

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

**REPORT OF THE TRUSTEES AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2023  
FOR  
FIRST STEP OPPORTUNITY GROUP**

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

**FIRST STEP OPPORTUNITY GROUP**  
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**FOR THE YEAR ENDED 31ST MARCH 2023**

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**FIRST STEP OPPORTUNITY GROUP**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31ST MARCH 2023**

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

**OBJECTIVES AND ACTIVITIES**

**Objectives and aims**

The charity's objectives are:

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

Our aims here at First Step are to:

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

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

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

**Significant activities**

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

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

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

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

**FIRST STEP OPPORTUNITY GROUP**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31ST MARCH 2023**

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**ACHIEVEMENT AND PERFORMANCE**

**Charitable activities**

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

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

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

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

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

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

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

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

**FIRST STEP OPPORTUNITY GROUP**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31ST MARCH 2023**

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

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

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

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

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

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

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

#### **FINANCIAL REVIEW**

##### **Financial position**

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

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

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

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

**FIRST STEP OPPORTUNITY GROUP**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31ST MARCH 2023**

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**FINANCIAL REVIEW**

**Principal funding sources**

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

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

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

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

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

**Reserves policy**

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

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

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

**FIRST STEP OPPORTUNITY GROUP**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31ST MARCH 2023**

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**FUTURE PLANS**

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

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

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

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

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

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

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

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

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

**Charity constitution**

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

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

**FIRST STEP OPPORTUNITY GROUP**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31ST MARCH 2023**

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**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 2023**

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**Trustees**

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

**Independent Examiner**

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

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

  
R McCorry - Chair - Trustee

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

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**Independent examiner's report to the trustees of First Step Opportunity Group ('the Company')**

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31st March 2023.

**Responsibilities and basis of report**

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

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

**Independent examiner's statement**

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

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

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

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



Lee Blunden FCCA CTA

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

Date: 11 December 2023

**FIRST STEP OPPORTUNITY GROUP**

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

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

The notes form part of these financial statements

**FIRST STEP OPPORTUNITY GROUP (REGISTERED NUMBER: 04767369)**

**STATEMENT OF FINANCIAL POSITION  
31ST MARCH 2023**

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

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

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

The trustees acknowledge their responsibilities for

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

**STATEMENT OF FINANCIAL POSITION - continued**  
**31ST MARCH 2023**

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

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

  
.....  
R McCorry - Chair - Trustee

  
.....  
M Flower - Treasurer - Trustee

## FIRST STEP OPPORTUNITY GROUP

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

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#### 1. ACCOUNTING POLICIES

##### **Basis of preparing the financial statements**

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

##### **Company status**

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

##### **Income**

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

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

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

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

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

On receipt, donated professional services and donated facilities are recognised on the 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 2023**

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#### **1. ACCOUNTING POLICIES - continued**

##### **Expenditure**

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

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

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

All expenditure is inclusive of irrecoverable VAT.

##### **Interest receivable**

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

##### **Operating leases**

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

##### **Tangible fixed assets**

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

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

##### **Debtors**

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

##### **Cash at Bank and in Hand**

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

##### **Liabilities and Provisions**

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

## FIRST STEP OPPORTUNITY GROUP

### NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST MARCH 2023

#### 1. ACCOUNTING POLICIES - continued

##### Taxation

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

##### Fund accounting

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

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

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

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

##### Pensions

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

#### 2. DONATIONS AND LEGACIES

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

#### 3. OTHER TRADING ACTIVITIES

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

**FIRST STEP OPPORTUNITY GROUP**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2023**

**4. INVESTMENT INCOME**

	<b>2023</b>	2022
	<b>£</b>	£
Deposit account interest	<b><u>1,865</u></b>	<u>94</u>

**5. INCOME FROM CHARITABLE ACTIVITIES**

		<b>2023</b>	2022
	Activity	<b>£</b>	£
Other income	Family support	<b>4,022</b>	2,445
Other income	Holiday sessions	<b>407</b>	285
		<b><u>4,429</u></b>	<u>2,730</u>

**6. OTHER INCOME**

	<b>2023</b>	2022
	<b>£</b>	£
JRS income	-	4,934
Other income	<b><u>17,750</u></b>	<u>4,048</u>
	<b><u>17,750</u></b>	<u>8,982</u>

**7. CHARITABLE ACTIVITIES COSTS**

	Direct Costs (see note 8) £
Family support	<b>195,266</b>
Holiday sessions	<b><u>3,820</u></b>
	<b><u>199,086</u></b>

