

Charity registration number 1056381

Company registration number 03164233 (England and Wales)

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

EARLY YEARS WALES 2018

T/A EARLY YEARS WALES

CONTENTS

	Page
Chairman's statement	1
Trustees report	2 - 21
Statement of trustees responsibilities	22
Independent auditor's report	23 - 25
Statement of financial activities	26
Balance sheet	27 - 28
Statement of cash flows	29
Notes to the financial statements	30 - 47

EARLY YEARS WALES 2018

T/A EARLY YEARS WALES

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

Statement from the Chair of the Board

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

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

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

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

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

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

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

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

EARLY YEARS WALES 2018

T/A EARLY YEARS WALES

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2023

The trustees present their annual report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

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

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

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

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

Our strategic aim:

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

Our objectives:

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

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

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

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

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

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

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

Achievements and performance

Highlights

Active Together Wales Project

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

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

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

Over the duration of the project, we achieved:

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

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

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

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

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

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

Sport RCT
Case Study

Active Baby at Home

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

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

Six staff from the Resilient Families Nursery Nurse team and the Talk and Play team also attended the training course. We then worked with the two teams who agreed to co-deliver the

programme across three sites – Aman Children and Family Centre, Flying Start Centre Penrhys and Rhydyfelin Children's Integrated Centre. The programme was free to attend at all sites.

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

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

"Meeting new parents and their babies has helped me so much"

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

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

29 families engaged

100% now more active, more often

100% intend to continue taking part in physical activity

86% feel healthier

100% feel more confident

100% feel happier

100% made new friends

RHONDDA CYNON TAF

EARLY YEARS WALES 2018

T/A EARLY YEARS WALES

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2023

Training and Professional Learning

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

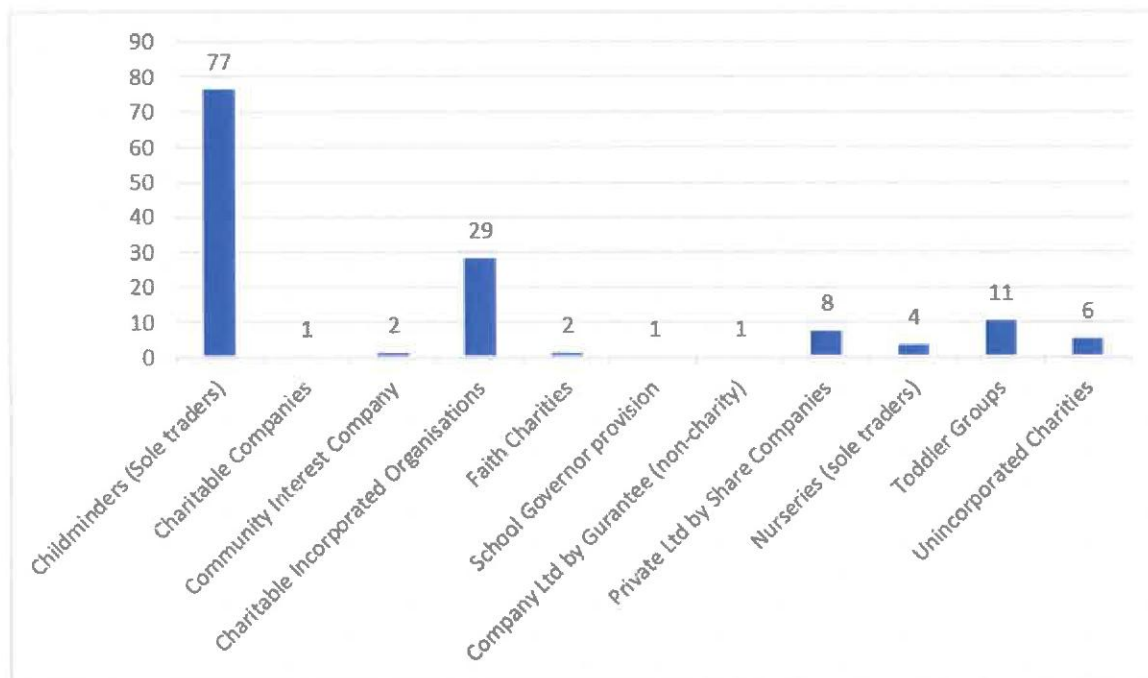


Each quarter, a professional catalogue of training is shared with our member settings. Following the pandemic, we are working in a considered way, maintaining some training as an online offer to appeal to a wide audience and engage with speakers from a wider geographical area. We have other training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

Grant funding

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

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



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

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

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

Welsh Language

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

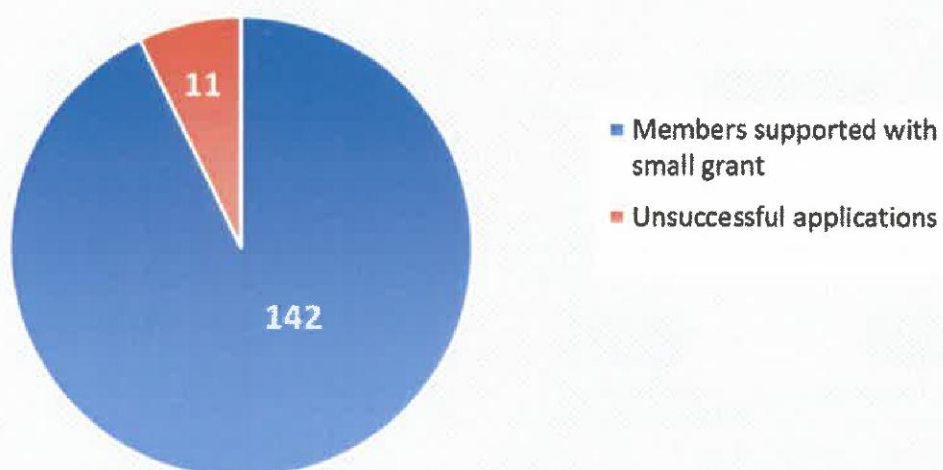
EARLY YEARS WALES 2018
T/A EARLY YEARS WALES
TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2023

