

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
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RM7 7DN

FIRST STEP OPPORTUNITY GROUP
CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

	Page
Report of the Trustees	1 to 8
Independent Examiner's Report	9
Statement of Financial Activities	10
Statement of Financial Position	11 to 12
Notes to the Financial Statements	13 to 23

FIRST STEP OPPORTUNITY GROUP
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

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.

FIRST STEP OPPORTUNITY GROUP
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

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 liaison 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.

FIRST STEP OPPORTUNITY GROUP
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

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

FIRST STEP OPPORTUNITY GROUP
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

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.

FIRST STEP OPPORTUNITY GROUP
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

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.

FIRST STEP OPPORTUNITY GROUP
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

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.

FIRST STEP OPPORTUNITY GROUP
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

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

FIRST STEP OPPORTUNITY GROUP
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021


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.



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


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 and were signed on its behalf by:

20th Jan 2022

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


.....
B Peters - Treasurer - Trustee

FIRST STEP OPPORTUNITY GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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 basis 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.

FIRST STEP OPPORTUNITY GROUP

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

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.

FIRST STEP OPPORTUNITY GROUP

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

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

FIRST STEP OPPORTUNITY GROUP

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

4. INVESTMENT INCOME

	2021	2020
	£	£
Deposit account interest	426	818

5. INCOME FROM CHARITABLE ACTIVITIES

		2021	2020
	Activity	£	£
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

FIRST STEP OPPORTUNITY GROUP

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

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
	<u>237,512</u>	<u>307,649</u>

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
	<u>3,419</u>	<u>4,332</u>

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
	<u>172,635</u>	<u>231,029</u>

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
	6	9
Total	<u>6</u>	<u>9</u>

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

FIRST STEP OPPORTUNITY GROUP

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

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

FIRST STEP OPPORTUNITY GROUP

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

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.

FIRST STEP OPPORTUNITY GROUP

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

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
	<u>177,387</u>	<u>881</u>	<u>178,268</u>
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
	<u>595,736</u>	<u>52,657</u>	<u>648,393</u>
TOTAL FUNDS	<u>773,123</u>	<u>53,538</u>	<u>826,661</u>

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
	<u>178,752</u>	<u>(126,095)</u>	<u>52,657</u>
TOTAL FUNDS	<u>360,323</u>	<u>(306,785)</u>	<u>53,538</u>

FIRST STEP OPPORTUNITY GROUP

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

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	<u>866,993</u>	<u>(93,870)</u>	<u>-</u>	<u>773,123</u>

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	<u>268,238</u>	<u>(362,108)</u>	<u>(93,870)</u>

FIRST STEP OPPORTUNITY GROUP

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

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
	<u>258,317</u>	<u>(93,049)</u>	<u>13,000</u>	<u>178,268</u>
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
	<u>608,676</u>	<u>52,717</u>	<u>(13,000)</u>	<u>648,393</u>
TOTAL FUNDS	<u>866,993</u>	<u>(40,332)</u>	<u>-</u>	<u>826,661</u>

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

	Incoming resources £	Resources expended £	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
	<u>284,937</u>	<u>(232,220)</u>	<u>52,717</u>
TOTAL FUNDS	<u>628,561</u>	<u>(668,893)</u>	<u>(40,332)</u>

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

FIRST STEP OPPORTUNITY GROUP

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

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.