

# FIRST RUNG LTD

England & Wales · Charity number 800614

## Details

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**Other names** FIRST RUNG (1987) LTD

**Status** Registered

**Legal form** Charitable company

**Company number** [02171777](#)

**Registered** 1989-06-19

**Register** [View on the Charity Commission register](#)

## Contact

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**Address** First Rung Ltd  
197-205 High Street  
Enfield  
Middlesex  
EN3 4DZ

**Phone** 02088034764

**Email** [swoolcock@firstrung.org.uk](mailto:swoolcock@firstrung.org.uk)

**Website** [www.firstrung.org.uk](http://www.firstrung.org.uk)

## Activities

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**Objects:** 1. TO ADVANCE EDUCATION FOR THE PUBLIC BENEFIT, PARTICULARLY, BUT NOT EXCLUSIVELY, BY THE PROVISION OF VOCATIONAL TRAINING. 2. FOR THE RELIEF OF UNEMPLOYMENT FOR THE PUBLIC BENEFIT PARTICULARLY, BUT NOT EXCLUSIVELY, BY THE PROVISION OF TRAINING, RETRAINING AND PERIODS OF WORK EXPERIENCE, THROUGH THE PROGRAMMES OF THE LEARNING AND SKILLS COUNCIL, THEIR SUCCESSORS OR SIMILAR PROGRAMMES FUNDED BY THE GOVERNMENT AND PUBLIC AGENCIES INCLUDING THE EUROPEAN UNION.

**Activities:** Foundation Learning Programme, Job Centre Plus contract. We offer accredited training for; Adult Numeracy and Literacy Using IT E3 & L1 Key Skills L1 National Award Working with Children NVQ L1 & L2 Retail and Administration NVQ L2 Child Care NVQ L1 & L2 Customer Service NVQ L1 in Sports & Leisure Employability Skills & Personal Development enrichment activities & work experience.

## Classification

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- **How:** Provides Services
- **What:** Education/training
- **Who:** Children/young People, People With Disabilities, Other Defined Groups

## Geography

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- **Area of benefit:** NOT DEFINED IN PRACTICE ENFIELD LB
- Barnet
- Brent
- Ealing
- Enfield
- Hackney
- Haringey
- Harrow
- Waltham Forest

## Finances

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Period end	Income	Expenditure	Assets	Employees
2025-07-31	£2,272,722	£2,137,126	£607,566	37
2024-07-31	£2,007,589	£1,827,863	£471,970	38
2023-07-31	£1,713,143	£1,640,150	£292,244	32
2022-07-31	£1,397,585	£1,613,355	£219,251	35
2021-07-31	£1,417,573	£1,575,919	£435,021	35

## Trustees

Name	Role	Appointed
Brona Mary Ratcliffe		2025-04-10
Dr Calvin Sidney Pike		2021-09-23
Dr Liz Jones		2022-10-20
Hafiza Ali		2022-12-12
Iain Lawrence		2022-10-20
Jacqueline Hinton		2025-01-21
Janine Carlaw		2025-07-10
Jonathan Eifion-Jones		2023-09-13
Mohit Mahajan		2023-09-13
Omar Ahmed		2018-07-16
Professor Timothy Young		2025-01-21
Sonal Riley		2020-08-04

**FIRST RUNG LTD**

England & Wales - Charity number 800614

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# Accounts

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**REGISTERED COMPANY NUMBER: 02171777 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 800614**

**REPORT OF THE TRUSTEES AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST JULY 2025**  
**FOR**  
**FIRST RUNG LIMITED**

Sproull & Co.  
Chartered Accountants  
Statutory Auditors  
First Floor, Jebson House  
53-61 High Street  
Ruislip  
Middlesex  
HA4 7BD

**FIRST RUNG LIMITED**

**CONTENTS OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST JULY 2025**

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	<b>Page</b>
<b>Reference and Administrative Details</b>	1
<b>Report of the Trustees</b>	2 to 6
<b>Statement of Trustees' Responsibilities</b>	7
<b>Report of the Independent Auditors</b>	8 to 10
<b>Statement of Financial Activities</b>	11
<b>Statement of Financial Position</b>	12
<b>Statement of Cash Flows</b>	13
<b>Notes to the Statement of Cash Flows</b>	14
<b>Notes to the Financial Statements</b>	15 to 23
<b>Detailed Statement of Financial Activities</b>	24

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**FIRST RUNG LIMITED**

**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31ST JULY 2025**

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<b>TRUSTEES</b>	O Ahmed H Ali J Carlaw (appointed 10.7.25) J R Eifion-Jones (Treasurer and Chair of FPC) J M Hinton E J Jones Chair (Chair) I J Lawrence M Mahajan C S Pike (Chair of QPRC) B M Ratcliffe (appointed 10.4.25) S Riley T M Young
<b>COMPANY SECRETARY</b>	B Tari Anavi
<b>REGISTERED OFFICE</b>	197-205 High Street Ponders End Enfield Middlesex EN3 4DZ
<b>REGISTERED COMPANY NUMBER</b>	02171777 (England and Wales)
<b>REGISTERED CHARITY NUMBER</b>	800614
<b>AUDITORS</b>	Sproull & Co. Chartered Accountants Statutory Auditors First Floor, Jebson House 53-61 High Street Ruislip Middlesex HA4 7BD
<b>BANKERS</b>	HSBC Bank plc 1 The Town Enfield EN2 6LD  Barclays Bank plc 54 High Street Ruislip Middlesex HA4 7AT

## **FIRST RUNG LIMITED**

### **REPORT OF THE TRUSTEES** **FOR THE YEAR ENDED 31ST JULY 2025**

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st July 2025. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives and aims**

The Company's objects ('Objects') are specifically restricted to:

- To advance education for the public benefit, particularly but not exclusively, by the provision of vocational training.
- For the relief of unemployment for the public benefit particularly, but not exclusively, by the provision of training, retraining and periods of work experience, through the programmes of the Department for Education, their successors or similar programmes funded by the Government and public agencies.

##### **Public benefit**

Trustees of a charity have a duty to report on their charity's public benefit. The Trustees of First Rung Limited have considered the guidance issued by the Charity Commission. The Trustees have concluded that:-

- The aims and activities of the organisation continue to be charitable;
- The aims and the work done give identifiable benefits in the charitable sector and both directly and indirectly to young people in need;
- The benefits are for the public, are not unreasonably restrictive in any way and certainly not by ability to pay;
- There is no detriment or harm arising from the aims and activities.

The trustees can confirm that they are complying with the Charity Commission's guidance on public benefit. First Rung is a registered charity; its only activity is the provision of learning, training and preparing young people for work. Prior to joining us many of our learners struggle to identify the next stage in their education or work. The charity, by providing tailor made courses combined with excellent pastoral care, nurtures the young people, enabling them to make the next step in their journey for the benefit of society, local employers and the economy.

##### **Activities**

###### **Study Programme**

First Rung continues to deliver the 16-19 years old Study programme, which offers bespoke learning and employability provision to young people based on their needs and prior attainment. The aim is to provide young people with the skills and qualifications to progress to an apprenticeship, employment or further education.

Learners have the opportunity to achieve a vocational qualification in either Accountancy, Business Administration, Customer Service or Health and Social Care. A level 3 qualification was offered in Accountancy for the first time. Learners develop their skills in English, Mathematics and ICT by undertaking the Functional Skills qualification at the appropriate level. First Rung continues to offer Functional Skills and GCSE English and Mathematics provision to learners who did not previously achieve at least a grade 4 in these subjects.

All learners on the programme attend preparation for life and work sessions to support them to develop the necessary skills and attributes to sustain employment and be a good citizen. All learners are also expected to undertake a work placement as part of the programme.

During 2024/25, the Study Programme met the company's objectives by continuing to expand the breadth of provision it offers in response to community need. It met the needs of young people with Special Educational Needs and Disabilities (SEND) by increasing, enhancing and individualising the high needs support it offers. At the same time, it catered for increasing number of higher ability learners through delivery of level 3 vocational qualifications.

## **FIRST RUNG LIMITED**

### **REPORT OF THE TRUSTEES** **FOR THE YEAR ENDED 31ST JULY 2025**

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#### **OBJECTIVES AND ACTIVITIES**

##### **Apprenticeships**

Apprenticeships offer employers the opportunity both to recruit new staff who will be trained to industry standard while they work, and to up-skill existing staff.

A levy is charged by the Government to larger employers. These funds are accessed through the Digital Apprenticeship Service (DAS) system. Apprenticeship standards provide a structure of industry relevant to both on and off the job training. Off the job training is delivered by First Rung either in centre or on-line. On the job training is delivered in work by the employer. Apprenticeships are both level 2 and 3 and are delivered in a range of vocational areas.

Smaller employers who are not required to pay the apprenticeship levy can also employ and train apprentices. Due to a change in government policy, these apprenticeships are now fully funded for apprentices aged 16-21 or 22-24 if they have an EHCP and SME employers no longer have to contribute.

During the year ended 31 July 2025 First Rung delivered apprenticeships in the areas of Early Years, Teaching Assistant, Accountancy and Business Administration.

During 2024/25, the company increased its apprenticeship achievement rate to 75% putting it well ahead of the national Minimum Level of performance for this provision.

