FIRST STEP OPPORTUNITY GROUP

England & Wales · Charity number 1106002

Details

Status	Registered
Legal form	Charitable company
Company number	04767369
Registered	2004-09-23
Register	View on the Charity Commission register

Contact

Address	First Step Tangmere Crescent Hornchurch RM12 5PP
Phone	01708 556355
Email	janet.hutchinson@firststep.org.uk
Website	www.firststep.org.uk

Activities

Objects: TO PROVIDE PRE-SCHOOL CHILDREN WITH SPECIAL NEEDS, RESIDING IN THE LONDON BOROUGH OF HAVERING, AN OPPORTUNITY FOR EDUCATIONAL DEVELOPMENT INA CARING ENVIRONMENT THROUGH A WIDE RANGE OF PLAY ACTIVITIES AND EXPERIENCES AND TO OFFER FAMILIES OF SUCH CHILDREN SUPPORT, INFORMATION AND ADVICE, INA FRIENDLY ATMOSPHERE OF TRUST AND CONFIDENTIALITY.

Activities: First Step provides support for families of children with special needs and/or disabilities and offers a range of services which support children to reach their individual potential, through developmental play and learning.

Classification

- **How:** Provides Human Resources, Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, Disability
- **Who:** Children/young People, People With Disabilities

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Geography

- **Area of benefit:** GREATER LONDON
- Havering

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£294,016	£335,405	-	-
2024-03-31	£315,528	£397,091	-	-
2023-03-31	£351,566	£392,627	-	-
2022-03-31	£171,913	£264,648	-	-
2021-03-31	£360,323	£306,785	-	-

Trustees

Name	Role	Appointed
Simon Richard Powell	Chair	2023-10-30
BRUCE MCLAREN ANDERSON		
David George Kinder		2026-05-11
Gillian Webb		2015-05-01
Ian Malcolm Gorsuch		2023-05-22
Lynn Topps		2021-07-26
Martin Roger Flower Mr		2020-03-11
ROISIN McCORRY		
Stephen Robert Whatling		2026-04-27

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FIRST STEP OPPORTUNITY GROUP

England & Wales - Charity number 1106002

Accounts

REGISTERED COMPANY NUMBER: 04767369 (England and Wales)
REGISTERED CHARITY NUMBER: 1106002

REPORT OF THE TRUSTEES AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

FOR

FIRST STEP OPPORTUNITY GROUP

Clemence Hoar Cummings
Chartered Accountants
Riverside House
1-5 Como Street
Romford
Essex
RM7 7DN

FIRST STEP OPPORTUNITY GROUP

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FOR THE YEAR ENDED 31ST MARCH 2025

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

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

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charity's objectives are:
To provide babies and pre school children with special needs and/or disabilities, residing in the London Borough of Havering, an opportunity for educational development in a caring environment through a wide range of play activities and experiences. To offer families of such children support, information and advice, in a friendly atmosphere of trust and confidentiality.

Our aims here at First Step are to:

1. Continuously improve good practice for the delivery of services for babies and children with special needs and/or disabilities within First Step and with other service providers.
2. Provide support to parents/carers and to empower them to sustain a good quality of life for their families in the long term.
3. Maintain a high-quality team of staff and volunteers who feel valued and who are motivated, skilled and adaptable.
4. Have continuous financial stability.
5. Ensure an excellent quality of service through the highest standards of leadership and governance.

Alongside these, we have identified four additional areas for development:

1. To ensure that local need is accurately identified and services developed to meet the need.
2. To ensure that services are inclusive.
3. To ensure that service users and staff are safeguarded appropriately.
4. To ensure that staff and service users are fully involved in the design, delivery and evaluation of services.

Significant activities

We offer a range of holistic and tailored services for families of children with special needs and/or disabilities. These include:

- Family Support, Family Groups, One-to-One Support, Peer Support, DLA application preparation, EHCP writing advice and support, Information and Guidance, General Support, School Holiday Activities, access to specialist resources such as sensory room and sensory garden and, when appropriate, signposting for other Financial Advice, Welfare Benefits Advice, and sources of grant funding that families with disabled children can apply for.

Main activities undertaken to further the Charity's purposes for public benefit

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake, and are satisfied that the above activities meet the public benefit requirements.

ACHIEVEMENTS AND PERFORMANCE

Charitable activities

Once again, over the year, First Step has provided services and/or support to over 100 children and their families, covering a diverse range of conditions, special needs and disabilities. We continue to support many of our families who have attended First Step over the past 36 years. We are often told that families never leave from First Step, and that we are who they turn to for support when they face difficulties.

The second third of our National Lottery Funding has provided a secure baseline for our fundraising income, and continuity for our Family Support, and has been welcomed at a time when we are seeing increasing levels of referral.

We continue to work in partnership with professionals from many of the teams within the London Borough of Havering and NELFT. These include Health Visitors, SEND Early Years Support, Multi Agency & Referral Panel, Early Years Transition Panel, Specialist Health Professionals, Physiotherapy, Speech and Language and Nutrition, Occupational Health and a wide range of other Professionals from Education, Social Services, SENDIASS and Local Voluntary Organisations.

We also provide support to other playgroups, nursery and pre-school settings who are working with children with special needs.

We continue to play a full and active part within the borough and beyond, with representatives that sit on SEND and AP Delivery Board Improvement Groups, The Families First Partnership Board, Multi-Agency Meetings and the NELFT Patient Leadership Committee, where we seek to ensure that we do everything we can to ensure the voice of families with children with special needs and/or disabilities is heard.

As we receive no National or Local Government financial support, all of this work is only possible because so many of our supporters dig deep and give generously, some sacrificially. There are too many to thank individually, but there were significant donations from the following Service Groups, Community Groups, Corporates and Local Businesses:

6th Upminster Brownie Pack
ACL Electrical
Adhesive Technical Services
Area
Barclays Bank
Benevity
Beresfords
Beyond Clicks
B F Mulley & Sons
Buzzacott
Centrica Management Services
Concept Windows
Co-op
Cranham Modern Sequence Dance Club
Earlham Lodge
Fairlytes Singers
Gidea Park Friendly Bridge Club
Grove & Dean
Handelsbanken
Havering 90 Joggers
Havering Hockey
HCL Interiors
Hornchurch 41 Club
Hornchurch Round Table
Ingrebourne Lodge
McDonalds Romford
Met Police - TSG - Chadwell Heath
Moor Lane Church / The Acorn Club
Mounthill Engineers Limited
Mullis & Peake
Nationwide
Otford Foundation
Quizzes for Charity
Rainham Bowls Club
Rapid Office Systems
Roomes Furniture & Interiors
Romford Bid
Romford Lions
Rotary Club of Havering
Rotary Club of Hornchurch & Upminster
Springfield Playgroup
Tigers Junior Football Club
T Cribb & Sons
Towry
Tunnelcraft
West & Coe
Woodland Schools

Additionally, there were a whole range of personal donations and fundraising from individuals that ranged from £20,937 down to a few pounds. It is not appropriate to highlight them individually, but every donation large and small is a vital part of enabling families and children to be supported. Of course, this also included donations made to the TCS London Marathon runners, a wide range of individual led fundraising activities together with many in lieu donations, in-memoriam donations in place of gifts or flowers to honour a loved one, support a cause, or celebrate a special occasion or event.

We value our band of committed givers who donate regular monthly payments.

We ran a full programme of Events, that include our Golf Day in September 2024, which raised over £32,000, Bingo, Quiz Evenings, Tasty Treats, Christmas Bazaar and Raffles. These events not only raise vital funds, but provide an opportunity and focus for our many supporters to stay in contact and involved with the charity.

We thank Clemence Hoar Cummings Accountants for their professional services. In addition, we thank Redbourn Business Systems for their generous support with our fundraising software at well below the market rate, and the Havering Volunteer Centre, all of whom continue to generously provide support for the organisation

.

Our Patrons, Gill Hare M.B.E, Jeremy West M.B.E, Tim Clarke and Gerry Byrne continue to actively support and visibly campaign, increasing the awareness of First Step and for this we are most grateful. Our Joint Founder Margaret Williams continues to actively support the Charity through her Governance expertise.

We recognise and sincerely thank all the individuals, companies and organisations for giving their time, encouragement and financial support, and for their efforts to raise the profile and share the vision of First Step.

We recognise our valued ongoing relationships with West & Coe, Grove & Dean, Concept Windows, McDonalds Romford, Tesco, Centrica Management Services/British Gas, Tunnelcraft, and Mounthill Engineers Limited, along with our local Ward Councillors, Barry Mugglestone, Julie Wilkes and Stephanie Nunn who actively support First Step. We are very grateful that in her Mayoral Year Stephanie Nunn nominated First Step as her Charity of the year and raised the magnificent sum of £20,000.

Our sincere thanks go to all our friends in the community, staff, our team of volunteers and helpers, the service groups, lodges, clubs, associations, fundraisers, supporters, foundations and grant giving bodies, for their continued commitment, energy and shared values, without whom we would not be able to provide our services.

On behalf of every family that has been supported in the past, those that are currently being supported, and those that will receive support in the future, we want to most sincerely thank all who support First Step, for your generous and sacrificial giving, both financially and in your precious time.

FINANCIAL REVIEW

Financial position

Total incoming and outgoing resources for the year are shown below, and the unrestricted net surplus for the year was £18,960 (2024 surplus: £48,013).

	2024-25 Unrestricted Funds	2024-25 Restricted Funds	2024-25 Total Funds	2023-24 Total Funds
Income	£216,941	£77,075	£294,016	£315,528
Expenditure	£197,981	£137,424	£335,405	£397,091
Surplus/Deficit	£18,960	(£60,349)	(£41,389)	(£81,563)

There was no designated Income or Expenditure in either year.

A full review of the financial position of the charity can be found on the following financial statements.

FINANCIAL REVIEW

Principal funding sources

This year we received grant funding from The National Lottery Community Fund, The Canary Wharf Contractors Fund, The Utley Family Charitable Foundation, The Co-Op Local Community Fund and the Otford Foundation.

During the year management and trustees have and will continue to develop specific areas including:

1. Strong fundraising campaigns, including growing our corporate partners and individual donors
2. A more compelling income generating strategy and story
3. Sharply focused financial reporting and planning
4. Quantifying the impact of the work we undertake with young children and families

Sub-committees made up of staff and trustees meet to review and develop strategy in the areas of governance, service delivery, finance, and human resources and then report to the main committee.

Reserves policy

First Step continues to be aware of the need to ensure that reserves are correctly invested and that they receive the optimum interest rate in this area, whilst minimising risk.

Trustees have adopted a reserves policy whereby the charity needs to have a minimum of 4 months operating costs if no further income were to be received. Trustees are aware that current reserves are just under 9 months, which they believe is prudent in the post COVID climate.

It remains the trustee's intention to grow the level of support offered to our families and children over the coming years in a sustainable manner.

FUTURE PLANS

It was encouraging that during 2024-25, we achieved our stated goal in last year's Trustees Report, to end this financial year with a small surplus on our Unrestricted Income and Expenditure. Of course, the Restricted Expenditure shows a deficit, but this is inevitable as the expenditure received in a particular year is often not actually fully spent until the subsequent year(s).

Despite this year being the final year of The National Lottery current grant, (for which we are seeking continuation funding), during the financial year 2024-25, a new income stream came onto the horizon, and by the end of the year, is now within sight. This will enable First Step to not only be financially secure in the short to medium term, but will enable there to be much needed investment during the coming years to make First Step more financially secure in the long term, which will enable sustainable growth in supporting families of children with special needs and/or disabilities.

Family Support remains our priority as our core service, and we recognise that we can only grow our support for families and children as we secure sustainable funding streams.

Trustees have taken steps during the year to address succession planning which is necessary as a number of key and longstanding members of staff have shared their intention to move into retirement in the foreseeable future, so plans are well developed to ensure that the transitions will be smooth and seamless.

The government published its Families First Partnership (FFP) Programme Guide in March 2025 which we in principle would support as a great aspiration for work with children up and down the country. It is noteworthy that First Step's way of working largely fall in line with, or exceed many of the proposals contained - which we have already been delivering with the families and children as we have been working with throughout our 36+ years of operation.

We are developing firm plans to build back strength and structure into the organisation, which was unavoidably cut back to ensure survival, following the withdrawal of LA funding, and the difficulties of COVID years and the aftermath. This is vital to ensure the organisation will continue to thrive long into the future.

We will continue to strengthen our Fundraising across our whole donor base and to grow new supporters. We will be starting the process of reviewing and shaping our Service Provision later during next year so that we are confident that the style and content of our service and support offer delivery is as relevant to the needs of our families for the next decade, as well as we have done over the past 36 years.

There is no doubt in our minds that First Step offers support that is simply not available elsewhere in Havering or the surrounding areas, and there is a huge and growing need for families of children with special needs and/or disabilities to have this help and assistance. We are committed to maintaining and growing the support we offer, and we will do everything possible to ensure that First Step provides this unique service for generations to come.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

Charity constitution

The Company is registered as a Charitable Company limited by guarantee and was set up by a Memorandum of Association.

Members of the Company guarantee that in the event of the Company's insolvency and if requested, each member will contribute to its liabilities to a maximum of £1.00.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

None of the trustees have any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1.00 in the event of a winding up.

First Step is committed to enabling and supporting its trustees to fulfil the Responsibilities of the Board as identified by the Charity Commission in The Essential Trustee (CC3) which are to :
o Ensure our charity is carrying out its purposes for the public benefit
o Comply with our charity's governing document and the law
o Act in our charity's best interests
o Ensure our charity is accountable
o Manage our charity's resources responsibly
o Act with reasonable care and skill

There is an expectation that trustees will attend training or courses that are agreed, as part of their commitment and responsibility to their role.

Discussions are held with the Chair of Trustees, CEO and new trustees, to identify specific training needs. New trustees are:
- Given a pack of information on the organisation of First Step and all relevant paperwork to support their role
- Invited to First Step to observe some of the sessions and meet staff
- Have discussions with the Chair of Trustees and CEO to identify training or support needs
- Asked to complete a checklist relative to First Step when they join and another in 3/4 months and have a review meeting with the Chair of trustees and CEO
- Given the opportunity to meet with and get to know other trustees in the social time allocated before the start of the formal business meetings
- Provided information on training provided by relevant organisations

The general governance of the charity is the responsibility of the trustees, however the day to day operation is delegated to the CEO. The CEO will take any matters of variation to trustees' meetings for decision making.

Control procedures are in place to cover all areas of risk, i.e. Strategic, Operational, Financial, Regulatory, Human Resource and Reputational. The comprehensive Risk Management Schedule is continuously reviewed and updated to support trustees in the monitoring process of these areas.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
04767369 (England and Wales)

Registered Charity number
1106002

Registered office
Tangmere Crescent
Hornchurch
Essex
RM12 5PP

Trustees
R McCorry
G Webb
B Anderson
N Sawyer (resigned 17.4.25)
M Flower
L Topps
I Gorsuch - Treasurer
S Powell - Chair

REFERENCE AND ADMINISTRATIVE DETAILS

Independent Examiner

Clemence Hoar Cummings
Chartered Accountants
Riverside House
1-5 Como Street
Romford
Essex
RM7 7DN

Approved by order of the board of trustees on 30th January 2026 and signed on its behalf by:



.....
S Powell - Chair - Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF FIRST STEP OPPORTUNITY GROUP

Independent examiner's report to the trustees of First Step Opportunity Group ('the Company')
I report to the charity trustees on my examination of the accounts of the Company for the year ended 31st March 2025.

Responsibilities and basis of report
As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under Section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under Section 145(5) (b) of the 2011 Act.

Independent examiner's statement
Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered Certified Accountants, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by Section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of Section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

LBL

Lee Blunden FCCA CTA

Clemence Hoar Cummings
Chartered Accountants
Riverside House
1-5 Como Street
Romford
Essex
RM7 7DN

Date: 30th January 2026

FIRST STEP OPPORTUNITY GROUP

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31ST MARCH 2025

	Notes	Unrestricted funds £	Restricted funds £	**2025 Total funds £**	2024 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	**130,013**	**77,075**	**207,088**	214,222
Charitable activities	5				
Family support		**3,755**	**-**	**3,755**	3,482
Holiday sessions		**520**	**-**	**520**	485
Other trading activities	3	**63,359**	**-**	**63,359**	88,919
Investment income	4	**5,294**	**-**	**5,294**	3,395
Other income	6	**14,000**	**-**	**14,000**	5,025
Total		**216,941**	**77,075**	**294,016**	315,528
EXPENDITURE ON					
Raising funds		**80,670**	**2,520**	**83,190**	89,010
Charitable activities	7				
Educational services		**-**	**-**	**-**	144
Family support		**110,349**	**130,009**	**240,358**	224,710
Holiday sessions		**6,962**	**1,658**	**8,620**	5,354
total		**-**	**-**	**-**	-
New projects		**-**	**3,237**	**3,237**	77,873
Total		**197,981**	**137,424**	**335,405**	397,091
NET INCOME/(EXPENDITURE)		**18,960**	**(60,349)**	**(41,389)**	(81,563)
RECONCILIATION OF FUNDS					
Total funds brought forward		**194,297**	**417,005**	**611,302**	692,865
TOTAL FUNDS CARRIED FORWARD		**213,257**	**356,656**	**569,913**	611,302

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
31ST MARCH 2025

	Notes	2025 £	2024 £
FIXED ASSETS			
Tangible assets	13	**307,150**	358,252
CURRENT ASSETS			
Debtors	14	**14,616**	59,289
Cash at bank and in hand		**284,735**	218,654
		299,351	277,943
CREDITORS			
Amounts falling due within one year	15	**(36,588)**	(24,893)
NET CURRENT ASSETS		**262,763**	253,050
TOTAL ASSETS LESS CURRENT LIABILITIES		**569,913**	611,302
NET ASSETS		**569,913**	611,302
FUNDS	18		
Unrestricted funds		**213,258**	194,297
Restricted funds		**356,655**	417,005
TOTAL FUNDS		**569,913**	611,302

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st March 2025.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st March 2025 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for
(a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
(b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The notes form part of these financial statements

continued...

