



FOOTSTEPS CHILDREN'S SERVICES LTD
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 August 2020

Charity number 1146996

Company number 06866200

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TRUSTEES ANNUAL REPORT

For the year ended 31 August 2020

The trustees are pleased to present their annual Trustees report together with financial statements of the charity for the year ended 31 August 2020 which are also prepared to meet the requirements for a Directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Objectives and activities

The objectives of Footsteps Children's Services Ltd are 'to act as a resource for children and young people up to the age of 11 living in the north east of England by providing advice and assistance and organising programmes of physical, educational and other activities'.

The Charity is established to act as a resource for children up to the age of 11 years in the North East of England by providing educational facilities.

The Charity does this by providing:

- full and part-time day care places,
- mobile crèche facilities to support the work of voluntary and community groups,
- crèche facilities to support the delivery of adult and family learning,
- supply staff to Sure Start Children's Centres, nurseries and other early years settings,
- out of school and 'wrap-around' provision,
- holiday club provision
- advice and support to vulnerable families, including access to a food and clothing bank, and referral to specialist support services
- support to children with additional needs and disabilities

The purpose of the Charity is also to further benefit the residents of Newcastle and the neighbourhood without distinction of sex, sexual orientation, race or of political, religious or other options by associating together the said residents and the local authorities, voluntary and other organisations in a common effort to advance education and to provide facilities in the interests of social welfare for recreation and leisure time occupation with the objective of improving the conditions of life for residents.

Achievements and performance

Footsteps Children's Services Ltd has experienced another successful year in regards to the services that we deliver. This has somewhat been eclipsed by the impact of the Covid 19 global Pandemic which sent the UK in to lockdown from March 2020. We will however attempt to give an overview of work pre and post March 2020, giving an oversight of all of our settings between Sept 2019- Mar 2020 and then Mar 2020 – Aug 2020.

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Sept 2019- March 2020

Footsteps Darras Hall Between Sept and December 2019 we continued to offer our early years and wrap around care services at this site, following the move from our original building in to this unit in 2018 as part of the new school build plans, we began to develop the interior and exterior of the building, we created a garden space that included construction and planting areas. Indoors we re-painted the building and developed areas of learning within the building, expanding our role play areas and exploratory areas. Footsteps Darras Hall regularly cared for between 80 and 100 children per week, with breakfast and out of school club services having the greatest attendance.

Funding from St James Foundation provided funds to offer 1-1 support to children who required additional support to access all that the setting has to offer, great progress has been made with these children.

Baseline assessments at Darras Hall showed that almost all of the children were at their expected stage of development. Throughout the year those children have been able to maintain their level of learning and some moving onto being above their expected stage of development

In October 2019 it was identified that the service would struggle to remain viable in its current format and we explored the opportunities to reduce the service to only offering wrap around care, however in December 2019 there was a fault identified with the Gas supply into the property and we were given notice from our landlords that the cost of repairs were too large for a site that was part of a phased demolition programme, we were then given notice to vacate the property, we managed to source a new premises locally that would allow us to deliver a reduced after school club service, we remained at Darras Hall until March 2020 and were due to launch services at our new site from April 2020. Because of Covid 19 restrictions this was delayed (please see review April 2020-August 2020, for further info).

Footsteps Nunsmoor continues to deliver playgroup services, children access playgroup either through morning or afternoon sessions.

We have continued to provide 1-1 support and focused development sessions to children who require extra support to access their Early Years Entitlement, Funding from Reece Group and St James Foundation has enabled this 1-1 work, and has also been used to purchase resources to support children's learning and play experiences.

We secured £3000 funding from Newcastle Building Society in June 2019 to develop our garden area at Nunsmoor and at Dolphin Street, but due to settings being term time only and a delay of delivery for some larger pieces of equipment then we began this work in Sept 2019. This involved purchasing digging pits, outdoor mud kitchens and exploratory tables, sand, soil and bark to create natural and interesting outdoor spaces for children to grow,

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learn and develop their skills. Many children in our care do not have any access to “safe” outdoor play spaces as they live within inner city terraces or flats.

Baseline assessments showed some children who were below their expected stage of development in all areas of learning, with careful observation and planning children were making good progress during this time frame.

Footsteps Dolphin Street following the most recent Ofsted inspection in April 2019 where this setting was graded Outstanding in all areas we have continued to offer a variety of services to local families including stay and play and drop in sessions during the school holidays and also provides emergency care packages that include food, nappies and clothing. Numbers of children accessing services continues to rise.

We again successfully secured £5,000 of funding from Reece Group. We used this to provide services to children who require support to access all that nursery life has to offer. This normally takes the format of 3 one hour sessions per week where up to four children within the hour will receive 1-1 support for approximately 15 minutes each. Activities offered in these sessions are specific to the needs of the child, some of which have been identified by our staff team, but we also follow the plans put in place by speech and language therapists and SEN teachers. We secured a further £5000 from Reece group to extend the SEND support we offer to local families, this funding also supported our food bank and helped to purchase new learning resources for the children.

All of our settings continue to provide support to children with complex needs. These range from children who are looked after, children subject to child protection plans or Early Help Plans, children with disabilities and children with complex health needs. All of these children received appropriate support with some families successfully coming off plan and some children with additional needs making significant progress.

Early Years Pupil Premium has been used to purchase resources that support children’s learning based upon their interests and areas of development.

We secured £3000 funding from Newcastle Building Society in June 2019 to develop our garden area at Nunsmoor and at Dolphin Street, but due to settings being term time only and a delay of delivery for some larger pieces of equipment then we began this work in Sept 2019. This involved purchasing digging pits, outdoor mud kitchens and exploratory tables, sand, soil and bark to create natural and interesting outdoor spaces for children to grow, learn and develop their skills. Many children in our care do not have any access to “safe” outdoor play spaces as they live within inner city terraces or flats.

Footsteps Mobile Crèche were delivered across the city between Sept and March, we provided support to other charities delivering courses to families, helping people set up their own businesses or get ready for employment. We have provided crèche support to George St Social, an enterprise working with recovering addicts, that provide counselling and peer support. We have also provided supply staff to other organisations.

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Footsteps Westgate

Footsteps Westgate provides crèche services to children whose parents are accessing adult learning opportunities at Westgate Community College. A large proportion of parents are attending English speaking classes and therefore most of the children have English as an additional language.

