years interventions and childcare providers need ongoing support. We are seeking to mitigate this by strengthening our central support team and moving towards strategies that can generate income streams. This has been negatively impacted by Covid-19 with most funders re-purposing grants to support the sector and charities at risk of closure due to Covid-19. As our funders had provided security and continuity in 2020/21 Early Years Wales was not able to access these emergency funding opportunities.

### **Cyber Security**

Cyber security is becoming more of a risk with reliance on online and digital services. In view of recent activity affecting large public organisations, we have reviewed our cyber security to provide reassurance and to meet the requirements of funders, and now hold the Cyber Essentials certificate. This requires updating in 2021 following the Head Office move and the interruption to office operations in 2020. Interim enhancements were implemented including replacing out-dated technology with newer devices to support remote working and limit cyber-risk; updating licence agreements for key software to facilitate remote working; and re-issuing policy statements to staff for cyber and GDPR regulations whilst home-working.

### **Investment Powers and Policy**

The trustees, having regard to the liquidity requirements of the charity have previously operated a policy of keeping surplus cash balances as liquid as possible and any surplus balances will be invested in deposit accounts.

The invested funds were subject to market volatility during the Covid-19 Pandemic. As such, a full review was undertaken in 2020. This included augmenting the reserves policy with a new Investment Policy Statement (IPS) and a review of the performance of the investment fund managers. In so doing, the CEO, on behalf of the Trustees sought product conversations with seven providers including the current provider Charity Aid Foundation. This was alongside presenting to the finance Trustees an updated IPS that explicitly outlines the purpose of the reserves and allocations of risk to each aspect of this funding. The IPS will be reviewed annually by the finance group on behalf of the Board.

# **EARLY YEARS WALES 2018 T/A EARLY YEARS WALES TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021**

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## **Reserves Policy**

We have utilised some of our reserves over the past years to continue what we believe to be essential services. With increased opportunities for partnership working, the association needs to be in a strong and sound position to be confident in applying for funds.

The Charity receives external funding in the form of grants and contracts to support its very important activities in furtherance of charitable objects. Such funding sources are subject to change and cannot be guaranteed. In addition, the Charity undertakes project driven work for which restricted income is received.

The trustees in the past considered that the level of reserves needed to be sufficient to cover 12 months running costs. As the organisation holds over this amount, the trustees are now looking to utilise some of that money for charitable aims and review the designation for further funds.

In December 2020, the trustees designated £280,000 for two years to be allocated to the projects identified below:

- Central Support Services
- Governance
- Healthy and Active Fund match-funding
- Welsh Translation

At the reporting date, free reserves were £1,201,753 (2020: £988,292) representing unrestricted funds less tangible fixed assets less designated reserves. The additional reserves represent funding received by Welsh Government to underpin Covid-19 responses. The remaining funds are held with an aspiration to achieve income which the charity can spend on its aims.

## **Structure, governance and management**

### **Governing Document**

Early Years Wales is a charity and company limited by guarantee and is governed by memorandum and articles dated 12 July 2018.

### **Directors and Trustees**

The directors of the charitable company (the Charity) are its Trustees, for the purposes of charity law and throughout this report they are collectively referred to as the Trustees.

### **Appointment of Trustees**

As set out in the current Articles of Association, the Chair, Vice Chair and Treasurer are elected by the Trustees and members. The Company Secretary is appointed by the Trustees. The Trustees are recruited using a variety of methods ranging from general advertisements, direct approach where specific skills or experiences are sought, and referrals. Trustees are appointed for a period of three years and can be reappointed for a further three years before stepping down for at least 12 months. Trustees are mainly Early Years Wales members representing the early years sector and co-opted Trustees may also be appointed. An annual skills audit is used to ensure that Trustees can be chosen for the skills and experiences that they can bring to the association.

### **Trustee Induction and Training**

Trustees are inducted into Early Years Wales by the CEO and Chair. There is bespoke and generic Trustee training available.

### **Organisation**

The Board of Trustees, which can have up to 20 members, administers the Charity and sets the overall mission, direction, and strategies of Early Years Wales. It scrutinizes performance to secure effective implementation of strategy as well as approving budgets and monitoring membership and the risk assessment register.

# **EARLY YEARS WALES 2018 T/A EARLY YEARS WALES TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021**

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Details of implementation and execution are the responsibility of the senior management team led by the Chief Executive Officer. This ensures that:

1. The organisation stays focused on its mission and strategy.
2. Key strategic and policy decisions are made by the board, and
3. Support and constructive challenge are given by the Trustees to the senior management team and the Chief Executive.