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

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

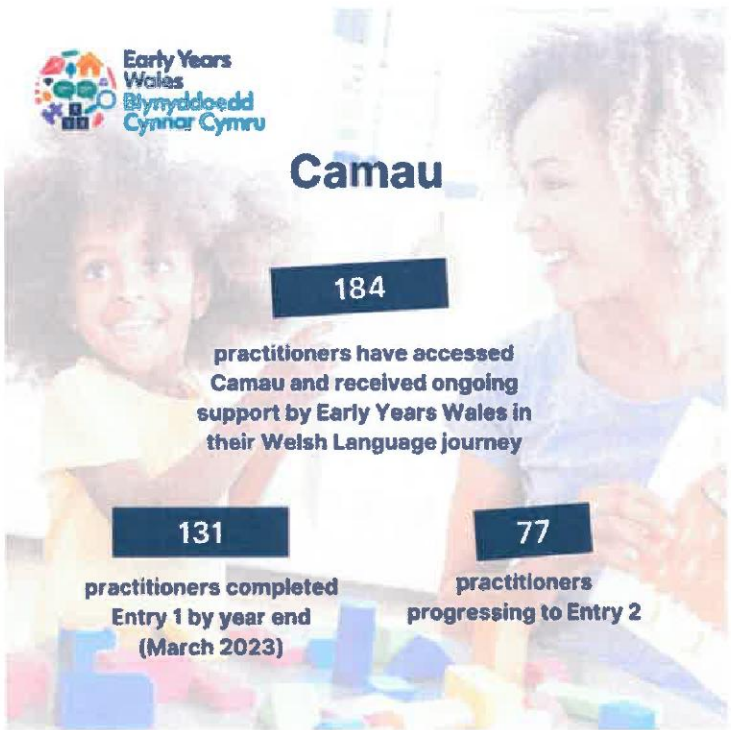
Grants awarded in 17 out of 22 local authority areas

£57,739 funding allocated @ 31st March 2023



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

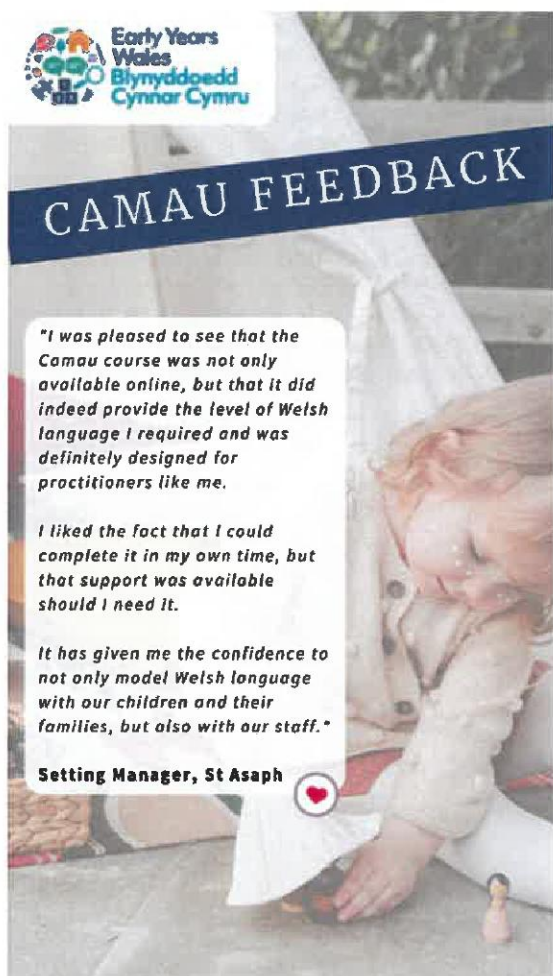
Early Years Wales has continued to work collaboratively with NDNA Cymru to lead Cwlwm's response to Camau, The National Centre for Learning Welsh's Work Welsh scheme for the early years, childcare and playwork sectors. This Camau scheme aims to upskill practitioners and move them along the language continuum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



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

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

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



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

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

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

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

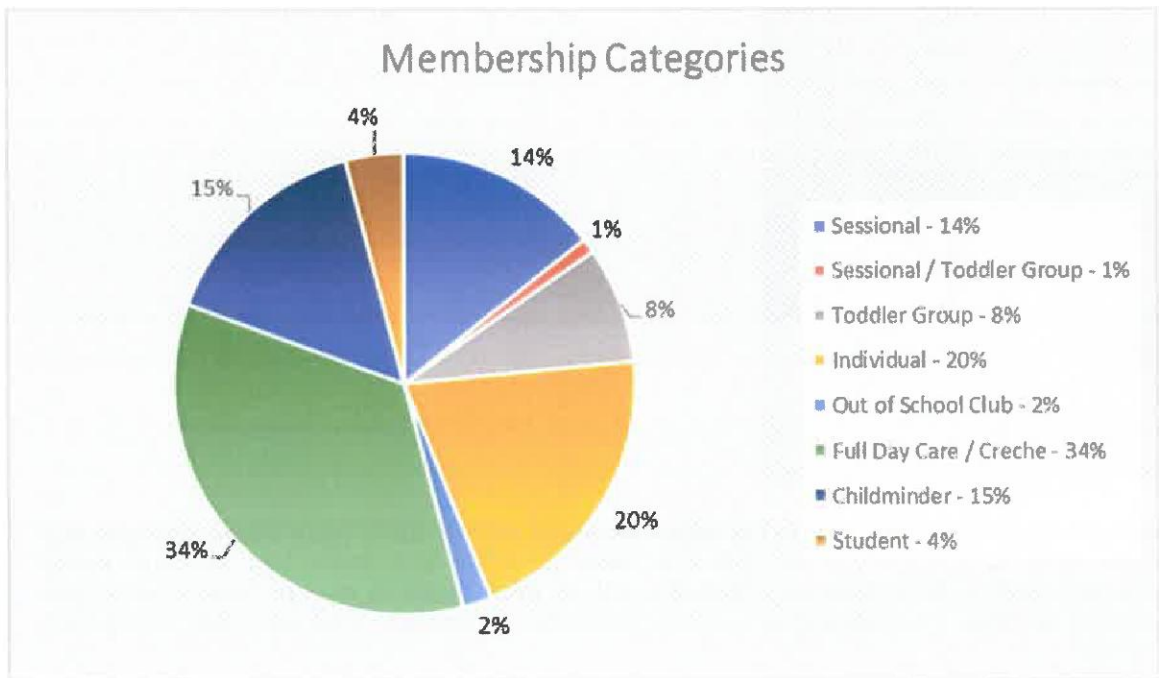
EARLY YEARS WALES 2018
T/A EARLY YEARS WALES
TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2023