##### **Back on Track Targeted NEET Greater London Authority**

This NEET (Not in Employment, Education or Training) programme launched in April 2024, was designed to focus on young Londoners who are furthest from the labour market and experiencing multiple forms of disadvantage and/or have significant additional support needs including:

- Looked after children or care leavers.
- Those who are homeless or at risk of homelessness.
- Those involved in substance misuse and/or criminal activity.
- Young carers.
- Those with SEND (Special Educational Needs and Disabilities).

The GLA divided the programme into 4 areas of London. First Rung was awarded a grant for the Ponders End site in the North & East London area. All participants are supported on a one-to-one basis by an advisor.

##### **Jobs and Skills for Londoners Greater London Authority**

First Rung launched Health and Social Care programmes through a project called "Skills and Jobs for Londoners" for learners aged 19 and over study qualifications at levels 2 and 3.

##### **High Needs Support**

First Rung has become a specialist provider of support to learners aged 16-25 who have additional needs identified in an Education, Health and Care Plan (EHCP). First Rung supported 20 learners during the year, another increase on the previous year. The programme is funded jointly through the Department for Education and local authorities.

##### **UK Shared Prosperity Fund UKSPF - Multiply Programme**

First Rung delivered Government initiative a subcontractor to Harrow, Richmond and Uxbridge College. The programme provided numeracy training to young people aged 16-25.

## **FIRST RUNG LIMITED**

### **REPORT OF THE TRUSTEES** **FOR THE YEAR ENDED 31ST JULY 2025**

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#### **ACHIEVEMENTS AND PERFORMANCE**

##### **Achievements**

###### Delivery of Learning

First Rung supported 264 Study Programme and 102 apprentice learners during the year.

###### Quality of Provision

The Charity's aim is continuously to improve the quality of the learning that it provides. To achieve this aim, each year a critical self-assessment is undertaken, the findings from which are used to produce a Quality Improvement Plan (QIP) which identifies the areas requiring attention, the person tasked with the work and the deadline of completion.

###### Ofsted

The Apprenticeship, Study Programme and High Needs provision is subject to inspection by Ofsted. First Rung was inspected by Ofsted in December 2022 and was graded "Good" overall. This included a "Good" judgement in the new areas of Apprenticeships and High Needs support.

##### **Fundraising activities**

During this financial year, the Trustees decided that the environment and circumstances were still not conducive to active fundraising. In the future, we may return to active fundraising when the time is right and opportunities arise.

##### **Audit**

No external audits were undertaken during this financial year.

##### **Articles of Association**

The organisation updated its articles of association during the 24-25 financial year to bring clarity and improve Board governance. They are available on the Companies House website.

#### **FINANCIAL REVIEW**

##### **Results for the Financial Year and Long Term Strategy**

The financial health of the organisation has continued to improve resulting in a surplus of £135,596 for the year ended 31 July 2025 (2024 - £179,726 surplus). During the year the organisation continued to invest in staff development, including teacher training and purchased IT hardware for staff and learners.

##### **Risks attached to achievement of objectives**

First Rung faces risks from changes in Government priorities in employment and skills provision; to mitigate this risk the Charity is proactively looking to diversify into alternative income streams, so that there is less dependence on the Department for Education contract which at present constitutes the majority of our income. There has been some success in this area with the securing of UKSPF Fund and First Rung was awarded two Greater London Authority contracts over the past two years.

The risk appetite of the Board was reviewed this year and a risk framework, with revised risk register, was implemented. Risks are reviewed quarterly through the Finance & Premises committee.

The safety of our learners, many of whom are vulnerable, is of paramount importance to First Rung. To mitigate the risks, all staff and trustees are DBS (Disclosure and Barring Service) checked and have regular training in Safeguarding, 'Prevent' and bullying awareness. Safeguarding is included as a topic for discussion at every Board meeting.

##### **Investment policy and objectives**

It is the policy of the Trustees to invest surplus cash in short term cash deposits. From time to time the Trustees, via the Finance & Premises Committee, look at the overall resources of the organisation and its future needs in order to establish whether there is scope for extending the range of investments. The organisation's improving financial position now allows for over half of our reserves to be held in short term deposits.

**FINANCIAL REVIEW**

**Reserves policy**

The purpose of maintaining reserves is to ensure the charity's long term financial stability, safeguard its ability to deliver educational programmes and training to young people, and manage financial risks arising from fluctuations in income or unexpected costs.

Having considered such matters as predictability of income, expenditure levels, liquidity, planned commitments external and operational risks the Trustees have determined that, in the short term, free reserves (defined as net current assets) should be maintained at a minimum level of three months of operating costs, in order to provide cover in the event of any interruption of income and to enable opportunities to invest in the organisation as they arise.

The free reserves at 31 July 2025 were £510,421 (£401,474 as at 31 July 2024) which represents 3 months (2024 - 3 months) average operating costs.

The acquisition of a new learning centre during 2026 will reduce free reserves in the short-term but the Trustees are committed to restoring this to target levels as soon as practical and continuing to operate at a surplus will support this policy.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

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

Day to day decisions regarding the charity are made by the senior management team, led by the CEO. There are two Board sub-committees covering Finance & Premises (FPC) and Quality, Personnel and Remuneration (QPRC).

**FIRST RUNG LIMITED**

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31ST JULY 2025**

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**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Board of Trustees**

The following list includes all Trustees and Key Management who served during the financial year.

Chair	Elizabeth Joan Jones	
Treasurer	Jonathan Richard Eifion-Jones	
Other Trustees	Sonal Riley	
	Omar Ahmed	
	Emmamuella Emovon	Resigned 01.10.2024
	Mohit Mahajan	
	Iain James Lawrence	
	Calvin Sidney Pike	
	Hafiza Ali	
	Timothy Michael Young	Appointed 21.01.2025
	Jacqueline Mary Hinton	Appointed 21.01.2025
	Brona Mary Ratcliffe	Appointed 10.04.2025
	Janine Carlaw	Appointed 10.07.2025
Company Secretary	Hannah Julie Warwick	Resigned 05.02.2025
	Beril Tari Anavi	Appointed 05.02.2025
Senior Staff		
Chief Executive	Steve Woolcock	
Deputy CEO/Operations Manager	Denis Dillon	
Head of Centres and Inclusion	Francesca Muratori	
Finance and performance manager	Druvi Attygalle	

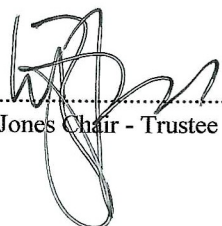
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

**AUDITORS**

Under section 487(2) of the Companies Act 2006, Sproull & Co., Chartered Accountants and Statutory Auditors, are deemed to be reappointed as auditors.

Approved by order of the board of trustees on ..... 5/2/2025 ..... and signed on its behalf by:

  
.....  
E J Jones Chair - Trustee

## **FIRST RUNG LIMITED**

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES** **FOR THE YEAR ENDED 31ST JULY 2025**

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The trustees (who are also the directors of First Rung Limited for the purposes of company law) are responsible for preparing the Report of the Trustees 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. Under that law, the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
FIRST RUNG LIMITED**

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**Opinion**

We have audited the financial statements of First Rung Limited (the 'charitable company') for the year ended 31st July 2025 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st July 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FIRST RUNG LIMITED**

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### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### **Our responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the company and the sector in which it operates, we identified the principle risks of non-compliance with laws and regulations related to charitable companies and the application of charitable funds. We also considered those laws and regulations which have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities SORP (FRS 102).

Through enquiry of management we gained an understanding of their relevant laws and regulations; the entity's policies and procedures regarding compliance; and how they identify, evaluate and account for litigation claims. We understand that the company complies with the framework through having in place robust procedures and policies and by outsourcing and taking external professional legal, tax and accounting advice on relevant specialist functions and areas.

The senior statutory auditor led a discussion with all members of the engagement team regarding the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. The areas identified in this discussion were:

- Manipulation or error in the classification of income leading to the under or overstatement of unrestricted or restricted funds.
- Manipulation or error in the use of funds leading to expenditure which is not in accordance with the charitable company's objectives.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
FIRST RUNG LIMITED**

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The procedures we carried out to gain sufficient appropriate audit evidence in the above areas included:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Identifying and testing journal entries.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Michelle Wickwar A.C.A., F.C.C.A. (Senior Statutory Auditor)  
for and on behalf of Sproull & Co.  
Chartered Accountants  
Statutory Auditors  
First Floor, Jebson House  
53-61 High Street  
Ruislip  
Middlesex  
HA4 7BD

Date: 13/02/2026 .....

**FIRST RUNG LIMITED****STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31ST JULY 2025**

	Notes	Unrestricted fund £	Restricted fund £	2025 Total funds £	2024 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
<b>Charitable activities</b>					
Main charitable activities	4	2,262,383	-	2,262,383	2,004,710
Investment income	3	10,339	-	10,339	2,879
<b>Total</b>		<b>2,272,722</b>	<b>-</b>	<b>2,272,722</b>	<b>2,007,589</b>
<b>EXPENDITURE ON</b>					
<b>Charitable activities</b>					
Main charitable activities	5	1,598,347	-	1,598,347	1,336,564
Support costs		538,779	-	538,779	491,299
<b>Total</b>		<b>2,137,126</b>	<b>-</b>	<b>2,137,126</b>	<b>1,827,863</b>
<b>NET INCOME</b>		<b>135,596</b>	<b>-</b>	<b>135,596</b>	<b>179,726</b>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		471,970	-	471,970	292,244
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>607,566</b>	<b>-</b>	<b>607,566</b>	<b>471,970</b>

**CONTINUING OPERATIONS**

All income and expenditure has arisen from continuing activities.

