

COMPANY REGISTRATION NUMBER: 05865642

CHARITY REGISTRATION NUMBER: 1125005

Millom Stepping Stones
Company Limited by Guarantee
Unaudited Financial Statements
31 July 2023



SAINT & CO
Chartered accountants
Whitehaven

Millom Stepping Stones
Company Limited by Guarantee
Financial Statements
Year ended 31 July 2023

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Millom Stepping Stones

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 July 2023

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 July 2023.

Strategic report

The following sections for achievements and performance and financial review form the strategic report of the charity.

Achievements and performance

Numbers of children attending is quite high. We have had an influx of new starters towards the end of the financial year. This is mainly babies and has enabled us to re-open our baby room for the first time since Covid. We employ 23 members of staff, which includes 4 apprentices.

Financial review

We have done a lot of grant funding applications this year to raise funds in order to update the playground for the younger children. We have all the funding in place now so can go ahead in the next financial year and improve this area.

Staff wage rates increased according to the national living wage and fees which parents pay increased in line with this. The increasing national living wage continues to be quite difficult to cover.

We have started to fundraise again for the first time since Covid restrictions and have had a lot of support from parents and local businesses.

Objectives and activities

The objects of the Pre-School are to enhance the development and education of children primarily under statutory school age.

Millom Stepping Stones

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 July 2023

Structure, governance and management

Governing Document

Millom Stepping Stones is an independent registered charity (No: 1125005) and Company Limited by Guarantee (No: 05865642). It is governed by its Memorandum and Articles dated 4 July 2006.

The objects of the Pre-school ("the Objects") are to enhance the development and education of children primarily under statutory school age by encouraging parents to understand and provide for the needs of their children through community groups and by:- 3.1 Offering appropriate play, education and care facilities and training courses, together with the right of parents to take responsibility for and to become involved in the activities of such groups, ensuring that such groups offer opportunities for all children whatever their race, culture, religion, means or ability; 3.2 Encouraging the study of the needs of such children and their families and promoting public interest in and recognition of such needs; 3.3 Instigating and adhering to and furthering the aims and objects of the Pre-school Learning Alliance.

Trustee Induction and Training

New Trustees undergo induction into the organisation and undergo a CRB check. They are also encouraged to attend training events, where appropriate. In addition, Trustees are also required to use any specific knowledge or experience to help the Board reach sound decisions. This can include scrutinising papers, leading discussions, focusing on key issues, providing advice and guidance on new initiatives etc.

Risk Management

Risk assessments are completed on an ongoing basis.

Organisational Structure

Day-to-day management of the organisation and the delivery of objectives are provided by the manager under supervision of the directors.

Related Parties

The charity works with Millom Infants, Parkview Nursery and Millom Childrens Centre.

Key management personnel remuneration

The trustees consider the Board of Trustees and the chief executive as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in note 16 to the accounts.

The pay of the charity's chief executive is reviewed annually and assessed in accordance with average earnings. The remuneration is also bench-marked with charities of a similar size and activity to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

Millom Stepping Stones

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 July 2023

Reference and administrative details

Registered charity name Millom Stepping Stones

Charity registration number 1125005

Company registration number 05865642

Principal office and registered office
St. Georges Road
Millom
LA18 4LE
Cumbria

The trustees

K A Bradley
G Evans
K James
S Clarke

(Retired 21 September 2022)

Company secretary M.Tyson

Independent examiner Ian Scott BA(hons), FCA, DChA
Whitehaven

The trustees' annual report and the strategic report were approved on 7 November 2023 and signed on behalf of the board of trustees by:



M.Tyson
Charity Secretary

Millom Stepping Stones

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of Millom Stepping Stones

Year ended 31 July 2023

I report to the trustees on my examination of the financial statements of Millom Stepping Stones ('the charity') for the year ended 31 July 2023.

Responsibilities and basis of report

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements 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 the 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 the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), 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 charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements 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 financial statements 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).

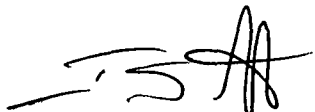
Millom Stepping Stones

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of Millom Stepping Stones *(continued)*

Year ended 31 July 2023

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.