The board meets six times a year. The finance group meets in the interim months between board meetings.

## **Related Parties**

There are no related party transactions relating to the financial year 2020/21 (2020: nil). All interests are required to be declared and signed in the Trustees Declaration of Interests proforma as required under Early Years Wales' code of governance. A conflict-of-interest register is kept and updated annually or when appropriate. In addition, all Trustees are asked to declare any interest pertinent to the agenda at all Board Meetings.

## **Key Management Personnel**

The Trustees consider that key management personnel are the senior staff, consisting of:

Chief Executive – Dave Goodger  
National Development Manager – Maggie Kelly  
North Wales Manager – Moya Williams  
West Wales Manager – Elaine Jones  
South Wales Manager – Andrea Wright  
PA and Office Manager – Julie Besley  
Finance Manager – Lisa McMullen

## **Pay policy for staff.**

Salaries for all staff are approved by the full Board and are set at market rate.

## **Employment Policies**

Early Years Wales policy is to give full and fair consideration to applications for employment made by disabled persons, having regard to their aptitudes and abilities. Disabled employees receive appropriate training to promote their career development within the charity. Employees who become disabled are retrained in their existing posts where possible or retrained for suitable alternative posts. Regular meetings are held with all staff. Employees are kept well informed about the progress and position of the charity by regular departmental meetings.

## **Risk Management**

Early Years Wales considers itself to be a 'risk intelligent' organisation, taking appropriately managed risks in an increasingly difficult environment. Our risk register and risk management procedures are fully embedded within the organisation. The risk register is updated and reviewed by Trustees and Senior Managers at the Board Meetings.

Of note is the impact of Covid-19 on the charity. The Trustees feel the charity has been well-managed throughout the pandemic. The direction of business has retained a focus on the aims and objectives, whilst also contributing significantly to the efforts of childcare and early years during the pandemic.

**EARLY YEARS WALES 2018  
T/A EARLY YEARS WALES  
TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)  
*FOR THE YEAR ENDED 31 MARCH 2021***

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In 2019/20 Early Years Wales committed to reviewing the estate leases it held. Following moving to Coopers Yard from Hunter Street the storage facility in Cardiff has been relinquished. All archived materials are now stored within the office space. As a result of operating procedures and staff concerns about public access and shared amenities, the Swansea office has temporarily closed, and the lease relinquished. Early Years Wales will consider what is required in terms of an office footprint in West Wales in the medium term.

**Covid-19 Response**

**The impact of the pandemic during 2020 was not negative in any way on the charity as its finances have been well managed and its reputation within the sector and beyond has been enhanced through the work with its members, partners, and wider organisations in Wales. To be noted, that this was a result of a significant effort on behalf of all staff, supported by the Trustee Board.**

**EARLY YEARS WALES 2018  
T/A EARLY YEARS WALES  
TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)  
FOR THE YEAR ENDED 31 MARCH 2021**

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<b>Charity Name</b>	Early Years Wales 2018 T/A Early Years Wales
<b>Charity Number</b>	1056381
<b>Company Number</b>	03164233
<b>Principal and Registered Office</b>	Unit 1, Coopers Yard Curran Road Cardiff CF10 5NB
<b>Chair</b>	Mike Thorne
<b>Treasurer</b>	Rejwan Ahmed
<b>Trustees</b>	Alison Kitchen (resigned 23/7/20) Rejwan Ahmed Louise Bell (resigned 23/9/20) Sue Carter (resigned 26/10/20) Rachel Davies (resigned 22/4/21) Elizabeth Foley (resigned 11/2/21) Dr Mark Griffiths Sharon Mazarella (resigned 12/2/21) Lisa Owen Dr David Dallimore (appointed 23/9/20) Laura Griffiths (appointed 23/9/20) Jamie Powell (appointed 23/9/20) Dr Mirain Rhys (appointed 23/9/20) Victoria Wright (appointed 22/4/21)
<b>Secretary</b>	David Goodger
<b>Auditors</b>	Azets Audit Services Ty Derw Lime Tree Court Cardiff Gate Business Park Cardiff CF23 8AB
<b>Bankers</b>	Barclays Bank 51 Hope Street, Wrexham LL11 1BE
<b>Investment providers</b>	CAF bank 25 Kings Hill Avenue, Kings Hill, West Malling ME19 4JQ

**EARLY YEARS WALES 2018  
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TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)  
FOR THE YEAR ENDED 31 MARCH 2021**

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**Auditor**

Azets Audit Services were appointed as auditor to the company and a resolution proposing that they be re-appointed 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.