The statement of financial activities includes all gains and losses recognised in the year.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes form part of these financial statements

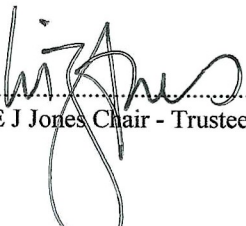
**FIRST RUNG LIMITED**

**STATEMENT OF FINANCIAL POSITION**  
**31ST JULY 2025**

		2025	2024
	Notes	£	£
<b>FIXED ASSETS</b>			
Tangible assets	12	97,145	70,496
<b>CURRENT ASSETS</b>			
Debtors	13	203,248	382,380
Cash at bank and in hand		<u>684,862</u>	<u>342,745</u>
		<b>888,110</b>	<b>725,125</b>
<b>CREDITORS</b>			
Amounts falling due within one year	14	<u>(377,689)</u>	<u>(323,651)</u>
<b>NET CURRENT ASSETS</b>		<u><b>510,421</b></u>	<u><b>401,474</b></u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><b>607,566</b></u>	<u><b>471,970</b></u>
<b>NET ASSETS</b>		<u><b>607,566</b></u>	<u><b>471,970</b></u>
<b>FUNDS</b>	17		
Unrestricted funds		<u><b>607,566</b></u>	<u><b>471,970</b></u>
<b>TOTAL FUNDS</b>		<u><b>607,566</b></u>	<u><b>471,970</b></u>

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

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

  
.....  
E J Jones Chair - Trustee

The notes form part of these financial statements

**FIRST RUNG LIMITED****STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31ST JULY 2025**

---

		2025	2024
	Notes	£	£
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	395,653	139,944
Net cash provided by operating activities		<u>395,653</u>	<u>139,944</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(63,875)	(15,511)
Interest received		10,339	2,879
Net cash used in investing activities		<u>(53,536)</u>	<u>(12,632)</u>
<b>Change in cash and cash equivalents in the reporting period</b>			
		342,117	127,312
<b>Cash and cash equivalents at the beginning of the reporting period</b>			
		<u>342,745</u>	<u>215,433</u>
<b>Cash and cash equivalents at the end of the reporting period</b>			
		<u><u>684,862</u></u>	<u><u>342,745</u></u>

The notes form part of these financial statements

**FIRST RUNG LIMITED****NOTES TO THE STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31ST JULY 2025**

---

<b>1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
<b>Net income for the reporting period (as per the Statement of Financial Activities)</b>	<b>135,596</b>	<b>179,726</b>
<b>Adjustments for:</b>		
Depreciation charges	37,226	28,312
Interest received	<b>(10,339)</b>	(2,879)
Decrease/(increase) in debtors	<b>179,132</b>	(133,786)
Increase in creditors	<b>54,038</b>	68,571
<b>Net cash provided by operations</b>	<b>395,653</b>	<b>139,944</b>

**2. ANALYSIS OF CHANGES IN NET FUNDS**

	<b>At 1.8.24</b>	<b>Cash flow</b>	<b>At 31.7.25</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Net cash</b>			
Cash at bank and in hand	342,745	342,117	684,862
	<u>342,745</u>	<u>342,117</u>	<u>684,862</u>
<b>Total</b>	<b>342,745</b>	<b>342,117</b>	<b>684,862</b>

The notes form part of these financial statements

**1. GENERAL INFORMATION**

First Rung Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 197 – 205 High Street, Ponders End, Enfield, EN3 4DZ. First Rung Limited is also a registered charity in England and Wales. Charity number is 800614.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

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

**Critical accounting judgements and key sources of estimation uncertainty**

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. There were no critical accounting estimates and judgements made in preparing these financial statements.

**Going concern**

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. This view has been reinforced by First Rung's ability to maintain a positive cash balance, without recourse to borrowing. This position is strengthened by the continuation of our existing DfE funding contract until July 2026.

**Income**

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

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

**Government grants**

The company recognises income arising from government grants using the performance model.

**Tangible fixed assets and impairment of fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

**2. ACCOUNTING POLICIES - continued**

**Tangible fixed assets and impairment of fixed assets**

Leasehold improvements	Over the term of the lease
Plant and machinery	33.33% Straight line
Fixtures, fittings and equipment	20% Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and carrying value of the asset, and is recognized in net income/(expenditure) for the year.

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

**Taxation**

The charity is exempt from corporation tax on its charitable activities.

**Fund accounting**

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

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

**Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Payments in respect of other post-retirement benefits are charged to the Statement of Financial Activities in the period to which they relate.

**Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**Financial instruments**

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

**Basic financial liabilities**

**2. ACCOUNTING POLICIES - continued****Financial instruments**

Basic financial liabilities, including creditors are initially recognized at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognized initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**3. INVESTMENT INCOME**

	2025	2024
	£	£
Interest receivable	<u>10,339</u>	<u>2,879</u>

**4. INCOME FROM CHARITABLE ACTIVITIES**

		2025	2024
Activity		£	£
DfE Study programme and traineeships	Main charitable activities	1,459,834	1,224,046
Apprenticeships	Main charitable activities	327,613	291,082
Other	Main charitable activities	474,936	489,582
		<u>2,262,383</u>	<u>2,004,710</u>

**5. CHARITABLE ACTIVITIES COSTS**

	Direct Costs (see note 6)	Support costs (see note 7)	Totals
	£	£	£
Main charitable activities	1,598,347	-	1,598,347
Support costs	-	538,779	538,779
	<u>1,598,347</u>	<u>538,779</u>	<u>2,137,126</u>

**FIRST RUNG LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST JULY 2025****6. DIRECT COSTS OF CHARITABLE ACTIVITIES**

	2025	2024
	£	£
Staff costs	1,485,068	1,234,426
Learner support costs	4,961	5,555
Training costs and materials	9,837	24,676
Registration fees	98,481	71,907
	<u>1,598,347</u>	<u>1,336,564</u>

**7. SUPPORT COSTS**

	Management	Governance costs	Totals
	£	£	£
Support costs	<u>526,479</u>	<u>12,300</u>	<u>538,779</u>

Support costs, included in the above, are as follows:

	2025 Support costs	2024 Total activities
	£	£
Sundries	234	-
Premises costs	315,423	336,755
Office costs	83,561	63,197
Legal and professional	24,256	9,202
Bank charges	481	336
Staff expenses	65,298	42,085
Depreciation of tangible and heritage assets	37,226	28,312
Auditors' remuneration	12,300	10,500
Auditors' remuneration for non audit work	-	912
	<u>538,779</u>	<u>491,299</u>

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

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

	2025	2024
	£	£
Auditors' remuneration	12,300	10,500
Auditors' remuneration for non audit work	-	912
Depreciation - owned assets	<u>37,226</u>	<u>28,312</u>

**9. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31st July 2025 nor for the year ended 31st July 2024.

**Trustees' expenses**

During the year two trustees were reimbursed travel expenses totalling £110 (2024 - one trustee was reimbursed travelling expenses of £81).

**10. STAFF COSTS**

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>1,350,281</b>	1,131,739
Social security costs	<b>107,237</b>	80,246
Other pension costs	<b>27,550</b>	22,441
	<b><u>1,485,068</u></b>	<u>1,234,426</u>

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

	<b>2025</b>	<b>2024</b>
Direct charitable services	<b><u>37</u></b>	<u>30</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	<b>2025</b>	<b>2024</b>
£60,001 - £70,000	<b>1</b>	1
£80,001 - £90,000	-	1
£90,001 - £100,000	<b>1</b>	-
	<b><u>2</u></b>	<u>2</u>

Of the employees whose emoluments exceed £60,000, two (2024: one) have retirement benefits accruing under a defined benefit scheme of £529 (2024: £529). Pension contributions relating to those staff earning over £60,000 totalled £6,377 in the current year (2024: £6,196).

The senior management team (consisting of Senior Staff Chief Executive, Deputy CEO and Operational Manager and Head of Centres and Inclusion) received total remuneration of £204,693 (2024: £200,770).