STATEMENT OF FINANCIAL POSITION - continued
31ST MARCH 2025

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

The financial statements were approved by the Board of Trustees and authorised for issue on .....30th January 2026..... and were signed on its behalf by:

.....
S Powell - Chair - Trustee

.....
I Gorsuch - Treasurer - Trustee

The notes form part of these financial statements

1. ACCOUNTING POLICIES

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

Company status
The Company is limited by guarantee. The members of the Company are the Trustees named on page 1. In the event of the Company being wound up, the liability in respect of the guarantee is limited to £1 per member of the Company.

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

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probable has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from an estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Company, or the Company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donations are credited to the Statement of Financial Activities (SoFA) in the year in which they are receivable. For conditional donations, where a clawback provision is in place should the event donated to not take place, these donations are recognised once the event has taken place.

Grants receivable and Local Authority fees are credited to the Statement of Financial Activities (SoFA) in the year in which they are receivable. Income is deferred only when the Charity has to fulfil conditions becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the bassi of the value of the gift to the Company which is the amount the Company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

continued...

1. ACCOUNTING POLICIES - continued

Expenditure
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is 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. Shared costs which contribute to more than one activity and support cost which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

Interest receivable
Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

Operating leases
Rentals under operating leases are charged to the Statement of Financial Activities incorporating income and expenditure account on a straight line basis over the lease term.

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

Leasehold property	- 4% on cost
Property additions	- 20% on cost
Fixtures and fittings	- 25% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 25% on cost

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

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

Liabilities and Provisions
Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

continued...

1. ACCOUNTING POLICIES - continued

Taxation
The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a Charitable Company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Fund accounting

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

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

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

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

Pensions
The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

2. DONATIONS AND LEGACIES

	2025	2024
	£	£
Corporate donations	**18,026**	26,932
Donations and gift aid	**96,488**	107,309
Voluntary grants	**92,574**	79,981
	207,088	214,222

3. OTHER TRADING ACTIVITIES

	2025	2024
	£	£
Fundraising events	**42,912**	58,879
Hall hire and services	**20,447**	30,040
	63,359	88,919

continued...

4. INVESTMENT INCOME

	2025	2024
	£	£
Deposit account interest	**5,294**	3,395

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2025	2024
		£	£
Other income	Family support	**3,755**	3,482
Other income	Holiday sessions	**520**	485
		4,275	3,967

6. OTHER INCOME

	2025	2024
	£	£
Gain on sale of tangible fixed assets	**9,000**	-
Other income	**5,000**	5,025
	14,000	5,025

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 8)
	£
Family support	**240,358**
Holiday sessions	**8,620**
	248,978

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2025	2024
	£	£
Staff costs	**130,051**	115,684
Other costs	**70,380**	65,977
Depreciation	**48,547**	48,547
	248,978	230,208

9. NET INCOME/(EXPENDITURE)

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

	2025	2024
	£	£
Depreciation - owned assets	**51,102**	51,102
Surplus on disposal of fixed assets	**(9,000)**	-
Independent examiner's fees	**3,534**	4,473

continued...

10. TRUSTEES' REMUNERATION AND BENEFITS

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

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st March 2025 nor for the year ended 31st March 2024.

11. STAFF COSTS

	2025	2024
	£	£
Wages and salaries	**188,763**	169,051
	188,763	169,051

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the Trustees and M Halls, Chief Executive Officer. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £62,492 (2024: £60,507)

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

	2025	2024
Total	**5**	4

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2025	2024
£60,001 - £70,000	**1**	1

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - 31 MARCH 2023

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	140,820	73,402	214,222
Charitable activities			
Family support	3,482	-	3,482
Holiday sessions	485	-	485
Other trading activities	88,919	-	88,919
Investment income	3,395	-	3,395
Other income	5,025	-	5,025
Total	242,126	73,402	315,528
EXPENDITURE ON			
Raising funds	84,943	4,067	89,010
Charitable activities			
Educational services	144	-	144
Family support	104,753	119,957	224,710
Holiday sessions	4,273	1,081	5,354
total	-	-	-

continued...

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - 31 MARCH 2023 - continued

	Unrestricted funds £	Restricted funds £	Total funds £
New projects	-	77,873	77,873
Total	194,113	202,978	397,091
NET INCOME/(EXPENDITURE)	48,013	(129,576)	(81,563)
RECONCILIATION OF FUNDS			
Total funds brought forward	146,284	546,581	692,865
TOTAL FUNDS CARRIED FORWARD	194,297	417,005	611,302

13. TANGIBLE FIXED ASSETS

	Leasehold property £	Property additions £	Fixtures and fittings £
COST			
At 1st April 2024	**1,153,673**	**31,630**	**114,039**
Disposals	**-**	**-**	**-**
At 31st March 2025	**1,153,673**	**31,630**	**114,039**
DEPRECIATION			
At 1st April 2024	**802,137**	**31,630**	**110,516**
Charge for year	**46,147**	**-**	**1,762**
Eliminated on disposal	**-**	**-**	**-**
At 31st March 2025	**848,284**	**31,630**	**112,278**
NET BOOK VALUE			
At 31st March 2025	**305,389**	**-**	**1,761**
At 31st March 2024	351,536	-	3,523

continued...

13. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1st April 2024	**42,903**	**12,771**	**1,355,016**
Disposals	**(42,903)**	**-**	**(42,903)**
At 31st March 2025	**-**	**12,771**	**1,312,113**
DEPRECIATION			
At 1st April 2024	**42,903**	**9,578**	**996,764**
Charge for year	**-**	**3,193**	**51,102**
Eliminated on disposal	**(42,903)**	**-**	**(42,903)**
At 31st March 2025	**-**	**12,771**	**1,004,963**
NET BOOK VALUE			
At 31st March 2025	**-**	**-**	**307,150**
At 31st March 2024	-	3,193	358,252

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £	2024 £
Trade debtors	**3,005**	10,977
Prepayments and accrued income	**11,611**	48,312
	14,616	59,289

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £	2024 £
Trade creditors	**8,210**	7,148
Other creditors	**21,268**	6,361
Accruals and deferred income	**7,110**	11,384
	36,588	24,893

16. LEASING AGREEMENTS

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

	2025 £	2024 £
Within one year	**8,364**	8,364
Between one and five years	**33,456**	33,456
In more than five years	**16,728**	25,092
	58,548	66,912

continued...

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	**2025 Total funds £**	2024 Total funds £
Fixed assets	**-**	**307,150**	**307,150**	358,252
Current assets	**249,846**	**49,505**	**299,351**	277,943
Current liabilities	**(36,588)**	**-**	**(36,588)**	(24,893)
	213,258	**356,655**	**569,913**	611,302

Included in restricted funds is a long-term leasehold property with a net book value of £305,389 (2024: £351,536). The basis of the property being in restricted funds is that the terms of the 25 year lease on the property specify certain restrictions on its use by the charity.

The original expenditure on the property was £1,153,673 and this related to the refurbishment of the property. The charity raised the necessary funds to pay for this. The expenditure was capitalised and is now being depreciated over the lease term of 25 years.

18. MOVEMENT IN FUNDS

	At 1.4.24 £	Net movement in funds £	At 31.3.25 £
Unrestricted funds			
General fund	**194,297**	**18,961**	**213,258**
Restricted funds			
Long Term Leasehold Property Depreciation Fund	**351,536**	**(46,147)**	**305,389**
Appeal Income	**20,745**	**-**	**20,745**
Given Wilson Institute	**23,453**	**(3,236)**	**20,217**
The National Lottery	**15,250**	**(6,707)**	**8,543**
Asset Depreciation Fund	**6,021**	**(4,260)**	**1,761**
	417,005	**(60,350)**	**356,655**
TOTAL FUNDS	**611,302**	**(41,389)**	**569,913**

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	**216,941**	**(197,980)**	**18,961**
Restricted funds			
Long Term Leasehold Property Depreciation Fund	**-**	**(46,147)**	**(46,147)**
Given Wilson Institute	**1**	**(3,237)**	**(3,236)**
The National Lottery	**77,074**	**(83,781)**	**(6,707)**
Asset Depreciation Fund	**-**	**(4,260)**	**(4,260)**
	77,075	**(137,425)**	**(60,350)**
TOTAL FUNDS	**294,016**	**(335,405)**	**(41,389)**

continued...

18. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.23 £	Net movement in funds £	Transfers between funds £	At 31.3.24 £
Unrestricted funds				
General fund	146,284	48,013	-	194,297
Restricted funds				
Long Term Leasehold Property Depreciation Fund	397,683	(46,147)	-	351,536
Appeal Income	68,681	(47,936)	-	20,745
Veolia Environmental Trust	35,221	(31,698)	(3,523)	-
Awards for All	4,996	(2,498)	(2,498)	-
Given Wilson Institute	25,000	(1,547)	-	23,453
The National Lottery	15,000	250	-	15,250
Asset Depreciation Fund	-	-	6,021	6,021
	546,581	(129,576)	-	417,005
TOTAL FUNDS	692,865	(81,563)	-	611,302

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	242,126	(194,113)	48,013
Restricted funds			
Long Term Leasehold Property Depreciation Fund	-	(46,147)	(46,147)
Appeal Income	-	(47,936)	(47,936)
Veolia Environmental Trust	-	(31,698)	(31,698)
Awards for All	-	(2,498)	(2,498)
Given Wilson Institute	-	(1,547)	(1,547)
The National Lottery	73,402	(73,152)	250
	73,402	(202,978)	(129,576)
TOTAL FUNDS	315,528	(397,091)	(81,563)

LONGTERM LEASEHOLD PROPERTY DEPRECIATION FUND
The long-term leasehold property fund relates to the refurbishment of the premises used by the charity, which is being depreciated over 25 years. During the year, depreciation of £46,147 was charged (2024: £46,147).
The net book value of the property at the year end was £305,389 (2024: £351,536).

APPEAL INCOME
The appeal income fund has been created to establish a means of supporting the ongoing charitable activities of First Step.

GIVEN WILSON INSTITUTE
The Given Wilson Institute funds were received to fund First Step to build a long-term source of income to make First Step more sustainable.

continued...

18. MOVEMENT IN FUNDS - continued

NATIONAL LOTTERY
The National Lottery funding was received to fund First Step's Family First Project delivering Family Support Sessions.

VEOLIA FUND
The Veolia funds were received to be used towards improvement works to make the building more suitable for community use

ASSET DEPRECIATION FUND
This fund represents the net book value of assets purchased using funds which have been spent in full at the year end. This fund will be unwound as the assets depreciate.

19. RELATED PARTY DISCLOSURES

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

FIRST STEP OPPORTUNITY GROUP

England & Wales - Charity number 1106002

Accounts

REGISTERED COMPANY NUMBER: 04767369 (England and Wales)
REGISTERED CHARITY NUMBER: 1106002

REPORT OF THE TRUSTEES AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

FOR

FIRST STEP OPPORTUNITY GROUP

Clemence Hoar Cummings
Chartered Accountants
Riverside House
1-5 Como Street
Romford
Essex
RM7 7DN

FIRST STEP OPPORTUNITY GROUP

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

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FIRST STEP OPPORTUNITY GROUP

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2024. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charity's objectives are:

To provide babies and pre school children with special needs and/or disabilities, residing in the London Borough of Havering, an opportunity for educational development in a caring environment through a wide range of play activities and experiences. To offer families of such children support, information and advice, in a friendly atmosphere of trust and confidentiality.

Our aims here at First Step are to:

1. Continuously improve good practice for the delivery of services for babies and children with special needs and/or disabilities within First Step and with other service providers.
2. Provide support to parents/carers and to empower them to sustain a good quality of life for their families in the long term.
3. Maintain a high-quality team of staff and volunteers who feel valued and who are motivated, skilled and adaptable.
4. Have continuous financial stability.
5. Ensure an excellent quality of service through the highest standards of leadership and governance.

Alongside these, we have identified four additional areas of need:

1. To ensure that local need is accurately identified and services developed to meet the need
2. To ensure that services are inclusive
3. To ensure that service users and staff are safeguarded appropriately
4. To ensure that staff and service users are fully involved in the design, delivery and evaluation of services.

Significant activities

We offer a range of holistic and tailored services for families of children with special needs and/or disabilities. These include:

- Family Support, Family Groups, One-to-One Support, Peer Support, Welfare Benefits Advice, DLA application preparation, EHCP writing advice and support, Information and Guidance, General Support, School Holiday Activities.

Main activities undertaken to further the Charity's purposes for public benefit

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake, and are satisfied that the above activities meet the public benefit requirements.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Once again, over the year, First Step has provided services and/or support to over 100 children and their families, covering a diverse range of conditions, special needs and disabilities. We continue to support many of our families who have attended First Step over the past 36 years and we are often told that families never leave from First Step, and that we are who they turn to for support when they face difficulties.

The second year of our National Lottery Funding has provided a secure baseline for our fundraising income, and continuity for our Family Support, and has been welcomed at a time when we are seeing increasing levels of referral. Parents continue to tell us that there is very little support available for them from Health and the Local Authority, and even what is offered is delayed by long waiting lists. We have seen a sharp rise in referrals received during March 2023, and we are investigating if this is a short-term increase, or if this is a growing trend that is likely to continue.

We continue to work in partnership with professionals from many of the teams within the London Borough of Havering and NELFT. These include Health Visitors, Children and Adults with Disability Team 0 - 5, Multi Agency & Referral Panel, Early Years Transition Panel, Specialist Health Professionals, Physiotherapy, Speech and Language and Nutrition, Occupational Health, Dentistry and a wide range of other Professionals from Education, Social Services, the Welfare Rights Unit, SEND IASS and Local Voluntary Organisations.

We also provide support to other playgroups, nursery and pre-school settings who are working with children with special needs.

We continue to play a full and active part within the borough and beyond, with representatives that sit on the SEND Executive Board, The Early Help Partnership, Multi-Agency Meetings and the NELFT Strategic Patient Experience Partnership where we seek to ensure that we do everything we can to ensure the voice of families with children with special needs and/or disabilities is heard.

As we receive no National or Local Government financial support, all of this work is only possible because so many of our supporters dig deep and give generously, some sacrificially. There are too many to thank individually, but there were significant donations from the following Service Groups, Community Groups, Corporates and Local Businesses:

B F Mulley & Sons
Barclays Bank
Bow Lodge
Centrica Management Services
Concept Windows
Co-op
Cranham Modern Sequence Dance Club
Grove & Dean
Havering Probus Club
Hornchurch 41 Club
HSBC Bank
Jolly Boys Golf
Marks & Spencer Romford
McDonalds Romford
McLaren Anderson Consulting Ltd
Morton Michel
Mounthill Engineers Limited
Mullis & Peake
Nationwide
Otford Foundation
Premier League
Quizzes for Charity
Roomes Furniture & Interiors
Romford Bid
Romford Lions
Rotary Club of Havering
Rotary Club of Hornchurch & Upminster
Schroder Investment Management
Springfield Playgroup
Stapleford Abbots Golf Club Captain's Charity
Tunnelcraft
United Reformed Church Trust
Upminster Golf Club - Captain's Charity
West & Co

Additionally, there were a whole range of personal donations and fundraising from individuals that ranged from £9,675 down to a few pounds. It is not appropriate to highlight them individually, but every donation large and small is a vital part of enabling families and children to be supported. Of course, this also included donations made for the London Virgin Marathon runners, a wide range of individual led fundraising activities together with many in lieu donations in place of gifts or flowers to honour a loved one, support a cause, or celebrate a special occasion or event.

We value our band of committed givers who donate regular monthly payments.

We ran a full programme of Events, that include our Golf Day in September 2023, which raised over £23,000 along with our well supported 35th Anniversary Ball, Bingo, Quiz Evenings, Tasty Treats, Christmas Bazaar and Raffles. These events not only raise vital funds, but provide an opportunity and focus for our many supporters to stay in contact and involved with the charity.

We thank Clemence Hoar Cummings Accountants for their professional services. In addition, we thank Redbourn Business Systems for their generous support with our fundraising software at well below the market rate, Lead Generation Websites who during the year redesigned and maintained our website at highly subsidised rates, and the Havering Volunteer Centre, all of whom continue to generously provide support for the organisation.

Our Patrons, Gill Hare M.B.E, Jeremy West M.B.E, Tim Clarke and Gerry Byrne continue to actively support and visibly campaign, increasing the awareness of First Step and for this we are most grateful. Margaret Williams continues to actively support the Charity through her Governance expertise.