**Mike Thorne  
Chair**

Dated: 22-7-2021

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**STATEMENT OF TRUSTEES RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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The trustees, who are also the directors of Early Years Wales 2018 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; 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.

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

# **EARLY YEARS WALES 2018**

## **T/A EARLY YEARS WALES**

### **INDEPENDENT AUDITOR'S REPORT**

#### **TO THE TRUSTEES OF EARLY YEARS WALES 2018**

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#### **Opinion**

We have audited the financial statements of Early Years Wales 2018 (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 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 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.

**EARLY YEARS WALES 2018  
T/A EARLY YEARS WALES  
INDEPENDENT AUDITOR'S REPORT (CONTINUED)  
TO THE TRUSTEES OF EARLY YEARS WALES 2018**

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**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.

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**  
**TO THE TRUSTEES OF EARLY YEARS WALES 2018**

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**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.



**Azets Audit Services**

**Chartered Accountants**  
**Statutory Auditor**

27-07-2021  
.....

Ty Derw  
Lime Tree Court  
Cardiff Gate Business Park  
Cardiff  
CF23 8AB

**EARLY YEARS WALES 2018  
T/A EARLY YEARS WALES  
INDEPENDENT AUDITOR'S REPORT (CONTINUED)  
TO THE TRUSTEES OF EARLY YEARS WALES 2018**

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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.

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**INCLUDING INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
<b>Income from:</b>							
Donations and legacies	3	20,634	-	20,634	931	2,530	3,461
Charitable activities	4	37,730	1,155,473	1,193,203	63,522	918,311	981,833
Investments	6	17,581	-	17,581	18,212	-	18,212
<b>Total income</b>		<b>75,945</b>	<b>1,155,473</b>	<b>1,231,418</b>	<b>82,665</b>	<b>920,841</b>	<b>1,003,506</b>
<b>Expenditure on:</b>							
Charitable activities	7	-	1,109,267	1,109,267	81,169	1,010,705	1,091,874
Other	10	-	-	-	1,388	-	1,388
<b>Total resources expended</b>		<b>-</b>	<b>1,109,267</b>	<b>1,109,267</b>	<b>82,557</b>	<b>1,010,705</b>	<b>1,093,262</b>
Net gains/(losses) on investments	12	160,011	-	160,011	(83,018)	-	(83,018)
<b>Net incoming/ (outgoing) resources before transfers</b>		<b>235,956</b>	<b>46,206</b>	<b>282,162</b>	<b>(82,910)</b>	<b>(89,864)</b>	<b>(172,774)</b>
Gross transfers between funds		66,846	(66,846)	-	-	-	-
<b>Net movement in funds</b>		<b>302,802</b>	<b>(20,640)</b>	<b>282,162</b>	<b>(82,910)</b>	<b>(89,864)</b>	<b>(172,774)</b>
Fund balances at 1 April 2020		1,118,473	65,427	1,183,900	1,201,383	155,291	1,356,674
<b>Fund balances at 31 March 2021</b>		<b>1,421,275</b>	<b>44,787</b>	<b>1,466,062</b>	<b>1,118,473</b>	<b>65,427</b>	<b>1,183,900</b>

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.

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**BALANCE SHEET**  
**AS AT 31 MARCH 2021**

	Notes	2021		2020	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	15		19,800		24,750
Tangible assets	16		2,361		5,946
Investments	17		1,111,807		936,082
			<u>1,133,968</u>		<u>966,778</u>
<b>Current assets</b>					
Debtors	19	19,312		99,039	
Cash at bank and in hand		363,630		187,423	
			<u>382,942</u>		<u>286,462</u>
<b>Creditors: amounts falling due within one year</b>	20	<u>(50,848)</u>		<u>(69,340)</u>	
Net current assets			332,094		217,122
<b>Total assets less current liabilities</b>			<u>1,466,062</u>		<u>1,183,900</u>
<b>Income funds</b>					
Restricted funds	23		44,787		65,427
<u>Unrestricted funds</u>					
Designated funds	22	219,522		130,181	
General unrestricted funds		1,201,753		988,292	
			<u>1,421,275</u>		<u>1,118,473</u>
			<u>1,466,062</u>		<u>1,183,900</u>

**EARLY YEARS WALES 2018  
T/A EARLY YEARS WALES  
BALANCE SHEET (CONTINUED)  
AS AT 31 MARCH 2021**

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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 ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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 ..... 22-7-2021