**11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £	Restricted fund £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
<b>Charitable activities</b>			
Main charitable activities	2,004,710	-	2,004,710
Investment income	2,879	-	2,879
<b>Total</b>	<u>2,007,589</u>	<u>-</u>	<u>2,007,589</u>
<b>EXPENDITURE ON</b>			
<b>Charitable activities</b>			
Main charitable activities	1,336,564	-	1,336,564
Support costs	491,299	-	491,299
<b>Total</b>	<u>1,827,863</u>	<u>-</u>	<u>1,827,863</u>
<b>NET INCOME</b>	179,726	-	179,726
<b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward	292,244	-	292,244
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u><u>471,970</u></u>	<u><u>-</u></u>	<u><u>471,970</u></u>

**12. TANGIBLE FIXED ASSETS**

	Leasehold improvements £	Plant and machinery £	Fixtures and fittings £	Totals £
<b>COST</b>				
At 1st August 2024	236,190	192,279	42,228	470,697
Additions	-	63,629	246	63,875
At 31st July 2025	<u>236,190</u>	<u>255,908</u>	<u>42,474</u>	<u>534,572</u>
<b>DEPRECIATION</b>				
At 1st August 2024	178,922	180,999	40,280	400,201
Charge for year	24,886	11,793	547	37,226
At 31st July 2025	<u>203,808</u>	<u>192,792</u>	<u>40,827</u>	<u>437,427</u>
<b>NET BOOK VALUE</b>				
At 31st July 2025	<u><u>32,382</u></u>	<u><u>63,116</u></u>	<u><u>1,647</u></u>	<u><u>97,145</u></u>
At 31st July 2024	<u><u>57,268</u></u>	<u><u>11,280</u></u>	<u><u>1,948</u></u>	<u><u>70,496</u></u>

**FIRST RUNG LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST JULY 2025****13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Trade debtors	18,943	21,030
Other debtors	123,558	258,377
Prepayments and accrued income	60,747	102,973
	<u>203,248</u>	<u>382,380</u>

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

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Trade creditors	49,017	42,129
Social security and other taxes	29,336	24,039
Other creditors	215,961	180,982
Accrued expenses	83,375	76,501
	<u>377,689</u>	<u>323,651</u>

**15. LEASING AGREEMENTS**

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

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Within one year	134,906	137,645
Between one and five years	85,380	220,286
	<u>220,286</u>	<u>357,931</u>

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

	<b>Unrestricted</b>	<b>Restricted</b>	<b>2025</b>	<b>2024</b>
	<b>fund</b>	<b>fund</b>	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>funds</b>	<b>funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fixed assets	97,145	-	97,145	70,496
Current assets	888,110	-	888,110	725,125
Current liabilities	(377,689)	-	(377,689)	(323,651)
	<u>607,566</u>	<u>-</u>	<u>607,566</u>	<u>471,970</u>

**17. MOVEMENT IN FUNDS**

	At 1.8.24 £	Net movement in funds £	At 31.7.25 £
<b>Unrestricted funds</b>			
General fund	471,970	135,596	607,566
<b>TOTAL FUNDS</b>	<u>471,970</u>	<u>135,596</u>	<u>607,566</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	2,272,722	(2,137,126)	135,596
<b>TOTAL FUNDS</b>	<u>2,272,722</u>	<u>(2,137,126)</u>	<u>135,596</u>

**Comparatives for movement in funds**

	At 1.8.23 £	Net movement in funds £	At 31.7.24 £
<b>Unrestricted funds</b>			
General fund	292,244	179,726	471,970
<b>TOTAL FUNDS</b>	<u>292,244</u>	<u>179,726</u>	<u>471,970</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	2,007,589	(1,827,863)	179,726
<b>TOTAL FUNDS</b>	<u>2,007,589</u>	<u>(1,827,863)</u>	<u>179,726</u>

**18. RELATED PARTY DISCLOSURES**

There were no related party transactions for the year ended 31st July 2025.

**FIRST RUNG LIMITED****DETAILED STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31ST JULY 2025**

	2025	2024
	£	£
<b>INCOME AND ENDOWMENTS</b>		
<b>Investment income</b>		
Interest receivable	10,339	2,879
<b>Charitable activities</b>		
DfE Study programme and traineeships	1,459,834	1,224,046
Apprenticeships	327,613	291,082
Other	474,936	489,582
	<u>2,262,383</u>	<u>2,004,710</u>
<b>Total incoming resources</b>	<u>2,272,722</u>	<u>2,007,589</u>
<b>EXPENDITURE</b>		
<b>Charitable activities</b>		
Wages	1,350,281	1,131,739
Social security	107,237	80,246
Pensions	27,550	22,441
Learner support costs	4,961	5,555
Training costs and materials	9,837	24,676
Registration fees	98,481	71,907
	<u>1,598,347</u>	<u>1,336,564</u>
<b>Support costs</b>		
<b>Management</b>		
Sundries	234	-
Premises costs	315,423	336,755
Office costs	83,561	63,197
Legal and professional	24,256	9,202
Bank charges	481	336
Staff expenses	65,298	42,085
Depn of leasehold improvements	24,886	24,887
Plant and machinery	11,793	2,455
Fixtures and fittings	547	970
	<u>526,479</u>	<u>479,887</u>
<b>Governance costs</b>		
Auditors' remuneration	12,300	10,500
Auditors' remuneration for non audit work	-	912
	<u>12,300</u>	<u>11,412</u>
<b>Total resources expended</b>	<u>2,137,126</u>	<u>1,827,863</u>
<b>Net income</b>	<u>135,596</u>	<u>179,726</u>

This page does not form part of the statutory financial statements

**FIRST RUNG LTD**

England & Wales - Charity number 800614

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# Accounts

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**REGISTERED COMPANY NUMBER: 02171777 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 800614**

**REPORT OF THE TRUSTEES AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST JULY 2024**  
**FOR**  
**FIRST RUNG LIMITED**

Sproull & Co.  
Chartered Accountants  
Statutory Auditors  
First Floor, Jebson House  
53-61 High Street  
Ruislip  
Middlesex  
HA4 7BD

**FIRST RUNG LIMITED**

**CONTENTS OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST JULY 2024**

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	<b>Page</b>
<b>Reference and Administrative Details</b>	1
<b>Report of the Trustees</b>	2 to 5
<b>Statement of Trustees' Responsibilities</b>	6
<b>Report of the Independent Auditors</b>	7 to 9
<b>Statement of Financial Activities</b>	10
<b>Statement of Financial Position</b>	11
<b>Statement of Cash Flows</b>	12
<b>Notes to the Statement of Cash Flows</b>	13
<b>Notes to the Financial Statements</b>	14 to 22
<b>Detailed Statement of Financial Activities</b>	23

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**FIRST RUNG LIMITED**

**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31ST JULY 2024**

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<b>TRUSTEES</b>	O Ahmed H Ali J R Eifion-Jones (Treasurer) E J Jones (Chair) I J Lawrence M Mahajan C S Pike S Riley
<b>COMPANY SECRETARY</b>	H J Warwick
<b>REGISTERED OFFICE</b>	197-205 High Street Ponders End Enfield Middlesex EN3 4DZ
<b>REGISTERED COMPANY NUMBER</b>	02171777 (England and Wales)
<b>REGISTERED CHARITY NUMBER</b>	800614
<b>AUDITORS</b>	Sproull & Co. Chartered Accountants Statutory Auditors First Floor, Jebson House 53-61 High Street Ruislip Middlesex HA4 7BD
<b>BANKERS</b>	HSBC Bank plc 1 The Town Enfield EN2 6LD  Barclays Bank plc 54 High Street Ruislip Middlesex HA4 7AT

## **FIRST RUNG LIMITED**

### **REPORT OF THE TRUSTEES** **FOR THE YEAR ENDED 31ST JULY 2024**

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st July 2024. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives and aims**

- To advance education for the public benefit, particularly but not exclusively, by the provision of vocational training.
- The relief of unemployment for the public benefit, particularly, but not exclusively, by the provision of training, retraining and periods of work experience through the programmes of the Education and Skills Funding Agency (ESFA), or similar programmes funded by local and central Government, corporate partners and the European Social Fund.
- To deliver training and development to young people so that their employment prospects are significantly improved. This can be through classroom or digital delivery.
- To provide learning, training, and work experience opportunities for young people to prepare them for the world of work. This is tailored to the individual needs of the young person and is supported by a comprehensive pastoral care programme.

##### **Public benefit**

Trustees of a charity have a duty to report on their charity's public benefit. The Trustees of First Rung Limited have considered the guidance issued by the Charity Commission. The Trustees have concluded that:-

- The aims and activities of the organisation continue to be charitable;
- The aims and the work done give identifiable benefits in the charitable sector and both directly and indirectly to young people in need;
- The benefits are for the public, are not unreasonably restrictive in any way and certainly not by ability to pay;
- There is no detriment or harm arising from the aims and activities.

The trustees can confirm that they are complying with the Charity Commission's guidance on public benefit. First Rung is a registered charity; its only activity is the provision of learning, training and preparing young people for work. Prior to joining us many of our learners struggle to identify the next stage in their education or work. The charity, by providing tailor made courses combined with excellent pastoral care, nurtures the young people, enabling them to make the next step in their journey for the benefit of society, local employers and the economy.

##### **Activities**

###### **Study Programme**

First Rung continues to deliver the 16-18 years old Study programme, which offers bespoke learning and employability provision to young people based on their needs and prior attainment. The aim is to provide young people with the skills and qualifications to progress to an apprenticeship, employment or further education.

Learners have the opportunity to achieve a level 1 vocational qualification in either Accountancy, Business Administration, Customer Service or Health and Social Care. They develop their skills in English, Mathematics and ICT by undertaking the Functional Skills qualification at the appropriate level. First Rung continues to offer GCSE English and Mathematics provision to learners who did not previously achieve at least a grade 3 in these subjects.

All learners on the programme attend preparation for life and work sessions to support them to develop the necessary skills and attributes to sustain employment and be a good citizen. All learners are also expected to undertake a work placement as part of the programme.