In offering this service at Westgate it allows parents to access education and in turn may provide more job opportunities in the future. This can have long lasting and wide impact on the family unit as a whole, and also can act as a motivator for future generations. So whilst it can be viewed that we offer a childcare service, we feel without the childcare element parents simply would not be able to progress their education, employment and some degree their lives in the same way if we did not provide the childcare. We are very proud of all that has been achieved at Westgate with lots of parents feeding back that the crèche workers have made such a difference in helping them with their studies as they know their children are in “safe hands”.

April 2020-August 2020

Footsteps Ponteland

This afterschool club was due to launch in April 2020 as a relocation from our Darras Hall site.

Unfortunately, due to National Lockdown and the restrictions on service delivery it was not possible to open this site in April.

This site was re-launched in September 2020.

Footsteps Nunsmoor

This site was closed as part of National Lockdown between April and June 2020, we had the potential to remain open to deliver services to key workers and vulnerable children, however all attending families chose to self-isolate and there was no requirement for the service.

We continued to provide online activities for children, and complete weekly welfare checks for vulnerable families and our child protection work continued with managers attending core groups, and conferences via Teams.

This setting re-opened on 1st June offering a reduced service for families wanting to attend, children attended morning sessions in small groups. The setting re-opened in Sept 2020 to all children.

Footsteps Dolphin St

This site was closed as part of National Lockdown between April and June 2020, we had the potential to remain open to deliver services to key workers and vulnerable children, however all attending families chose to self-isolate and there was no requirement for the service. However, we did open the building for appointments only to collect food bank supplies, or seek professional help and support.

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Weekly welfare checks were completed for vulnerable families, and our child protection work continued with managers attending core groups, and conferences via Teams.

Footsteps Howdon

This service was due to be launched in April 2020, however due to National Lockdown restrictions this service was launched in Sept 2020. (please refer to the developments section of this report).

Footsteps Westgate

This service supports adult learning and was closed from April 2020 until September 2020, this service is delivered as part of a contract with Newcastle City Council and is currently suspended due to adult learning not yet being fully reinstated. Please refer to the contracts section of this report.

Footsteps Mobile Crèche Service

There has been no demand for this service between April and August 2020 as face to face delivery of courses has been halted, and supply staff have not been permitted due to infection control, demand for services has also reduced across the sector so the need for supply staff has reduced.

Overall April 2020- August 2020

During the lockdown period as an organisation we have completed:

- 400 Welfare check ins on vulnerable families, done over the telephone and in emergency situations face to face
- We opened our Dolphin St site during lockdown on numerous occasions to offer 1-1 support to families and provide food and care packages
- 50 Doorstep deliveries in the west end of Newcastle – providing activity packs, toys and resources to children in the most deprived areas' who do not have easy access to a wide range of toys at home.
- Social Media Video content two or three times per week, showing activities, reading stories, singing songs
- An increase in food bank usage.

This was no mean feat considering we went from a team of 30 to a team of three, we acknowledge those staff members that were furloughed, that accepted it with grace, without grumbling, they had to take a pay cut and not one person quibbled about that!

Those that were working had to learn how to work in completely different ways to how they would usually work and just adapted to the situation ensuring the children's needs were met. We could not be any prouder of our exceptional team for however they contributed during this period, whether it was working throughout, or just their response to furlough, we cannot commend our people to you enough.

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Additional Funding

£2500 St James Place – allocated to 20/21 – SEND SUPPORT

£3000 Joicey Trust – allocated 20/21 – core costs

£16000 Covid Resilience Fund (+£3000 in consultancy) – allocated to 20/21 – Staff Retention

£10000 Reece Group £5000 allocated to 19/20 and £5000 allocated to 20/21 – SEND and Family Support to reduce poverty and crisis.

Training and Development

In 2019 we designed created and delivered a staff training programme focusing on Outstanding Practice, the course ran from January until July and consisted of the following units:

1. The Environment
2. Interactions
3. Teaching and Learning
4. SEND and Referrals

The training was made up of face to face training, group work and work books to complete between units to help to consolidate the learning taking place. It was an interesting process and on this occasion it was for internal use, but we are keen to see if this and future training can be rolled out to other organisations.

As part of our future plans we hope to develop a “get in to childcare” programme, focusing on working with people who are interested in pursuing a career in childcare and provide them with an introduction in to childcare, giving insight in to the different types of careers that can be found in childcare and also providing hands on volunteer experience in our settings. We believe that this programme will be most effective if delivered in collaboration with other agencies that focus on supporting people in to employment, we will seek to further develop links with these organisations over the year.

Public benefit statement

The Trustees have referred to the Charity Commission's guidance on public benefit when reviewing the charity's objectives and planning its future activities. This annual report will aim to demonstrate the link between our charitable activity and how this benefits our service users.

Financial review

Footsteps Children's Services Ltd is funded by grant income from Newcastle City Council, parent fees, agency nursery fees and crèche fees. The total income for the period was £391,217 (2019: £378,901). This income is allocated across respective funds on the Statement of Financial Activities in accordance with the Statement of Recommended Practice.

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The Statement of Financial Activities for the period shows a surplus across all funds of £39,718 (2019: deficit -£18,131).

The Balance Sheet at 31 August 2020 shows total funds carried forward of £93,635 (2019: £53,917) of which there are £11,525 restricted funds (2019: £3,603).

Reserves policy

Footsteps Children's Services Ltd has maintained a small level of free reserves over the years currently £82,110 (2019: £50,314) to meet the working capital requirements of the charity in the event of a significant drop in funding. It has established a policy whereby the unrestricted funds held by the charity should be between 3 and 6 months of annual expenditure. At 31 August 2020 free reserves represent 3 months of running costs which the trustees believe to be prudent in light of challenges faced in securing funding.

Risk Management

The Board of Trustees understands the importance of assessing major risks that the Charity could face. Appropriate systems, controls and procedures have been established to reduce our exposure, and manage, monitor and mitigate risk and uncertainty.

An annual review of the major risks faced by the Charity is undertaken and the Trustees are satisfied that our procedures are in line with our risk management process.

Risk management is considered at regular Trustee meetings and sub groups where any changes or new risks identified are considered and responded to.

Currently the greatest risk the charity faces is the expansion of the government initiative of 30 hours of free childcare to working parents. There is not significant government funding attached to this offer to parents to cover actual costs of care, this is a sector wide problem and not exclusive to our charity.