We recognise and sincerely thank all the individuals, companies and organisations for giving their time, encouragement and financial support, and for their efforts to raise the profile and share the vision of First Step.

We recognise our valued ongoing relationships with West & Coe, Grove & Dean, Concept Windows, McDonalds Romford, Tesco and Clarkes Carpets, Centrica Management Services /British Gas, Tunnelcraft, and Mounthill Engineers Limited, along with our local Ward Councillors who also actively support First Step.

Our sincere thanks go to all our friends in the community, staff, our team of volunteers and helpers, the service groups, lodges, clubs, associations, fundraisers, supporters, foundations and grant giving bodies, for their continued commitment, energy and shared values, without whom we would not be able to provide our services.

On behalf of every family that has been supported in the past, those that are currently being supported, and those that will receive support in the future, we want to most sincerely thank all who support First Step, for your generous and sacrificial giving, both financially and in your precious time.

FINANCIAL REVIEW

Financial position

Total incoming and outgoing resources for the year are shown below, and the unrestricted net surplus for the year was £48,013 (2023 surplus: £7,959).

	2023-24 Unrestricted Funds	2023-24 Restricted Funds	2023-24 Total Funds	2022-23 Total Funds
Income	£242,126	£73,402	£315,528	£351,566
Expenditure	£194,113	£202,978	£397,091	£392,627
Surplus/Deficit	£48,013	(£129,576)	(£81,563)	(£41,061)

There was no designated Income or Expenditure in either year.

A full review of the financial position of the charity can be found on the following financial statements.

FINANCIAL REVIEW

Principal funding sources

The charity's principal funding is generated through fundraising and donations.

This year we received grant funding from The National Lottery Community Fund - Year 2 of 3, The Utley Family Charitable Foundation, a further provision of a grant from The Veolia Environmental Trust.

During the year management and trustees have and will continue to develop specific areas including:

1. Strong fundraising campaigns, including corporate partners and individual donors
2. A more compelling income generating strategy and story
3. Sharply focused financial reporting and planning
4. Quantifying the impact of the work we undertake with young children and families

Sub-committees made up of staff and trustees meet to review and develop strategy in the areas of governance, service delivery, finance, and human resources and then report to the main committee.

Reserves policy

First Step continues to be aware of the need to ensure that reserves are correctly invested and that they receive the optimum interest rate in this area, whilst minimising risk.

Trustees have adopted a reserves policy whereby the charity needs to have a minimum of 4 months operating costs if no further income were to be received. Trustees are aware that current reserves are just under 9 months, which they believe is prudent in the post COVID climate.

It remains the trustee's intention to grow the level of support offered to our families and children over the coming years in a sustainable manner.

FUTURE PLANS

First Step remains a unique resource in Havering and beyond, and when the continuing reduction in services by the local authority, health and other charities are considered, our provision is more vital than ever. Our future operations will continue to be carefully planned around the needs of the children and families. Our aim is to grow the level of service in line with the funding streams that are available.

The multi-year funding from The National Lottery, which funds a significant proportion of our Family Support has brought about a financial stability that there has not been for a number or years, and we expect that our outcome 2024-25 will be at least break-even position as we need to grow reserves if we are to increase provision.

Family Support remains our priority as our core service, and we can only grow our support for families and children as we secure funding for them.

However, Trustees have agreed to fund an increased level of Fundraising activity as a longer-term investment, utilising a restricted fund, as the long-term sustainable future of First Step, is contingent on a not only maintaining, but growing our income year on year beyond the rate of inflation.

We anticipate that the levels of referral will continue to grow during the coming year, and anticipate that our delivery will be stretched.

There is no doubt in our minds that First Step offers support that is simply not available elsewhere and there is a huge and growing need for families of children with special needs and/or disabilities to have this help and assistance. We are committed to maintaining and growing the support we offer, and we will do everything possible to ensure that First Step provides this unique service for generations to come.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Charity constitution

The Company is registered as a Charitable Company limited by guarantee and was set up by a Memorandum of Association.

Members of the Company guarantee that in the event of the Company's insolvency and if requested, each member will contribute to its liabilities to a maximum of £1.00.

Organisational structure

None of the trustees have any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1.00 in the event of a winding up.

First Step is committed to enabling and supporting its trustees to fulfil the Responsibilities of the Board as identified by the National Council for Voluntary Organisations (NCVO) which are to:

o Further the charity's overall purpose, as set out in its governing document, and setting its direction and strategy.

o Make sure the work of the charity is effective, responsible and legal.

o Safeguarding people as well as finances, resources and property and making sure they're used to further the charity's purposes.

o Be 'accountable' to those with an interest or stake in or who regulate the charity.

o Be clear about the people who carry out work for the charity - trustees, staff, volunteers - setting up and respecting boundaries between the governance role of the board and operational or day to day matters.

o Make sure the board operates effectively by taking account of good practice, as mentioned in the Charity Governance Code.

There is an expectation that trustees will attend training or courses that are agreed, as part of their commitment and responsibility to their role.

Discussions are held with the Chair of Trustees or CEO and new trustees to identify specific training needs. New trustees are:

- Given a pack of information on the organisation of First Step and all relevant paperwork to support their role
- Invited to First Step to observe some of the sessions and meet staff
- Have discussions with the Chair of Trustees and CEO to identify training or support needs
- Asked to complete a checklist relative to First Step when they join and another in 3/4 months and have a review meeting with the Chair of trustees and CEO
- Given the opportunity to meet with and get to know other trustees in the social time allocated before the start of the formal business meetings
- Provided information on training provided by relevant organisations

The general governance of the charity is the responsibility of the trustees, however the day to day operation is delegated to the CEO. The CEO will take any matters of variation to trustees' meetings for decision making.

Control procedures are in place to cover all areas of risk, i.e. Strategic, Operational, Financial, Regulatory, Human Resource and Reputational. The comprehensive Risk Management Schedule is continuously reviewed and updated to support trustees in the monitoring process of these areas.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

04767369 (England and Wales)

Registered Charity number

1106002

Registered office
Tangmere Crescent
Hornchurch
Essex
RM12 5PP

Trustees
R McCorry - Chair
G Webb
B Anderson
B Peters (resigned 30/3/2024)
L Van Den Hende (resigned 29/2/2024)
N Sawyer
M Flower
L Topps
M Thompson (resigned 26/6/2023)
I Gorsuch - Treasurer (appointed 22/5/2023)
S Powell (appointed 30/10/2023)

Independent Examiner
Clemence Hoar Cummings
Chartered Accountants
Riverside House
1-5 Como Street
Romford
Essex
RM7 7DN

Approved by order of the board of trustees on 27 January 2025 and signed on its behalf by:



R McCorry - Chair - Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF FIRST STEP OPPORTUNITY GROUP

Independent examiner's report to the trustees of First Step Opportunity Group ('the Company')
I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2024.

Responsibilities and basis of report
As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

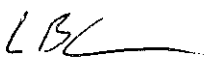
Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under Section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under Section 145(5) (b) of the 2011 Act.

Independent examiner's statement
Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered Certified Accountants, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by Section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of Section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Lee Blunden FCCA CTA

Clemence Hoar Cummings
Chartered Accountants
Riverside House
1-5 Como Street
Romford
Essex
RM7 7DN

27 January 2025

FIRST STEP OPPORTUNITY GROUP

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted funds £	Restricted funds £	**2024 Total funds £**	2023 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	**140,820**	**73,402**	**214,222**	286,218
Charitable activities	5				
Family support		**3,482**	**-**	**3,482**	4,022
Holiday sessions		**485**	**-**	**485**	407
Other trading activities	3	**88,919**	**-**	**88,919**	41,304
Investment income	4	**3,395**	**-**	**3,395**	1,865
Other income	6	**5,025**	**-**	**5,025**	17,750
Total		**242,126**	**73,402**	**315,528**	351,566
EXPENDITURE ON					
Raising funds		**84,943**	**4,067**	**89,010**	78,754
Charitable activities	7				
Educational services		**144**	**-**	**144**	-
Family support		**104,753**	**119,957**	**224,710**	195,266
Holiday sessions		**4,273**	**1,081**	**5,354**	3,820
total		**-**	**-**	**-**	-
New projects		**-**	**77,873**	**77,873**	114,787
Total		**194,113**	**202,978**	**397,091**	392,627
NET INCOME/(EXPENDITURE)		**48,013**	**(129,576)**	**(81,563)**	(41,061)
RECONCILIATION OF FUNDS					
Total funds brought forward		**146,284**	**546,581**	**692,865**	733,926
TOTAL FUNDS CARRIED FORWARD		**194,297**	**417,005**	**611,302**	692,865

The notes form part of these financial statements

FIRST STEP OPPORTUNITY GROUP (REGISTERED NUMBER: 04767369)

STATEMENT OF FINANCIAL POSITION
31 MARCH 2024

	Notes	2024 £	2023 £
FIXED ASSETS			
Tangible assets	13	**358,252**	409,354
CURRENT ASSETS			
Debtors	14	**59,289**	82,416
Cash at bank and in hand		**218,654**	242,041
		277,943	324,457
CREDITORS			
Amounts falling due within one year	15	**(24,893)**	(40,946)
NET CURRENT ASSETS		**253,050**	283,511
TOTAL ASSETS LESS CURRENT LIABILITIES		**611,302**	692,865
NET ASSETS		**611,302**	692,865
FUNDS	18		
Unrestricted funds		**194,297**	146,284
Restricted funds		**417,005**	546,581
TOTAL FUNDS		**611,302**	692,865

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2024.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2024 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

(a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and

(b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

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

The financial statements were approved by the Board of Trustees and authorised for issue on 27 January 2025 and were signed on its behalf by:

R McCorry - Chair - Trustee

I Gorsuch - Treasurer - Trustee

The notes form part of these financial statements

1. ACCOUNTING POLICIES

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

Company status
The Company is limited by guarantee. The members of the Company are the Trustees named on page 1. In the event of the Company being wound up, the liability in respect of the guarantee is limited to £1 per member of the Company.

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

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probable has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from an estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Company, or the Company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donations are credited to the Statement of Financial Activities (SoFA) in the year in which they are receivable. For conditional donations, where a clawback provision is in place should the event donated to not take place, these donations are recognised once the event has taken place.

Grants receivable and Local Authority fees are credited to the Statement of Financial Activities (SoFA) in the year in which they are receivable. Income is deferred only when the Charity has to fulfil conditions becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the bassi of the value of the gift to the Company which is the amount the Company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

continued...

1. ACCOUNTING POLICIES - continued

Expenditure
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is 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. Shared costs which contribute to more than one activity and support cost which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

Interest receivable
Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

Operating leases
Rentals under operating leases are charged to the Statement of Financial Activities incorporating income and expenditure account on a straight line basis over the lease term.

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

Leasehold property	- 4% on cost
Property additions	- 20% on cost
Fixtures and fittings	- 25% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 25% on cost

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

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

Liabilities and Provisions
Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

continued...

1. ACCOUNTING POLICIES - continued

Taxation
The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a Charitable Company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Fund accounting

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

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

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

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

Pensions
The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

2. DONATIONS AND LEGACIES

	2024	2023
	£	£
Corporate donations	**26,932**	29,178
Donations and gift aid	**107,309**	64,501
Voluntary grants	**79,981**	192,539
	214,222	286,218

3. OTHER TRADING ACTIVITIES

	2024	2023
	£	£
Fundraising events	**58,879**	34,589
Hall hire and services	**30,040**	6,715
	88,919	41,304

4. INVESTMENT INCOME

	2024	2023
	£	£
Deposit account interest	**3,395**	1,865

continued...

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2024 £	2023 £
Other income	Family support	**3,482**	4,022
Other income	Holiday sessions	**485**	407
		3,967	4,429

6. OTHER INCOME

	2024 £	2023 £
Other income	**5,025**	17,750

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 8) £
Educational services	**144**
Family support	**224,710**
Holiday sessions	**5,354**
	230,208

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2024 £	2023 £
Staff costs	**115,684**	99,978
Other costs	**65,977**	50,473
Depreciation	**48,547**	48,635
	230,208	199,086

9. NET INCOME/(EXPENDITURE)

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

	2024 £	2023 £
Depreciation - owned assets	**51,102**	51,194
Independent examiner's fees	**4,473**	4,677

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2024 nor for the year ended 31 March 2023.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2024 nor for the year ended 31 March 2023.

continued...

11. STAFF COSTS

	2024	2023
	£	£
Wages and salaries	**169,051**	148,799
	169,051	148,799

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the Trustees and M Halls, Chief Executive Officer. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £60,507 (2023: £56,813)

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

	2024	2023
Total	**4**	4

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2024	2023
£60,001 - £70,000	**1**	-

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - 31 MARCH 2023

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	109,767	176,451	286,218
Charitable activities			
Family support	4,022	-	4,022
Holiday sessions	407	-	407
Other trading activities	41,304	-	41,304
Investment income	1,865	-	1,865
Other income	17,750	-	17,750
Total	175,115	176,451	351,566
EXPENDITURE ON			
Raising funds	76,234	2,520	78,754
Charitable activities			
Family support	82,640	112,626	195,266
Holiday sessions	2,944	876	3,820
New projects	5,338	109,449	114,787
Total	167,156	225,471	392,627
NET INCOME/(EXPENDITURE)	7,959	(49,020)	(41,061)
RECONCILIATION OF FUNDS			
Total funds brought forward	138,324	595,602	733,926

continued...

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - 31 MARCH 2023 - continued

	Unrestricted funds £	Restricted funds £	Total funds £
TOTAL FUNDS CARRIED FORWARD	146,283	546,582	692,865

13. TANGIBLE FIXED ASSETS

	Leasehold property £	Property additions £	Fixtures and fittings £
COST			
At 1 April 2023 and 31 March 2024	**1,153,673**	**31,630**	**114,039**
DEPRECIATION			
At 1 April 2023	**755,990**	**31,630**	**108,754**
Charge for year	**46,147**	**-**	**1,762**
At 31 March 2024	**802,137**	**31,630**	**110,516**
NET BOOK VALUE			
At 31 March 2024	**351,536**	**-**	**3,523**
At 31 March 2023	397,683	-	5,285

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 April 2023 and 31 March 2024	**42,903**	**12,771**	**1,355,016**
DEPRECIATION			
At 1 April 2023	**42,903**	**6,385**	**945,662**
Charge for year	**-**	**3,193**	**51,102**
At 31 March 2024	**42,903**	**9,578**	**996,764**
NET BOOK VALUE			
At 31 March 2024	**-**	**3,193**	**358,252**
At 31 March 2023	-	6,386	409,354

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £	2023 £
Trade debtors	**10,977**	(29)
Prepayments and accrued income	**48,312**	82,445
	59,289	82,416

continued...

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade creditors	**7,148**	3,742
Other creditors	**6,361**	22,597
Accruals and deferred income	**11,384**	14,607
	24,893	40,946

16. LEASING AGREEMENTS

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

	2024	2023
	£	£
Within one year	**8,364**	8,364
Between one and five years	**33,456**	33,456
In more than five years	**25,092**	33,456
	66,912	75,276

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	2024 Total funds	2023 Total funds
	£	£	£	£
Fixed assets	**358,252**	**-**	**358,252**	409,354
Current assets	**(139,062)**	**417,005**	**277,943**	324,457
Current liabilities	**(24,893)**	**-**	**(24,893)**	(40,946)
	194,297	**417,005**	**611,302**	692,865

Included in restricted funds is a long-term leasehold property with a net book value of £351,536 (2023: £397,683). The basis of the property being in restricted funds is that the terms of the 25 year lease on the property specify certain restrictions on its use by the charity.

The original expenditure on the property was £1,153,673 and this related to the refurbishment of the property. The charity raised the necessary funds to pay for this. The expenditure was capitalised and is now being depreciated over the lease term of 25 years.

continued...

18. MOVEMENT IN FUNDS

	At 1.4.23 £	Net movement in funds £	Transfers between funds £	At 31.3.24 £
Unrestricted funds				
General fund	**146,284**	**48,013**	**-**	**194,297**
Restricted funds				
Long Term Leasehold Property Depreciation Fund	**397,683**	**(46,147)**	**-**	**351,536**
Appeal Income	**68,681**	**(47,936)**	**-**	**20,745**
Veolia Environmental Trust	**35,221**	**(31,698)**	**(3,523)**	**-**
Awards for All	**4,996**	**(2,498)**	**(2,498)**	**-**
Given Wilson Institute	**25,000**	**(1,547)**	**-**	**23,453**
The National Lottery	**15,000**	**250**	**-**	**15,250**
Asset Depreciation Fund	**-**	**-**	**6,021**	**6,021**
	546,581	**(129,576)**	**-**	**417,005**
TOTAL FUNDS	**692,865**	**(81,563)**	**-**	**611,302**

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	**242,126**	**(194,113)**	**48,013**
Restricted funds			
Long Term Leasehold Property Depreciation Fund	**-**	**(46,147)**	**(46,147)**
Appeal Income	**-**	**(47,936)**	**(47,936)**
Veolia Environmental Trust	**-**	**(31,698)**	**(31,698)**
Awards for All	**-**	**(2,498)**	**(2,498)**
Given Wilson Institute	**-**	**(1,547)**	**(1,547)**
The National Lottery	**73,402**	**(73,152)**	**250**
	73,402	**(202,978)**	**(129,576)**
TOTAL FUNDS	**315,528**	**(397,091)**	**(81,563)**

continued...

18. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.22 £	Net movement in funds £	Transfers between funds £	At 31.3.23 £
Unrestricted funds				
General fund	125,891	7,960	12,433	146,284
Designated	12,433	-	(12,433)	-
	138,324	7,960	-	146,284
Restricted funds				
Long Term Leasehold Property Depreciation Fund	443,829	(46,147)	-	397,682
Appeal Income	78,060	(9,379)	-	68,681
Veolia Environmental Trust	66,219	(30,997)	-	35,222
Awards for All	7,494	(2,498)	-	4,996
Given Wilson Institute	-	25,000	-	25,000
The National Lottery	-	15,000	-	15,000
	595,602	(49,021)	-	546,581
TOTAL FUNDS	733,926	(41,061)	-	692,865

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	175,115	(167,155)	7,960
Restricted funds			
Long Term Leasehold Property Depreciation Fund	-	(46,147)	(46,147)
Appeal Income	-	(9,379)	(9,379)
Veolia Environmental Trust	70,835	(101,832)	(30,997)
Awards for All	-	(2,498)	(2,498)
Given Wilson Institute	25,000	-	25,000
The National Lottery	80,616	(65,616)	15,000
	176,451	(225,472)	(49,021)
TOTAL FUNDS	351,566	(392,627)	(41,061)

LONGTERM LEASEHOLD PROPERTY DEPRECIATION FUND
The long-term leasehold property fund relates to the refurbishment of the premises used by the charity, which is being depreciated over 25 years. During the year, depreciation of £46,147 was charged (2023: £46,147).
The net book value of the property at the year end was £351,536 (2023: £397,683).

APPEAL INCOME
The appeal income fund has been created to establish a means of supporting the ongoing charitable activities of First Step.

GIVEN WILSON INSTITUTE
The Given Wilson Institute funds were received to fund First Step to build a long-term source of income to make First Step more sustainable.

continued...

18. MOVEMENT IN FUNDS - continued

NATIONAL LOTTERY
The National Lottery funding was received to fund First Step's Family First Project delivering Family Support Sessions.

VEOLIA FUND
The Veolia funds were received to be used towards improvement works to make the building more suitable for community use

ASSET DEPRECIATION FUND
This fund represents the net book value of assets purchased using funds which have been spent in full at the year end. This fund will be unwound as the assets depreciate.

19. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2024.

FIRST STEP OPPORTUNITY GROUP

England & Wales - Charity number 1106002

Accounts

REGISTERED COMPANY NUMBER: 04767369 (England and Wales)
REGISTERED CHARITY NUMBER: 1106002

REPORT OF THE TRUSTEES AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

FOR

FIRST STEP OPPORTUNITY GROUP

Clemence Hoar Cummings
Chartered Accountants
Riverside House
1-5 Como Street
Romford
Essex
RM7 7DN

FIRST STEP OPPORTUNITY GROUP

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FOR THE YEAR ENDED 31ST MARCH 2023

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2023

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st March 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charity's objectives are:

To provide babies and pre school children with special needs and/or disabilities, residing in the London Borough of Havering, an opportunity for educational development in a caring environment through a wide range of play activities and experiences. To offer families of such children support, information and advice, in a friendly atmosphere of trust and confidentiality.

Our aims here at First Step are to:

1. Continuously improve good practice for the delivery of services for babies and children with special needs and/or disabilities within First Step and with other service providers.
2. Provide support to parents/carers and to empower them to sustain a good quality of life for their families in the long term.
3. Maintain a high-quality team of staff and volunteers who feel valued and who are motivated, skilled and adaptable.
4. Have continuous financial stability.
5. Ensure an excellent quality of service through the highest standards of leadership and governance.

Alongside these, we have identified four additional areas of need:

1. To ensure that local need is accurately identified and services developed to meet the need
2. To ensure that services are inclusive
3. To ensure that service users and staff are safeguarded appropriately
4. To ensure that staff and service users are fully involved in the design, delivery and evaluation of services.

Significant activities

We offer a range of holistic and tailored services for families of children with special needs and/or disabilities. These include:

- Family Support, Family Groups, One-to-One Support, Peer Support, Welfare Benefits Advice, DLA application preparation, EHCP writing advice and support, Information and Guidance, General Support, School Holiday Activities.

Main activities undertaken to further the Charity's purposes for public benefit

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake, and are satisfied that the above activities meet the public benefit requirements.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Once again, over the year, First Step has provided services and/or support to over 100 children and their families, covering a diverse range of conditions, special needs and disabilities. We continue to support many of our families who have attended First Step over the past 34 years and we are often told that families never leave from First Step, and that we are who they turn to for support when they face difficulties.

The first year of our National Lottery Funding has provided an increased stability to our Family Support, and has been welcomed at a time when we are seeing increasing levels of referral. Parents tell us that there is very little support available for them from Health and the Local Authority, and that is exacerbated by long waiting lists.

We continue to work in partnership with professionals from many of the teams within the London Borough of Havering and NELFT. These include Health Visitors, Children and Adults with Disability Team 0 - 5, Multi Agency & Referral Panel, Early Years Transition Panel, Specialist Health Professionals, Physiotherapy, Speech and Language and Nutrition, Occupational Health, Dentistry and a wide range of other Professionals from Education, Social Services, the Welfare Rights Unit, SEND IASS and Local Voluntary Organisations.

We also provide support to other playgroups, nursery and pre-school settings who are working with children with special needs.

We continue to play a full and active part within the borough and beyond, with representatives that sit on the SEND Executive Board, The Early Help Partnership, Multi-Agency Meetings and the NELFT Strategic Patient Experience Partnership where we seek to ensure that we do everything we can to ensure the voice of families with children with special needs and/or disabilities is heard.
As we receive no National or Local Government financial support, all of this work is only possible because so many of our supporters dig deep and give generously, some sacrificially. There are too many to thank individually, but there were significant donations from the following Service Groups, Community Groups, Corporates and Local Businesses:

A C L Electrical Ltd
Alphatec
Amicorp Ltd
B F Mulley & Son
Bathson Ltd
Beresfords
Centrica Management Services
Co-op Food Store
Collier Row Townswomen Guild
Concept Windows
Construction Recruitment Services Ltd
Cranham Modern Sequence Dance Club
EPIC
Express Glass
Grove and Dean
Havering Hockey Club
Havering Probus Club
HSBC Bank
Integrity Funeral Care
Jolly Boys Golf
Maylands Allotment
McDonalds Romford
McLaren Anderson Consulting Ltd
Merkur Casino
Moor Lane Chuch / Acorn Club
Morton Michel
Mounthill Engineers Limited
Mullis & Peake
Nationwide
Premier League
Quizzes for Charity
Romford Lions
Roomes Furniture & Interiors
Rotary Club of Havering
Rotary Club of Hornchurch & Upminster
Stapleford Abbots Golf Club
Tesco Supermarket
Tunnelcraft
West & Co
Yorkshire Building Society

Additionally, there were a whole range of personal donations and fundraising from individuals that ranged from £6,250 down to a few pounds. It is not appropriate to highlight them individually, but every donation large and small is a vital part of enabling families and children to be supported. Of course, this also included donations made for the London Virgin Marathon runners, and a wide range of individual led fundraising activity and in lieu of donations.We value our band of committed givers who donate regular monthly payments.

We ran a full programme of Events, that include our Golf Day in September 2022, which raised over £23,000 along with our well supported Summer Soiree, Bingo, Quiz Evenings, Tasty Treats, Christmas Bazaar and Raffles. These events not only raise vital funds, but provide an opportunity and focus for our many supports to stay in contact and involved with the charity.

We thank Clemence Hoar Cummings Chartered Accountants for their professional services. In addition, we thank Redbourn Business Systems for their generous support with our fundraising software at well below the market rate, Lead Generation Websites who during the year redesigned and maintained our website at highly subsidised rates, and the Havering Volunteer Centre, all of whom continue to generously provide support for the organisation.

Our Patrons, Gill Hare M.B.E, Jeremy West M.B.E, Tim Clarke and Gerry Byrne continue to actively support and visibly campaign, increasing the awareness of First Step and for this we are most grateful. Margaret Williams continues to actively support the Charity through her Governance expertise and with regard to Friends of First Step.

We recognise and sincerely thank all the individuals, companies and organisations for giving their time, encouragement and financial support, and for their efforts to raise the profile and share the vision of First Step.

We recognise our valued ongoing relationships with Grove & Dean Insurance Company, McDonalds Romford, Concept Windows, West & Coe, Tesco and Clarkes Carpets, Centrica Management Services /British Gas, Mounthill Engineers Limited and Tunnlecraft along with our local Ward Councillors who also actively support First Step.

Our sincere thanks go to all our friends in the community, staff, our team of volunteers and helpers, the service groups, lodges, clubs, associations, fundraisers, supporters, foundations and grant giving bodies, for their continued commitment, energy and shared values, without whom we would not be able to provide our services.

On behalf of every family that has been supported in the past, those that are currently being supported, and those that will receive support in the future, we want to most sincerely thank all who support First Step, for your generous and sacrificial giving, both financially and in your precious time.

FINANCIAL REVIEW

Financial position

Total incoming and outgoing resources for the year are shown below, and the unrestricted net surplus for the year was £7,959 (2022 deficit: £39,944).

	2022-23 Unrestricted Funds	2022-23 Restricted Funds	2022-23 Total Funds	2021-22 Total Funds
Income	£175,115	£176,451	£351,566	£171,913
Expenditure	£167,156	£225,471	£392,627	£264,648
Surplus/Deficit	£7,959	(£49,020)	(£41,061)	(£92,735)

There was no designated Income or Expenditure in either year, but in this financial year £12,433 was transferred from the Designated fund into the Unrestricted Fund.

A full review of the financial position of the charity can be found on the following financial statements.

FINANCIAL REVIEW

Principal funding sources

The charity's principal funding is generated through fundraising and donations.

This year we received grant funding from The National Lottery Community Fund - Year 1 of 3, Given Wilson Institute, The Utley Family Charitable Foundation, The Basil Samuel Charitable Trust and a further provision of a grant from The Veolia Environmental Trust

During the year management and trustees have and will continue to develop specific areas including:

1. Strong fundraising campaigns, including corporate partners and individual donors
2. A more compelling income generating strategy and story
3. Sharply focused financial reporting and planning
4. Quantifying the impact of the work we undertake with young children and families

Sub-committees made up of staff and trustees meet to review and develop strategy in the areas of governance, service delivery, finance, and human resources and then report to the main committee.

Reserves policy

First Step continues to be aware of the need to ensure that reserves are correctly invested and that they receive the optimum interest rate in this area, without risk.

Trustees have adopted a reserves policy whereby the charity needs to have a minimum of 4 months operating costs if no further income were to be received, to ensure we have the funds to cover any redundancy costs and closure expenses. Trustees are aware that current reserves are just over 8 months, which they believe is prudent as there is some uncertainty of income, caused by the unpredictability of donations in the rapidly changing economic climate together with the potential of other circumstances beyond their control during 2023-24.

It would be the trustee's intention to build back the level of support offered to our families and children over the coming years in a sustainable manner, and in doing so the current level of reserves will decrease.

FUTURE PLANS

First Step remains a unique resource in Havering and beyond, and when the continuing reduction in services by the local authority, health and other charities are considered, our provision is more vital than ever. Our future operations will continue to be carefully planned around the needs of the children and families. Our aim is to maintain as high a level of service as is practical in the funding climate, but during 2023-24 we will need to continue to balance service delivery with the financial wellbeing and sustainability of First Step.

The multi-year funding from The National Lottery, which funds a significant proportion of our Family Support has brought about a financial stability that there has not been for a number or years, and we expect that our outcome 2023-24 will be much closer to a break-even position.

Family Support remains our priority as our core service, and we can only grow our support for families and children and families as we secure funding for them.

However, Trustees have agreed to fund an increased level of Fundraising activity as a longer-term investment, utilising a restricted fund, as the long-term sustainable future of First Step, is contingent on a not only maintaining, but growing our income year on year beyond the rate of inflation.

We continue to explore the development of a Social Enterprise or another source of long term baseline funding for First Step as a priority, and we are watching and investigating the market to ensure we proceed in the right direction taking into account the continuing changes in the ways of working, inflationary pressures, international instability all of which are contributing to the financial pressures that we are all facing.

We anticipate that the levels of referral will continue to grow during this year, and anticipate that our delivery will be stretched.

There is no doubt in our minds that First Step offers support that is simply not available elsewhere and there is a huge and growing need for families of children with special needs and/or disabilities to be supported. We are committed to maintaining and growing the support we offer, and we will do everything possible to ensure that First Step support remains for generations to come.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

Charity constitution

The Company is registered as a Charitable Company limited by guarantee and was set up by a Memorandum of Association.

Members of the Company guarantee that in the event of the Company's insolvency and if requested, each member will contribute to its liabilities to a maximum of £1.00.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

None of the trustees have any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1.00 in the event of a winding up.

First Step is committed to enabling and supporting its trustees to fulfil the 12 essential board responsibilities as identified by the National Council for Voluntary Organisations (NCVO):

- Determine the organisation's mission and vision
- Engage in strategic planning
- Formulate needed policies
- Approve and monitor the organisation's programmes and services
- Ensure adequate financial resources
- Provide effective fiscal oversight and ensure sound risk management
- Carefully select and induct new board members
- Carry out board business efficiently
- Select and support the chief executive officer and review his performance
- Act as a responsible employer
- Understand and respect the relationship between board and staff

There is an expectation that trustees will attend training or courses that are agreed, as part of their commitment and responsibility to their role.

Discussions are held with the Chair of trustees or CEO and new trustees to identify specific training needs. New trustees are:

- Given a pack of information on the organisation of First Step and all relevant paperwork to support their role
- Invited to First Step to observe some of the sessions and meet staff
- Have discussions with the Chair of Trustees and CEO to identify training or support needs
- Asked to complete a checklist relative to First Step when they join and another in 3/4 months and have a review meeting with the Chair of trustees and CEO
- Given the opportunity to meet with and get to know other trustees in the social time allocated before the start of the formal business meetings
- Given information on training provided by relevant organisations

The general governance of the charity is the responsibility of the trustees, however the day to day operation is delegated to the CEO. The CEO will take any matters of variation to trustees' meetings for decision making.

Control procedures are in place to cover all areas of risk, i.e. Strategic, Operational, Financial, Regulatory, Human Resource and Reputational. The comprehensive Risk Management Schedule is continuously reviewed and updated to support Trustees in the monitoring process of these areas.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
04767369 (England and Wales)

Registered Charity number
1106002

Registered office
Tangmere Crescent
Hornchurch
Essex
RM12 5PP

Trustees
R McCorry - Chair
G Webb
B Anderson
C Coe (resigned 31.8.22)
B Peters
L Van Den Hende
N Sawyer
M Flower - Treasurer
E Cody (resigned 31.8.22)
L Topps
M Thompson (appointed 2.3.23) (resigned 26.6.23)
I Gorsuch (appointed 22.5.23)
S Powell (appointed 30.10.23)

Independent Examiner
Clemence Hoar Cummings
Chartered Accountants
Riverside House
1-5 Como Street
Romford
Essex
RM7 7DN

Approved by order of the board of trustees on 11th Dec 2023 and signed on its behalf by:

R McCorry - Chair - Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF FIRST STEP OPPORTUNITY GROUP

Independent examiner's report to the trustees of First Step Opportunity Group ('the Company')
I report to the charity trustees on my examination of the accounts of the Company for the year ended 31st March 2023.

Responsibilities and basis of report
As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under Section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under Section 145(5) (b) of the 2011 Act.

Independent examiner's statement
Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered Certified Accountants, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by Section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of Section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

LBC

Lee Blunden FCCA CTA

Clemence Hoar Cummings
Chartered Accountants
Riverside House
1-5 Como Street
Romford
Essex
RM7 7DN

Date: 11 December 2023

FIRST STEP OPPORTUNITY GROUP

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31ST MARCH 2023

	Notes	Unrestricted funds £	Restricted funds £	**2023 Total funds £**	2022 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	**109,767**	**176,451**	**286,218**	128,957
Charitable activities	5				
Family support		**4,022**	**-**	**4,022**	2,445
Holiday sessions		**407**	**-**	**407**	285
Other trading activities	3	**41,304**	**-**	**41,304**	31,150
Investment income	4	**1,865**	**-**	**1,865**	94
Other income	6	**17,750**	**-**	**17,750**	8,982
Total		**175,115**	**176,451**	**351,566**	171,913
EXPENDITURE ON					
Raising funds		**76,234**	**2,520**	**78,754**	68,912
Charitable activities	7				
Family support		**82,640**	**112,626**	**195,266**	179,397
Holiday sessions		**2,944**	**876**	**3,820**	3,360
New projects		**5,338**	**109,449**	**114,787**	12,979
Total		**167,156**	**225,471**	**392,627**	264,648
NET INCOME/(EXPENDITURE)		**7,959**	**(49,020)**	**(41,061)**	(92,735)
RECONCILIATION OF FUNDS					
Total funds brought forward		**138,324**	**595,602**	**733,926**	826,661
TOTAL FUNDS CARRIED FORWARD		**146,283**	**546,582**	**692,865**	733,926

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
31ST MARCH 2023

	Notes	2023 £	2022 £
FIXED ASSETS			
Tangible assets	13	**409,354**	453,501
CURRENT ASSETS			
Debtors	14	**82,416**	7,775
Cash at bank and in hand		**242,041**	297,088
		324,457	304,863
CREDITORS			
Amounts falling due within one year	15	**(40,946)**	(24,438)
NET CURRENT ASSETS		**283,511**	280,425
TOTAL ASSETS LESS CURRENT LIABILITIES		**692,865**	733,926
NET ASSETS		**692,865**	733,926
FUNDS	18		
Unrestricted funds		**146,284**	138,324
Restricted funds		**546,581**	595,602
TOTAL FUNDS		**692,865**	733,926

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st March 2023.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st March 2023 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

(a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and

(b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The notes form part of these financial statements

continued...