## FIRST RUNG LIMITED

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST JULY 2024

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#### **OBJECTIVES AND ACTIVITIES**

##### Apprenticeships

Apprenticeships offer employers the opportunity both to recruit new staff who will be trained to industry standard while they work, and to up-skill existing staff.

Companies with an annual pay bill of more than £3 million have to pay an apprenticeship levy at a rate of 0.5% of their annual pay bill. They can use this fund to provide apprenticeship training to their staff. The funds are accessed through the Digital Apprenticeship Service (DAS) system. Apprenticeship standards provide a structure of industry relevant to both on and off the job training. Off the job training is delivered by First Rung either in centre or on-line. On the job training is delivered in work by the employer. Apprenticeships are both level 2 and 3 and are delivered in a range of vocational areas.

Smaller employers who are not required to pay the apprenticeship levy can also employ and train apprentices. Funding for the training delivered by First Rung is drawn down from the Digital Apprenticeship Service. Due to a change in government policy, these apprenticeships are now fully funded, the employer no longer has to contribute.

During the year ended 31 July 2024 First Rung delivered apprenticeships in the areas of Early Years, Teaching Assistant, Accountancy, Business Administration and Customer Service.

##### Back on Track Targeted NEET Greater London Authority

This NEET (Not in Employment, Education or Training) programme launched in April 2024, was designed to focus on young Londoners who are furthest from the labour market and experiencing multiple forms of disadvantage and/or have significant additional support needs including:

- Looked after children or care leavers.
- Those who are homeless or at risk of homelessness.
- Those involved in substance misuse and/or criminal activity.
- Young carers.
- Those with SEND (Special Educational Needs and Disabilities).

The GLA divided the programme into 4 areas of London. First Rung was awarded a grant for the Ponders End site in the North & East London area. All participants are supported on a one-to-one basis by an advisor.

##### Jobs and Skills for Londoners Greater London Authority

First Rung launched Health and Social Care programmes through a project called "Skills and Jobs for Londoners" for learners aged 19 and over study qualifications at levels 2 and 3.

##### High Needs Support

First Rung has become a specialist provider of support to learners aged 16-25 who have additional needs identified in an Education, Health and Care Plan (EHCP). First Rung supported 20 learners during the year, funded jointly through the ESFA and local authorities.

##### UK Shared Prosperity Fund UKSPF - Multiply Programme

Towards the end of the year, First Rung secured funding as a subcontractor to Harrow, Uxbridge and Richmond College to deliver numeracy training to young people aged 16-25.

## **FIRST RUNG LIMITED**

### **REPORT OF THE TRUSTEES** **FOR THE YEAR ENDED 31ST JULY 2024**

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#### **ACHIEVEMENT AND PERFORMANCE**

##### **Achievements**

##### Delivery of Learning

First Rung supported 249 Study Programme and 50 apprentices learners during the year.

##### Quality of Provision

The Charity's aim is continuously to improve the quality of the learning that it provides. To achieve this aim, each year a critical self-assessment is undertaken, the findings from which are used to produce a Quality Improvement Plan (QIP) which identifies the areas requiring attention, the person tasked with the work and the deadline of completion.

##### Ofsted

The Apprenticeship, Study Programme and High Needs provision is subject to inspection by Ofsted. First Rung was inspected by Ofsted in December 2022 and was graded "Good" overall. This included a "Good" judgement in the new areas of Apprenticeships and High Needs support.

##### **Fundraising activities**

During this financial year, the Trustees decided that the environment and circumstances were still not conducive to active fundraising. In the future, we will return to active fundraising when the time is right and opportunities arise.

##### **40th Anniversary Celebration**

First Rung marked its 40th anniversary in November 2023 with a celebration event at the Crown Hotel, Cricklewood. The event was attended by learners, employers, partners, trustees and the staff team and included an awards ceremony.

#### **FINANCIAL REVIEW**

##### **Results for the Financial Year and Long Term Strategy**

The financial health of the organisation has continued to improve resulting in a surplus of £179,466 for the year ended 31 July 2024. During the year the organisation continued to invest in staff development, including teacher training and purchased IT hardware for staff and learners.

##### **Risks attached to achievement of objectives**

First Rung faces risks from changes in Government priorities in employment and skills provision; to mitigate this risk the Charity is proactively looking to diversify into alternative income streams, so that there is less dependence on the ESFA contract which at present constitutes the majority of our income. There has been some success in this area with the securing of UKSPF Fund and First Rung was awarded a Greater London Authority contract in 2022-23, followed by another in 2023-24.

The safety of our learners, many of whom are vulnerable, is of paramount importance to First Rung. To mitigate the risks, all staff and trustees are DBS (Disclosure and Barring Service) checked and have regular training in Safeguarding, 'Prevent' and bullying awareness. Safeguarding is included as a topic for discussion at every Board meeting.

##### **Investment policy and objectives**

It is the policy of the Trustees to invest surplus cash in short term cash deposits. From time to time the Trustees, via the Finance & Premises Committee, look at the overall resources of the organisation and its future needs in order to establish whether there is scope for extending the range of investments. The organisation's improving financial position now allows for over half of our reserves to be held in short term deposits.

##### **Reserves policy**

The Trustees have agreed that, in the short term, free reserves (net current assets) should be maintained at a minimum level of three months of operating costs, in order to provide cover in the event of any interruption of income and to enable opportunities to invest in the organisation as they arise. The free reserves at 31 July 2024 were £471,710 (£292,244 as at 31 July 2023) and now just exceed the Trustees' target of 3 months' operating costs. This strategy includes a commitment to move to a free reserves level that consistently exceeds three months. Continuing to operate at a surplus this year supports this policy.

**FIRST RUNG LIMITED**

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31ST JULY 2024**

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**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

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

Day to day decisions regarding the charity are made by the senior management team, led by the CEO. There are two Board sub-committees covering Finance & Premises and Quality, Personnel and Remuneration..

**Board of Trustees**

The following list includes all Trustees and key management who served during the financial year.

Chair	Elizabeth Joan Jones	
Treasurer	Alan Warner	Resigned 14.12.2023
	Jonathan Richard Eifion-Jones	Appointed 13.9.2023
Other Trustees	Sonal Riley	
	Omar Ahmed	
	Juliet Szabo-Merridew	Resigned 10.1.2024
	Mohit Mahajan	Appointed 13.9.2023
	Iain James Lawrence	
	Calvin Sidney Pike	
	Hafiza Ali	
	Emmamuella Emovon	Appointed 18.1.24 Resigned 1.10.24
Company Secretary	Hannah Julie Warwick	
Senior Staff		
Chief Executive	Steve Woolcock	
Deputy CEO/Operations Manager	Denis Dillon	
Head of Centres and Inclusion	Francesca Muratori	
Finance and performance manager	Druvi Attygalle	

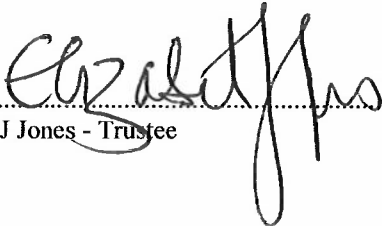
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

**AUDITORS**

Under section 487(2) of the Companies Act 2006, Sproull & Co., Chartered Accountants and Statutory Auditors, are deemed to be reappointed as auditors.

Approved by order of the board of trustees on .....31...../03/2025..... and signed on its behalf by:

  
.....  
E J Jones - Trustee

**FIRST RUNG LIMITED**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31ST JULY 2024**

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The trustees (who are also the directors of First Rung Limited for the purposes of company law) are responsible for preparing the Report of the Trustees 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
FIRST RUNG LIMITED**

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**Opinion**

We have audited the financial statements of First Rung Limited (the 'charitable company') for the year ended 31st July 2024 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st July 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
FIRST RUNG LIMITED**

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**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Our responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the company and the sector in which it operates, we identified the principle risks of non-compliance with laws and regulations related to charitable companies and the application of charitable funds. We also considered those laws and regulations which have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities SORP (FRS 102).

Through enquiry of management we gained an understanding of their relevant laws and regulations; the entity's policies and procedures regarding compliance; and how they identify, evaluate and account for litigation claims. We understand that the company complies with the framework through having in place robust procedures and policies and by outsourcing and taking external professional legal, tax and accounting advice on relevant specialist functions and areas.

The senior statutory auditor led a discussion with all members of the engagement team regarding the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. The areas identified in this discussion were:

- Manipulation or error in the classification of income leading to the under or overstatement of unrestricted or restricted funds.
- Manipulation or error in the use of funds leading to expenditure which is not in accordance with the charitable company's objectives.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
FIRST RUNG LIMITED**

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The procedures we carried out to gain sufficient appropriate audit evidence in the above areas included:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Identifying and testing journal entries.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Michelle Wickwar A.C.A., F.C.C.A. (Senior Statutory Auditor)

for and on behalf of Sproull & Co.