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

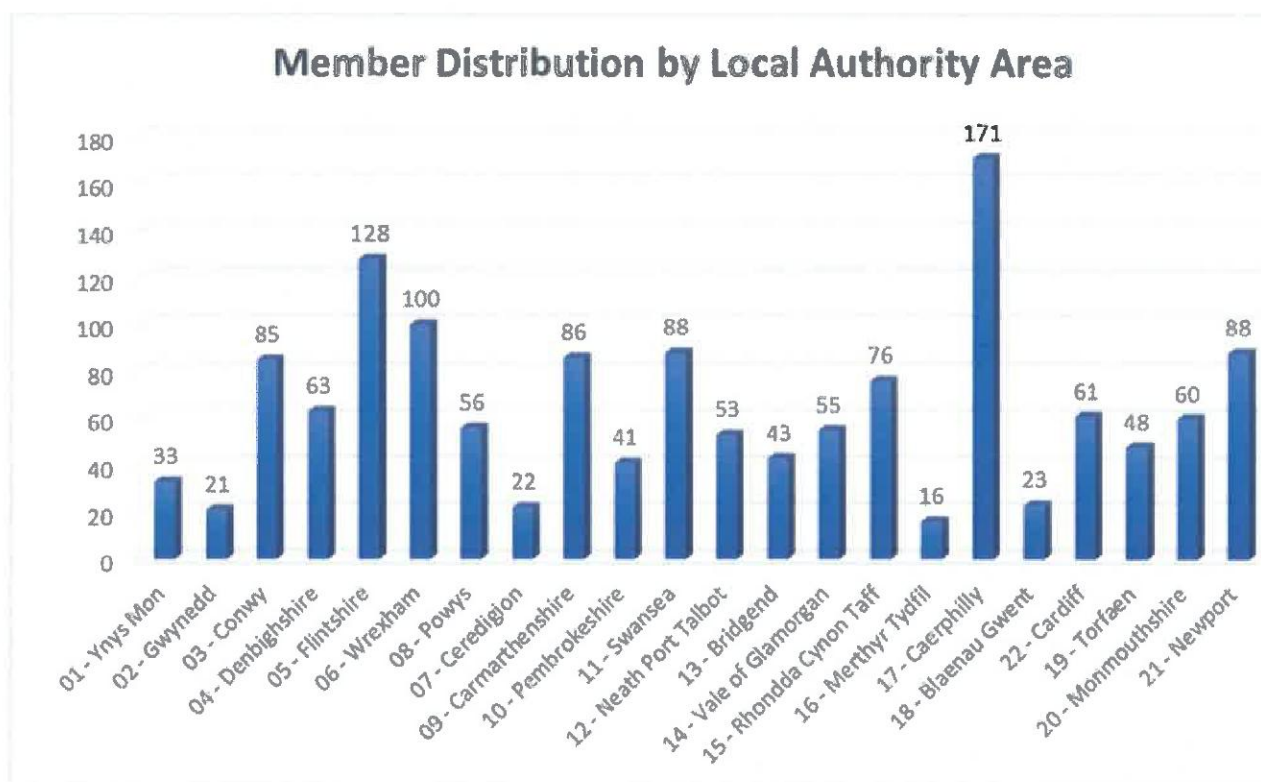
Early Years Wales Membership

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

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



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



Additional Achievements and Performance

Central Support and Member Benefits

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

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

Our member benefits include:

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

EARLY YEARS WALES 2018

T/A EARLY YEARS WALES

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2023

Cwlwm Partnership

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

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

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

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

Business Support and Charity Governance Support

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

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

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

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

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

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

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

EARLY YEARS WALES 2018

T/A EARLY YEARS WALES

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2023

Support provided included:

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

Additional information shared:

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

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

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

Quality for All (QfA)

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

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

We have completed the reassessment of 49 settings and recruited an additional six assessors to the bank of assessors, alongside our three long-standing associates.

Foundation Learning Support

The Foundation Learning offer is funded through Welsh Government's education grant. This aims to support settings with their understanding of the principles and pedagogies in the Curriculum for Funded Non-Maintained Nurseries in Wales. This curriculum became statutory in September 2022 following a long implementation process. Over the course of the year we have seen an increase in confidence and application of the curriculum in both settings funded to offer early education entitlement and those offering childcare without the early education funding.