**Mike Thorne- Chair**

**Company Registration No. 03164233**

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	2021		2020	
		£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	28		174,340		(3,765)
<b>Investing activities</b>					
Purchase of intangible assets		-		(24,750)	
Purchase of tangible fixed assets		-		(4,402)	
Purchase of investments		(90,955)		(108,586)	
Proceeds on disposal of investments		75,241		92,220	
Investment income received		17,581		18,212	
<b>Net cash generated from/(used in) investing activities</b>			1,867		(27,306)
<b>Net cash used in financing activities</b>			-		-
<b>Net increase/(decrease) in cash and cash equivalents</b>			176,207		(31,071)
Cash and cash equivalents at beginning of year			187,423		218,494
<b>Cash and cash equivalents at end of year</b>			<u>363,630</u>		<u>187,423</u>

# **EARLY YEARS WALES 2018**

## **T/A EARLY YEARS WALES**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 MARCH 2021**

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#### **1 Accounting policies**

##### **Charity information**

Early Years Wales 2018 is a private company limited by guarantee incorporated in England and Wales. The registered office is Unit 1, Coopers Yard, Curran Road, Cardiff CF10 5NB.

##### **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 £.

##### **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.

##### **1.3 Charitable funds**

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

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

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.

##### **1.4 Incoming resources**

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.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Incoming resources from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions. This income is recognised as the related services are provided and there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Income is deferred when the amounts received are in advance of the performance of the service or event to which they relate.

Income from memberships is recognised in the period in which the membership covers. Any income received in advance is deferred.

Income from interest and dividends is included in the accounts when receipt is probable and the amount receivable can be measured reliably.

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**1 Accounting policies**

**(Continued)**

**1.5 Resources expended**

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

Expenditure on charitable activities includes all costs relating to the furtherance of the charity's objectives as stated in the trustees report and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Support costs have been allocated between governance costs and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources and the amount of time spent on activities for staff costs.

Where the charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SoFA once the recipient of the grant has provided the specified service or output.

Where there are no conditions attaching to the grant that enables the donor charity to realistically avoid the commitment, a liability for the full funding obligation must be recognised.

**1.6 Intangible fixed assets other than goodwill**

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation 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:

Website	20% straight line
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**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 basis:

Office equipment	20% straight line
Computer equipment	33.3% straight line

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.

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**1 Accounting policies**

**(Continued)**

**1.8 Fixed asset investments**

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

**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.

***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

***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.

**EARLY YEARS WALES 2018  
T/A EARLY YEARS WALES  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

**1 Accounting policies (Continued)**

**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**

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

**1.13 Taxation**

As a registered charity, the charity is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

**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**

	<b>Unrestricted funds</b>	Unrestricted funds	Restricted funds	Total
	<b>2021</b>	2020	2020	2020
	£	£	£	£
Donations and gifts	20,634	931	2,530	3,461

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**4 Charitable activities**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Membership	35,078	44,182
Grants	1,155,473	918,311
Quality assurance	187	13,844
Sale of publications and promotional items	2,465	5,496
	<u>1,193,203</u>	<u>981,833</u>
Analysis by fund		
Unrestricted funds	37,730	63,522
Restricted funds	1,155,473	918,311
	<u>1,193,203</u>	<u>981,833</u>

**5 Grants were received from the following sources:**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Welsh Government - CWLWM	647,968	456,896
Welsh Government - DCELLS: Early Yrs Co-Ordinator	52,000	52,000
Welsh Government - Welsh Language Department	50,000	50,000
Carmarthenshire County Council - Children's Services	10,697	10,000
Ceredigion County Council - Family Information Service	4,500	4,500
Conwy County Borough Council - Education Services	-	10,190
Denbighshire County Council - Flying Start	8,093	8,093
Flintshire County Council	56,086	77,039
Gwynedd County Council - Education Services	-	206
Isle of Anglesey County Council	10,840	10,840
Monmouthshire County Council	6,000	6,000
Newport City Council - RSG	92,500	86,750
Newport City Council - Additional Needs Referral Scheme	-	9,000
Swansea City Council - Early Intervention Service	12,527	14,527
Welsh Active Early Years Project	166,937	116,845
Conwy County Borough Council - Governance	-	1,425
SASS Support & Promotion/Partner Work	-	4,000
Moondance Foundation	30,000	-
Mudidad Meithrin	7,325	-
	<u>1,155,473</u>	<u>918,311</u>