Covid Recovery Plan

The Covid 19 pandemic has had an impact globally on business, services and charities. As a small local charity we have seen closure of our sites during lockdown, limits placed upon the amount of children we can care for at any one time, a completely revised way of working and a slowdown in occupancy levels. We have had our local authority contracts suspended, and our mobile crèche business entirely eradicated. We have had to put on hold the launch of two new sites and have lost all predicted income from those sites for two financial quarters, which will also have a knock on effect to the time we predicted we would need to build up these businesses and therefore are anticipating at least a loss of income for three financial quarters. All of this happening when we were already facing sector wide challenges and some financial difficulty.

It would be understandable to look at the situations we have been in and think that we have had a good run to this point, and outlived many other charities and providers and perhaps it

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is time to admit defeat, close down the charity and transfer any remaining assets to another group. Understandable it might be, but to give up and close down doesn't reflect who we are, and with the help of the Job Retention Scheme that has supported our staffing costs then we are in a position to consider what the future holds, rather than not having a future at all. We are able to think about what the future for Footsteps Children's Services Ltd looks like, what changes we need to make to rebuild and the purpose of this plan is to outline how we recover and move on from our current position.

Our organisations original ethos was based on the theory that "the need is the call" if you see a need and you can meet it, then that is your call for today, coupled with an attitude of, if you have the ability to help someone, you have the responsibility to do so.

As an organisation we have skills, resources and the desire to help make a difference where we can, to provide children with solid foundations, to narrow the gap between those most disadvantaged families and the rest of the population. We want to use all of the skills, knowledge and resources we have to make a real and significant difference to children and families living in areas of disadvantage.

Not all of the needs we see are connected to disadvantage, we see an increased number of children using our services who have Special Educational Needs and Disabilities (SEND) we believe that ALL children have a right to play, learn and develop at their own pace and exceed the expectations placed upon them, there is a need for the service we offer to ensure that all children are given the best possible opportunity to learn and develop.

The needs within the community stretch beyond our service users, we seek to also recruit from the local community and add benefit through employment and training opportunities.

Whilst our charity must remain financially sustainable and strive to build reserves it is important that the services we offer are centred around the needs of the local communities we serve and meet our existing charitable aims and not solely focused upon maximising income generation.

There are a number of areas to consider in our recovery:

Our People

Trustees

Our Board of Trustees is made up of a group of volunteers representing business, charitable and community sectors. The trustees possess a wealth of business knowledge, some run their own businesses and others have experience working in large commercial outlets. We have trustees with vast experience of running a charity and of the skills needed for community development.

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Trustees give their time voluntarily and currently meet bi-monthly, we have been meeting virtually over lockdown, but aim to return to face to face meetings from October 2020 depending upon government guidelines.

We would will be looking to renew our mem and arts to ensure that should we face lockdown measures again we can continue to meet virtually and also ensure that our documents truly reflect the work that we do and make any relevant updates.

It will be necessary to recruit more trustees in the near future to ensure that our work can be governed and supported adequately.

Team

Whilst we ensure an inclusive and open recruitment process we are keen to recruit from the local community. We offer an induction programme and supervision for all staff members.

As an organisation we are committed to supporting individuals become the very best versions of themselves, The CEO is dedicated to providing a safe working environment and supporting others to get to a place of self-acceptance, of knowing their worth and being free to bring the very best of themselves not just to their place of work, but also to the wider community that we serve.

We are committed to professional development and provide a range of internal and external training opportunities.

Our team is made up of hard working individuals who give their very best to the work they do within the guidelines of their role and job description. Our organisational structure provides supervision and support at every level, with added extras such as SEND Organisational and Practitioner Lead. There is a designated safeguarding officer at each site, the CEO is Designated Safeguarding Lead for the whole organisation, with the Operational Manager acting as Deputy.

We recognise that our workforce is at the very heart and centre of what we do and must be a priority when planning for the future, in order to recover from this situation, it may be necessary to adjust some working hours using “flexi” furlough.

Due to the suspension of some contract work and low occupancy levels it may also be necessary for staff members to work across the organisation rather than their regular place of work, changes to hours and settings will be done in consultation with affected team members.

We are committed to do all that we can to retain all of our staff team, any funding received that can be used for core costs will be used to protect salaries in the short term until contracts resume and numbers pick up. As a worst case scenario if we do not see a return to our contracts or find ourselves with low occupancy levels over a prolonged period it may be necessary to look at salary or role reductions across the organisation.

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Support

We currently have a small group of volunteers who support our work in various ways, mainly through attendance at our sub-groups. It is important that we continue to keep in contact with our supporters in the current climate as face to face meetings are not possible, and sub-groups have been somewhat disbanded due to capacity and the need to focus solely on sustainability and immediate service delivery.

The CEO will ensure that supporters are contacted and updated about their area of interest and will maintain open communication pathways.

Suppliers

Footsteps has a trusted group of regular suppliers, at this point in time we do not have any outstanding payments and do not anticipate being unable to meet any planned works already identified within our budget. There are no immediate issues with cash flow and there is a healthy balance to meet outgoings within our supplier's terms and conditions.

Finance

Our current income streams are as follows:

Early Years Offer 2, 3 and 4-year-old offer /Newcastle, Northumberland and North Tyneside Councils. This is our main source of income and in 19/20 accounted for 57% of our income, the funding is allocated per child and we only receive the funding if the child is in attendance. The funding is paid by an initial % payment at the start of each term followed by a balancing payment on submission of headcount data to the local authority. We receive a projected budget set by the local authority based upon the previous year's payments, with amends being made on balancing payments to reflect actual numbers of children in attendance.

During lockdown the local authority honoured the payments that had been identified in our projected budget for the year, however now that lockdown is lifted and nurseries and schools are open then we will only be funded for any children that actually attend.

We anticipate a lower level of occupancy than previous years, due to shielding, self-isolation and parents being fearful of their child returning to the setting. This may result in a drop in income across all departments, we will use funding we have secured to plug any gaps in the interim and continually monitor the situation in terms of our ability to retain staff in the long term.

Inclusion Funding

As a high proportion of the children in our care present with SEND then we also receive inclusion funding, this funding is for individual children and can only be used for their education and welfare. We do not anticipate inclusion funding in itself to drop this year, but obviously we only receive it for the children we have in attendance that qualify for the funding. If our numbers are lower than usual, then it is inevitable that some of the families

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that choose not to attend may also be the recipient of inclusion funding, and therefore even if there are no “cuts” locally to this funding, our income may still drop due to attendance levels. We may need to secure additional funding through grants and trusts to support our service delivery.

Deprivation Funding

This funding is allocated to providers who work with families in high areas of deprivation, the purpose of this is in recognition that families living in high areas of disadvantage may require additional support to other families to help narrow the gap between the most disadvantaged and other members of the community.

