

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

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**EARLY YEARS WALES 2018
T/A EARLY YEARS WALES
CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022**

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.

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TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2022

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.

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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.

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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.

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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

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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

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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 involvement 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

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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 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 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 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 as well as promotional resources created by Early Years Wales on behalf of Cwlwm 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.

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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.

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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.

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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**

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

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

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**

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

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

Charity number 1056381

Company number 3164233

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

Trustees 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

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 2022

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

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

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

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

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

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 £
	Notes						
Income and endowments from:							
Donations and legacies	3	300	9,964	10,264	20,634	-	20,634
Charitable activities	4	8,431	1,116,671	1,125,102	37,730	1,155,473	1,193,203
Investments	6	15,932	-	15,932	17,581	-	17,581
Other income	7	2,851	-	2,851	-	-	-
Total income		27,514	1,126,635	1,154,149	75,945	1,155,473	1,231,418
Expenditure on:							
Charitable activities	8	126,460	1,053,958	1,180,418	-	1,109,267	1,109,267
Net gains/(losses) on investments	11	1,594	-	1,594	160,011	-	160,011
Net (outgoing)/ incoming resources before transfers		(97,352)	72,677	(24,675)	235,956	46,206	282,162
Gross transfers between funds		60,180	(60,180)	-	66,846	(66,846)	-
Net movement in funds		(37,172)	12,497	(24,675)	302,802	(20,640)	282,162
Fund balances at 1 April 2021		1,421,275	44,787	1,466,062	1,118,473	65,427	1,183,900
Fund balances at 31 March 2022		1,384,103	57,284	1,441,387	1,421,275	44,787	1,466,062

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 £	£
Fixed assets					
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>
Current assets					
Debtors	20	48,304		19,312	
Cash at bank and in hand		295,566		363,630	
		<u>343,870</u>		<u>382,942</u>	
Creditors: amounts falling due within one year	21	(50,533)		(50,848)	
Net current assets			293,337		332,094
Total assets less current liabilities			<u>1,441,387</u>		<u>1,466,062</u>
Income funds					
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

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 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	28		(64,676)		174,340
Investing activities					
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	
Net cash (used in)/generated from investing activities			(3,388)		1,867
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(68,064)		176,207
Cash and cash equivalents at beginning of year			363,630		187,423
Cash and cash equivalents at end of year			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

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

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

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

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

	2022	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:

	2022	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

6 Investments

Unrestricted funds	Unrestricted funds
2022	2021
£	£
Interest receivable	
15,932	17,581
<u>15,932</u>	<u>17,581</u>

7 Other income

Unrestricted funds	Total
2022	2021
£	£
Other income	
2,851	-
<u>2,851</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>
Analysis by fund		
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

	Support costs	Governance costs	2022	Support costs	Governance costs	2021
	£	£	£	£	£	£
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

	2022	2021
	£	£
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

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Revaluation of investments	1,594	160,011

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:

	2022	2021
	Number	Number
Functional	19	20
Support	10	11
	29	31

Employment costs

	2022	2021
	£	£
Wages and salaries	627,233	631,178
Social security costs	48,050	47,146
Other pension costs	25,064	24,708
	700,347	703,032

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

	Website £
Cost	
At 1 April 2021	24,750
Additions	16,500
	<hr/>
At 31 March 2022	41,250
	<hr/>
Amortisation and impairment	
At 1 April 2021	4,950
Amortisation charged for the year	4,950
	<hr/>
At 31 March 2022	9,900
	<hr/>
Carrying amount	
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 £
Cost			
At 1 April 2021	80,590	18,954	99,544
Additions	2,820	-	2,820
At 31 March 2022	83,410	18,954	102,364
Depreciation and impairment			
At 1 April 2021	80,590	16,593	97,183
Depreciation charged in the year	-	1,882	1,882
At 31 March 2022	80,590	18,475	99,065
Carrying amount			
At 31 March 2022	2,820	479	3,299
At 31 March 2021	-	2,361	2,361

18 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 April 2021	1,111,807
Additions	1,164,464
Valuation changes	1,594
Disposals	(1,164,464)
At 31 March 2022	1,113,401
Carrying amount	
At 31 March 2022	1,113,401
At 31 March 2021	1,111,807

19 Financial instruments

	2022 £	2021 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	1,113,401	1,111,807

EARLY YEARS WALES 2018
T/A EARLY YEARS WALES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

20 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
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

	Notes	2022	2021
		£	£
Deferred income	22	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

	2022	2021
	£	£
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:

	2022	2021
	£	£
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			Balance at 1 April 2021 £	Movement in funds			Transfers £	Balance at 31 March 2022 £
		Incoming resources £	Resources expended £	Transfers £		Incoming resources £	Resources expended £	Transfers £		
Welsh Government	45,000	757,293	(762,978)	(39,315)	-	676,958	(616,778)	(60,180)	-	-
County funds	20,427	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)	-	-	10,000	(10,000)	-	-	-
	65,427	1,155,473	(1,109,267)	(66,846)	44,787	1,126,635	(1,053,958)	(60,180)	-	57,284

**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 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.

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

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:

	2022	2021
	£	£
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

	2022	2021
	£	£
(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
Cash (absorbed by)/generated from operations	<u>(64,676)</u>	<u>174,340</u>

29 Analysis of changes in net funds

The charity had no debt during the year.