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

In preparation for September 2022, we hosted three online webinars supported by Estyn. Each session included an exemplar member setting sharing their practice and over 100 member settings attended through this series. In addition, with these, we hosted three webinars from Dr Stella Lois on understanding schemas with over 90 participants; and two training pathways led by Debi Keyte-Hartland; one on ensuring a child-centered approach to authentic and meaningful learning and one on identifying the needs, skills, and progress of learners through observation and planning.

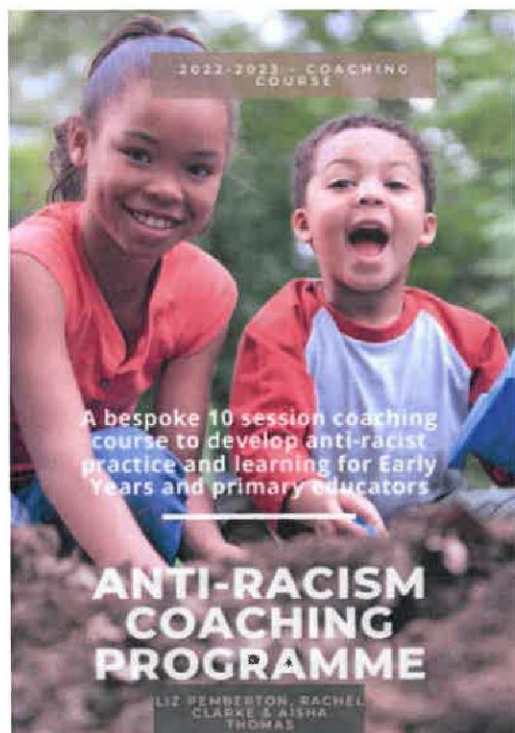
We also piloted one of our first large, in-room training events following the pandemic in February 2023 with our Foundation Learning colleagues. We hosted 60 practitioners in a Caerphilly local authority area venue and had lead presentations from Nia Beynon (creating the learning environment), Cath Corrie (emotionally intelligent leadership), and Sheena O'Leary (using the outdoors).

Anti-Racist Wales Action Plan Support and Response

Since 2020, Early Years Wales has demonstrated a commitment to anti-racist actions (as evidenced in previous annual reports). As part of the childcare sector in Wales, we now frame our response in line with our Cwllwm target and the Anti-Racist Wales Action Plan.

In 2022/23, we updated all staff training in anti-racism working in collaboration with No Boundaries. In addition, we commissioned No Boundaries to undertake a review of our print and social media outputs, our website, and our written reports to raise any issues or areas for development for us to consider.

Working with our member settings, we selected a cohort of 10 committed leaders around Wales who had previously engaged in anti-racist training to undertake an action-research coaching programme. This programme commenced in November 2022 and concludes in September 2023, with a sharing event to showcase the impact on the whole setting. We are supporting this programme with additional resources, policy updates and coaching sessions in the settings with the wider staff teams.



EARLY YEARS WALES 2018

T/A EARLY YEARS WALES

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2023

We also formalised the strategic partnership between DARPL (Diversity and Anti-Racist Professional Learning Team) who are sponsored by the Welsh Government to lead professional learning in education on anti-racist practice and pedagogy and Cwlwm. In addition, on a monthly basis, the CEO, alongside other senior leaders in childcare and playwork, meets with officials from the Welsh Government to monitor the sector response to the Anti-Racist Wales Action Plan.

Additional Learning Needs (ALN Support)

As the updated ALN Act has begun to be implemented in Wales, we have worked extensively with the Welsh Government to support the early years sector with knowledge, understanding and updated information to implement the required changes in practice.

During the initial change processes to the new Act, our staff committed significant time to working with a range of Welsh Government officials aiming to overcome initial challenges and clarify roles and responsibilities from the new legislation for member settings. Following this, an informative blog post was published through Cwlwm led by Early Years Wales to disseminate some key messages related to the ALN Act.

Publication of the Additional Learning Needs Code for Wales 2021 was completed in late 2021 and support has been given to settings to ensure their understanding. Early Years Wales produced an updated ALN policy to include new legislation requirements.

Regional Work

During 2022/23 we re-opened our Swansea regional office in slightly larger premises to accommodate our staff in the region in a better working environment. Our office footprint has been restored to the pre-pandemic arrangements:

- Cardiff – Head Office and South Wales function
- St Asaph – North Wales Regional Staff
- Swansea – West Wales Regional Staff
- Newport – Newport and Monmouthshire Staff

We have 8 local authority-funded contracts and in other areas our members are supported remotely (in the main) as outlined on page 11, Central Support and Member Benefits. Our regional managers work with their local authority contacts, attend key meetings in the local area and provide support for the members in their area. This support includes business support, checking the status of member settings in-line with targets identified in the service level agreements, holding local meetings and supporting the local authority with funding and implementation plans to increase the capacity of childcare in each area.

Covid Related Deviations

There were much fewer Covid-related interruptions in 2022 and 2023 to the service provision. There were a few events where participation numbers were impacted by Covid-related absences and one event was rescheduled due to a Covid illness of a lead presenter. As the year progressed we noted an increase in travel compared to the two previous years, however, this is not yet back to the pre-pandemic levels. It might not return to these levels, as the use of digital connections and meetings continues across all areas of the business.

Indicators of Success

Early Years Wales reports on funded project outcomes in line with the Service Level Agreements (SLAs). These reports include qualitative and quantitative data as outlined in the respective SLA. For internally funded projects, Early Years Wales monitors the impact of funding through a range of metrics including data, number of contacts or service uses, case studies (a few examples are included in this report) and member feedback.

In addition, Early Years Wales undertakes reviews of all aspects of business through the Trustee reporting processes. This practice ensures that operational targets are met and that value is added to the sector from our charitable work. Budget management - ensuring value for money is maintained through formal monitoring of accounts monthly.