STATEMENT OF FINANCIAL POSITION - continued
31ST MARCH 2023

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

The financial statements were approved by the Board of Trustees and authorised for issue on 11th Dec 2023 and were signed on its behalf by:

.....
R McCorry - Chair - Trustee

.....
M Flower - Treasurer - Trustee

1. ACCOUNTING POLICIES

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

Company status
The Company is limited by guarantee. The members of the Company are the Trustees named on page 1. In the event of the Company being wound up, the liability in respect of the guarantee is limited to £1 per member of the Company.

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

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probable has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from an estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Company, or the Company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donations are credited to the Statement of Financial Activities (SoFA) in the year in which they are receivable. For conditional donations, where a clawback provision is in place should the event donated to not take place, these donations are recognised once the event has taken place.

Grants receivable and Local Authority fees are credited to the Statement of Financial Activities (SoFA) in the year in which they are receivable. Income is deferred only when the Charity has to fulfil conditions becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the bassi of the value of the gift to the Company which is the amount the Company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

continued...

1. ACCOUNTING POLICIES - continued

Expenditure
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is 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. Shared costs which contribute to more than one activity and support cost which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

Interest receivable
Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

Operating leases
Rentals under operating leases are charged to the Statement of Financial Activities incorporating income and expenditure account on a straight line basis over the lease term.

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

Leasehold property	- 4% on cost
Property additions	- Straight line over 5 years
Fixtures and fittings	- 25% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 25% on cost

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

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

Liabilities and Provisions
Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

continued...

1. ACCOUNTING POLICIES - continued

Taxation
The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a Charitable Company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Fund accounting

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

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

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

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

Pensions
The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

2. DONATIONS AND LEGACIES

	2023	2022
	£	£
Corporate donations	**29,178**	32,429
Donations and gift aid	**64,501**	79,536
Voluntary grants	**192,539**	16,992
	286,218	128,957

3. OTHER TRADING ACTIVITIES

	2023	2022
	£	£
Fundraising events	**34,589**	23,702
Hall hire and services	**6,715**	7,448
	41,304	31,150

continued...

4. INVESTMENT INCOME

	2023	2022
	£	£
Deposit account interest	**1,865**	94

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2023	2022
		£	£
Other income	Family support	**4,022**	2,445
Other income	Holiday sessions	**407**	285
		4,429	2,730

6. OTHER INCOME

	2023	2022
	£	£
JRS income	**-**	4,934
Other income	**17,750**	4,048
	17,750	8,982

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 8)
	£
Family support	**195,266**
Holiday sessions	**3,820**
	199,086

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2023	2022
	£	£
Staff costs	**99,978**	90,287
Other costs	**50,473**	43,965
Depreciation	**48,635**	48,505
	199,086	182,757

9. NET INCOME/(EXPENDITURE)

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

	2023	2022
	£	£
Depreciation - owned assets	**51,194**	51,059
Independent examiner's fees	**4,677**	3,637

continued...

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st March 2023 nor for the year ended 31st March 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st March 2023 nor for the year ended 31st March 2022.

11. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	**148,799**	134,018
	148,799	134,018

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the Trustees and M Halls, Chief Executive Officer. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £56,813 (2022: £52,566)

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

	2023	2022
Total	**4**	4

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

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - 31 MARCH 2022

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	118,965	9,992	128,957
Charitable activities			
Family support	2,445	-	2,445
Holiday sessions	285	-	285
Other trading activities	31,150	-	31,150
Investment income	94	-	94
Other income	8,982	-	8,982
Total	161,921	9,992	171,913
EXPENDITURE ON			
Raising funds	66,422	2,490	68,912
Charitable activities			
Family support	132,949	46,448	179,397
Holiday sessions	2,494	866	3,360
New projects	-	12,979	12,979
Total	201,865	62,783	264,648
NET INCOME/(EXPENDITURE)	(39,944)	(52,791)	(92,735)

continued...

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - 31 MARCH 2022 - continued

	Unrestricted funds £	Restricted funds £	Total funds £
RECONCILIATION OF FUNDS			
Total funds brought forward	178,268	648,393	826,661
TOTAL FUNDS CARRIED FORWARD	138,324	595,602	733,926

13. TANGIBLE FIXED ASSETS

	Leasehold property £	Property additions £	Fixtures and fittings £
COST			
At 1st April 2022	**1,153,673**	**31,630**	**106,992**
Additions	**-**	**-**	**7,047**
At 31st March 2023	**1,153,673**	**31,630**	**114,039**
DEPRECIATION			
At 1st April 2022	**709,843**	**31,630**	**106,899**
Charge for year	**46,147**	**-**	**1,855**
At 31st March 2023	**755,990**	**31,630**	**108,754**
NET BOOK VALUE			
At 31st March 2023	**397,683**	**-**	**5,285**
At 31st March 2022	443,830	-	93

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1st April 2022	**42,903**	**12,771**	**1,347,969**
Additions	**-**	**-**	**7,047**
At 31st March 2023	**42,903**	**12,771**	**1,355,016**
DEPRECIATION			
At 1st April 2022	**42,903**	**3,193**	**894,468**
Charge for year	**-**	**3,192**	**51,194**
At 31st March 2023	**42,903**	**6,385**	**945,662**
NET BOOK VALUE			
At 31st March 2023	**-**	**6,386**	**409,354**
At 31st March 2022	-	9,578	453,501

continued...

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade debtors	**(29)**	999
Prepayments and accrued income	**82,445**	6,776
	82,416	7,775

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade creditors	**3,742**	1,834
Other creditors	**22,597**	8,187
Accruals and deferred income	**14,607**	14,417
	40,946	24,438

16. LEASING AGREEMENTS

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

	2023	2022
	£	£
Within one year	**8,364**	8,364
Between one and five years	**33,456**	33,456
In more than five years	**33,456**	41,820
	75,276	83,640

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	2023 Total funds	2022 Total funds
	£	£	£	£
Fixed assets	**409,354**	**-**	**409,354**	453,501
Current assets	**(222,124)**	**546,581**	**324,457**	304,863
Current liabilities	**(40,946)**	**-**	**(40,946)**	(24,438)
	146,284	**546,581**	**692,865**	733,926

Included in restricted funds is a long-term leasehold property with a net book value of £397,683 (2022: £443,830). The basis of the property being in restricted funds is that the terms of the 25 year lease on the property specify certain restrictions on its use by the charity.

The original expenditure on the property was £1,153,673 and this related to the refurbishment of the property. The charity raised the necessary funds to pay for this. The expenditure was capitalised and is now being depreciated over the lease term of 25 years.

continued...

18. MOVEMENT IN FUNDS

	At 1.4.22 £	Net movement in funds £	Transfers between funds £	At 31.3.23 £
Unrestricted funds				
General fund	**125,891**	**7,960**	**12,433**	**146,284**
Designated	**12,433**	**-**	**(12,433)**	**-**
	138,324	**7,960**	**-**	**146,284**
Restricted funds				
Long Term Leasehold Property	**443,829**	**(46,147)**	**-**	**397,682**
Appeal Income	**78,060**	**(9,379)**	**-**	**68,681**
Veolia Environmental Trust	**66,219**	**(30,997)**	**-**	**35,222**
Awards for All	**7,494**	**(2,498)**	**-**	**4,996**
Given Wilson Institute	**-**	**25,000**	**-**	**25,000**
The National Lottery	**-**	**15,000**	**-**	**15,000**
	595,602	**(49,021)**	**-**	**546,581**
TOTAL FUNDS	**733,926**	**(41,061)**	**-**	**692,865**

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	**175,115**	**(167,155)**	**7,960**
Restricted funds			
Long Term Leasehold Property	**-**	**(46,147)**	**(46,147)**
Appeal Income	**-**	**(9,379)**	**(9,379)**
Veolia Environmental Trust	**70,835**	**(101,832)**	**(30,997)**
Awards for All	**-**	**(2,498)**	**(2,498)**
Given Wilson Institute	**25,000**	**-**	**25,000**
The National Lottery	**80,616**	**(65,616)**	**15,000**
	176,451	**(225,472)**	**(49,021)**
TOTAL FUNDS	**351,566**	**(392,627)**	**(41,061)**

continued...

18. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.21 £	Net movement in funds £	At 31.3.22 £
Unrestricted funds			
General fund	165,835	(39,944)	125,891
Designated	12,433	-	12,433
	178,268	(39,944)	138,324
Restricted funds			
Long Term Leasehold Property	489,976	(46,147)	443,829
Leasehold Property Improvements	1,159	(1,159)	-
Appeal Income	86,424	(8,364)	78,060
Veolia Environmental Trust	70,834	(4,615)	66,219
Awards for All	-	7,494	7,494
	648,393	(52,791)	595,602
TOTAL FUNDS	826,661	(92,735)	733,926

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	161,921	(201,865)	(39,944)
Restricted funds			
Long Term Leasehold Property	-	(46,147)	(46,147)
Leasehold Property Improvements	-	(1,159)	(1,159)
Appeal Income	-	(8,364)	(8,364)
Veolia Environmental Trust	-	(4,615)	(4,615)
Awards for All	9,992	(2,498)	7,494
	9,992	(62,783)	(52,791)
TOTAL FUNDS	171,913	(264,648)	(92,735)

LONGTERM LEASEHOLD
The long-term leasehold property fund relates to the refurbishment of the premises used by the charity, which is being depreciated over 25 years. During the year, depreciation of £46,147 was charged (2022: £46,147).
The net book value of the property at the year end was £397,683 (2022: £443,830).

APPEAL INCOME
The appeal income fund has been created to establish a means of supporting the ongoing charitable activities of First Step.

GIVEN WILSON INSTITUTE
The Given Wilson Institute funds were received to fund First Step to build a long-term source of income to make First Step more sustainable.

NATIONAL LOTTERY

continued...

18. MOVEMENT IN FUNDS - continued

The National Lottery funding was received to fund First Step's Family First Project delivering Family Support Sessions.

VEOLIA FUND
The Veolia funds were received to be used towards improvement works to make the building more suitable for community use

DESIGNATED FUNDS
The unrestricted funds of the charity included the following designated funds which were set aside out of unrestricted funds by the Trustees for specific purposes. During the year the Trustees opted to transfer these funds into General Funds.

	Balance at 1 April 2022 £	Incoming Resources £	Resources Expended £	Balance at 31 March 2023 £
Sick pay provision	**10,000**	**-**	**10,000**	-
Building / maintenance costs	**2,433**	**-**	**2,433**	-
	12,433	-	**12,433**	-

19. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31st March 2023.

FIRST STEP OPPORTUNITY GROUP

England & Wales - Charity number 1106002

Accounts

REGISTERED COMPANY NUMBER: 04767369 (England and Wales)
REGISTERED CHARITY NUMBER: 1106002

REPORT OF THE TRUSTEES AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2022

FOR

FIRST STEP OPPORTUNITY GROUP

Clemence Hoar Cummings
Chartered Accountants
Riverside House
1-5 Como Street
Romford
Essex
RM7 7DN

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FIRST STEP OPPORTUNITY GROUP

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FOR THE YEAR ENDED 31ST MARCH 2022

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FIRST STEP OPPORTUNITY GROUP

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2022

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st March 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charity's objectives are:
To provide babies and pre school children with special needs and/or disabilities, residing in the London Borough of Havering, an opportunity for educational development in a caring environment through a wide range of play activities and experiences. To offer families of such children support, information and advice, in a friendly atmosphere of trust and confidentiality.

Our aims here at First Step are to:

1. Continuously improve good practice for the delivery of services for babies and children with special needs and/or disabilities within First Step and with other service providers.
2. Provide support to parents/carers and to empower them to sustain a good quality of life for their families in the long term.
3. Maintain a high-quality team of staff and volunteers who feel valued and who are motivated, skilled and adaptable.
4. Have continuous financial stability.
5. Ensure an excellent quality of service through the highest standards of leadership and governance.

Alongside these, we have identified four additional areas of need:

1. To ensure that local need is accurately identified and services developed to meet the need
2. To ensure that services are inclusive
3. To ensure that service users and staff are safeguarded appropriately
4. To ensure that staff and service users are fully involved in the design, delivery and evaluation of services.

Significant activities

We offer a range of holistic and tailored services for young children with special needs and/or disabilities and their families. These include:

- Family Support, Family Groups, One-to-One Support, Peer Support, Welfare Benefits Advice, DLA application preparation, EHCP writing advice and support, Information and Guidance, General Support, School Holiday Activities.

Main activities undertaken to further the Charity's purposes for public benefit

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake, and are satisfied that the above activities meet the public benefit requirements.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

This year has been about building back our support for families following COVID 19. With England commencing a phased exit from lockdown, in April 2022, we started our Family Support Sessions which are largely funded from The National Lottery - Reaching Communities 3-year grant.

Families expressed that whilst they had appreciated the Virtual support that had been provided during lockdown, and the one-to-one sessions that had been operating from late 2020, they were delighted for the Family Groups to re-commence, as there is so much value that is added through the organic peer support, and that the children benefit so much from the socialisation that occurs. We have enjoyed seeing friendship groups occurring quite naturally, and this magnifies the impact of the work that is undertaken in the family sessions.

Once again, over the year, First Step has provided services and/or support to over 100 children and their families, covering a diverse range of conditions, special needs and disabilities. We continue to support many of our families who have attended First Step over the past 32 years and we are often told that families never leave from First Step, and that we are who they turn to for support when they face difficulties.

We continue to work in partnership with professionals from many of the teams within the London Borough of Havering and NELFT. These include Health Visitors, Children and Adults with Disability Team 0 - 5, specialist health professionals, physiotherapy, speech and language and nutrition, occupational health, dentistry and a wide range of other professionals from education, social services, the Welfare Rights Unit and local voluntary organisations.

We continue to play a full and active part within the borough and beyond, with representatives that sit on the SEND Executive Board, The Early Help Partnership, Multi-Agency Meetings and the NELFT Strategic Patient Experience Partnership where we seek to ensure that we do everything we can to ensure the voice of families with children with special needs and/or disabilities is heard.

The financial reports that follow show that we have restricted funds held of £78,060 from Appeal Income to establish a means of supporting the ongoing work of First Step, and additional Grant Funding that will fund necessary building improvements.

This is only possible because so many of our supporters dig deep and give generously, some sacrificially. There are too many to thank individually, but there were significant donations from the following Service Groups, Community Groups, Corporates and Local Businesses:

Mullis & Peake
Rotary Club of Havering
West & Coe
Marks & Spencer's - Romford
MFD FM Ltd
Hornchurch 41 Club
Havering Probus Club
Schroder Investment Management
Mounthill Engineers Limited
CRA
Quizzes for Charity
Beresfords
Concept Windows
B F Mulley
Roomes Furniture & Interiors
Cranham Modern Sequence Dance Club
Grove & Dean
Ford Motor Company
Can't Sing Choir
Hornchurch Professionals
Rotary Club of Hornchurch and Upminster
Romford Lions
Royal Mail Carers
NISA Local
Springfield Playgroup

We must highlight the amazing fundraising of Freya, a 5-year old First Step graduate, and her family, who raised £10,558 for the charity through an amazing challenge event, in her walking frame. Additionally, there were a whole range of personal donations and fundraising from individuals that ranged from £5,000 down to a few pounds. It is not appropriate to highlight them individually, but every donation big and small is a vital part of enabling families and children to be supported. Of course, this also included donations made for the London Virgin Marathon runners

We value our growing band of committed givers who donate regular monthly payments who continued and even increased their giving throughout the pandemic.

With the easing of COVID 19 Restrictions, during the year we were able to recommence our programme of Events, that include our Golf Day in September 2021, which raised over £21,000 along with our well supported Bingo, Quiz Evenings, Tasty Treats and Raffles.

We thank Clemence Hoar Cummings Accountants for their professional services. In addition, we thank Redbourn Business Systems for their generous support with our fundraising software at well below the market rate, Lead Generation Websites who during the year redesigned and maintained our website at highly subsidised rates, and the Havering Volunteer Centre, all of whom continue to generously provide support for the organisation.

Our Patrons, Gill Hare M.B.E, Jeremy West M.B.E, Tim Clarke and Gerry Byrne continue to actively support and visibly campaign, increasing the awareness of First Step and for this we are most grateful. Margaret Williams continues to actively support the Charity through her Governance expertise and with regard to Friends of First Step.