Chartered Accountants

Statutory Auditors

First Floor, Jebson House

53-61 High Street

Ruislip

Middlesex

HA4 7BD

Date: 31/3/25

**FIRST RUNG LIMITED****STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31ST JULY 2024**

		Unrestricted fund £	Restricted fund £	2024 Total funds £	2023 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
<b>Charitable activities</b>					
Main charitable activities	4	2,004,710	-	2,004,710	1,712,652
Investment income	3	2,879	-	2,879	491
<b>Total</b>		<b>2,007,589</b>	<b>-</b>	<b>2,007,589</b>	<b>1,713,143</b>
<b>EXPENDITURE ON</b>					
<b>Charitable activities</b>					
Main charitable activities	5	1,336,564	-	1,336,564	1,205,399
Support costs		491,299	-	491,299	434,751
<b>Total</b>		<b>1,827,863</b>	<b>-</b>	<b>1,827,863</b>	<b>1,640,150</b>
<b>NET INCOME</b>		<b>179,726</b>	<b>-</b>	<b>179,726</b>	<b>72,993</b>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		292,244	-	292,244	219,251
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>471,970</b>	<b>-</b>	<b>471,970</b>	<b>292,244</b>

**CONTINUING OPERATIONS**

All income and expenditure has arisen from continuing activities.

The statement of financial activities includes all gains and losses recognised in the year.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes form part of these financial statements

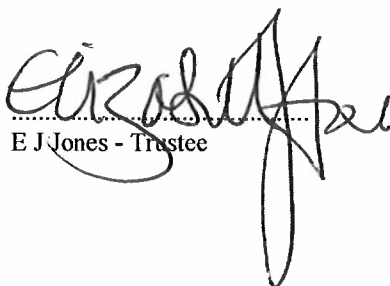
**FIRST RUNG LIMITED**

**STATEMENT OF FINANCIAL POSITION**  
**31ST JULY 2024**

	Notes	2024 £	2023 £
<b>FIXED ASSETS</b>			
Tangible assets	12	70,496	83,297
<b>CURRENT ASSETS</b>			
Debtors	13	382,380	248,594
Cash at bank and in hand		342,745	215,433
		<u>725,125</u>	<u>464,027</u>
<b>CREDITORS</b>			
Amounts falling due within one year	14	(323,651)	(255,080)
<b>NET CURRENT ASSETS</b>		<u>401,474</u>	<u>208,947</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>471,970</u>	<u>292,244</u>
<b>NET ASSETS</b>		<u>471,970</u>	<u>292,244</u>
<b>FUNDS</b>	17		
Unrestricted funds		<u>471,970</u>	<u>292,244</u>
<b>TOTAL FUNDS</b>		<u>471,970</u>	<u>292,244</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on 31/03/2025 and were signed on its behalf by:

  
E J Jones - Trustee

The notes form part of these financial statements

**FIRST RUNG LIMITED****STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31ST JULY 2024**

---

		2024	2023
	Notes	£	£
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<u>139,944</u>	<u>29,001</u>
Net cash provided by operating activities		<u>139,944</u>	<u>29,001</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(15,511)	(938)
Interest received		<u>2,879</u>	<u>491</u>
Net cash used in investing activities		<u>(12,632)</u>	<u>(447)</u>
<b>Change in cash and cash equivalents in the reporting period</b>			
Cash and cash equivalents at the beginning of the reporting period		<u>215,433</u>	<u>186,879</u>
Cash and cash equivalents at the end of the reporting period		<u>342,745</u>	<u>215,433</u>

The notes form part of these financial statements

**FIRST RUNG LIMITED**

**NOTES TO THE STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31ST JULY 2024**

**1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2024	2023
	£	£
<b>Net income for the reporting period (as per the Statement of Financial Activities)</b>	179,726	72,993
<b>Adjustments for:</b>		
Depreciation charges	28,312	30,295
Interest received	(2,879)	(491)
(Increase)/decrease in debtors	(133,786)	28,449
Increase/(decrease) in creditors	68,571	(102,245)
<b>Net cash provided by operations</b>	<u>139,944</u>	<u>29,001</u>

**2. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.8.23	Cash flow	At 31.7.24
	£	£	£
<b>Net cash</b>			
Cash at bank and in hand	215,433	127,312	342,745
	<u>215,433</u>	<u>127,312</u>	<u>342,745</u>
<b>Total</b>	<u>215,433</u>	<u>127,312</u>	<u>342,745</u>

The notes form part of these financial statements

**1. GENERAL INFORMATION**

First Rung Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 197 – 205 High Street, Ponders End, Enfield, EN3 4DZ. First Rung Limited is also a registered charity in England and Wales. Charity number is 800614.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

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

**Critical accounting judgements and key sources of estimation uncertainty**

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. There were no critical accounting estimates and judgements made in preparing these financial statements.

**Going concern**

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. This view has been reinforced by First Rung's ability to maintain a positive cash balance, without recourse to borrowing. This position is strengthened by the continuation of our existing ESFA funding contract until July 2024 and recent confirmation that the following year's contract until July 2025 will show significant growth.

**Income**

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

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

**Government grants**

The company recognises income arising from government grants using the performance model.

**Tangible fixed assets and impairment of fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

**2. ACCOUNTING POLICIES - continued**

**Tangible fixed assets and impairment of fixed assets**

Leasehold improvements	Over the term of the lease
Plant and machinery	33.33% Straight line
Fixtures, fittings and equipment	20% Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and carrying value of the asset, and is recognized in net income/(expenditure) for the year.

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

**Taxation**

The charity is exempt from corporation tax on its charitable activities.

**Fund accounting**

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

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

**Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Payments in respect of other post-retirement benefits are charged to the Statement of Financial Activities in the period to which they relate.

**Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**Financial instruments**

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

**2. ACCOUNTING POLICIES - continued****Financial instruments****Basic financial liabilities**

Basic financial liabilities, including creditors are initially recognized at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognized initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**3. INVESTMENT INCOME**

	2024	2023
	£	£
Interest receivable	2,879	491
	<u>2,879</u>	<u>491</u>

**4. INCOME FROM CHARITABLE ACTIVITIES**

	2024	2023
	£	£
ESFA Study programme and traineeships	1,224,046	974,765
Apprenticeships	291,082	191,190
Other	489,582	546,697
	<u>2,004,710</u>	<u>1,712,652</u>

**5. CHARITABLE ACTIVITIES COSTS**

	Direct Costs (see note 6)	Support costs (see note 7)	Totals
	£	£	£
Main charitable activities	1,336,564	-	1,336,564
Support costs	-	491,299	491,299
	<u>1,336,564</u>	<u>491,299</u>	<u>1,827,863</u>

**FIRST RUNG LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST JULY 2024****6. DIRECT COSTS OF CHARITABLE ACTIVITIES**

	2024	2023
	£	£
Staff costs	1,234,426	1,128,704
Learner support costs	5,555	4,057
Training costs and materials	24,676	9,295
Registration fees	71,907	63,343
	<u>1,336,564</u>	<u>1,205,399</u>

**7. SUPPORT COSTS**

	Management	Governance costs	Totals
	£	£	£
Support costs	<u>479,887</u>	<u>11,412</u>	<u>491,299</u>

Support costs, included in the above, are as follows:

	2024	2023
	Support costs	Total activities
	£	£
Sundries	-	19
Premises costs	336,755	289,811
Office costs	63,197	52,630
Legal and professional	9,202	6,205
Bank charges	336	464
Staff expenses	42,085	44,827
Depreciation of tangible and heritage assets	28,312	30,295
Auditors' remuneration	10,500	10,500
Auditors' remuneration for non audit work	912	-
	<u>491,299</u>	<u>434,751</u>

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

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

	2024	2023
	£	£
Auditors' remuneration	10,500	10,500
Auditors' remuneration for non audit work	912	-
Depreciation - owned assets	<u>28,312</u>	<u>30,295</u>

**FIRST RUNG LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST JULY 2024**

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**9. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31st July 2024 nor for the year ended 31st July 2023.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31st July 2024 nor for the year ended 31st July 2023.

**10. STAFF COSTS**

	2024	2023
	£	£
Wages and salaries	1,131,739	1,022,359
Social security costs	80,246	83,476
Other pension costs	22,441	22,869
	<u>1,234,426</u>	<u>1,128,704</u>

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

	2024	2023
Direct charitable services	<u>30</u>	<u>32</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2024	2023
£60,001 - £70,000	1	-
£80,001 - £90,000	1	1
	<u>2</u>	<u>1</u>

Of the employees whose emoluments exceed £60,000, Two (2023: one) have retirement benefits accruing under defined benefit scheme £529 (2023: £354). Pension contributions relating to those staff earning over £60,000 totalled £6,196 in the current year (2023: £4,250).

The senior management team (consisting of Senior Staff Chief Executive, Deputy CEO and Operational Manager and Head of Centres and Inclusion) received total remuneration of £200,770 (2023: £193,000).