Ian Scott BA(hons), FCA, DChA
Independent Examiner

Whitehaven

7/11/2023

Millom Stepping Stones
Company Limited by Guarantee
Statement of Financial Activities
(including income and expenditure account)

Year ended 31 July 2023

			2023		2022
		Unrestricted	Restricted	Total funds	Total funds
	Note	funds	funds		
		£	£	£	£
Income and endowments					
Donations and legacies	5	150,958	—	150,958	109,718
Charitable activities	6	193,664	—	193,664	163,450
Other trading activities	7	1,154	—	1,154	987
Investment income	8	1,464	—	1,464	68
Total income		<u>347,240</u>	<u>—</u>	<u>347,240</u>	<u>274,223</u>
Expenditure					
Expenditure on charitable activities	9,10	315,102	33,139	348,241	322,635
Total expenditure		<u>315,102</u>	<u>33,139</u>	<u>348,241</u>	<u>322,635</u>
Net expenditure and net movement in funds		<u>32,138</u>	<u>(33,139)</u>	<u>(1,001)</u>	<u>(48,412)</u>
Reconciliation of funds					
Total funds brought forward		181,843	33,139	214,982	263,394
Total funds carried forward		<u>213,981</u>	<u>—</u>	<u>213,981</u>	<u>214,982</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 9 to 19 form part of these financial statements.

Millom Stepping Stones
Company Limited by Guarantee
Statement of Financial Position

31 July 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible fixed assets	16	5,664	41,635
Current assets			
Debtors	17	411	2,776
Cash at bank and in hand		210,167	172,542
		<u>210,578</u>	<u>175,318</u>
Creditors: amounts falling due within one year	18	<u>2,261</u>	<u>1,971</u>
Net current assets		<u>208,317</u>	<u>173,347</u>
Total assets less current liabilities		<u>213,981</u>	<u>214,982</u>
Net assets		<u>213,981</u>	<u>214,982</u>
Funds of the charity			
Restricted funds		–	33,139
Unrestricted funds		<u>213,981</u>	<u>181,843</u>
Total charity funds	20	<u>213,981</u>	<u>214,982</u>

For the year ending 31 July 2023 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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

The statement of financial position
continues on the following page.
The notes on pages 9 to 19 form part of these financial statements.

Millom Stepping Stones

Company Limited by Guarantee

Statement of Financial Position *(continued)*

31 July 2023

These financial statements were approved by the board of trustees and authorised for issue on 7 November 2023, and are signed on behalf of the board by:



K James
Trustee

The notes on pages 9 to 19 form part of these financial statements.

Millom Stepping Stones
Company Limited by Guarantee
Notes to the Financial Statements
Year ended 31 July 2023

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is St. Georges Road, Millom, LA18 4LE, Cumbria.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Disclosure exemptions

The charity has taken advantage of the disclosure exemptions permitted by the Charities SORP 2015 (FRS102) regarding the inclusion of a Statement of Cashflows as the Charity is a small charity as defined in Update Bulletin 1 of the Charities SORP (FRS102).

Millom Stepping Stones
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 31 July 2023

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

The directors consider there were no significant judgements in preparing the financial statements.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The directors consider there are no key sources of estimation uncertainty.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account (other than those for investment purposes).

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Millom Stepping Stones

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2023

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Millom Stepping Stones
Company Limited by Guarantee
Notes to the Financial Statements (continued)
Year ended 31 July 2023

3. Accounting policies (continued)

Tangible assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Short leasehold property	- 14% straight line
Equipment	- 25% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Millom Stepping Stones
Company Limited by Guarantee
Notes to the Financial Statements (continued)
Year ended 31 July 2023

3. Accounting policies (continued)

Financial instruments (continued)

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Limited by guarantee

The company is limited by guarantee and the members of the company are liable for no more than £1 each should the company's assets be wound up.

Millom Stepping Stones

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2023

5. Donations and legacies

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Donations				
Donations	–	–	5,703	5,703
Grants				
Cumbria County Council	135,458	135,458	94,861	94,861
Copeland Borough Council Discretionary Grant	–	–	2,499	2,499
Other grant income	15,500	15,500	6,655	6,655
	<u>150,958</u>	<u>150,958</u>	<u>109,718</u>	<u>109,718</u>

6. Charitable activities

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Pre-School Fees	<u>193,664</u>	<u>193,664</u>	<u>163,450</u>	<u>163,450</u>

7. Other trading activities

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Fundraising events	<u>1,154</u>	<u>1,154</u>	<u>987</u>	<u>987</u>

8. Investment income

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Bank interest receivable	<u>1,464</u>	<u>1,464</u>	<u>68</u>	<u>68</u>

Millom Stepping Stones

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2023

9. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Activity type 1	261,452	33,139	294,591
Support costs	53,650	–	53,650
	<u>315,102</u>	<u>33,139</u>	<u>348,241</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Activity type 1	238,825	33,139	271,964
Support costs	50,671	–	50,671
	<u>289,496</u>	<u>33,139</u>	<u>322,635</u>