We recognise and sincerely thank all the individuals, companies and organisations for giving their time, encouragement and financial support, and for their efforts to raise the profile and share the vision of First Step.
We recognise our valued ongoing relationships with Grove & Dean Insurance Company, McDonalds Romford, Concept Windows, West & Coe, Tesco and Clarkes Carpets along with our local Ward Councillors who also actively support First Step.

Our sincere thanks go to all our friends in the community, staff, our team of volunteers and helpers, the service groups, lodges, clubs, associations, fundraisers, supporters, foundations and grant giving bodies, for their continued commitment, energy and shared values, without whom we would not be able to provide our services.

On behalf of every family that has been supported in the past, those that are currently being supported, and those that will receive support in the future, we want to most sincerely thank all who support First Step, for your generous and sacrificial giving, both financially and in your precious time.

FINANCIAL REVIEW

Financial position

Total incoming and outgoing resources for the year are shown below, and the unrestricted net deficit for the year was £39,944 (2021 surplus: £881).

	2021-22 Unrestricted Funds	2021-22 Restricted Funds	2021-22 Total Funds	2020-21 Total Funds
Income	£161,921	£9,992	£171,913	£360,323
Expenditure	£201,865	£62,783	£264,648	£306,785
Surplus/Deficit	(£39,944)	(£52,791)	(£92,735)	£53,538

There was no designated Income or Expenditure in either year.

The deficit budget that has consciously been set by Trustees since the withdrawal of funding from the Local Authority at the end of March 2017, continues to impact these figures

A full review of the financial position of the charity can be found on the following financial statements.

FINANCIAL REVIEW

Principal funding sources

The charity's principal funding is generated through fundraising and donations.

This year we received grant funding from The National Lottery Awards for All, The Utley Family Charitable Foundation and Makers of Playing Cards.

We were delighted that towards the end of March 2022, that following an application process that spanned 3 years, we secured a multi-year Grant Funding Award from the National Lottery Community Fund, which will enable us to strengthen our Family Support details of which are included in our future plans
During the year management and trustees have and will continue to develop specific areas including:

1. Strong fundraising campaigns, including corporate partners and individual donors
2. A more compelling income generating strategy and story
3. Sharply focused financial reporting and planning
4. Quantifying the impact of the work we undertake with young children and families

Subcommittees made up of staff and trustees meet regularly to review and develop strategy in the areas of governance, service delivery, finance, marketing and communications, and human resources and then report to the main committee.

Reserves policy

First Step continues to be aware of the need to ensure that reserves are correctly invested and that they receive the optimum interest rate in this area, without risk.

Trustees have adopted a reserves policy whereby the charity needs to have a minimum of 4 months operating costs if no further income were to be received, to ensure we have the funds to cover any redundancy costs and closure expenses. Trustees are aware that current reserves are just over 8 months, which they believe is prudent as there is some uncertainty of income, caused by the unpredictability of donations in the rapidly changing economic climate together with the potential of other circumstances beyond their control during 2022-23.

It would be the trustee's intention to build back the level of support offered to our families and children over the coming years in a sustainable manner, and in doing so the current level of reserves will decrease.

FUTURE PLANS

First Step remains a unique resource in Havering and beyond, and when the continuing reduction in services by the local authority, health and other charities are considered, our provision is more vital than ever. Our future operations will continue to be carefully planned around the needs of the children and families. Our aim is to maintain as high a level of service as is practical in the funding climate, but during 2022-23 we will need to ensure that we continue to balance service delivery with the financial wellbeing and sustainability of First Step.

Our foremost priority is building back the support that was lost during COVID 19, and also swelling our Service Delivery, but only as funding streams are secured.

The multi-year funding from The National Lottery, which funds a significant proportion of our Family Support has brought about a financial stability that there has not been for a number or years, and we expect that our outcome 2022-23 will be much closer to a break-even position.

We are actively looking for sustainable funding streams that would enable us to reinstate our Educational Services, but our priority will remain on our core service which is Family Support. Going forward we will only deliver services that we can fund, although some reserves will be utilised to establish new projects and to cover any unexpected short-term deficits.

Development of the Social Enterprise or another source of long term baseline funding for First Step remains a priority, and we are watching and investigating the market to ensure we proceed in the right way taking into account the uncertainty with the pandemic, the possible trend towards hybrid working patterns, and the financial pressures there are likely to be in the economy as the nation seeks to move forward into what is often called the 'new normal'. We are reviewing the plans and projections that were prepared prior to COVID 19, and we expect to crystallise them into some kind of firm market research/consultation early in 2023.

We anticipate that the levels of referral will continue to grow during this year, and anticipate that our delivery will be stretched.

There is no doubt in our minds that First Step offers support that is simply not available elsewhere and there is a huge and growing need for families of children with special needs and/or disabilities to be supported. We are committed to building back better, and we will do everything possible to ensure the support remains for generations to come.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

Charity constitution

The Company is registered as a Charitable Company limited by guarantee and was set up by a Memorandum of Association.

Members of the Company guarantee that in the event of the Company's insolvency and if requested, each member will contribute to its liabilities to a maximum of £1.00.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

None of the trustees have any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1.00 in the event of a winding up.

First Step is committed to enabling and supporting its trustees to fulfil the 12 essential board responsibilities as identified by the National Council for Voluntary Organisations (NCVO):

- Determine the organisation's mission and vision
- Engage in strategic planning
- Formulate needed policies
- Approve and monitor the organisation's programmes and services
- Ensure adequate financial resources
- Provide effective fiscal oversight and ensure sound risk management
- Carefully select and induct new board members
- Carry out board business efficiently
- Select and support the chief executive officer and review his performance
- Act as a responsible employer
- Understand and respect the relationship between board and staff

There is an expectation that trustees will attend training or courses that are agreed, as part of their commitment and responsibility to their role.

Discussions are held with the Chair of trustees or CEO and new trustees to identify specific training needs. New trustees are:

- Given a pack of information on the organisation of First Step and all relevant paperwork to support their role
- Invited to First Step to observe some of the sessions and meet staff
- Have discussions with the Chair of Trustees and CEO to identify training or support needs
- Asked to complete a checklist relative to First Step when they join and another in 3/4 months and have a review meeting with the Chair of trustees and CEO
- Given the opportunity to meet with and get to know other trustees in the social time allocated before the start of the formal business meetings
- Given information on training provided by relevant organisations

The general governance of the charity is the responsibility of the trustees, however the day to day operation is delegated to the CEO. The CEO will take any matters of variation to trustees' meetings for decision making.

Control procedures are in place to cover all areas of risk, i.e. Strategic, Operational, Financial, Regulatory, Human Resource and Reputational. The comprehensive Risk Management Schedule is continuously reviewed and updated to support Trustees in the monitoring process of these areas.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
04767369 (England and Wales)

Registered Charity number
1106002

Registered office
Tangmere Crescent
Hornchurch
Essex
RM12 5PP

Trustees
R McCorry - Chair Chair
G Webb
B Anderson
C Coe (resigned 31.8.22)
B Peters
L Van Den Hende
N Sawyer
S Williamson (resigned 21.1.22)
C Pugh (resigned 21.1.22)
M Flower - Treasurer Treasurer
E Cody (resigned 31.8.22)
L Topps (appointed 26.7.21)

Independent Examiner
Clemence Hoar Cummings
Chartered Accountants
Riverside House
1-5 Como Street
Romford
Essex
RM7 7DN

Approved by order of the board of trustees on 30/11/23 and signed on its behalf by:

.....
R McCorry - Chair - Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF FIRST STEP OPPORTUNITY GROUP

Independent examiner's report to the trustees of First Step Opportunity Group ('the Company')
I report to the charity trustees on my examination of the accounts of the Company for the year ended 31st March 2022.

Responsibilities and basis of report
As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under Section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under Section 145(5) (b) of the 2011 Act.

Independent examiner's statement
I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by Section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of Section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Lee Blunden
FCCA CTA
Clemence Hoar Cummings
Chartered Accountants
Riverside House
1-5 Como Street
Romford
Essex
RM7 7DN

Date: 31 January 2023

FIRST STEP OPPORTUNITY GROUP

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31ST MARCH 2022

	Notes	Unrestricted funds £	Restricted funds £	**2022 Total funds £**	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	**118,965**	**9,992**	**128,957**	270,123
Charitable activities	5				
Educational services		**-**	**-**	**-**	13,780
Family support		**2,445**	**-**	**2,445**	-
Holiday sessions		**285**	**-**	**285**	-
Other trading activities	3	**31,150**	**-**	**31,150**	12,666
Investment income	4	**94**	**-**	**94**	426
Other income	6	**8,982**	**-**	**8,982**	63,328
Total		**161,921**	**9,992**	**171,913**	360,323
EXPENDITURE ON					
Raising funds		**66,422**	**2,490**	**68,912**	64,043
Charitable activities	7				
Educational services		**74**	**-**	**74**	129,254
Family support		**132,875**	**46,448**	**179,323**	101,053
Holiday sessions		**2,494**	**866**	**3,360**	12,435
total		**-**	**-**	**-**	-
Setup costs for new project		**-**	**12,979**	**12,979**	-
Total		**201,865**	**62,783**	**264,648**	306,785
NET INCOME/(EXPENDITURE)		**(39,944)**	**(52,791)**	**(92,735)**	53,538
RECONCILIATION OF FUNDS					
Total funds brought forward		**178,268**	**648,393**	**826,661**	773,123
TOTAL FUNDS CARRIED FORWARD		**138,324**	**595,602**	**733,926**	826,661

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
31ST MARCH 2022

	Notes	2022 £	2021 £
FIXED ASSETS			
Tangible assets	13	**453,501**	491,789
CURRENT ASSETS			
Debtors	14	**7,775**	7,070
Cash at bank and in hand		**297,088**	349,864
		304,863	356,934
CREDITORS			
Amounts falling due within one year	15	**(24,438)**	(22,062)
NET CURRENT ASSETS		**280,425**	334,872
TOTAL ASSETS LESS CURRENT LIABILITIES		**733,926**	826,661
NET ASSETS		**733,926**	826,661
FUNDS	17		
Unrestricted funds		**138,324**	178,268
Restricted funds		**595,602**	648,393
TOTAL FUNDS		**733,926**	826,661

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st March 2022.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st March 2022 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

(a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and

(b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The notes form part of these financial statements

continued...

STATEMENT OF FINANCIAL POSITION - continued
31ST MARCH 2022

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

The financial statements were approved by the Board of Trustees and authorised for issue on 30th Jan 2023 and were signed on its behalf by:

R McCorry - Chair - Trustee

M Flower - Treasurer - Trustee

1. ACCOUNTING POLICIES

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

Company status
The Company is limited by guarantee. The members of the Company are the Trustees named on page 1. In the event of the Company being wound up, the liability in respect of the guarantee is limited to £1 per member of the Company.

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

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probable has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from an estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Company, or the Company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Grants receivable and Local Authority fees credited to the Statement of Financial Activities (SoFA) in the year in which they are receivable. Income is deferred only when the Charity has to fulfil conditions becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the bassi of the value of the gift to the Company which is the amount the Company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

continued...

1. ACCOUNTING POLICIES - continued

Expenditure
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is 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. Shared costs which contribute to more than one activity and support cost which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

Interest receivable
Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

Operating leases
Rentals under operating leases are charged to the Statement of Financial Activities incorporating income and expenditure account on a straight line basis over the lease term.

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

Leasehold property	- 4% on cost
Property additions	- 20% on cost
Fixtures and fittings	- 25% on cost
Motor vehicles	- 25% on cost

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

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

Liabilities and Provisions
Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

continued...

1. ACCOUNTING POLICIES - continued

Taxation
The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a Charitable Company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Fund accounting

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

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

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

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

Pensions
The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

2. DONATIONS AND LEGACIES

	2022	2021
	£	£
Corporate donations	**32,429**	27,168
Donations and gift aid	**79,536**	77,984
Appeal	**-**	31,638
Voluntary grants	**16,992**	133,333
	128,957	270,123

3. OTHER TRADING ACTIVITIES

	2022	2021
	£	£
Fundraising events	**23,702**	7,666
Hall hire and services	**7,448**	5,000
	31,150	12,666

continued...

4. INVESTMENT INCOME

	2022	2021
	£	£
Deposit account interest	**94**	426

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2022	2021
		£	£
Grants	Educational services	**-**	13,780
Other income	Family support	**2,445**	-
Other income	Holiday sessions	**285**	-
		2,730	13,780

6. OTHER INCOME

	2022	2021
	£	£
JRS income	**4,934**	59,287
Other income	**4,048**	4,041
	8,982	63,328

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 8)
	£
Educational services	**74**
Family support	**179,323**
Holiday sessions	**3,360**
	182,757

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2022	2021
	£	£
Staff costs	**90,287**	131,847
Other costs	**43,965**	57,810
Depreciation	**48,505**	47,855
	182,757	237,512

continued...

9. NET INCOME/(EXPENDITURE)

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

	2022	2021
	£	£
Depreciation - owned assets	**51,059**	50,373
Independent examiner's fees	**3,637**	3,419

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st March 2022 nor for the year ended 31st March 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st March 2022 nor for the year ended 31st March 2021.

11. STAFF COSTS

	2022	2021
	£	£
Wages and salaries	**134,018**	172,635
	134,018	172,635

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the Trustees and M Halls, Chief Executive Officer. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £52,566 (2021: £48,738)

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

	2022	2021
Total	**4**	6

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

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - 31 MARCH 2021

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	105,151	164,972	270,123
Charitable activities			
Educational services	-	13,780	13,780
Other trading activities	12,666	-	12,666
Investment income	426	-	426
Other income	63,328	-	63,328
Total	181,571	178,752	360,323

continued...

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - 31 MARCH 2021 - continued

	Unrestricted funds £	Restricted funds £	Total funds £
EXPENDITURE ON			
Raising funds	61,552	2,491	64,043
Charitable activities			
Educational services	90,275	38,979	129,254
Family support	18,852	82,201	101,053
Holiday sessions	10,011	2,424	12,435
Total	180,690	126,095	306,785
NET INCOME	881	52,657	53,538
RECONCILIATION OF FUNDS			
Total funds brought forward	177,387	595,736	773,123
TOTAL FUNDS CARRIED FORWARD	178,268	648,393	826,661

13. TANGIBLE FIXED ASSETS

	Leasehold property £	Property additions £	Fixtures and fittings £
COST			
At 1st April 2021	**1,153,673**	**31,630**	**106,992**
Additions	**-**	**-**	**-**
At 31st March 2022	**1,153,673**	**31,630**	**106,992**
DEPRECIATION			
At 1st April 2021	**663,696**	**30,470**	**106,340**
Charge for year	**46,147**	**1,160**	**559**
At 31st March 2022	**709,843**	**31,630**	**106,899**
NET BOOK VALUE			
At 31st March 2022	**443,830**	**-**	**93**
At 31st March 2021	489,977	1,160	652

continued...

13. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1st April 2021	**42,903**	**-**	**1,335,198**
Additions	**-**	**12,771**	**12,771**
At 31st March 2022	**42,903**	**12,771**	**1,347,969**
DEPRECIATION			
At 1st April 2021	**42,903**	**-**	**843,409**
Charge for year	**-**	**3,193**	**51,059**
At 31st March 2022	**42,903**	**3,193**	**894,468**
NET BOOK VALUE			
At 31st March 2022	**-**	**9,578**	**453,501**
At 31st March 2021	-	-	491,789

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	**999**	-
Other debtors	**-**	797
Prepayments and accrued income	**6,776**	6,273
	7,775	7,070

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade creditors	**1,834**	6,246
Other creditors	**8,187**	-
Accruals and deferred income	**14,417**	15,816
	24,438	22,062

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
Fixed assets	**453,501**	**-**	**453,501**	491,789
Current assets	**(290,739)**	**595,602**	**304,863**	356,934
Current liabilities	**(24,438)**	**-**	**(24,438)**	(22,062)
	138,324	**595,602**	**733,926**	826,661

Included in restricted funds is a long-term leasehold property with a net book value of £443,830 (2021: £489,977). The basis of the property being in restricted funds is that the terms of the 25 year lease on the property specify certain restrictions on its use by the charity.

continued...

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS - continued

The original expenditure on the property was £1,153,673 and this related to the refurbishment of the property. The charity raised the necessary funds to pay for this. The expenditure was capitalised and is now being depreciated over the lease term of 25 years.

17. MOVEMENT IN FUNDS

	At 1.4.21 £	Net movement in funds £	At 31.3.22 £
Unrestricted funds			
General fund	**165,835**	**(39,944)**	**125,891**
Designated	**12,433**	**-**	**12,433**
	178,268	**(39,944)**	**138,324**
Restricted funds			
Long Term Leasehold Property	**489,976**	**(46,147)**	**443,829**
Leasehold Property Improvements	**1,159**	**(1,159)**	**-**
Appeal Income	**86,424**	**(8,364)**	**78,060**
Veolia Environmental Trust	**70,834**	**(4,615)**	**66,219**
Awards for All	**-**	**7,494**	**7,494**
	648,393	**(52,791)**	**595,602**
TOTAL FUNDS	**826,661**	**(92,735)**	**733,926**

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	**161,921**	**(201,865)**	**(39,944)**
Restricted funds			
Long Term Leasehold Property	**-**	**(46,147)**	**(46,147)**
Leasehold Property Improvements	**-**	**(1,159)**	**(1,159)**
Appeal Income	**-**	**(8,364)**	**(8,364)**
Veolia Environmental Trust	**-**	**(4,615)**	**(4,615)**
Awards for All	**9,992**	**(2,498)**	**7,494**
	9,992	**(62,783)**	**(52,791)**
TOTAL FUNDS	**171,913**	**(264,648)**	**(92,735)**

continued...

17. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.20 £	Net movement in funds £	At 31.3.21 £
Unrestricted funds			
General fund	164,954	881	165,835
Designated	12,433	-	12,433
	177,387	881	178,268
Restricted funds			
Long Term Leasehold Property	540,950	(49,815)	491,135
Appeal Income	54,786	31,638	86,424
Veolia Environmental Trust	-	70,834	70,834
	595,736	52,657	648,393
TOTAL FUNDS	773,123	53,538	826,661

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	181,571	(180,690)	881
Restricted funds			
Fowler Smith and Jones Grant	3,000	(3,000)	-
London Borough of Havering	13,780	(13,780)	-
Long Term Leasehold Property	-	(49,815)	(49,815)
Appeal Income	31,638	-	31,638
Small Core Delivery Grants	11,500	(11,500)	-
Big Lottery Coronavirus Support Fund	48,000	(48,000)	-
Veolia Environmental Trust	70,834	-	70,834
	178,752	(126,095)	52,657
TOTAL FUNDS	360,323	(306,785)	53,538

continued...

17. MOVEMENT IN FUNDS - continued

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

	At 1.4.20 £	Net movement in funds £	At 31.3.22 £
Unrestricted funds			
General fund	164,954	(39,063)	125,891
Designated	12,433	-	12,433
	177,387	(39,063)	138,324
Restricted funds			
Long Term Leasehold Property	540,950	(95,962)	444,988
Leasehold Property Improvements	-	(1,159)	(1,159)
Appeal Income	54,786	23,274	78,060
Veolia Environmental Trust	-	66,219	66,219
Awards for All	-	7,494	7,494
	595,736	(134)	595,602
TOTAL FUNDS	773,123	(39,197)	733,926

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	343,492	(382,555)	(39,063)
Restricted funds			
Fowler Smith and Jones Grant	3,000	(3,000)	-
London Borough of Havering	13,780	(13,780)	-
Long Term Leasehold Property	-	(95,962)	(95,962)
Leasehold Property Improvements	-	(1,159)	(1,159)
Appeal Income	31,638	(8,364)	23,274
Small Core Delivery Grants	11,500	(11,500)	-
Big Lottery Coronavirus Support Fund	48,000	(48,000)	-
Veolia Environmental Trust	70,834	(4,615)	66,219
Awards for All	9,992	(2,498)	7,494
	188,744	(188,878)	(134)
TOTAL FUNDS	532,236	(571,433)	(39,197)

LONGTERM LEASEHOLD

The long-term leasehold property fund relates to the refurbishment of the premises used by the charity, which is being depreciated over 25 years. During the year, depreciation of £46,147 was charged (2021: £46,147).

continued...

17. MOVEMENT IN FUNDS - continued

The net book value of the property at the year end was £443,830 (2021: £489,977).

APPEAL INCOME
The appeal income fund has been created to establish a means of supporting the ongoing charitable activities of First Step.

DESIGNATED FUNDS

The unrestricted 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 £	Incoming Resources £	Resources Expended £	Balance at 31 March 2022 £
Sick pay provision	10,000	-	-	10,000
Building / maintenance costs	2,433	-	-	2,433
	12,433			12,433

The sick pay provision is a contingency fund to provide financial support to the charity for staff who are on long term sick leave.

The building / maintenance costs fund has been established to contribute towards any costs incurred in relation to the improvement or upkeep of the charity's premises. The opening balance of £2,433 was originally designated by the trustees to provide for new quadrangles, but has been re-designated during the year.

18. RELATED PARTY DISCLOSURES

Some work was carried out during the year involving adjustments to the property lease. The work was carried out by a firm of solicitors in which a trustee is a member. This work was provided on a pro bono basis.

FIRST STEP OPPORTUNITY GROUP

England & Wales - Charity number 1106002

Accounts

REGISTERED COMPANY NUMBER: 04767369 (England and Wales)
REGISTERED CHARITY NUMBER: 1106002

REPORT OF THE TRUSTEES AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

FOR

FIRST STEP OPPORTUNITY GROUP

Clemence Hoar Cummings
Chartered Accountants
Riverside House
1-5 Como Street
Romford
Essex
RM7 7DN

FIRST STEP OPPORTUNITY GROUP

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FOR THE YEAR ENDED 31 MARCH 2021

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charity's objectives are:

To provide babies and pre school children with special needs and/or disabilities, residing in the London Borough of Havering, an opportunity for educational development in a caring environment through a wide range of play activities and experiences. To offer families of such children support, information and advice, in a friendly atmosphere of trust and confidentiality.

Our aims here at First Step are to:

1. Continuously improve good practice for the delivery of services for babies and children with special needs and/or disabilities within First Step and with other service providers.
2. Provide support to parents/carers and to empower them to sustain a good quality of life for their families in the long term.
3. Maintain a high quality team of staff and volunteers who feel valued and who are motivated, skilled and adaptable.
4. Have continuous financial stability.
5. Ensure an excellent quality of service through the highest standards of leadership and governance.

Alongside these, we have identified four additional areas of need:
1. To ensure that local need is accurately identified and services developed to meet the need
2. To ensure that services are inclusive
3. To ensure that service users and staff are safeguarded appropriately
4. To ensure that staff and service users are fully involved in the design, delivery and evaluation of services.

Significant activities

We offer a range of holistic and tailored services for young children with special needs and/or disabilities and their families. These include:
- Family Support: Family Groups, Peer Support, Welfare Benefits Advice, Information and Guidance, General Support, School Holiday Activities.

Main activities undertaken to further the Charity's purposes for public benefit

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake, and are satisfied that the above activities meet the public benefit requirements.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The global pandemic has had an unprecedented impact into every area of life, and that has included Corporates, Individuals, Families and of course Charities. We met with a group of our supporters on the 11th March 2020 and mapped out our plans for the coming years. Whilst COVID 19 was on the horizon, at that stage, Government messaging was that they would turn the tide within 13 weeks. It was somewhat of a shock to find that by the 26th March, just over two weeks later, we found ourselves in lockdown, and across the country schools were closed and employees were either working from home or on furlough.

First Step immediately recognised that the impact of the pandemic would be even more severe for the families of babies and young children with special needs that we work with as their normal channels of support would be disrupted, including the vital support that many extended family members offered, particularly grandparents, was simply not advisable or possible. The challenges of being indoors with no respite and little support would have a devastating impact, and one parent spoke to us of the difficulties they faced in a multi-story block of flats. They spoke of the daily meltdowns that their autistic child had as even the local park with swings, slides and roundabouts that were an intrinsic part of their daily routine were now 'out of bounds' and caused a daily meltdown as they tried to find other ways of releasing the frustrations of being cooped up in a two bedroom flat with no garden.

We quickly established new protocols for working on a remote basis, strengthened our remote access to our computer networks so we had full access to our emails and arranged for our telephones to be diverted to mobiles. We considered the Safeguarding issues associated with remote working and put in place protocols to keep staff and families safe.

To ensure that we had appropriate and secure data access and sharing, our Early Years Leader developed a COVID 19 database where all interactions were recorded on a family by family basis along with contact details so that if staff went down with COVID, the work could be picked up by others and continuity would be preserved.

We made sure that families were called on a regular basis so that we could ensure that all children and families were safe and free from the risk of harm. We were particularly mindful of the potential for emotional and physical exhaustion, and the potential of emotionally charged situations leading to relationship breakdown and domestic violence, and if there were indicators, we would strengthen our engagement and liaise with other professionals - if they could be contacted which was a significant problem.

During the period of April 2020 to December 2020, over 4,300 interactions were recorded on our COVID 19 database with the 68 families we directly supported. This was achieved through a range of media that included email, WhatsApp, individual Zoom sessions, group Zoom sessions and telephone support. The incoming telephone line to First Step was monitored 24/7 throughout this time, offering a triage service which meant that we could ensure our frontline staff were not at risk of becoming exhausted or overwhelmed.

Our families expressed their gratefulness for the remote services that were offered, and often said that First Step's support was the only support available during this period and they wouldn't have survived without it as there was extremely limited support available through the already sparse services that the Local Authority and Health offer. They also highlighted that virtual support was a shadow of the value of face to face sessions.

In November 2020, we resumed individual family face-to-face sessions with families using 4 rooms that were aired and sanitised between uses, and by the end of this financial year we were preparing to resume our group family support sessions.

Once again, over the year, First Step has provided services and/or support to over 100 children and their families, covering a diverse range of conditions, special needs and disabilities. We continue to support many of our families who have attended First Step over the past 32 years and we are often told that families never leave from First Step, and that we are who they turn to for support when they face difficulties.

We continue to work in partnership with professionals from many of the teams within the London Borough of Havering and NELFT. These include Health Visitors, Children and Adults with Disability Team 0 - 5, specialist health professionals, physiotherapy, speech and language and nutrition, occupational health, dentistry and a wide range of other professionals from education, social services, the Welfare Rights Unit and local voluntary organisations.

We continue to play a full and active part within the borough and beyond, with representatives that sit on the SEND Executive Board, The Early Help Partnership, Multi-Agency Meetings and the NELFT Strategic Patient Experience Partnership where we seek to ensure that we do everything we can to ensure the voice of families with children with special needs and/or disabilities is heard.

In October 2020, ITN News visited First Step and featured our work on News at Ten, and in particular the difficulties that our families faced as a consequence of COVID 19, and also, our CEO was interviewed by Radio 5.

Sadly, having supported our Educational Services from reserves since April 2017 when the Local Authority removed the last of their funding, it has each year since been reported in our annual Trustees Report that it was recognised that this could not be sustained indefinitely as reserves are a finite resource. We were left with no alternative but to close Educational Services with effect from the 31st August 2020, and regretfully, 7 staff members were made redundant. We thank each and every one of them for the caring and professional support that they have given to so many children and families over the years that they have worked for First Step. Whilst it was a painful and difficult decision, failure to take this course of action, would have threatened the viability of First Step's core service which is family support.

With the onset of COVID 19, we had no alternative but to pause the work on the proposed Social Enterprise, as the pandemic meant that contractors could not undertake the work and there were significant problems in the supply chain. We will review this as things return to normal, and it becomes clearer what the requirements of a post COVID world will be.

The financial reports that follow show that we have restricted funds held of £86,424 from Appeal Income to establish a means of supporting the ongoing work of First Step, and additional Grant Funding that will fund necessary building improvements.

Throughout this very difficult year there have been a number of key things that have sustained First Step.

Firstly, the Furlough Scheme which was superseded by the Flexible Furlough Scheme enabled us to blend staff who worked full time throughout the pandemic to maintain family support and basic operational systems and fundraising, with staff who were initially furloughed brought back into work as the need grew. By September 2020 all but one of our reduced staff team and many of our volunteers returned to working in the building, which was vital to swell the support that was offered to our families.

Secondly, in July 2020 there was an early grant from Fowler Smith and Jones, a long-term funder of First Step, which gave us the flexibility to fund necessary developments and to continue to provide the remote COVID 19 support. We were then awarded a £48,000 grant from the Coronavirus Community Support Fund supported by HM Government and The National Lottery Community Fund to fund our COVID 19 services for six months up to 31st March 2021.

Thirdly, so many of our supporters dug deep and gave generously. There are too many to thank individually, but there were significant donations from the following Service Groups, Community Groups, Corporates and Local Businesses:

Upminster Methodist Church
All Saints Church Cranham
Little Angels Mother and Toddlers Group
Quizzes for Charity
Rotary Club of Hornchurch and Upminster
Rotary Club of Havering East
Hornchurch 41
Hornchurch Round Table
Upminster and Cranham Residents Association

Clarkes Carpets
West & Coe
CRA
Lehman Brothers
Barclays Bank

Additionally, there were a whole range of personal donations from individuals that ranged from £5,000 down to a few pounds. It is not appropriate to highlight them individually, but every donation big and small is a vital part of enabling families and children to be supported. Of course, this also included donations made for the London Virgin Marathon runners, which although postponed to a virtual event in October 2021, the donors generously agreed for their donations to stand.

Our growing band of committed givers who donate regular monthly payments of between £5 and £250, continued to give throughout the pandemic.

Whilst our normal fundraising events could not take place, we did run online Christmas and Easter Raffles. Once again, our many supporters across the country engaged wholeheartedly and the raffles together raised over £6,000.

On behalf of every family that has being supported in the past, those that are currently being supported, and those that will receive support in the future, we want to most sincerely thank all who support First Step, for your generous and sacrificial giving.

We thank Clemence Hoar Cummings Accountants for their professional services. In addition, we thank Redbourn Business Systems for their generous support with our fundraising software at well below the market rate, Lead Generation Websites who during the year redesigned and maintained our website at highly subsidised rates, The FSI and the Havering Volunteer Centre, all of whom continue to generously provide support for the organisation.

Our Patrons, Gill Hare M.B.E, Jeremy West M.B.E, Tim Clarke and Gerry Byrne continue to actively support and visibly campaign, increasing the awareness of First Step and for this we are most grateful. Margaret Williams continues to actively support the Charity through her Governance expertise and with regard to Friends of First Step.

We recognise and sincerely thank all the individuals, companies and organisations for giving their time, encouragement and financial support, and for their efforts to raise the profile and share the vision of First Step.

We recognise our valued ongoing relationships with Grove & Dean Insurance Company, The Mall Romford, McDonalds Romford, Sainsbury's Hornchurch, The Hornchurch Town Team, West & Coe, Tesco and Clarkes Carpets along with our local Ward Councillors who also actively support First Step.

Our sincere thanks go to all our friends in the community, the service groups, lodges, clubs, associations, teams, foundations fundraisers, supporters, volunteers and grant giving bodies, for their continued commitment, energy and shared values, without whom we would not be able to provide our services.

We remain concerned with the reduction in support that is being provided to families directly by the local authority as that compounds the total reduction in service provision when added to the reduction in funding to the voluntary sector. Whilst cuts like these are not limited to First Step or even Havering, the reduction in support is a worrying trend for some of the most vulnerable members of our society. The advent of COVID 19 has only increased further these concerns.

Since the withdrawal of local authority funding, First Step has raised its voice to highlight the challenges families of children with special needs and/or disabilities may face. We are now committed to informing and influencing the highest levels within the local authority, health and when possible government.

Our charity objectives remain under review along with further development of our Theory of Change and Organisational Purpose. Work is ongoing, and there will be more to share in the coming months.

FINANCIAL REVIEW

Financial position

Total incoming and outgoing resources for the year are shown below, and the unrestricted net surplus for the year was £881.

	2020-21 Unrestricted Funds	2020-21 Restricted Funds	2020-21 Total Funds	2019-20 Total Funds
Income	£181,571	£178,752	£360,323	£268,238
Expenditure	£180,690	£126,095	£306,785	£362,108
Surplus/Deficit	£ 881	£ 52,657	£ 53,538	(£93,870)

There was no designated Income or Expenditure in either year.

The deficit budget that has consciously been set by Trustees since the withdrawal of funding from the Local Authority at the end of March 2017, continues to impact these figures

A full review of the financial position of the charity can be found on the following financial statements.

Principal funding sources

The charity's principal funding is generated through fundraising and donations.

This year we received grant funding from HM Government/The National Lottery Community Fund, Dalby Charitable Trust, Fowler Smith & Jones, The Cazenove Charitable Trust, John & Diana Kemp-Welch Charitable Trust, The Henderson Family Charitable Trust, The Loveday Charitable Trust, Anthony Hornby Charitable Trust, Lester Trust Fund, and David Wentworth Stanley Charitable Trust.

During the year management and trustees have and will continue to develop specific areas including:

1. Strong fundraising campaigns, including corporate partners and individual donors
2. A more compelling income generating strategy and story
3. Sharply focused financial reporting and planning
4. Quantifying the impact of the work we undertake with young children and families

Subcommittees made up of staff and trustees meet regularly to review and develop strategy in the areas of governance, service delivery, finance, marketing and communications, and human resources and then report to the main committee.

Reserves policy

First Step continues to be aware of the need to ensure that reserves are correctly invested and that they receive the optimum interest rate in this area, without risk.

The charity trustees have adopted a reserves policy whereby the charity needs to have a minimum of 4 months operating costs if no income further income were to be received, to ensure we have the funds to cover any redundancy costs and closure expenses. Trustees are aware that current reserves are 12 months, which they believe is prudent as there is a great deal of uncertainty of income together with the potential of other circumstances beyond their control during 2021-22. It would be the trustee's intention to build back the level of support offered to our families and children over the coming years in a sustainable manner, and in doing so the current level of reserves will decrease.