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**6 Investments**

	<b>Unrestricted funds</b>	<b>Unrestricted funds</b>
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Interest receivable	17,581	18,212

**7 Charitable activities**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Staff costs	677,578	640,565
Depreciation and impairment	6,443	3,525
Advertising	-	600
Computer, internet costs and telephone	57,175	32,995
Heat and light	-	1,846
Insurance	9,097	9,906
Other costs	2,539	(204)
Other staff costs	32,689	7,237
Events	13,164	16,641
Printing, post and stationery	39,890	30,258
Professional fees	11,226	13,741
Publications, training and subscriptions	50,230	26,547
Quality assurance	3,816	8,562
Premises costs	65,565	57,045
Travel and subsistence	1,488	36,245
	<u>970,900</u>	<u>885,509</u>
Grant funding of activities (see note 9)	73,651	92,044
Share of support costs (see note 8)	55,413	104,948
Share of governance costs (see note 8)	9,303	9,373
	<u>1,109,267</u>	<u>1,091,874</u>
<b>Analysis by fund</b>		
Unrestricted funds	-	81,169
Restricted funds	<u>1,109,267</u>	<u>1,010,705</u>

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**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	25,454	-	25,454	22,946	-	22,946
Depreciation	2,092	-	2,092	2,862	-	2,862
Bank and other charges	1,100	-	1,100	1,284	-	1,284
IT and telephone	9,102	-	9,102	11,196	-	11,196
Premises costs	58	-	58	1,343	-	1,343
Irrecoverable VAT	-	-	-	39,461	-	39,461
Professional fees	2,998	-	2,998	10,769	-	10,769
Publications, training and subscriptions	477	-	477	721	-	721
Travel and subsistence	93	-	93	1,496	-	1,496
Other staff costs	3,224	-	3,224	4,954	-	4,954
Printing, post and stationery	10,815	-	10,815	7,916	-	7,916
Audit fees	-	9,240	9,240	-	5,500	5,500
Accountancy	-	-	-	-	2,100	2,100
Meeting costs	-	63	63	-	1,773	1,773
	<u>55,413</u>	<u>9,303</u>	<u>64,716</u>	<u>104,948</u>	<u>9,373</u>	<u>114,321</u>
Analysed between Charitable activities	<u>55,413</u>	<u>9,303</u>	<u>64,716</u>	<u>104,948</u>	<u>9,373</u>	<u>114,321</u>

**9 Grants payable**

	2021	2020
	£	£
North East Wales	-	22,682
South East Wales	39,843	69,362
Moondance Foundation	30,000	-
COVID-19 small grants	3,808	-
	<u>73,651</u>	<u>92,044</u>

During the year the charity awarded £73,651 (2020: £92,044) in grants to organisations and £nil (2020: £nil) to individuals. £16,545 (2020: £27,454) was awarded as part of the Welsh Active Early Years Project to Welsh Gymnastics with the remaining being paid to member organisations.

The number of grants awarded to member organisations during the year totalled 90 (2020: 44), the smallest grant given was £84 (2020: £23) and the largest £2,450 (2020: £5,522).

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**10 Other**

	<b>Total</b>	Unrestricted
	<b>£</b>	funds
	<b>2021</b>	2020
Net loss on disposal of tangible fixed assets	-	1,388
	<u>          </u>	<u>          </u>

**11 Trustees**

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

11 trustees were reimbursed £515 for IT equipment during the year (2020: 9 trustees totaling £1,773 for travel and subsistence expenses).

**12 Net gains/(losses) on investments**

	<b>Unrestricted</b>	Unrestricted
	<b>funds</b>	funds
	<b>2021</b>	2020
	<b>£</b>	<b>£</b>
Revaluation of investments	160,011	(83,018)
	<u>          </u>	<u>          </u>

**EARLY YEARS WALES 2018**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**13 Employees**

**Number of employees**

The average monthly number of employees during the year was:

	<b>2021</b>	<b>2020</b>
	<b>Number</b>	<b>Number</b>
Functional	20	20
Support	11	12
	<u>31</u>	<u>32</u>

**Employment costs**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	631,178	598,296
Social security costs	47,146	43,456
Other pension costs	24,708	21,759
	<u>703,032</u>	<u>663,511</u>

The full time equivalent number of staff employed throughout the year was 26 (2020: 26).

Statutory redundancy payments were paid in the year, totalling £318 (2020: £3,160). There were no amounts outstanding at the current or prior year end.

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

**14 Key management personnel**

The key management personnel received remuneration totalling £263,915 (2020: £274,727).