10. Expenditure on charitable activities by activity type

	Activities undertaken directly	Support costs	Total funds 2023 £	Total fund 2022 £
Activity type 1	294,591	52,522	347,113	321,468
Governance costs	–	1,128	1,128	1,167
	<u>294,591</u>	<u>53,650</u>	<u>348,241</u>	<u>322,635</u>

11. Analysis of support costs

	Analysis of support costs activity 1 £	Total 2023 £	Total 2022 £
Staff costs	49,146	49,146	46,628
Premises	3,376	3,376	2,876
Governance costs	1,128	1,128	1,167
	<u>53,650</u>	<u>53,650</u>	<u>50,671</u>

12. Net expenditure

Net expenditure is stated after charging/(crediting):

	2023 £	2022 £
Depreciation of tangible fixed assets	<u>35,971</u>	<u>35,971</u>

Millom Stepping Stones

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2023

13. Independent examination fees

	2023	2022
	£	£
Fees payable to the independent examiner for:		
Independent examination of the financial statements	<u>1,104</u>	<u>1,164</u>

14. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2023	2022
	£	£
Wages and salaries	239,241	221,745
Social security costs	4,837	5,093
Employer contributions to pension plans	3,366	2,957
Other employee benefits	<u>2,175</u>	<u>1,645</u>
	<u>249,619</u>	<u>231,440</u>

The average head count of employees during the year was 23 (2022: 19). The average number of full-time equivalent employees during the year is analysed as follows:

	2023	2022
	No.	No.
Number of direct charitable staff	21	17
Number of management and administration staff	<u>2</u>	<u>2</u>
	<u>23</u>	<u>19</u>

No employee received employee benefits of more than £60,000 during the year (2022: Nil).

15. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

Millom Stepping Stones
Company Limited by Guarantee
Notes to the Financial Statements (continued)

Year ended 31 July 2023

16. Tangible fixed assets

	Land and buildings £	Equipment £	Total £
Cost			
At 1 August 2022 and 31 July 2023	<u>231,973</u>	<u>20,208</u>	<u>252,181</u>
Depreciation			
At 1 August 2022	198,834	11,712	210,546
Charge for the year	<u>33,139</u>	<u>2,832</u>	<u>35,971</u>
At 31 July 2023	<u>231,973</u>	<u>14,544</u>	<u>246,517</u>
Carrying amount			
At 31 July 2023	<u>–</u>	<u>5,664</u>	<u>5,664</u>
At 31 July 2022	<u>33,139</u>	<u>8,496</u>	<u>41,635</u>

17. Debtors

	2023 £	2022 £
Prepayments and accrued income	<u>411</u>	<u>2,776</u>

18. Creditors: amounts falling due within one year

	2023 £	2022 £
Accruals and deferred income	<u>2,261</u>	<u>1,971</u>

19. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £3,366 (2022: £2,957).

Millom Stepping Stones

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2023

20. Analysis of charitable funds

Unrestricted funds

	At 1 August 2022	Income	Expenditure	At 31 July 2023
	£	£	£	£
General funds	181,843	347,240	(315,102)	213,981
Capital Fund	—	—	—	—
	<u>181,843</u>	<u>347,240</u>	<u>(315,102)</u>	<u>213,981</u>

	At 1 August 2021	Income	Expenditure	At 31 July 2022
	£	£	£	£
General funds	186,111	274,223	(289,496)	170,838
Capital Fund	11,005	—	—	11,005
	<u>197,116</u>	<u>274,223</u>	<u>(289,496)</u>	<u>181,843</u>

Restricted funds

	At 1 August 2022	Income	Expenditure	At 31 July 2023
	£	£	£	£
Restricted Fund - Property extension	<u>33,139</u>	<u>—</u>	<u>(33,139)</u>	<u>—</u>

	At 1 August 2021	Income	Expenditure	At 31 July 2022
	£	£	£	£
Restricted Fund - Property extension	<u>66,278</u>	<u>—</u>	<u>(33,139)</u>	<u>33,139</u>

Millom Stepping Stones

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2023

21. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Tangible fixed assets	5,664	—	5,664
Current assets	210,578	—	210,578
Creditors less than 1 year	(2,261)	—	(2,261)
Net assets	213,981	—	213,981

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Tangible fixed assets	8,496	33,139	41,635
Current assets	175,318	—	175,318
Creditors less than 1 year	(1,971)	—	(1,971)
Net assets	181,843	33,139	214,982