EARLY YEARS WALES 2018

T/A EARLY YEARS WALES

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2023

Financial review

Incoming Resources

Incoming resources for the year ended 31 March 2023 was £1,244,844 (2022: £1,154,149). Income from charitable activities was £1,211,099 and has increased from £1,125,102.

Resources Expended

Resources expended during the year ended 31 March 2023 were £1,301,559 (2022: £1,180,418).

Results

Net outgoing resources for the year were £110,731 (2022: deficit of £24,675). Before investment losses (2022: gains), an unrestricted deficit of £25,178 was generated (2022: deficit of £98,946) and a £31,897 restricted deficit generated (2022: £12,497 surplus).

Cash Flow

Cash flow remains strong, holding £118,545 (2022: £295,566) in cash.

Principal Risks and Activity

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

Cyber Security

Cyber security is becoming more of a risk with reliance on online and digital services. As well as working to best practice principles identified in Cyber Essentials, we had a bespoke policy in our 2022/23 insurance policy for cyber threats.

Investment Powers and Policy

The Trustees, having regard to the liquidity requirements of the charity have previously operated a policy of keeping surplus cash balances as liquid as possible and any surplus balances will be invested in deposit accounts. The invested funds were subject to market volatility during autumn due to international trading conditions and the conflict in Ukraine. There has been no negative impact on the dividend return we have achieved, and our investment is monitored closely by the Board and reviewed annually with the investment management company. Our Investment Policy Statement is reviewed annually by the Board.

Reserves Policy

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

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

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

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

EARLY YEARS WALES 2018

T/A EARLY YEARS WALES

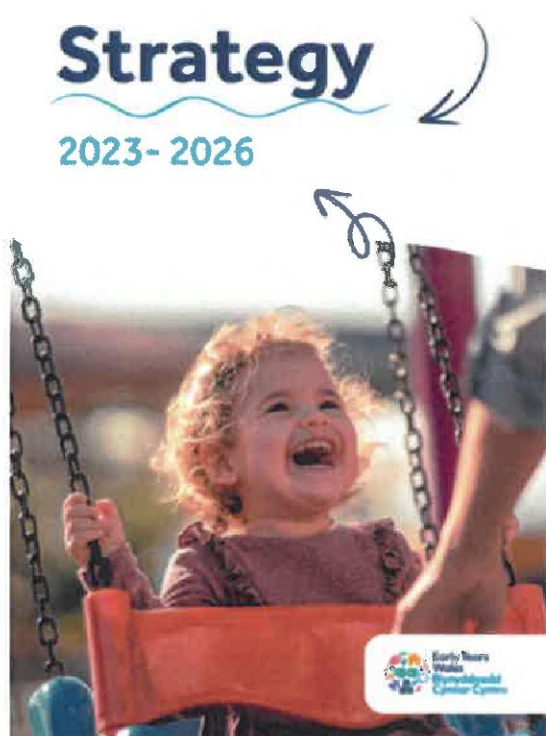
TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2023

At the reporting date, free reserves were £1,244,714 (2022: £1,146,063) representing unrestricted funds less tangible fixed assets less designated reserves. The remaining funds are held with an aspiration to achieve income that the charity can spend on its aims.

Plans for Future Periods

Early Years Wales has updated the strategic plan for 2023. This plan outlines many areas for development that are targeted for 2023 – 2026. Some of these are noted below for inclusion in this annual report.



We have undertaken actions to bring the most positive outputs from the Healthy and Active Funded Active Together Wales project into our core offer through the training we run. We will continue to explore funding opportunities for these highly regarded programmes.

Following a long application process, we are pleased to see the Creative Early Years project commence in partnership with the Arts Council for Wales. This three-year project will see 70 settings get an opportunity to work with skilled artists to develop their understanding of creativity. The pilot will start live sessions in settings in the summer of 2023 and year two of three will commence in the autumn of 2023.

In support of the updated National Minimum Standards for childcare, our People Learning and Development Manager has been busy sourcing training opportunities to complement the local authority offer and meet the anticipated increased demand in some of the mandatory training that the sector is required to complete. We are also exploring the opportunity to create some online modules to support training further, alongside maintaining the successful training calendar from 2022/23.

As noted on page 34, Welsh Language, we are working in collaboration with the Welsh Language Commission to achieve their Cynnig Cymraeg (Welsh Offer) accreditation. We have also added to our staff resources, allowing us to support Welsh learners in more depth and to work collaboratively with local authorities to support their Welsh in Education Strategic Plans.

EARLY YEARS WALES 2018

T/A EARLY YEARS WALES

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2023

We continue to work in social partnership with the Welsh Government and local authorities to implement key policies related to childcare and the early years sector. This includes Early Childhood Play, Learning and Care (formerly known as ECEC), the updated National Minimum Standards, the expansion plans for Flying Start, the Childcare Offer funding, and early education in non-maintained settings.

As our membership has grown and diversified, we are reflecting on how we strengthen our offer in some areas to meet the needs of our members and respond to the needs of the sector segment that they work within.

Structure, governance and management

Governing Document

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

Directors and Trustees

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

Appointment of Trustees

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

Trustee Induction and Training

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

Organisation

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

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

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

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

Related Parties

There are no related party transactions relating to the financial year 2022/23 (2022: nil). All interests are required to be declared and signed in the Trustees Declaration of Interests proforma as required under Early Years Wales' code of governance. A conflict-of-interest register is kept and updated annually or when appropriate. In addition, all Trustees are asked to declare any interest pertinent to the agenda at all Board Meetings.

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

Key Management Personnel

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

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

Pay Policy for Staff.