The key management personnel of the charity during the year were the National Development Manager, West Wales Manager, North Wales Manager, South Wales Manager, PA and Office Manager, the CEO and the Finance Manager.

**EARLY YEARS WALES 2018**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**15 Intangible fixed assets**

	<b>Website £</b>
<b>Cost</b>	
At 1 April 2020 and 31 March 2021	24,750
<b>Amortisation and impairment</b>	
At 1 April 2020	-
Amortisation charged for the year	4,950
At 31 March 2021	4,950
<b>Carrying amount</b>	
At 31 March 2021	19,800
At 31 March 2020	24,750

**16 Tangible fixed assets**

	<b>Office equipment £</b>	<b>Computer equipment £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 April 2020	80,590	18,954	99,544
At 31 March 2021	80,590	18,954	99,544
<b>Depreciation and impairment</b>			
At 1 April 2020	80,590	13,008	93,598
Depreciation charged in the year	-	3,585	3,585
At 31 March 2021	80,590	16,593	97,183
<b>Carrying amount</b>			
At 31 March 2021	-	2,361	2,361
At 31 March 2020	-	5,946	5,946

**EARLY YEARS WALES 2018**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**17 Fixed asset investments**

	<b>Listed investments £</b>
<b>Cost or valuation</b>	
At 1 April 2020	936,082
Additions	90,955
Valuation changes	160,011
Disposals	(75,241)
	<hr/>
At 31 March 2021	1,111,807
	<hr/>
<b>Carrying amount</b>	
At 31 March 2021	1,111,807
	<hr/> <hr/>
At 31 March 2020	936,082
	<hr/> <hr/>

<b>18 Financial instruments</b>	<b>2021 £</b>	<b>2020 £</b>
<b>Carrying amount of financial assets</b>		
Instruments measured at fair value through profit or loss	1,111,807	936,082
	<hr/>	<hr/>

<b>19 Debtors</b>	<b>2021 £</b>	<b>2020 £</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	4,836	79,102
Prepayments and accrued income	14,476	19,937
	<hr/>	<hr/>
	19,312	99,039
	<hr/> <hr/>	<hr/> <hr/>

<b>20 Creditors: amounts falling due within one year</b>	<b>Notes</b>	<b>2021 £</b>	<b>2020 £</b>
Deferred income	<b>21</b>	26,654	25,788
Trade creditors		15,706	31,425
Other creditors		264	1,864
Accruals and deferred income		8,224	10,263
		<hr/>	<hr/>
		50,848	69,340
		<hr/> <hr/>	<hr/> <hr/>

**EARLY YEARS WALES 2018**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**21 Deferred income**

	<b>2021</b>	<b>2020</b>
	£	£
Arising from government grants	26,504	20,000
Arising from membership income	150	5,788
	<u>26,654</u>	<u>25,788</u>

Deferred income is included in the financial statements as follows:

	<b>2021</b>	<b>2020</b>
	£	£
Balance brought forward	25,788	21,302
Income received	36,010	48,668
Income released	(35,144)	(44,182)
	<u>26,654</u>	<u>25,788</u>

**EARLY YEARS WALES 2018**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**22 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:

	Balance at 1 April 2019 £	Resources expended £	Transfers £	Balance at 1 April 2020 £	Transfers £	Balance at 31 March 2021 £
Strategic and development staffing hours	3,112	(70,413)	67,301	-	-	-
Project development	32,295	(17,615)	-	14,680	12,335	27,015
Events	13,000	(9,803)	-	3,197	(3,197)	-
Governance	139,890	(44,651)	-	95,239	(56,785)	38,454
Central costs	40,000	(22,935)	-	17,065	31,669	48,734
Early Years Wales Welsh project	1,618	(16,086)	14,468	-	10,967	10,967
Fixed assets	-	-	-	-	22,161	22,161
CWLWM membership	-	-	-	-	51,500	51,500
Wrexham donation	-	-	-	-	20,691	20,691
	<u>229,915</u>	<u>(181,503)</u>	<u>81,769</u>	<u>130,181</u>	<u>89,341</u>	<u>219,522</u>

**Strategic and development staffing hours**

To provide funded posts to develop a project to engage with parents and families in the 'Journey through Play' project and; to provide staffing hours for central support to members.

**Project development**

To develop and explore new areas of funding for the organisation.

**Events**

An amount of £13K was designated by the Board to hold events around Wales, promoting and celebrating the work that the organisation undertakes and celebrating our name change to Early Years Wales. Going forward the organisation would like to hold similar events throughout the year around Wales.