This funding needs to be used on enrichment activities for children, in the past it has been used to develop outdoor spaces as lots of children living in the inner city do not have safe outdoor play spaces. We have used funding to backfill staff to support families, and have bought in extra activities such as music and arts specialists and arranged theatre trips for children who because of economical position would not be able to access the arts.

This funding is based upon the data collected from headcount from the previous year and equates to 9% of total funding awarded for eligible children each term. The annual deprivation supplement will be varied; we are notified of our supplement at the end of March annually.

Whilst this funding should be secure for this financial year, it may not be guaranteed in the future, we need to ensure are not relying on this funding to deliver our services, it would be advantageous to attempt to secure core costs from grants and funds at around £10000 per annum to cover the income usually generated by this fund.

Parents Fees

This is the income generated by parents paying for our services, as we mainly cater for families living in high areas of deprivation then this income is now mainly generated from our after school provision in Ponteland.

Historically this income has been generated from our services at Darras Hall which closed in April 2020 due to the demolition of our rented premises. It was our intention transfer services to Ponteland in April 2020 but due to National Lockdown restrictions this was not possible, we therefore lost 2 quarters of income generation from this site, and also the opportunity to promote this service in the way that we would have liked to.

Contracts

Early Years

We currently hold contracts with Newcastle City Council, North Tyneside Council, Northumberland Council for the delivery of Early Years Education 2, 3 and 4-year-old offer.

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These contracts were honoured during full national lockdown, however from September 2020 onwards we will only receive funding for the children we have on roll. This may have a significant impact on income if there is a lower uptake of places due to self-isolation, shielding or parents being fearful of the children returning to settings.

It is not anticipated that there will be any reductions in funding for Early Years as affordable and accessible childcare is crucial in rebuilding the economy, however we should anticipate a potential drop in income due to lower occupancy levels.

Westgate Crèche

We hold a contract with Newcastle City Council Children, Education and Skills Directorate for the delivery of Crèche Provision at Westgate College, this has a contract value of £40k per annum, however gets topped up by other funding and usually generates between £40-£45k per annum.

During lockdown we were unable to deliver this contract due to the closure of the site and no adult learning taking place, we were able to claim from the Job Retention Scheme to support salary costs during lockdown, however there is a shortfall between the salary costs and the actual costs of delivering the service that we include within the hourly rate charged in the contract. It was initially thought that we would see a loss for this service between April and July 2020, however we have since been offered supplier relief from the local authority and they have paid us the difference between the JRS and the rate they would have paid.

This contract is one we would consider most at risk; following lockdown we have returned to a reduced ad-hoc type of crèche service at Westgate due to the current restrictions around adult learning, this involves us providing a limited service to allow learners to access tutorials, however classes are being held online, we are currently only accommodating one or two children per hour across the day. This is manageable under the current Job Retention Scheme (JRS).

The following points provide a solution for the short term:

- Staff can be re-deployed to other areas within the business to cover some hours, however because of the current situation we are wanting to limit the “floating” of staff between sites to cover hours, as if there are any positive cases of Covid 19 at a setting if staff have worked at more than one site we might need to close multiple sites if we can identify close contact.
- The Covid 19 Resilience Funding we have secured for staff retention can be used to retain staff until March 2021

Mobile Crèche

Our mobile crèche service is offered using a booking systems with associated terms and conditions.

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Most of our mobile crèche supports Family Learning, ESOL and Self-Employment/Entrepreneur based courses. Due to the current situation there has been no bookings for this service as face to face courses are either being deferred or delivered online.

Our mobile crèche business on average generates a gross profit of approx. £2k per annum, and provides work for 6 workers on an as and when required basis.

We do not anticipate any return to crèche bookings for the foreseeable future and will remove this projected income and expenditure from the 20/21 budget.

Funding received/opportunities

Reece Group

We have benefited from funding from Reece West End Fund for the past four years averaging between £5k and £10k per annum. This fund is used to support children with additional needs who either do not qualify for inclusion funding, are awaiting a diagnosis or the funding they have received is not sufficient to effectively meet their needs. We have seen outstanding progress made by children receiving support through this fund.

We were allocated £5000 in April 2020 for the remainder of the 19/20 financial year, we contacted the Reece Group on receipt of the funds and requested that the funding be rolled in to 20/21 because of the closure of sites due to Lockdown. The Reece Group supported this decision and agreed the funding could be rolled over.

This funding has been allocated to our Dolphin St site in the first instance, but any underspend can be used to support any children at any of our sites in the West End of Newcastle. The funding will predominantly be spent on 1-1 support and focused development groups but it has also been agreed that up to £1000 of this allocation can be spent on resources for the delivery of focused development sessions, and to top up our emergency care packages for families in need.

It is expected at the current time that this funding will be used within the financial year 20/21.

The future of the West End Fund is uncertain, prior to Covid 19 the fund had reached its natural end and its future was under review. We are awaiting notification if this grant will be open to applications in 20/21. If we assume that the fund will no longer be available, we will need to secure another funding source if we wish to continue this work. There are possible funders we could approach to continue this work which we would consider to be part of our core offer and vital to our service users.

St James Place Charitable Foundation

We have received £2.5k from this foundation, to support children with SEND, this replicates the work we do with the Reece Funding but across other settings, this allocation of funding

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can be spread across our organisation and is need led rather than divided up in equal amounts to each department.

Again this grant was awarded during lockdown and we have had approval that this can be rolled over to 20/21 financial year.

Joicey Trust

We have secured £3k towards core costs, we have communicated with Joicey Trust who have confirmed that there are no restrictions on its use and we can use it wherever it is needed.

Covid 19 VCSE Resilience Fund

We will have received £19k through this grant in 20/21 broken down as follows:

£16k to support with staff retention, this funding needs to be drawn down by 31st March 2021 and will be used to retain salaries of those where income generation does not cover current salary costs. An example of this would be our current contract at Westgate where the contract has been suspended but it is anticipated that it will return, therefore jobs are viable in the long term, but for the short term it is not generating the income required to meet our contractual obligations to staff.

This funding can be used to support these salaries until the contract resumes in full, if it is identified that the contract will not return in full beyond March 2021 the we will need to consider reducing hours or redundancy.

This funding can also be used to provide a contribution to head office salary costs whilst occupancy levels are lower than expected and early years funding is reduced resulting in settings not having sufficient income to contribute towards management costs.