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

Risk Management

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

Covid-19 Response

During 2022/23 there were fewer disruptions caused by Covid-19. The impact of the pandemic has not negatively impacted the organisation and the ability to work towards and meet organisational aims and aspirations. To be noted, that this was a result of a significant effort on behalf of all staff, supported by the Trustee Board

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

Reference and administrative details

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

Charity number 1056381

Company number 3164233

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

Trustees Carolyn Asante- appointed 3/2/23
Dr David Dallimore
Kathryn Leighfield - appointed 2/2/23
Tom Maclean - appointed 2/2/23
Lisa Owen
Jamie Powell
Dr Mirain Rhys - resigned 27/6/22
Mike Thorne (Chair)
Victoria Wright

Secretary David Goodger

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

Bankers Barclays Bank
51 Hope Street,
Wrexham
LL11 1BE

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

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

Auditor

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

Disclosure of information to auditor

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

The trustees report was approved by the Board of Trustees.



Mike Thorne
Chair

Dated: 19-9-23

EARLY YEARS WALES 2018
T/A EARLY YEARS WALES
STATEMENT OF TRUSTEES RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2023

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

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

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

EARLY YEARS WALES 2018

T/A EARLY YEARS WALES

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF EARLY YEARS WALES 2018

Opinion

We have audited the financial statements of Early Years Wales 2018 (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the trustees report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

EARLY YEARS WALES 2018

T/A EARLY YEARS WALES

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF EARLY YEARS WALES 2018

Responsibilities of trustees

As explained more fully in the statement of trustees responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Azets Audit Services

18-10-2023
.....

Chartered Accountants
Statutory Auditor

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

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

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

FOR THE YEAR ENDED 31 MARCH 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Notes							
<u>Income and endowments from:</u>							
Donations and legacies	3	419	-	419	300	9,964	10,264
Charitable activities	4	29,956	1,181,143	1,211,099	8,431	1,116,671	1,125,102
Investments	6	32,351	-	32,351	15,932	-	15,932
Other income	7	615	-	615	2,851	-	2,851
Total income		63,341	1,181,143	1,244,484	27,514	1,126,635	1,154,149
<u>Expenditure on:</u>							
Charitable activities	8	88,519	1,213,040	1,301,559	126,460	1,053,958	1,180,418
Net gains/(losses) on investments	11	(53,656)	-	(53,656)	1,594	-	1,594
Gross transfers between funds		-	-	-	60,180	(60,180)	-
Net movement in funds		(78,834)	(31,897)	(110,731)	(37,172)	12,497	(24,675)
Fund balances at 1 April 2022		1,384,103	57,284	1,441,387	1,421,275	44,787	1,466,062
Fund balances at 31 March 2023		1,305,269	25,387	1,330,656	1,384,103	57,284	1,441,387

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

All income and expenditure derive from continuing activities.

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

EARLY YEARS WALES 2018
T/A EARLY YEARS WALES
BALANCE SHEET
AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Intangible assets	17		23,100		31,350
Tangible assets	18		1,880		3,299
Investments	19		1,059,745		1,113,401
			<u>1,084,725</u>		<u>1,148,050</u>
Current assets					
Debtors	21	238,686		48,304	
Cash at bank and in hand		118,545		295,566	
			<u>357,231</u>		<u>343,870</u>
Creditors: amounts falling due within one year	22	(111,300)		(50,533)	
Net current assets			245,931		293,337
Total assets less current liabilities			<u>1,330,656</u>		<u>1,441,387</u>
Income funds					
Restricted funds	24		25,387		57,284
<u>Unrestricted funds</u>					
Designated funds	25	60,555		238,040	
General unrestricted funds		1,244,714		1,146,063	
			<u>1,305,269</u>		<u>1,384,103</u>
			<u>1,330,656</u>		<u>1,441,387</u>

EARLY YEARS WALES 2018
T/A EARLY YEARS WALES
BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2023, although an audit has been carried out under section 144 of the Charities Act 2011.

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

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

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

The financial statements were approved by the Trustees on 19-9-23



Mike Thorne- Chair

Company Registration No. 03164233

EARLY YEARS WALES 2018
T/A EARLY YEARS WALES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash absorbed by operations	29		(209,372)		(64,676)
Investing activities					
Purchase of intangible assets		-		(16,500)	
Purchase of tangible fixed assets		-		(2,820)	
Purchase of investments		-		(1,164,464)	
Proceeds from disposal of investments		-		1,164,464	
Investment income received		32,351		15,932	
Net cash generated from/(used in) investing activities			32,351		(3,388)
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents			(177,021)		(68,064)
Cash and cash equivalents at beginning of year			295,566		363,630
Cash and cash equivalents at end of year			118,545		295,566

EARLY YEARS WALES 2018
T/A EARLY YEARS WALES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

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

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

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

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

1.2 Going concern

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

1.3 Charitable funds

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

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

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

1.4 Incoming resources

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

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

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

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

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

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

EARLY YEARS WALES 2018
T/A EARLY YEARS WALES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.5 Resources expended

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

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

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

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

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

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

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

1.6 Intangible fixed assets other than goodwill

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

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

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

1.7 Tangible fixed assets

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

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

Office equipment	33.33% straight line
Computer equipment	33.3% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

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

EARLY YEARS WALES 2018
T/A EARLY YEARS WALES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.8 Fixed asset investments

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

1.9 Cash and cash equivalents

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

1.10 Financial instruments

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

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

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

Basic financial assets

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

Derecognition of financial assets

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

EARLY YEARS WALES 2018
T/A EARLY YEARS WALES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.11 Employee benefits

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

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

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

1.12 Retirement benefits

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

1.13 Leases

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

1.14 Taxation

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

2 Critical accounting estimates and judgements

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

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

3 Donations and legacies

	Unrestricted funds	Unrestricted funds	Restricted funds	Total
	2023	2022	2022	2022
	£	£	£	£
Donations and gifts	419	300	9,964	10,264
	<u>419</u>	<u>300</u>	<u>9,964</u>	<u>10,264</u>