**Governance**

Fund two FTE Governance Officer posts until March 2021 to support members to review the governance and legal structure of their business and choose the most appropriate charitable structure, support settings with Charity commission and CIW registration changes where necessary and provide ongoing support to not for profit members to be compliant with legal requirements.

**Central costs**

Fund designated to fund central costs including office rent.

**Early Years Wales Welsh project**

Fund a part time 3 year funded post to develop and promote Welsh Language within Wales PPA which will aid to improve support to all staff and members. This will promote the Welsh Government's initiative, Cymraeg 2050 to achieve 1 million Welsh speakers in Wales by 2050.

**EARLY YEARS WALES 2018  
T/A EARLY YEARS WALES  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

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**22 Designated funds**

**(Continued)**

**Fixed assets**

Represents the unrestricted net book value of the charity's fixed assets.

**CWLWM membership**

Utilising funds received from Welsh Government to support the early years and childcare sector Early Years Wales has made membership free to any qualifying childcare provider for 2020/21.

**Wrexham donation**

Funds received were the result of closures of childcare CIO's in the Wrexham Local Authority Area. In line with the constitutions and policies the remaining capital was transferred to Early Years Wales to be re-distributed for like-for-like charitable aims in the local area. All funds received have been allocated to support charitable settings and organisations in the area.

**EARLY YEARS WALES 2018  
T/A EARLY YEARS WALES  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

**23 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		Movement in funds		Balance at 1 April 2020		Movement in funds		Transfers		Balance at 31 March 2021	
	£	£	Incoming resources	Resources expended	Incoming resources	Resources expended	Incoming resources	Resources expended	£	£	£	£
Welsh Government	150,000	558,896	558,896	(663,896)	45,000	(762,978)	757,293	(762,978)	(39,315)	-	-	-
County funds	5,291	359,415	359,415	(344,279)	20,427	(316,289)	368,180	(316,289)	(27,531)	44,787	44,787	44,787
Donations	-	2,530	2,530	(2,530)	-	-	-	-	-	-	-	-
Moondance Foundation	-	-	-	-	-	(30,000)	30,000	(30,000)	-	-	-	-
	155,291	920,841	920,841	(1,010,705)	65,427	(1,109,267)	1,155,473	(1,109,267)	(66,846)	44,787	44,787	44,787

**EARLY YEARS WALES 2018  
T/A EARLY YEARS WALES  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

**23 Restricted funds**

**(Continued)**

**Welsh Government – CWLWM.** Awarded to the Cwllwm Partnership of Early Years Wales, Clybiau Plant Cymru Kids' Clubs, NDNA Cymru, Mudiad Meithrin and PACEY Cymru. Cwllwm's brief is to support Welsh Government's aim to ensure that families across Wales can access affordable, quality childcare providing innovative solutions to create flexible childcare and play opportunities to meet the needs of parents and their families.

To tackle issues within the Childcare and Play sector. These include but are not restricted to: sustainability, workforce development and gaps in childcare provision, especially as far as Welsh-medium childcare/play and provision in rural areas are concerned. By working together, innovative solutions to flexible childcare and play opportunities, and wrap-around care to meet the needs of parents and families in all parts of Wales is achieved.

**Welsh Government - Education Directorate– Foundation Phase Development Officer.** To provide expert support to members delivering the Foundation Phase in the non-maintained early years sector, through a programme of face-to-face visits, email support and signposting.

**Ceredigion County Council – Family Information Services.** To support members with termly visits to registered settings, support with CIW requirements grant applications and business health checks.

**Carmarthenshire County Council – Children's Service.** To support members to deliver quality provision by termly contact telephone/email business support and visits, CIW requirements support start-up/expansion of places, representation at local meetings, promoting Quality for All scheme.

**Pembrokeshire County Council.** To support member childcare providers by contact through face to face and e-mail contact, raising the standard of settings and promoting Quality for All award, to promote uptake of workforce training.

**Swansea City Council – Early Intervention Service.** Support includes, attending meetings, support to conduct CSA refresh, conducting feasibility study on expansion of childcare services, support to register and comply with CIW NMS. Promotion of Healthy Snack Award and Healthy and Sustainable pre-school schemes

**Isle of Anglesey County Council.** To provide business, managerial and administrative advice and support to local committees, leaders and paid staff. Forward training needs to the Authority and the Children and Young People's Partnership. Provide support to the Referral Scheme and the SEN Specialist Teacher and attend any relevant specialist training to be ready for significant changes.