£3k has been awarded to support consultancy and business resilience. This has been allocated as follows:

Finance

£400 towards updating our financial systems, costs include a change from our existing SAGE software to XERO accountancy package

£600 three half days of training on XERO

Governance/change management

£1000 towards review of governing documents and 10-year plan.

Marketing and Communication

£400 for 2-hour professional photo shoot to include ownership of digital images for promotional materials

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£600 towards buying in social media support to create a plan, manage posts and create content. (awaiting quote for hourly rate)

BIPC 'City Life Expert Support' Grant

This grant has a value of £2000 under state aid, which we receive in terms of 8 hours of expert support from Kate Duffy of RHWE. We had the opportunity to tap in to a number of different skill sets within RHWE but it was identified that our most pressing need is financial and therefore we received support to submit a funding application to Global Make Some Noise Grant.

Newcastle Business Support Grant Covid 19

£5000- core costs

Northumberland Business Support Grant Covid 19

£10,000 – core costs

Newcastle Best Summer Ever

£1500 awarded to support the delivery of welfare checks, and at home learning packs during the summer holidays, this entitlement has now been spent in full.

Funding Opportunities

Global Make Some Noise – Emergency Fund

We have been successful in securing £29K funding from make some noise to be released 20/21.

What are our biggest strengths?

Our biggest strengths lie in the quality of service we deliver to children and families. Our most recent Ofsted inspection graded our work Outstanding in all areas a summary of key findings showed:

- Partnerships with parents are excellent. Parents are highly complementary about the outstanding quality of the nursery environment, the educational support and exemplary care that their children receive from staff. They describe how staff create a 'welcoming', 'non-judgemental' and 'special' atmosphere.
- Partnership working is exceptionally well embedded. These highly effective and engaging partnerships with parents and other professionals enable staff to meet all children's individual needs exceptionally well. This is particularly effective in supporting children with special educational needs and/or disabilities (SEND). Parents feel they are kept fully involved in their children's learning and all assessment processes.
- There is a culture of reflective practice in place. The manager and staff are entirely invested and show firm commitment to continuously improving the already excellent

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practice in place. Self-evaluation is ongoing, incisive and leads to targeted improvement plans that have a substantial impact on outcomes for children.

- Teaching is inspirational. Staff consistently extend children's learning to the highest levels, using their professional knowledge of how children learn and develop exceptionally well. They expertly adapt activities to tailor their approach to reflect children's individual stage of learning and their emerging interests. Children make rapid progress in their learning.
- Staff are excellent role models. They strongly support children to develop their self-confidence and self-awareness. Children are extremely well behaved.

We provide over and above early years' education; the early intervention and preventative work we complete with families is another of our main strengths, we work closely with other agencies to ensure the whole needs of the child are met.

Our work using the Early Help format in partnership with Newcastle City Council is particularly successful, we identify needs within a family where extra help is required, we make a referral to Early Help and then take the lead role on coordinating a group of professionals to support the family, this is a consent based process so families have to be willing to enter in to the process. Early Help is also a key function of closing a child protection plan, as the child protection plan closes, the case reverts to an early help plan, this allows the family to gain any support required from a team of professionals when social care have stepped down and closed the case. We have significant experience of delivering both the early intervention element and the social care step down, we are well placed to act as Early Help Lead Professionals offering daily contact and support to the family and the co-ordination with other organisations.

The support we give children with SEND is another of our main strengths, we have a highly skilled and experienced workforce to deliver education provision to children with additional needs.

Our inclusive approach both in terms of how we connect with all families, and our recruitment from the local community ensures that the ethnic diversity within our organisation remains one of our core strengths. We speak 9 different languages across our organisation which puts us in a strong position to be able to meet the needs of local families who have English as an additional language. It is incredibly daunting as a parent to leave your child in the care of someone else often for the very first time. The child themselves can also That fear is hugely magnified when you do not speak the same language and cannot communicate your child's needs, or answer questions or fill in registration forms to be able to access our services. Our bi-lingual staff team prove to be a huge comfort to families and asset to our organisation in these situations.

Our resilience is a key strength, we have faced challenging times before and have a proven track record of overcoming difficulties, of adjusting what we do, accommodating and being open to change and diversifying service delivery when necessary. Our whole staff team are committed, focused and loyal to the organisation and our aims and objectives, they are without a doubt the biggest strength and asset that we have as an organisation, and their wellbeing must continue to be at the forefront of future planning and recovery.

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We have a committed Board of Trustees who provide strong governance to the organisation and a line of accountability for the CEO to ensure that decisions being made are ethical, legal and there is no conflict of interest.

The CEO founded the charity and has a wealth of knowledge in regards to the quality expected for service delivery, the core values that allow us to remain successful and the vision and drive to move the organisation on to its next stage. The CEO has reflected on their contribution to the organisation and carefully considered if they have the correct skill set to continue the work on, The CEO feels that they have the skills required to lead the organisation and provide vision and enthusiasm for the next stage of operations post Covid 19, they have also recognised the need to buy in some services both to release their time to be able to move things forward and to also have a wider skill set to draw from.

Developments

Footsteps Howdon

We have launched a playgroup service at Howdon Hub in Sept 2020 (delayed due to lockdown), the uptake of places so far has been slow, with lots of initial interest but they haven't really transferred in to bookings. They have predicted a loss for this service in 20/21 therefore in order for this service to be sustainable the occupancy levels need to reach 50% the current occupancy level is 24%, It is recognised that the service needs more publicity, we are in the process of purchasing new signage and enlisting the support of a social media consultant to promote the service.

Footsteps Ponteland

This service was also launched in Sept 2020 (delayed due to lockdown) initial occupancy levels were very good, however the third lockdown from January 2021 has meant that we have only legally been able to provide a service to critical workers and vulnerable children so this has had an impact on our occupancy levels. We anticipate that we will return to our usual service delivery once National Lockdown restrictions are lifted.

New Services

Training and Development

For a number of years, we have been developing our in-house training programme and as part of our recovery plan and income diversification it would be beneficial to explore the opportunities in delivering training at a cost to outside agencies.

The CEO has multiple years' experience in delivering training to others, and has provided senior team members with the opportunity to develop their skills both in creating training materials and in presenting content. Our Ofsted Outstanding grade throws further weight to our credibility and content.

Summary

After fully reviewing all aspects of our current service delivery we believe that our services are still relevant and that there is still a need for our work within the community.

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We have identified that in order to recover from the current situation we need to ensure that our workforce as our most valuable asset are considered in any strategic decision making that results in any changes to our core offer, and that they are consulted with throughout the process.