FUTURE PLANS

First Step remains a unique resource in Havering and when the reduction in services by the local authority, health and other charities are taken into account, our provision is more vital than ever. Our future operations will continue to be carefully planned around the needs of the children and families. Our aim is to maintain as high a level of service as is practical in the funding climate, but during 2020/21 we will need to ensure that we continue to balance service delivery with the financial wellbeing and sustainability of First Step.
Our foremost priority is building back the support that was lost during COVID 19, and also swelling our Service Delivery as funding streams are developed.

The difficult but necessary decision to end Educational Services, has without doubt, secured and stabilised the immediate future of First Step, giving us breathing space in which to plan how best to develop services in the future.

We have some significant grant applications underway, and there is the potential for multi-year funding for our core service of family support. However, we cannot plan on the basis of that until the award is won, and the significant grants are subject to many levels of scrutiny and approval before they are awarded.

Development of the Social Enterprise or another source of long term baseline funding for First Step remains a priority, and we are watching and investigating the market to ensure we proceed in the right way taking into account the uncertainty with the pandemic, the possible trend towards changed working patterns including working from home, and the financial pressures there are likely to be in the economy as the nation seeks to move forward into what is unfortunately often called the 'new normal'.

There is no doubt in our minds that First Step offers support that is simply not available elsewhere and there is a huge and growing need for families of children with special needs and/or to be supported. We are committed to building back better, and we will do everything possible to ensure the support remains for generations to come.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

Charity constitution

The Company is registered as a Charitable Company limited by guarantee and was set up by a Memorandum of Association.

Members of the Company guarantee that in the event of the Company's insolvency and if requested, each member will contribute to its liabilities to a maximum of £1.00.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

None of the trustees have any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1.00 in the event of a winding up.

First Step is committed to enabling and supporting its trustees to fulfil the 12 essential board responsibilities as identified by the National Council for Voluntary Organisations (NCVO):

- Determine the organisation's mission and vision
- Engage in strategic planning
- Formulate needed policies
- Approve and monitor the organisation's programmes and services
- Ensure adequate financial resources
- Provide effective fiscal oversight and ensure sound risk management
- Carefully select and induct new board members
- Carry out board business efficiently
- Select and support the chief executive officer and review his performance
- Act as a responsible employer
- Understand and respect the relationship between board and staff

There is an expectation that trustees will attend training or courses that are agreed, as part of their commitment and responsibility to their role.

Discussions are held with the Chair of trustees or CEO and new trustees to identify specific training needs. New trustees are:

- Given a pack of information on the organisation of First Step and all relevant paperwork to support their role

- Invited to First Step to observe some of the sessions and meet staff

- Have discussions with the Chair of Trustees and CEO to identify training or support needs

- Asked to complete a checklist relative to First Step when they join and another in 3/4 months and have a review meeting with the Chair of trustees and CEO

- Given the opportunity to meet with and get to know other trustees in the social time allocated before the start of the formal business meetings

- Given information on training provided by relevant organisations

The general governance of the charity is the responsibility of the trustees, however the day to day operation is delegated to the CEO. The CEO will take any matters of variation to trustees' meetings for decision making.

Control procedures are in place to cover all areas of risk, i.e. Strategic, Operational, Financial, Regulatory, Human Resource and Reputational. The comprehensive Risk Management Schedule is continuously reviewed and updated to support Trustees in the monitoring process of these areas.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
04767369 (England and Wales)

Registered Charity number
1106002

Registered office
Tangmere Crescent
Hornchurch
Essex
RM12 5PP

Trustees
R McCorry - Joint Chair
G Webb
B Anderson
C Coe
B Peters - Treasurer
L Van Den Hende
N Sawyer
S Williamson
C Pugh
M Flower
E Cody (appointed 12/12/2020)
L Topps (appointed 26/7/2021)

Independent Examiner
Clemence Hoar Cummings
Chartered Accountants
Riverside House
1-5 Como Street
Romford
Essex
RM7 7DN

Approved by order of the board of trustees on 20th Jan 2022 and signed on its behalf by:

.....
R McCorry - Joint Chair - Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF FIRST STEP OPPORTUNITY GROUP

Independent examiner's report to the trustees of First Step Opportunity Group ('the Company')
I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2021.

Responsibilities and basis of report
As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement
Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of FCCA CTA which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

LBL

Lee Blunden
FCCA CTA
Clemence Hoar Cummings
Chartered Accountants
Riverside House
1-5 Como Street
Romford
Essex
RM7 7DN

Date: 24 January 2022

FIRST STEP OPPORTUNITY GROUP

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds £	Restricted funds £	**2021 Total funds £**	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	**105,151**	**164,972**	**270,123**	174,530
Charitable activities	5				
Educational services		**-**	**13,780**	**13,780**	54,850
Family support		**-**	**-**	**-**	2,535
Holiday sessions		**-**	**-**	**-**	830
Other trading activities	3	**12,666**	**-**	**12,666**	34,675
Investment income	4	**426**	**-**	**426**	818
Other income	6	**63,328**	**-**	**63,328**	-
Total		**181,571**	**178,752**	**360,323**	268,238
EXPENDITURE ON					
Raising funds		**61,552**	**2,491**	**64,043**	49,874
Charitable activities	7				
Educational services		**90,275**	**38,979**	**129,254**	207,069
Family support		**18,852**	**82,201**	**101,053**	86,819
Holiday sessions		**10,011**	**2,424**	**12,435**	18,346
.		**-**	**-**	**-**	-
Total		**180,690**	**126,095**	**306,785**	362,108
NET INCOME/(EXPENDITURE)		**881**	**52,657**	**53,538**	(93,870)
RECONCILIATION OF FUNDS					
Total funds brought forward		**177,387**	**595,736**	**773,123**	866,993
TOTAL FUNDS CARRIED FORWARD		**178,268**	**648,393**	**826,661**	773,123

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
31 MARCH 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible assets	13	**491,789**	542,162
CURRENT ASSETS			
Debtors	14	**7,070**	1,143
Cash at bank and in hand		**349,864**	243,110
		356,934	244,253
CREDITORS			
Amounts falling due within one year	15	**(22,062)**	(13,292)
NET CURRENT ASSETS		**334,872**	230,961
TOTAL ASSETS LESS CURRENT LIABILITIES		**826,661**	773,123
NET ASSETS		**826,661**	773,123
FUNDS	17		
Unrestricted funds		**178,268**	177,387
Restricted funds		**648,393**	595,736
TOTAL FUNDS		**826,661**	773,123

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2021 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

(a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and

(b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The notes form part of these financial statements

continued...

STATEMENT OF FINANCIAL POSITION - continued
31 MARCH 2021

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

The financial statements were approved by the Board of Trustees and authorised for issue on 20th Jan 2022 and were signed on its behalf by:

R McCorry - Joint Chair - Trustee

B Peters - Treasurer - Trustee

The notes form part of these financial statements

1. ACCOUNTING POLICIES

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

Company status
The Company is limited by guarantee. The members of the Company are the Trustees named on page 1. In the event of the Company being wound up, the liability in respect of the guarantee is limited to £1 per member of the Company.

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

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probable has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from an estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Company, or the Company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Grants receivable and Local Authority fees credited to the Statement of Financial Activities (SoFA) in the year in which they are receivable. Income is deferred only when the Charity has to fulfil conditions becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the bassi of the value of the gift to the Company which is the amount the Company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

continued...

1. ACCOUNTING POLICIES - continued

Expenditure
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is 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. Shared costs which contribute to more than one activity and support cost which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

Interest receivable
Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

Operating leases
Rentals under operating leases are charged to the Statement of Financial Activities incorporating income and expenditure account on a straight line basis over the lease term.

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

Leasehold property	- 4% on cost
Property additions	- 20% on cost
Fixtures and fittings	- 25% on cost
Motor vehicles	- 25% on cost

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

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

Liabilities and Provisions
Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

continued...

1. ACCOUNTING POLICIES - continued

Taxation
The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a Charitable Company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Fund accounting

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

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

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

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

Pensions
The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

2. DONATIONS AND LEGACIES

	2021	2020
	£	£
Corporate donations	**27,168**	31,613
Donations and gift aid	**77,984**	73,131
Appeal	**31,638**	54,786
Voluntary grants	**133,333**	15,000
	270,123	174,530

3. OTHER TRADING ACTIVITIES

	2021	2020
	£	£
Fundraising events	**7,666**	28,687
Hall hire and services	**5,000**	5,988
	12,666	34,675

continued...

4. INVESTMENT INCOME

	2021	2020
	£	£
Deposit account interest	**426**	818

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2021	2020
		£	£
Grants	Educational services	**13,780**	51,399
Other income	Educational services	**-**	3,451
	Family support		
Other income			
		-	2,535
	Holiday sessions		
Other income			
		-	830
		13,780	58,215

6. OTHER INCOME

	2021	2020
	£	£
JRS income	**59,287**	-
Other income	**4,041**	-
	63,328	-

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 8)	Support costs	Totals
	£	£	£
Educational services	**126,469**	**2,785**	**129,254**
Family support			
	98,876	**2,177**	**101,053**
Holiday sessions			
	12,167	**268**	**12,435**
	237,512	**5,230**	**242,742**

continued...

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2021	2020
	£	£
Staff costs	**131,847**	210,589
Other costs	**57,810**	46,680
Depreciation	**47,855**	50,380
	237,512	307,649

9. NET INCOME/(EXPENDITURE)

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

	2021	2020
	£	£
Depreciation - owned assets	**50,373**	53,033
Independent examiner's fees	**3,419**	4,332

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2021 nor for the year ended 31 March 2020.

11. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	**172,635**	231,029
	172,635	231,029

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the Trustees and M Halls, Chief Executive Officer. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £48,738 (2020: £46,166)

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

	2021	2020
Total	**6**	9

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

continued...

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - 31 MARCH 2020

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	119,744	54,786	174,530
Charitable activities			
Educational services	3,451	51,399	54,850
Family support	2,535	-	2,535
Holiday sessions	830	-	830
Other trading activities	34,675	-	34,675
Investment income	818	-	818
Total	162,053	106,185	268,238
EXPENDITURE ON			
Raising funds	47,250	2,624	49,874
Charitable activities			
Educational services	121,074	85,995	207,069
Family support	72,314	14,505	86,819
Holiday sessions	15,345	3,001	18,346
.	-	-	-
Total	255,983	106,125	362,108
NET INCOME/(EXPENDITURE)	(93,930)	60	(93,870)
Transfers between funds	13,000	(13,000)	-
Net movement in funds	(80,930)	(12,940)	(93,870)
RECONCILIATION OF FUNDS			
Total funds brought forward	258,317	608,676	866,993
TOTAL FUNDS CARRIED FORWARD	177,387	595,736	773,123

continued...

13. TANGIBLE FIXED ASSETS

	Leasehold property £	Property additions £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 April 2020 and 31 March 2021	**1,153,673**	**31,630**	**106,992**	**42,903**	**1,335,198**
DEPRECIATION					
At 1 April 2020	**617,550**	**26,803**	**105,780**	**42,903**	**793,036**
Charge for year	**46,146**	**3,667**	**560**	**-**	**50,373**
At 31 March 2021	**663,696**	**30,470**	**106,340**	**42,903**	**843,409**
NET BOOK VALUE					
At 31 March 2021	**489,977**	**1,160**	**652**	**-**	**491,789**
At 31 March 2020	536,123	4,827	1,212	-	542,162

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	**-**	151
Other debtors	**797**	992
Prepayments and accrued income	**6,273**	-
	7,070	1,143

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	**6,246**	6,522
Accruals and deferred income	**15,816**	6,770
	22,062	13,292

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Fixed assets	**652**	**491,137**	**491,789**	542,162
Current assets	**199,678**	**157,256**	**356,934**	244,253
Current liabilities	**(22,062)**	**-**	**(22,062)**	(13,292)
	178,268	**648,393**	**826,661**	773,123

Included in restricted funds is a long-term leasehold property with a net book value of £489,977 (2020: £536,124). The basis of the property being in restricted funds is that the terms of the 25 year lease on the property specify certain restrictions on its use by the charity.

The original expenditure on the property was £1,153,673 and this related to the refurbishment of the property. The charity raised the necessary funds to pay for this. The expenditure was capitalised and is now being depreciated over the lease term of 25 years.

continued...

17. MOVEMENT IN FUNDS

	At 1.4.20 £	Net movement in funds £	At 31.3.21 £
Unrestricted funds			
General fund	**164,954**	**881**	**165,835**
Designated	**12,433**	**-**	**12,433**
	177,387	**881**	**178,268**
Restricted funds			
Long Term Leasehold Property	**540,950**	**(49,815)**	**491,135**
Appeal Income	**54,786**	**31,638**	**86,424**
Veolia Environmental Trust	**-**	**70,834**	**70,834**
	595,736	**52,657**	**648,393**
TOTAL FUNDS	**773,123**	**53,538**	**826,661**

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	**181,571**	**(180,690)**	**881**
Restricted funds			
Fowler Smith and Jones Grant	**3,000**	**(3,000)**	**-**
London Borough of Havering	**13,780**	**(13,780)**	**-**
Long Term Leasehold Property	**-**	**(49,815)**	**(49,815)**
Appeal Income	**31,638**	**-**	**31,638**
Small Core Delivery Grants	**11,500**	**(11,500)**	**-**
Big Lottery Coronavirus Support Fund	**48,000**	**(48,000)**	**-**
Veolia Environmental Trust	**70,834**	**-**	**70,834**
	178,752	**(126,095)**	**52,657**
TOTAL FUNDS	**360,323**	**(306,785)**	**53,538**

continued...

17. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.19 £	Net movement in funds £	Transfers between funds £	At 31.3.20 £
Unrestricted funds				
General fund	245,884	(93,930)	13,000	164,954
Designated	12,433	-	-	12,433
	258,317	(93,930)	13,000	177,387
Restricted funds				
Echo Playroom Equipment	650	(650)	-	-
HSBC - Building Upgrades	1,603	(1,603)	-	-
Havering Mayor - Equipment and Toys	13,000	-	(13,000)	-
Long Term Leasehold Property	593,423	(52,473)	-	540,950
Appeal Income	-	54,786	-	54,786
	608,676	60	(13,000)	595,736
TOTAL FUNDS	866,993	(93,870)	-	773,123

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	162,053	(255,983)	(93,930)
Restricted funds			
Echo Playroom Equipment	-	(650)	(650)
London Borough of Havering	51,399	(51,399)	-
HSBC - Building Upgrades	-	(1,603)	(1,603)
Long Term Leasehold Property	-	(52,473)	(52,473)
Appeal Income	54,786	-	54,786
	106,185	(106,125)	60
TOTAL FUNDS	268,238	(362,108)	(93,870)

continued...

17. MOVEMENT IN FUNDS - continued

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

	At 1.4.19 £	Net movement in funds £	Transfers between funds £	At 31.3.21 £
Unrestricted funds				
General fund	245,884	(93,049)	13,000	165,835
Designated	12,433	-	-	12,433
	258,317	(93,049)	13,000	178,268
Restricted funds				
Echo Playroom Equipment	650	(650)	-	-
HSBC - Building Upgrades	1,603	(1,603)	-	-
Havering Mayor - Equipment and Toys	13,000	-	(13,000)	-
Long Term Leasehold Property	593,423	(102,288)	-	491,135
Appeal Income	-	86,424	-	86,424
Veolia Environmental Trust	-	70,834	-	70,834
	608,676	52,717	(13,000)	648,393
TOTAL FUNDS	866,993	(40,332)	-	826,661

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	343,624	(436,673)	(93,049)
Restricted funds			
Fowler Smith and Jones Grant	3,000	(3,000)	-
Echo Playroom Equipment	-	(650)	(650)
London Borough of Havering	65,179	(65,179)	-
HSBC - Building Upgrades	-	(1,603)	(1,603)
Long Term Leasehold Property	-	(102,288)	(102,288)
Appeal Income	86,424	-	86,424
Small Core Delivery Grants	11,500	(11,500)	-
Big Lottery Coronavirus Support Fund	48,000	(48,000)	-
Veolia Environmental Trust	70,834	-	70,834
	284,937	(232,220)	52,717
TOTAL FUNDS	628,561	(668,893)	(40,332)

LONGTERM LEASEHOLD

The long-term leasehold property fund relates to the refurbishment of the premises used by the charity, which is being depreciated over 25 years. During the year, depreciation of £46,147 was charged (2020: £46,147).
The net book value of the property at the year end was £489,977 (2020: £536,124).

APPEAL INCOME

17. MOVEMENT IN FUNDS - continued

The appeal income fund has been created to establish a means of supporting the ongoing charitable activities of First Step.

DESIGNATED FUNDS

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

	Balance at 1 April 2020 £	Incoming Resources £	Resources Expended £	Balance at 31 March 2021 £
Sick pay provision	**10,000**	-	-	**10,000**
Building / maintenance costs	**2,433**	-	-	**2,433**
	12,433			**12,433**

The sick pay provision is a contingency fund to provide financial support to the charity for staff who are on long term sick leave.

The building / maintenance costs fund has been established to contribute towards any costs incurred in relation to the improvement or upkeep of the charity's premises. The opening balance of £2,433 was originally designated by the trustees to provide for new quadrangles, but has been re-designated during the year.

18. RELATED PARTY DISCLOSURES

Some work was carried out during the year involving adjustments to the property lease. The work was carried out by a firm of solicitors in which a trustee is a member. This work was provided on a pro bono basis.