**8. DIRECT COSTS OF CHARITABLE ACTIVITIES**

	<b>2023</b>	2022
	<b>£</b>	£
Staff costs	<b>99,978</b>	90,287
Other costs	<b>50,473</b>	43,965
Depreciation	<b>48,635</b>	48,505
	<b><u>199,086</u></b>	<u>182,757</u>

**9. NET INCOME/(EXPENDITURE)**

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

	<b>2023</b>	2022
	<b>£</b>	£
Depreciation - owned assets	<b>51,194</b>	51,059
Independent examiner's fees	<b><u>4,677</u></b>	<u>3,637</u>

**FIRST STEP OPPORTUNITY GROUP**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2023**

**10. TRUSTEES' REMUNERATION AND BENEFITS**

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

**Trustees' expenses**

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

**11. STAFF COSTS**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>148,799</b>	134,018
	<b>148,799</b>	134,018

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

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

	<b>2023</b>	<b>2022</b>
	<b>4</b>	<b>4</b>

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

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

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

**FIRST STEP OPPORTUNITY GROUP**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2023**

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

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

**13. TANGIBLE FIXED ASSETS**

	Leasehold property £	Property additions £	Fixtures and fittings £
<b>COST</b>			
At 1st April 2022	<b>1,153,673</b>	<b>31,630</b>	<b>106,992</b>
Additions	-	-	<b>7,047</b>
At 31st March 2023	<u><b>1,153,673</b></u>	<u><b>31,630</b></u>	<u><b>114,039</b></u>
<b>DEPRECIATION</b>			
At 1st April 2022	<b>709,843</b>	<b>31,630</b>	<b>106,899</b>
Charge for year	<b>46,147</b>	-	<b>1,855</b>
At 31st March 2023	<u><b>755,990</b></u>	<u><b>31,630</b></u>	<u><b>108,754</b></u>
<b>NET BOOK VALUE</b>			
At 31st March 2023	<u><b>397,683</b></u>	<u>-</u>	<u><b>5,285</b></u>
At 31st March 2022	<u><b>443,830</b></u>	<u>-</u>	<u><b>93</b></u>
	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>			
At 1st April 2022	<b>42,903</b>	<b>12,771</b>	<b>1,347,969</b>
Additions	-	-	<b>7,047</b>
At 31st March 2023	<u><b>42,903</b></u>	<u><b>12,771</b></u>	<u><b>1,355,016</b></u>
<b>DEPRECIATION</b>			
At 1st April 2022	<b>42,903</b>	<b>3,193</b>	<b>894,468</b>
Charge for year	-	<b>3,192</b>	<b>51,194</b>
At 31st March 2023	<u><b>42,903</b></u>	<u><b>6,385</b></u>	<u><b>945,662</b></u>
<b>NET BOOK VALUE</b>			
At 31st March 2023	<u>-</u>	<u><b>6,386</b></u>	<u><b>409,354</b></u>
At 31st March 2022	<u>-</u>	<u><b>9,578</b></u>	<u><b>453,501</b></u>

**FIRST STEP OPPORTUNITY GROUP**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2023**

**14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

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

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

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

**16. LEASING AGREEMENTS**

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

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

**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

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

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

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

**FIRST STEP OPPORTUNITY GROUP**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2023**

**18. MOVEMENT IN FUNDS**

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

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

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

# **FIRST STEP OPPORTUNITY GROUP**

## **NOTES TO THE FINANCIAL STATEMENTS - continued** **FOR THE YEAR ENDED 31ST MARCH 2023**

### **18. MOVEMENT IN FUNDS - continued**

#### **Comparatives for movement in funds**

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

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	161,921	(201,865)	(39,944)
<b>Restricted funds</b>			
Long Term Leasehold Property	-	(46,147)	(46,147)
Leasehold Property Improvements	-	(1,159)	(1,159)
Appeal Income	-	(8,364)	(8,364)
Veolia Environmental Trust	-	(4,615)	(4,615)
Awards for All	9,992	(2,498)	7,494
	9,992	(62,783)	(52,791)
<b>TOTAL FUNDS</b>	<u>171,913</u>	<u>(264,648)</u>	<u>(92,735)</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 (2022: £46,147).

The net book value of the property at the year end was £397,683 (2022: £443,830).

#### **APPEAL INCOME**

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

#### **GIVEN WILSON INSTITUTE**

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

#### **NATIONAL LOTTERY**

**FIRST STEP OPPORTUNITY GROUP**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2023**

**18. MOVEMENT IN FUNDS - continued**

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

**VEOLIA FUND**

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

**DESIGNATED FUNDS**

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

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

**19. RELATED PARTY DISCLOSURES**

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