We acknowledge that we may need to review staffing if occupancy levels do not return to previous or anticipated levels. We also see the need to recruit Trustees to support with the governance of the organisation, ideally with experience in the following areas, Finance, Marketing, Legal and Children's Services.

It is important to recognise the skill gaps within the organisation and we should seek consultancy support with immediate effect to help with the marketing and promotion of our services, particularly our social media presence. High quality images would help enormously therefore a professional photographer has been sourced to complete this work.

Whilst we have been successful in securing funding for our organisation, some external support should be considered on an ad-hoc basis to manage and submit applications for larger grants, this would allow the CEO scope to work on the smaller quick wins, rather than being consumed by the larger applications.

We have appointed a new accountant who can provide training and will be switching to a financial software package that meets our requirements.

In terms of growth the current workforce is beyond capacity and introducing new sites in the next 12 months is not deemed beneficial, we have just opened two new sites and time should be spent and invested in the development of those sites before seeking new opportunities. There may be scope as these settings develop to consider new sites should something arise, however in terms of recovery the immediate focus should be on securing the sites we have, developing potential services such as training and seeking funding to support core costs before we attempt to open any new sites.

In closing

It is important that in life and when planning for recovery we recognise that every business, every person will have both success and regrets have had resounding victories and have made mistakes and it is how we respond to those things will determine how happy, successful and resilient we become. Our response to these things determine the outcome, if we can own the things that weren't done so well, and learn from any mistakes, then our response will determine our outcome, our response in these situations will determine our success. We cannot control the things around us, we cannot control the external factors like in the case a global pandemic the only thing we can control is our response to it, how much we let external situations impact our internal operations and our own personal wellbeing will ultimately affect our recovery. Our response as individuals and as an organisation will be the difference between survival or surrender.

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As an organisation we choose to move forward from the situation we are in and are committed to future service delivery, we have some reserves that will help us through the coming months, and we will endeavour to rebuild and recover from any loss we have experienced. Footsteps Children's Services seeks to build upon our strengths and continue to offer our services in areas of need.

Goals for the year ahead would be to see an increase in diverse active Board Members, we would also seek to improve the marketing and publicity within our organisation.

We are keen to develop our excellent SEND work we currently deliver and would seek funding to maintain the lead role that provides advice and support to managers and training to teams across the organisation to develop this work further. We would seek funding to have a designated worker to offer family support.

We will continue to work with Peninsula, our Human Resources and Health and Safety consultants to ensure we meet all of our legal and moral obligations for everyone we employ.

The plans we have for the future to grow, develop and review our services will be done to ensure sustainability of the organisation and we will share updates on the progress of these plans on a regular basis through existing staff meeting structures.

We seek to continue to meet our initial aims and objectives whilst being responsive to the need around us, and flexible in our approach to meet the needs of service users within our financial capacity.

Reference and administrative details of the charity, its trustees and advisors

Charity Name	Footsteps Children's Services Ltd
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Registered Charity Number	1146996
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Company Number	06866200
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Registered Office and operational address	Suite 14 John Buddle Work Village Buddle Road Newcastle upon Tyne, NE4 8AW
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Trustees	Lisa Brady Alexandra Jane Johnson Paul Lofthouse Kevin Chipperfield Elizabeth Lowther
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Resigned 3 September 2020

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Independent Examiner	Jim Dodds Connected Voice Business Services C/O Connected Voice Higham House Higham, Place Newcastle upon Tyne NE1 8AF
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Bankers	Barclays Bank PLC Leicester LE87 2BB
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Structure, governance and management

Governing documents

The organisation is a charitable company limited by guarantee, incorporated on the 1 April 2009. The company was established under a Memorandum of Association which establishes the objectives and powers of the charitable company and is governed under its Articles of Association as amended 9 February 2012.

Appointment of Trustees

Trustees are elected at the AGM and can serve more than one term. Interested possible new trustees are encouraged to attend trustee meetings and then are co-opted at the AGM.

Organisation

The Trustees meet each month and deal with the administration of the charity encompassing the strategic vision, financial accountability and risk management.

The operational management of the organisation is undertaken by the paid staff team.

Pay policy for senior staff

The trustees set the pay of the management comparing against equivalent roles within the voluntary sector. The nationally recognised National Joint Council pay scales are used to set the pay of all staff. Inflationary pay awards are periodically approved in line with national NJC pay agreements.

FOOTSTEPS CHILDREN'S SERVICES LTD

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TRUSTEES ANNUAL REPORT

For the year ended 31 August 2020

Trustees responsibilities in relation to the financial statement

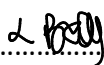
The trustees, who are also directors for the purposes of company law, are responsible for preparing the Trustees' Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of incoming resources and application of resources, including the income and expenditure of the charitable company for that year. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board on 25/03/2021 and signed on their behalf by:


.....

Lisa Brady
Chair

FOOTSTEPS CHILDREN'S SERVICES LTD

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INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

For the year ended 31 August 2020

I report on the financial statements of Footsteps Children's Services Ltd for the year ended 31 August 2020, which are set out on pages 23 to 34.

Respective responsibilities of trustees and examiner

The charity's trustees (who are also directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 ("the Charities Act") and that an independent examination is needed.

The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a Fellow of the Association of Charity Independent Examiners.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act), and
- to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no material matters have come to my attention which gives me cause to believe that in, any material respect:

- accounting records were not kept in accordance with section 386 of the Companies Act 2006; or
- the accounts do not accord with such records; or
- the accounts do not comply with relevant accounting requirements under section 396 of the Companies Act 2006 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
- the accounts have not been prepared in accordance with the Charities SORP (FRS102).

I 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.

Jim Dodds FCIE
Connected Voice Business Services
Higham House
Higham Place
Newcastle upon Tyne
NE1 8AF
Date: 25/03/2021



FOOTSTEPS CHILDREN'S SERVICES LTD

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STATEMENT OF FINANCIAL ACTIVITIES

(INCLUDING SUMMARY INCOME & EXPENDITURE ACCOUNT)

For the year ended 31 August 2020

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Income from:					
Donations and legacies	6	731	-	731	3,014
Charitable activities					
Grants and contracts	7	373,732	16,657	390,389	375,738
Investments	8	97	-	97	150
Total income		374,560	16,657	391,217	378,901
Expenditure on:					
Raising funds	9	260	-	260	272
Charitable activities					
Operation of the charity	10	342,504	8,735	351,239	396,761
Total expenditure		342,764	8,735	351,499	397,033
Net income/(expenditure) and net movement of funds		31,796	7,922	39,718	(18,131)
Reconciliation of funds					
Total funds brought forward		50,314	3,603	53,917	72,048
Total funds carried forward		82,110	11,525	93,635	53,917

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 25 to 34 form an integral part of these accounts.