**11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £	Restricted fund £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
<b>Charitable activities</b>			
Main charitable activities	1,712,652	-	1,712,652
Investment income	491	-	491
<b>Total</b>	<b>1,713,143</b>	<b>-</b>	<b>1,713,143</b>
<b>EXPENDITURE ON</b>			
<b>Charitable activities</b>			
Main charitable activities	1,205,399	-	1,205,399
Support costs	434,751	-	434,751
<b>Total</b>	<b>1,640,150</b>	<b>-</b>	<b>1,640,150</b>
<b>NET INCOME</b>	<b>72,993</b>	<b>-</b>	<b>72,993</b>
<b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward	219,251	-	219,251
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>292,244</b>	<b>-</b>	<b>292,244</b>

**12. TANGIBLE FIXED ASSETS**

	Leasehold improvements £	Plant and machinery £	Fixtures and fittings £	Totals £
<b>COST</b>				
At 1st August 2023	236,190	179,056	39,940	455,186
Additions	-	13,223	2,288	15,511
At 31st July 2024	236,190	192,279	42,228	470,697
<b>DEPRECIATION</b>				
At 1st August 2023	154,035	178,544	39,310	371,889
Charge for year	24,887	2,455	970	28,312
At 31st July 2024	178,922	180,999	40,280	400,201
<b>NET BOOK VALUE</b>				
At 31st July 2024	57,268	11,280	1,948	70,496
At 31st July 2023	82,155	512	630	83,297

**FIRST RUNG LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST JULY 2024****13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2024	2023
	£	£
Trade debtors	21,030	26,656
Other debtors	258,377	72,759
Prepayments and accrued income	102,973	149,179
	<u>382,380</u>	<u>248,594</u>

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

	2024	2023
	£	£
Trade creditors	42,129	28,176
Social security and other taxes	24,039	22,021
Other creditors	180,982	163,935
Accrued expenses	76,501	40,948
	<u>323,651</u>	<u>255,080</u>

**15. LEASING AGREEMENTS**

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

	2024	2023
	£	£
Within one year	137,645	38,874
Between one and five years	220,286	36,500
	<u>357,931</u>	<u>75,374</u>

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

	Unrestricted fund	Restricted fund	2024 Total funds	2023 Total funds
	£	£	£	£
Fixed assets	70,496	-	70,496	83,297
Current assets	725,125	-	725,125	464,027
Current liabilities	(323,651)	-	(323,651)	(255,080)
	<u>471,970</u>	<u>-</u>	<u>471,970</u>	<u>292,244</u>

**FIRST RUNG LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST JULY 2024****17. MOVEMENT IN FUNDS**

	At 1.8.23 £	Net movement in funds £	At 31.7.24 £
<b>Unrestricted funds</b>			
General fund	292,244	179,726	471,970
<b>TOTAL FUNDS</b>	<u>292,244</u>	<u>179,726</u>	<u>471,970</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	2,007,589	(1,827,863)	179,726
<b>TOTAL FUNDS</b>	<u>2,007,589</u>	<u>(1,827,863)</u>	<u>179,726</u>

**Comparatives for movement in funds**

	At 1.8.22 £	Net movement in funds £	At 31.7.23 £
<b>Unrestricted funds</b>			
General fund	219,251	72,993	292,244
<b>TOTAL FUNDS</b>	<u>219,251</u>	<u>72,993</u>	<u>292,244</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	1,713,143	(1,640,150)	72,993
<b>TOTAL FUNDS</b>	<u>1,713,143</u>	<u>(1,640,150)</u>	<u>72,993</u>

**18. RELATED PARTY DISCLOSURES**

There were no related party transactions for the year ended 31st July 2024.

**FIRST RUNG LIMITED****DETAILED STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31ST JULY 2024**

	2024 £	2023 £
<b>INCOME AND ENDOWMENTS</b>		
<b>Investment income</b>		
Interest receivable	2,879	491
<b>Charitable activities</b>		
ESFA Study programme and traineeships	1,224,046	974,765
Apprenticeships	291,082	191,190
Other	489,582	546,697
	<u>2,004,710</u>	<u>1,712,652</u>
<b>Total incoming resources</b>	<b>2,007,589</b>	<b>1,713,143</b>
<b>EXPENDITURE</b>		
<b>Charitable activities</b>		
Wages	1,131,739	1,022,359
Social security	80,246	83,476
Pensions	22,441	22,869
Learner support costs	5,555	4,057
Training costs and materials	24,676	9,295
Registration fees	71,907	63,343
	<u>1,336,564</u>	<u>1,205,399</u>
<b>Support costs</b>		
<b>Management</b>		
Sundries	-	19
Premises costs	336,755	289,811
Office costs	63,197	52,630
Legal and professional	9,202	6,205
Bank charges	336	464
Staff expenses	42,085	44,827
Depn of leasehold improvements	24,887	24,886
Plant and machinery	2,455	3,444
Fixtures and fittings	970	1,965
	<u>479,887</u>	<u>424,251</u>
<b>Governance costs</b>		
Auditors' remuneration	10,500	10,500
Auditors' remuneration for non audit work	912	-
	<u>11,412</u>	<u>10,500</u>
<b>Total resources expended</b>	<b>1,827,863</b>	<b>1,640,150</b>
<b>Net income</b>	<b>179,726</b>	<b>72,993</b>

This page does not form part of the statutory financial statements



**FIRST RUNG LTD**

England & Wales - Charity number 800614

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# Accounts

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**REGISTERED COMPANY NUMBER: 02171777 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 800614**

**REPORT OF THE TRUSTEES AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST JULY 2023**  
**FOR**  
**FIRST RUNG LIMITED**

Sproull & Co.  
Chartered Accountants  
Statutory Auditors  
First Floor, Jebson House  
53-61 High Street  
Ruislip  
Middlesex  
HA4 7BD

**FIRST RUNG LIMITED**

**CONTENTS OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST JULY 2023**

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	<b>Page</b>
<b>Reference and Administrative Details</b>	1
<b>Report of the Trustees</b>	2 to 6
<b>Statement of Trustees' Responsibilities</b>	7
<b>Report of the Independent Auditors</b>	8 to 10
<b>Statement of Financial Activities</b>	11
<b>Statement of Financial Position</b>	12
<b>Statement of Cash Flows</b>	13
<b>Notes to the Statement of Cash Flows</b>	14
<b>Notes to the Financial Statements</b>	15 to 23
<b>Detailed Statement of Financial Activities</b>	24

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**FIRST RUNG LIMITED**

**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31ST JULY 2023**

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<b>TRUSTEES</b>	O Ahmed S Riley J L Szabo-Merridew (resigned 10.1.24) W A Warner (Treasurer) (resigned 14.12.23) C S Pike S J Stott (resigned 9.3.23) E J Jones I J Lawrence H Ali J R Eifion-Jones (appointed 13.9.23) M Mahajan (appointed 13.9.23)
<b>COMPANY SECRETARY</b>	H J Warwick
<b>REGISTERED OFFICE</b>	197-205 High Street Ponders End Enfield Middlesex EN3 4DZ
<b>REGISTERED COMPANY NUMBER</b>	02171777 (England and Wales)
<b>REGISTERED CHARITY NUMBER</b>	800614
<b>AUDITORS</b>	Sproull & Co. Chartered Accountants Statutory Auditors First Floor, Jebson House 53-61 High Street Ruislip Middlesex HA4 7BD
<b>BANKERS</b>	HSBC Bank plc 1 The Town Enfield EN2 6LD  Barclays Bank plc 54 High Street Ruislip Middlesex HA4 7AT

## **FIRST RUNG LIMITED**

### **REPORT OF THE TRUSTEES** **FOR THE YEAR ENDED 31ST JULY 2023**

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

#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives and aims**

- To advance education for the public benefit, particularly but not exclusively, by the provision of vocational training.
- The relief of unemployment for the public benefit, particularly, but not exclusively, by the provision of training, retraining and periods of work experience through the programmes of the Education and Skills Funding Agency (ESFA), or similar programmes funded by local and central Government, corporate partners and the European Social Fund.
- To deliver training and development to young people so that their employment prospects are significantly improved. This can be through classroom or digital delivery.
- To provide learning, training, and work experience opportunities for young people to prepare them for the world of work. This is tailored to the individual needs of the young person and is supported by a comprehensive pastoral care programme.

##### **Public benefit**

Trustees of a charity have a duty to report on their charity's public benefit. The Trustees of First Rung Limited have considered the guidance issued by the Charity Commission. The Trustees have concluded that:-

- The aims and activities of the organisation continue to be charitable;
- The aims and the work done give identifiable benefits in the charitable sector and both directly and indirectly to young people in need;
- The benefits are for the public, are not unreasonably restrictive in any way and certainly not by ability to pay;
- There is no detriment or harm arising from the aims and activities.

The trustees can confirm that they are complying with the Charity Commission's guidance on public benefit. First Rung is a registered charity; its only activity is the provision of learning, training and preparing young people for work. Prior to joining us many of our learners struggle to identify the next stage in their education or work. The charity, by providing tailor made courses combined with excellent pastoral care, nurtures the young people, enabling them to make the next step in their journey for the benefit of society, local employers and the economy.

##### **Activities**

###### **ESFA Study Programme**

First Rung continues to develop the 16-18 Study programme, which offers bespoke learning and employability provision to young people based on their needs and prior attainment. The aim is to provide young people with the skills and qualifications to progress to an apprenticeship, employment or further education.

Learners have the opportunity to achieve a level 1 vocational qualification in either business administration, customer service or childcare. They develop their skills in English, Mathematics and ICT by undertaking the functional skills qualification at the appropriate level. First Rung continues to offer GCSE English and Mathematics provision to learners who did not previously achieve at least a grade 3 (grade D) in these subjects.

All learners on the programme attend preparation for life and work sessions to support them to develop the necessary skills and attributes to sustain employment and be a good citizen. All learners are also expected to undertake a work placement as part of the programme.