EARLY YEARS WALES 2018
T/A EARLY YEARS WALES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

4 Charitable activities

	2023 £	2022 £
Membership	150	40
Courses and training	16,165	-
Grants	1,181,143	1,116,671
Quality assurance	9,511	2,949
Sale of publications and promotional items	4,130	5,442
	<u>1,211,099</u>	<u>1,125,102</u>
Analysis by fund		
Unrestricted funds	29,956	8,431
Restricted funds	1,181,143	1,116,671
	<u>1,211,099</u>	<u>1,125,102</u>

5 Grants were received from the following sources:

	2023 £	2022 £
Welsh Government - CWLWM	673,898	572,708
Welsh Government - Cynllyn Plethu	29,167	-
Welsh Government - DCELLS: Early Years Co-Ordinator	60,000	54,250
Welsh Government - Welsh Language Department	50,000	50,000
Carmarthenshire County Council - Children's Services	12,500	13,187
Ceredigion County Council - Family Information Service	5,000	4,472
Conwy County Borough Council - Education Services	5,000	20,300
Denbighshire County Council - Flying Start	8,093	8,093
Flintshire County Council	80,333	58,651
Isle of Anglesey County Council	8,750	8,750
Moondance Foundation	35,000	10,000
Monmouthshire County Council	6,000	6,000
Mudiad Ysgolion Meithrin	1,500	3,975
Newport City Council - RSG	95,000	208,000
PACEY Cymru	520	-
Swansea City Council - Early Intervention Service	14,990	12,527
Welsh Active Early Years Project	92,892	85,758
Wrexham County Council	2,500	-
	<u>1,181,143</u>	<u>1,116,671</u>

EARLY YEARS WALES 2018
T/A EARLY YEARS WALES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

6 Investments

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Interest receivable	32,351	15,932
	<u> </u>	<u> </u>

7 Other income

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Other income	615	2,851
	<u> </u>	<u> </u>

EARLY YEARS WALES 2018
T/A EARLY YEARS WALES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

8 Charitable activities

	2023	2022
	£	£
Staff costs	764,037	679,727
Depreciation and impairment	1,154	736
Grant funding returned	2,787	-
Bank and other charges	64	-
Computer, internet costs and telephone	24,219	28,995
Insurance	483	158
Other costs	3,348	774
Other staff costs	12,529	92,393
Events	19,938	22,226
Printing, post and stationery	32,226	34,997
Professional fees	6,069	18,328
Publications, training and subscriptions	81,576	36,315
Quality assurance	4,967	805
Premises costs	95,270	70,217
Travel and subsistence	20,192	10,943
	<u>1,068,859</u>	<u>996,614</u>
Grant funding of activities (see note 9)	130,646	100,167
Share of support costs (see note 10)	91,651	72,589
Share of governance costs (see note 10)	10,403	11,048
	<u>1,301,559</u>	<u>1,180,418</u>
Analysis by fund		
Unrestricted funds	88,519	126,460
Restricted funds	1,213,040	1,053,958
	<u>1,301,559</u>	<u>1,180,418</u>

9 Grants payable

	2023	2022
	£	£
South East Wales	67,938	48,221
Moondance Foundation	35,000	10,000
Early Years Wales small grants	27,708	41,946
	<u>130,646</u>	<u>100,167</u>

EARLY YEARS WALES 2018
T/A EARLY YEARS WALES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

9 Grants payable

(Continued)

During the year the charity awarded £130,646 (2022: £100,167) in grants to organisations and £nil (2022: £nil) to individuals.

The number of grants awarded to member organisations during the year totalled 211 (2022: 151), the smallest grant given was £8 (2022: £27) and the largest £1,128 (2022: £1,010).

10 Support costs

	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Staff costs	19,663	-	19,663	20,620	-	20,620
Depreciation	8,516	-	8,516	6,096	-	6,096
Bank and other charges	1,593	-	1,593	1,038	-	1,038
IT and telephone	11,054	-	11,054	9,405	-	9,405
Premises costs	1,415	-	1,415	1,195	-	1,195
Insurance	10,359	-	10,359	11,572	-	11,572
Professional fees	11,108	-	11,108	3,049	-	3,049
Publications, training and subscriptions	506	-	506	662	-	662
Travel and subsistence	296	-	296	49	-	49
Other staff costs	1,912	-	1,912	2,752	-	2,752
Printing, post and stationery	25,229	-	25,229	16,151	-	16,151
Audit fees	-	9,420	9,420	-	9,330	9,330
Trustee expenses and meeting costs	-	983	983	-	1,718	1,718
	<u>91,651</u>	<u>10,403</u>	<u>102,054</u>	<u>72,589</u>	<u>11,048</u>	<u>83,637</u>
Analysed between						
Charitable activities	<u>91,651</u>	<u>10,403</u>	<u>102,054</u>	<u>72,589</u>	<u>11,048</u>	<u>83,637</u>

Governance costs includes payments to the auditors of £7,500 for audit fees (2022: £7,500) and accountancy fees of £1,920 (2022: £1,830).

EARLY YEARS WALES 2018
T/A EARLY YEARS WALES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

11 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Revaluation of investments	(53,656)	1,594

12 Trustees

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

1 trustee (2022: 1 trustee) was reimbursed £200 (2022: £250) for IT equipment during the year, 3 trustees (2022: 5) were reimbursed £732 (2022: £795) for travel and subsistence expenses.

13 Taxation

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

14 Employees

Number of employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Functional	18	19
Support	10	10
	28	29

Employment costs

	2023 £	2022 £
Wages and salaries	695,550	627,233
Social security costs	59,629	48,050
Other pension costs	28,521	25,064
	783,700	700,347

The full time equivalent number of staff employed throughout the year was 24 (2022: 26).