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Charity Number 1146996

Company Number 06866200

BALANCE SHEET

As at 31 August 2020

	Notes	£	Total 2020 £	£	Total 2019 £
<u>Current assets</u>					
Debtors	18	5,234		2,448	
Cash at bank and in hand	19	162,182		99,140	
Total current assets		167,416		101,588	
Creditors: amounts falling due within one year	20	(43,781)		(47,671)	
Net current assets			123,635		53,917
Total assets less current liabilities			123,635		53,917
Creditors: amounts falling due after more than one year	21	(30,000)		-	
Total net assets or liabilities			93,635		53,917
<u>Funds of the charity</u>					
Unrestricted income funds			82,110		50,314
Restricted income funds			11,525		3,603
Total funds			93,635		53,917

The company was entitled to an exemption from audit under s477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act with the respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to small companies subject to the small companies regime and in accordance with FRS102 SORP.

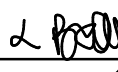
The notes on pages 25 to 34 form an integral part of these accounts.

These financial statements were approved by the Board on:

25/03/2021

and are signed on its behalf by:

Lisa Brady
Chair



FOOTSTEPS CHILDREN'S SERVICES LTD

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2020

1 Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

2 Basis of accounting

2.1 Basis of preparation

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The accounts have been prepared in accordance with 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 2015) – Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Footsteps Children's Services Ltd meets the definition of a public benefit entity under FRS 102.

2.2 Preparation of the accounts on a going concern basis

The financial statements have been prepared on a going concern basis. In making their assessment the trustees have reviewed and considered relevant information, including their annual budget and future cash flows. In response to the COVID-19 pandemic, the trustees have revised their forecasts to take into account measures that they can take with the current resources available to mitigate the impact of the current adverse conditions. The trustees are of the view that the immediate future of the charity for the next 12 months is secure and that on this basis the charity is a going concern.

3 Income

3.1 Recognition of income

Income is recognised when the charity has entitlement to the resources, any performance conditions attached to the item(s) of income have been met, it is more likely than not that the resources will be received and the monetary value can be measured with sufficient reliability

3.2 Offsetting

There has been no offsetting of assets and liabilities, or income and expenses, unless required or permitted by FRS102 SORP or FRS102.

3.3 Grants and donations

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria of income recognition are met.

3.4 Volunteer help

The value of volunteer help received is not included in the accounts but is described in the trustees' annual report.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2020

3.5 Interest receivable

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

3.6 Income from membership subscriptions

Membership subscriptions received in the nature of a gift are recognised in donations and legacies.

Membership subscriptions which gives a member the right to buy services or other benefits are recognised as income earned from the provision of goods and services as income from charitable activities.

3.7 Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

4 Expenditure and liabilities

4.1 Liability recognition

Liabilities are recognised when it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.

4.2 Charitable activities

Expenditure on charitable activities includes the costs of child care and other activities undertaken to further the purposes of the charity and their associated support costs.

4.3 Governance and support costs

Support costs have been allocated between governance cost and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

4.4 Irrecoverable VAT

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

4.5 Creditors

The charity has creditors which are measured at settlement amounts less any trade discounts.

4.6 Provisions for liabilities

A liability is measured on recognition at its historical cost and then subsequently measured at the best estimate of the amount required to settle the obligation at the reporting date.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2020

5 Assets

5.1 Tangible fixed assets for use by the charity

Individual fixed assets costing £1,000 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis as follows:

Leasehold property improvements	Straight line over five years
Office furniture	Straight line over five years
Office and computer equipment	Straight line over four years

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2020

Analysis of income

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
6 Donations and legacies				
Donations and gifts	731	-	731	3,014
	<u>731</u>	<u>-</u>	<u>731</u>	<u>3,014</u>
7 Charitable activities				
<u>Income from grants and contracts</u>				
Newcastle City Council - Inclusion	15,635	-	15,635	5,726
Newcastle City Council - Early years	184,647	-	184,647	171,262
Newcastle City Council - Deprivation	13,230	-	13,230	5,409
Northumberland County Council - Early years	17,079	-	17,079	21,515
Business Support Funding (Covid-19)	15,100	-	15,100	-
HMRC Job Retention Scheme	27,867	-	27,867	-
Covid Resilience Funding	16,000	-	16,000	-
Reece Group	-	10,000	10,000	10,000
Prudhoe Street Mission	-	-	-	-
St James's Place Charitable Foundation	-	2,500	2,500	2,500
The Joicey Trust	-	3,000	3,000	-
Street Games	-	1,157	1,157	-
Co-op Local Community Fund	-	-	-	-
Skipton Building Society	-	-	-	2,000
Newcastle Building Society	-	-	-	3,000
The Big Potential	-	-	-	6,100
Crèche contract	29,733	-	29,733	45,863
<u>Income from charges</u>				
Parent fees	44,605	-	44,605	90,460
Crèche fees	5,911	-	5,911	8,511
Other income	3,925	-	3,925	3,393
	<u>373,732</u>	<u>16,657</u>	<u>390,389</u>	<u>375,738</u>
8 Income from investments				
Bank interest	97	-	97	150
	<u>97</u>	<u>-</u>	<u>97</u>	<u>150</u>

Income was £391,217 (2019: £378,901) of which £374,560 was unrestricted or designated (2019: £355,301) and £16,657 was restricted (2019: £23,600).

