

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

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.

FIRST STEP OPPORTUNITY GROUP
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2022

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

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.

FIRST STEP OPPORTUNITY GROUP
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2022

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.

FIRST STEP OPPORTUNITY GROUP
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2022

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.

FIRST STEP OPPORTUNITY GROUP
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2022

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 of 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.

FIRST STEP OPPORTUNITY GROUP
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2022

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 31ST MARCH 2022

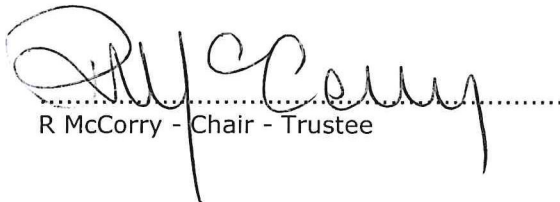
Trustees

R McCorry - 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
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		<u>161,921</u>	<u>9,992</u>	<u>171,913</u>	<u>360,323</u>
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		<u>201,865</u>	<u>62,783</u>	<u>264,648</u>	<u>306,785</u>
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		<u>138,324</u>	<u>595,602</u>	<u>733,926</u>	<u>826,661</u>

The notes form part of these financial statements

FIRST STEP OPPORTUNITY GROUP (REGISTERED NUMBER: 04767369)

**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

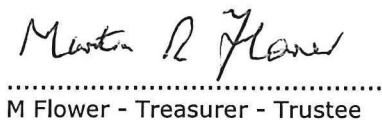
FIRST STEP OPPORTUNITY GROUP (REGISTERED NUMBER: 04767369)

**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

The notes form part of these financial statements

FIRST STEP OPPORTUNITY GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022

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 31ST MARCH 2022

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 31ST MARCH 2022

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
	<u>128,957</u>	<u>270,123</u>

3. OTHER TRADING ACTIVITIES

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

FIRST STEP OPPORTUNITY GROUP
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2022

4. INVESTMENT INCOME

	2022	2021
	£	£
Deposit account interest	<u>94</u>	<u>426</u>

5. INCOME FROM CHARITABLE ACTIVITIES

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

6. OTHER INCOME

	2022	2021
	£	£
JRS income	4,934	59,287
Other income	<u>4,048</u>	<u>4,041</u>
	<u>8,982</u>	<u>63,328</u>

7. CHARITABLE ACTIVITIES COSTS

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

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

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

FIRST STEP OPPORTUNITY GROUP

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2022**

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	<u>3,637</u>	<u>3,419</u>

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	<u>134,018</u>	<u>172,635</u>
	<u>134,018</u>	<u>172,635</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 £52,566 (2021: £48,738)

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

	2022	2021
	<u>4</u>	<u>6</u>
Total		

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	<u>63,328</u>	<u>-</u>	<u>63,328</u>
Total	<u>181,571</u>	<u>178,752</u>	<u>360,323</u>

FIRST STEP OPPORTUNITY GROUP

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2022**

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	<u>10,011</u>	<u>2,424</u>	<u>12,435</u>
Total	<u>180,690</u>	<u>126,095</u>	<u>306,785</u>
NET INCOME	881	52,657	53,538
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>177,387</u>	<u>595,736</u>	<u>773,123</u>
TOTAL FUNDS CARRIED FORWARD	<u>178,268</u>	<u>648,393</u>	<u>826,661</u>

13. TANGIBLE FIXED ASSETS

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

FIRST STEP OPPORTUNITY GROUP

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2022**

13. TANGIBLE FIXED ASSETS - continued

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

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

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

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

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

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	<u>(24,438)</u>	<u>-</u>	<u>(24,438)</u>	<u>(22,062)</u>
	<u>138,324</u>	<u>595,602</u>	<u>733,926</u>	<u>826,661</u>

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.

FIRST STEP OPPORTUNITY GROUP

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2022**

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			
	<u>12,433</u>	<u>-</u>	<u>12,433</u>
	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	<u>-</u>	<u>7,494</u>	<u>7,494</u>
	<u>648,393</u>	<u>(52,791)</u>	<u>595,602</u>
TOTAL FUNDS	<u>826,661</u>	<u>(92,735)</u>	<u>733,926</u>

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	<u>9,992</u>	<u>(2,498)</u>	<u>7,494</u>
	<u>9,992</u>	<u>(62,783)</u>	<u>(52,791)</u>
TOTAL FUNDS	<u>171,913</u>	<u>(264,648)</u>	<u>(92,735)</u>

FIRST STEP OPPORTUNITY GROUP

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2022**

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			
	<u>12,433</u>	<u>-</u>	<u>12,433</u>
	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	<u>-</u>	<u>70,834</u>	<u>70,834</u>
	<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>

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	<u>70,834</u>	<u>-</u>	<u>70,834</u>
	<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 31ST MARCH 2022**

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			
	<u>12,433</u>	<u>-</u>	<u>12,433</u>
	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	<u>-</u>	<u>7,494</u>	<u>7,494</u>
	<u>595,736</u>	<u>(134)</u>	<u>595,602</u>
TOTAL FUNDS	<u>773,123</u>	<u>(39,197)</u>	<u>733,926</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	343,492	(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	<u>9,992</u>	<u>(2,498)</u>	<u>7,494</u>
	<u>188,744</u>	<u>(188,878)</u>	<u>(134)</u>
TOTAL FUNDS	<u>532,236</u>	<u>(571,433)</u>	<u>(39,197)</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 (2021: £46,147).

FIRST STEP OPPORTUNITY GROUP

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2022**

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
	<u>12,433</u>			<u>12,433</u>

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.