**Flintshire County Council.** To provide support to early year's providers to be sustainable businesses via visits, email, phone or office support.

**EARLY YEARS WALES 2018  
T/A EARLY YEARS WALES  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

**23 Restricted funds**

**(Continued)**

**Flintshire County Council (Childcare Partnership)** To provide business support for member settings in Flintshire, via development worker visits, email or telephone support. Additional needs & Brokerage co-ordinator supporting settings, children, families and the local authority with all aspects of their referral schemes.

**Denbighshire County Council (Flying Start)** - To provide business support and guidance to members providing Flying Start services in Denbighshire via visits to settings, email or telephone.

**Welsh Government – Welsh Language Support** - Funding to promote the existence of 'Cymau' by engaging with the sector and encouraging employers to take advantage of the training available. Ensuring resources are available to support learners, sharing all Cwlm partner resources too where possible and to provide aftercare support as required for learners and the settings they work in.

**Newport City Council.** Childcare contract project led by Early Years Wales to provide business support to all providers including childminders and out of school clubs via visits, email/phone and virtual calls. Early Years Wales administers and runs the Early Years Wales Additional Needs Referral scheme, coordinator supports settings, parents and children as part of the scheme as well as supporting children accessing funds from the childcare offer.

**Newport City Council - Education Services.** Additional Needs Referral scheme coordinator administers funding for 1-1 support for children with ALN who access education through the non-maintained sector. This scheme runs as part of the main scheme within the Newport childcare contract.

**Monmouthshire County Council.** To provide support to member settings in Monmouthshire. Support for business skills, legal compliance and promotion of quality is provided via email, telephone and face to face visits.

**Healthy and Active Fund.** This is a 3 year project, Early Years Wales have partnered with Welsh Gymnastics to deliver the Welsh Active Early Years Programme across Wales. The multi skills movement and play based activity programme will be delivered directly to children and parents/carers at community based venues and outdoor spaces as well as delivering training to childcare practitioners on physical literacy for 0-3 year olds.

**Moondance Foundation-** Early Years Wales worked in collaboration with the Moondance Foundation to facilitate the administration of grants in response to Covid. A £30,000 grant was received by Early Years Wales and was distributed in full to member settings using an application process agreed in advance with Moondance. Early Years Wales would like to note their thanks to Moondance for the support to the early years sector through this funding.

**Transfers** - relates to the fund being fully expended during the year and the associated value being transferred to the unrestricted reserves.

**EARLY YEARS WALES 2018  
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

**24 Analysis of net assets between funds**

Fund balances at 31 March 2021 are represented by:

	Unrestricted 2021 £	Designated 2021 £	Restricted 2021 £	Total 2021 £	Unrestricted 2020 £	Designated 2020 £	Restricted 2020 £	Total 2020 £
Intangible fixed assets	-	19,800	-	19,800	24,750	-	-	24,750
Tangible assets	-	2,361	-	2,361	5,946	-	-	5,946
Investments	1,111,807	-	-	1,111,807	936,082	-	-	936,082
Current assets/(liabilities)	89,946	197,361	44,787	332,094	21,514	130,181	65,427	217,122
	<u>1,201,753</u>	<u>219,522</u>	<u>44,787</u>	<u>1,466,062</u>	<u>988,292</u>	<u>130,181</u>	<u>65,427</u>	<u>1,183,900</u>

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**25 Related party transactions**

There were no disclosable related party transactions during the year (2020 - none).

**26 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:

	2021 £	2020 £
Within one year	40,080	35,931
Between two and five years	40,840	133,388
	<u>80,920</u>	<u>169,319</u>

**27 Pension commitments**

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £24,708 (2020 - £21,759). There were no amounts outstanding at the year end in the current or previous year.

**28 Cash generated from operations**

	2021 £	2020 £
Surplus/(deficit) for the year	282,162	(172,774)
Adjustments for:		
Investment income recognised in statement of financial activities	(17,581)	(18,212)
(Gain)/loss on disposal of tangible fixed assets	-	1,388
Fair value gains and losses on investments	(177,592)	83,018
Depreciation and impairment of tangible fixed assets	8,535	6,387
Movements in working capital:		
Decrease in debtors	79,727	78,002
(Decrease)/increase in creditors	(19,358)	13,940
Increase in deferred income	866	4,486
<b>Cash generated from/(absorbed by) operations</b>	<u>156,759</u>	<u>(3,765)</u>

**29 Analysis of changes in net funds**

The charity had no debt during the year.