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2020

Analysis of expenditure on charitable activities

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
9 Raising funds				
Fundraising costs	260	-	260	272
	<u>260</u>	<u>-</u>	<u>260</u>	<u>272</u>
10 Charitable activities				
<u>Direct costs</u>				
Staff costs	210,601	6,051	216,652	253,397
Staff training, travel and refreshments	809	-	809	3,201
Protective clothing, health & safety	1,622	-	1,622	2,120
Resources	-	2,684	2,684	2,339
Nursery activity costs	4,541	-	4,541	3,604
Provision of lunch and food	1,203	-	1,203	2,032
Out of school	-	-	-	440
Events	879	-	879	1,392
<u>Support costs</u>				
Management and admin salaries	67,588	-	67,588	64,792
Management and admin other	341	-	341	501
Rent and rates	20,035	-	20,035	17,498
Heat and light	1,329	-	1,329	1,765
Insurance	6,657	-	6,657	6,678
Maintenance, cleaning and refuse	4,166	-	4,166	7,535
Telephone	1,994	-	1,994	3,133
Marketing and promotion	1,100	-	1,100	1,555
Printing, stationery and consumables	4,603	-	4,603	5,820
Small office equipment	5,970	-	5,970	3,633
Bank charges	174	-	174	281
Subscriptions and licences	488	-	488	2,482
Sundry	1,159	-	1,159	512
Professional fees	2,258	-	2,258	4,666
Depreciation	-	-	-	3,996
<u>Governance costs</u>				
Trustees meeting costs and AGM	72	-	72	1,110
Independent examiner's fees for reporting on the accounts	1,836	-	1,836	1,830
Legal fees	3,079	-	3,079	449
	<u>342,504</u>	<u>8,735</u>	<u>351,239</u>	<u>396,761</u>

Expenditure on charitable activities was £351,499 (2019: £396,576) of which £342,764 was unrestricted or designated (2019: £371,369) and £8,735 was restricted (2019: £25,207).

FOOTSTEPS CHILDREN'S SERVICES LTD

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2020

11 Fees for examination of the accounts

	2020 £	2019 £
Independent examiner's fees for reporting on the accounts	1,836	1,830
Other accountancy services paid to the examiner	2,658	2,738
	4,494	4,568

12 Analysis of staff costs and the cost of key management personnel

	2020 £	2019 £
Salaries and wages	273,659	294,563
Social security costs	7,491	11,921
Pension costs (defined contribution pension plan)	3,090	2,843
	284,240	309,327

No employee received remuneration above £60,000 (2019: nil)

The key management personnel of the charity, comprise the trustees and the Director of Children's Services. The total employee benefits of the key management personnel of the charity were £38,328 (2019: £36,633).

13 Staff numbers

The average monthly head count was 26 staff (2019: 26 staff) and the average monthly number of full-time equivalent employees during the year were as follows:

	2020 Number	2019 Number
The parts of the charity in which the employee's work.		
Charitable activities	18.0	20.0
	18.0	20.0

14 Transactions with trustees

None of the trustees have been paid any remuneration or received any other benefits from an employment with their charity or a related entity.

Trustees' expenses

No trustee expenses have been incurred in the year.

Transaction(s) with related parties

There have been no related party transactions in the reporting period.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2020

15 Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The employer's pension costs represent contributions payable by the charity to the fund and amount to £3,090 (2019: £702). There was £2,843 outstanding as at 31 August 2020 (2019: £1,864).

16 Corporation Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objectives.

	Leasehold property improvements £	Total £
17 Tangible fixed assets		
Cost		
Balance brought forward	19,979	19,979
Additions	-	-
Disposals	-	-
Balance carried forward	19,979	19,979
Depreciation		
Basis	SL	
Rate	20%	
Balance brought forward	19,979	19,979
Depreciation charge for year	-	-
Disposals	-	-
Balance carried forward	19,979	19,979
Net book value		
Brought forward	-	-
Carried forward	-	-

18 Debtors and prepayments (receivable within 1 year)

	2020 £	2019 £
Trade debtors	2,793	2,594
Provisions for doubtful debts	(511)	(146)
Other debtors	2,952	-
	5,234	2,448

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For the year ended 31 August 2020

19 Cash at bank and in hand

	2020 £	2019 £
Short term deposits	45,280	45,194
Cash at bank	116,659	53,617
Cash in hand	243	328
	162,182	99,140

20 Creditors and accruals (payable within 1 year)

	2020 £	2019 £
Trade creditors	2,023	2,395
Accruals		
Independent examination of accounts	1,836	1,830
Deferred income		
Newcastle City Council	39,649	43,446
Other creditors	273	-
	43,781	47,671

21 Creditors and accruals (payable after more than 1 year)

	2020 £	2019 £
Business Interruption Loan	30,000	-
	30,000	-

The business interruption loan commenced 23 July 2020, there are no payments or interest for the first twelve months, then six years to pay back with no early payment charge.

21 Deferred income

Deferred income comprises of advance payments from grants that relate to future periods.

	2020 £
Balance brought forward	43,446
Amount released to income earned from charitable activities	(43,446)
Amount deferred in year	39,649
Balance carried forward	39,649

22 Events after the end of the reporting period

No events (not requiring adjustment to the accounts) have occurred after the end of the reporting period but before the accounts are authorised which relate to conditions that arose after the end of the reporting period.

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For the year ended 31 August 2020

23 Analysis of charitable funds

Analysis of movements in unrestricted funds

	Fund balances brought forward £	Incoming resources £	Resources expended £	Transfers £	Fund balances carried forward £
Unrestricted funds					
General unrestricted fund	50,314	374,560	(342,764)	-	82,110
Totals	50,314	374,560	(342,764)	-	82,110

Purpose of unrestricted funds

General unrestricted fund The 'free reserves' after allowing for designated funds

Analysis of movement in restricted funds

	Fund balances brought forward £	Incoming resources £	Resources expended £	Transfers £	Fund balances carried forward £
Restricted funds					
Reece Group	-	10,000	(4,185)	-	5,815
Skipton Building Society	601	-	(578)	-	23
St James's Place Charitable	710	2,500	(710)	-	2,500
Newcastle Building Society	2,291	-	(2,105)	-	186
Street Games	-	1,157	(1,157)	-	-
Joicey Trust	-	3,000	-	-	3,000
Totals	3,603	16,657	(8,735)	-	11,525

23 Analysis of charitable funds continued

Purpose of restricted funds

Restricted funds represent income resources used for a specific purpose within the charity as identified by the donor.

Reece Group	Providing 1:1 support for children with additional needs and resources for the sensory room.
Skipton Building Society	To purchase children's resources.
St James's Place Charitable	Providing 1:1 support for children with additional needs.
Newcastle Building Society	To develop the children's outdoor area at the setting.
Street Games	To assist in financing the provision of the externally funded Newcastle Best Summer Ever programme.
Joicey Trust	Providing a contribution towards core costs.

24 Capital commitments

As at 31 August 2020, the charity had no capital commitments (2019 -£nil).

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2020

25 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Cash at bank and in hand	150,657	11,525	162,182	99,140
Other net current assets/(liabilities)	(38,547)	-	(38,547)	(45,223)
	<u>82,110</u>	<u>11,525</u>	<u>93,635</u>	<u>53,917</u>