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

EARLY YEARS WALES 2018
T/A EARLY YEARS WALES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

15 Key management personnel

The key management personnel received remuneration totalling £321,542 (2022: £273,431).

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

16 Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £28,521 (2022 - £25,064). There were no amounts outstanding at the year end in the current or previous year.

17 Intangible fixed assets

	Website £
Cost	
At 1 April 2022 and 31 March 2023	41,250
Amortisation and impairment	
At 1 April 2022	9,900
Amortisation charged for the year	8,250
At 31 March 2023	18,150
Carrying amount	
At 31 March 2023	23,100
At 31 March 2022	31,350

18 Tangible fixed assets

	Office equipment £	Computer equipment £	Total £
Cost			
At 1 April 2022	83,410	18,954	102,364
At 31 March 2023	83,410	18,954	102,364
Depreciation and impairment			
At 1 April 2022	80,590	18,475	99,065
Depreciation charged in the year	940	479	1,419
At 31 March 2023	81,530	18,954	100,484
Carrying amount			
At 31 March 2023	1,880	-	1,880
At 31 March 2022	2,820	479	3,299

EARLY YEARS WALES 2018
T/A EARLY YEARS WALES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

19 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 April 2022	1,113,401
Valuation changes	(53,656)
	<hr/>
At 31 March 2023	1,059,745
	<hr/>
Carrying amount	
At 31 March 2023	1,059,745
	<hr/>
At 31 March 2022	1,113,401
	<hr/>

20 Financial instruments

	2023 £	2022 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	1,059,745	1,113,401
	<hr/>	<hr/>

21 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	9,638	25,109
Prepayments and accrued income	229,048	23,195
	<hr/>	<hr/>
	238,686	48,304
	<hr/>	<hr/>

22 Creditors: amounts falling due within one year

	2023 £	2022 £
Other taxation and social security	16,787	-
Deferred income	23,329	21,974
Trade creditors	55,063	17,579
Other creditors	5,830	1,445
Accruals	10,291	9,535
	<hr/>	<hr/>
	111,300	50,533
	<hr/>	<hr/>

Notes

23

EARLY YEARS WALES 2018
T/A EARLY YEARS WALES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

23 Deferred Income

	2023	2022
	£	£
Arising from government grants	21,504	21,504
Arising from membership and training income	1,825	470
	<u>23,329</u>	<u>21,974</u>

Deferred income is included in the financial statements as follows:

	2023	2022
	£	£
Balance brought forward	21,974	26,654
Income received	39,174	21,974
Income released	(37,819)	(26,654)
	<u>23,329</u>	<u>21,974</u>

**EARLY YEARS WALES 2018
T/A EARLY YEARS WALES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

24 Restricted funds

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

	Balance at 1 April 2021 £	Movement in funds			Movement in funds			Balance at 31 March 2023 £
		Incoming resources £	Resources expended £	Transfers £	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	
Welsh Government	-	676,958	(616,778)	(60,180)	-	813,065	(813,065)	-
County funds	44,787	429,713	(417,216)	-	57,284	332,558	(364,455)	25,387
Donations	-	9,964	(9,964)	-	-	-	-	-
Moondance Foundation	-	10,000	(10,000)	-	-	35,000	(35,000)	-
PACEY Cymru	-	-	-	-	-	520	(520)	-
	44,787	1,126,635	(1,053,958)	(60,180)	57,284	1,181,143	(1,213,040)	25,387

EARLY YEARS WALES 2018 T/A EARLY YEARS WALES NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

24 Restricted funds

(Continued)

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

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

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

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

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

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

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

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

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

EARLY YEARS WALES 2018 T/A EARLY YEARS WALES NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

24 Restricted funds

(Continued)

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

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

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

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

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

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

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

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

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

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

**EARLY YEARS WALES 2018
T/A EARLY YEARS WALES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

25 Designated funds

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

	Balance at 1 April 2021 £	Resources expended £	Transfers £	Balance at 1 April 2022 £	Resources expended £	Transfers £	Balance at 31 March 2023 £
Project development	27,015	(35,000)	41,917	33,932	(8,410)	-	25,522
Governance	38,454	(37,706)	37,910	38,658	(32,579)	-	6,079
Central costs	48,734	(45,251)	54,027	57,510	(108,430)	50,920	-
Early Years Wales Welsh project	10,967	(2,727)	(6,340)	1,900	(428)	-	1,472
Fixed assets	22,161	(6,832)	19,320	34,649	(9,669)	-	24,980
CWLWM membership	51,500	(51,500)	60,000	60,000	(60,000)	-	-
Wrexham donation	20,691	(9,300)	-	11,391	(8,889)	-	2,502
	219,522	(188,316)	206,834	238,040	(228,405)	50,920	60,555

Project development

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

Governance

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

Central costs

Fund designated to fund central costs including office rent.

Early Years Wales Welsh project

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

EARLY YEARS WALES 2018
T/A EARLY YEARS WALES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

27 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

28 Operating lease commitments

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

	2023 £	2022 £
Within one year	41,345	36,835
Between two and five years	51,391	760
	<u>92,736</u>	<u>37,595</u>

29 Cash generated from operations

	2023 £	2022 £
Deficit for the year	(110,731)	(24,675)
Adjustments for:		
Investment income recognised in statement of financial activities	(32,351)	(15,932)
Fair value gains and losses on investments	53,656	(1,594)
Amortisation and impairment of intangible assets	8,250	-
Depreciation and impairment of tangible fixed assets	1,420	6,832
Movements in working capital:		
(Increase) in debtors	(190,383)	(28,992)
Increase in creditors	59,412	4,365
Increase/(decrease) in deferred income	1,355	(4,680)
Cash absorbed by operations	<u>(209,372)</u>	<u>(64,676)</u>

30 Analysis of changes in net funds

The charity had no debt during the year.