## **FIRST RUNG LIMITED**

### **REPORT OF THE TRUSTEES** **FOR THE YEAR ENDED 31ST JULY 2023**

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#### **OBJECTIVES AND ACTIVITIES**

##### **Apprenticeships**

Apprenticeships offer employers the opportunity both to recruit new staff who will be trained to industry standard while they work, and to up-skill existing staff.

Companies with an annual pay bill of more than £3 million have to pay an apprenticeship levy at a rate of 0.5% of their annual pay bill. They can use this fund to provide apprenticeship training to their staff. The funds are accessed through the Digital Apprenticeship Service (DAS) system. Apprenticeship standards provide a structure of industry relevant to both on and off the job training. Off the job training is delivered by First Rung either in centre or on-line. On the job training is delivered in work by the employer. Apprenticeships are both level 2 and 3 and are delivered in a range of vocational areas.

Smaller employers who are not required to pay the apprenticeship levy can also employ and train apprentices. Funding for the training delivered by First Rung is drawn down from the Digital Apprenticeship Service, which pays for 95% of the training, the employer contributing 5%. Training for apprentices aged 16-18 is funded at 100%.

During the year ended 31 July 2023 First Rung delivered apprenticeships in the areas of Early Years, Teaching Assistant, Accountancy, Business Administration and Customer Service.

##### **Reed in Partnership: ESF SEND Youth Unemployment Project**

First Rung was a partner of Reed to deliver employability training and mentoring to young people with special educational and social and emotional needs for the final year of delivery. This flexible programme was tailored to the needs of each young person and supported them into work, including apprenticeships or further training. The programme was funded by the European Social Fund and the Greater London Authority. The contract was held by Reed in Partnership and First Rung delivered in North London as a subcontractor. The contract was extended during the year due to strong performance and ended in July 2023.

##### **High Needs Support**

First Rung has become a specialist provider of support to learners aged 16-25 who have additional needs identified in an Education, Health and Care Plan (EHCP). First Rung supported 20 learners during the year, funded jointly through the ESFA and local authorities.

##### **UK Shared Prosperity Fund UKSPF - Multiply Programme**

Towards the end of the year, FR secured funding as a subcontractor to Harrow, Uxbridge and Richmond College to deliver numeracy training to young people aged 16-25.

#### **ACHIEVEMENT AND PERFORMANCE**

##### **Achievements**

##### **Delivery of Learning**

First Rung supported 193 Trainees and Study Programme and 50 apprentices learners during the year.

##### **Quality of Provision**

The Charity's aim is continuously to improve the quality of the learning that it provides. To achieve this aim, each year a critical self-assessment is undertaken, the findings from which are used to produce a Quality Improvement Plan (QIP) which identifies the areas requiring attention, the person tasked with the work and the deadline of completion.

##### **Ofsted**

The Apprenticeship, Study Programme and High Needs provision is subject to inspection by Ofsted. First Rung was inspected by Ofsted in December 2022 and was graded "Good" overall. This included a "Good" judgement in the new areas of Apprenticeships and High Needs support.

##### **Fundraising activities**

During this financial year, the Trustees decided that the environment and circumstances were still not conducive to active fundraising. In the future, we will return to active fundraising when the time is right and opportunities arise.

## **FIRST RUNG LIMITED**

### **REPORT OF THE TRUSTEES** **FOR THE YEAR ENDED 31ST JULY 2023**

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#### **FINANCIAL REVIEW**

##### **Results for the Financial Year and Long Term Strategy**

Following two difficult years due to the Covid Pandemic, with deficits in both, the financial health of the organisation significantly improved resulting in a surplus of £72,993 for the year ended 31 July 2023. During the year the organisation continued to invest in staff development and purchased IT hardware.

##### **Risks attached to achievement of objectives**

First Rung faces risks from changes in Government priorities in employment and skills provision; to mitigate this risk the Charity is proactively looking to diversify into alternative income streams, so that there is less dependence on the ESFA contract which at present constitutes the majority of our income. There has been some success in this area with the securing of UKSPF Fund and FR was awarded a Greater London Authority contract at the end of the year with delivery starting in October 2023.

The safety of our learners, many of whom are vulnerable, is of paramount importance to First Rung. To mitigate the risks, all staff and trustees are DBS (Disclosure and Barring Service) checked and have regular training in Safeguarding, 'Prevent' and bullying awareness. Safeguarding is included as a topic for discussion at every Board meeting.

##### **Investment policy and objectives**

It is the policy of the Trustees to invest surplus cash in short term cash deposits. From time to time the Trustees, via the Finance & Premises Committee, look at the overall resources of the organisation and its future needs in order to establish whether there is scope for extending the range of investments. Our present financial position means that this is unlikely to happen in the near future.

##### **Reserves policy**

The Trustees have agreed that, in the long term, free reserves should be maintained at a minimum level of 3 months of operating costs, in order to provide cover in the event of any interruption of income and to enable opportunities to invest in the organisation as they arise. The free reserves at 31 July 2023 were £209,000 (£107,000 as at 31 July 2022) which represents between 4 and 5 weeks average operating costs. This has been caused by our investment in the Colindale Centre, the impact of the Covid Pandemic and other outlays which are essential to achieve our long term strategy. This strategy includes a commitment to move to a free reserves level that consistently exceeds three months over the long term, returning to surplus this year supports this policy.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing document**

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

Day to day decisions regarding the charity are made by the senior management team, led by the CEO. There are two Board sub-committees covering Finance & Premises and Quality and Personnel.

**FIRST RUNG LIMITED**

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31ST JULY 2023**

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**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Board of Trustees**

The following list includes all Trustees and key management who served during the financial year.

Chair	Frank Longworth Elizabeth Joan Jones	Resigned 1.12.2022 Appointed 18.11.2022
Treasurer	Alan Warner	
Other Trustees	Sonal Riley Omar Ahmed Jitesh Dodhia Juliet Szabo-Merridew Paulette Lindsay-Greenridge Saskia Jane Stotte Sally Chessum Rita Sonnie Essien Nicholas Sean Jervis Iain James Lawrence Calvin Sidney Pike Hafiza Ali	Resigned 1.12.2022 Resigned 1.12.2022 Resigned 9.3.2023 Resigned 1.9.2022 Resigned 1.9.2022 Resigned 1.9.2022 Appointed 18.11.2022 Appointed 12.12.2022
Company Secretary	Charlotte Anne Horton Hannah Julie Warwick	Resigned 1.9.2022 Appointed 1.9.2022
Senior Staff		
Chief Executive	Steve Woolcock	
Deputy CEO/Operations Manager	Denis Dillon	
Head of Centres and Inclusion	Francesca Muratori	
Finance and performance manager	Druvi Attygalle	

The following Trustee changes have been recorded since the balance sheet date:

- Mohit Mahajan	Appointed 13.9.2023
- Jonathan Richard Eifion-Jones	Appointed 13.9.2023
- Alan Warner	Resigned 14.12.2023
- Juliet Szabo-Merridew	Resigned 10.1.2024

**FIRST RUNG LIMITED**

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31ST JULY 2023**

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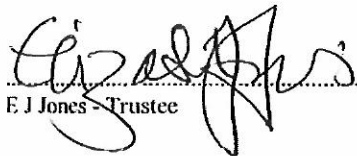
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

**AUDITORS**

Under section 487(2) of the Companies Act 2006, Sproull & Co., Chartered Accountants and Statutory Auditors, are deemed to be reappointed as auditors.

Approved by order of the board of trustees on 08-02-2024 and signed on its behalf by:

  
.....  
E.J. Jones - Trustee

**FIRST RUNG LIMITED**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31ST JULY 2023**

---

The trustees (who are also the directors of First Rung Limited for the purposes of company law) are responsible for preparing the Report of the Trustees 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
FIRST RUNG LIMITED**

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**Opinion**

We have audited the financial statements of First Rung Limited (the 'charitable company') for the year ended 31st July 2023 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st July 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
FIRST RUNG LIMITED**

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**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Our responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the company and the sector in which it operates, we identified the principle risks of non-compliance with laws and regulations related to charitable companies and the application of charitable funds. We also considered those laws and regulations which have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities SORP (FRS 102).

Through enquiry of management we gained an understanding of their relevant laws and regulations; the entity's policies and procedures regarding compliance; and how they identify, evaluate and account for litigation claims. We understand that the company complies with the framework through having in place robust procedures and policies and by outsourcing and taking external professional legal, tax and accounting advice on relevant specialist functions and areas.

The senior statutory auditor led a discussion with all members of the engagement team regarding the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. The areas identified in this discussion were:

- Manipulation or error in the classification of income leading to the under or overstatement of unrestricted or restricted funds.
- Manipulation or error in the use of funds leading to expenditure which is not in accordance with the charitable company's objectives.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
FIRST RUNG LIMITED**

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The procedures we carried out to gain sufficient appropriate audit evidence in the above areas included:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Identifying and testing journal entries.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Michelle Wickwar A.C.A., F.C.C.A. (Senior Statutory Auditor)  
for and on behalf of Sproull & Co.  
Chartered Accountants  
Statutory Auditors  
First Floor, Jebson House  
53-61 High Street  
Ruislip  
Middlesex  
HA4 7BD

Date: 16-02-2024 .....

**FIRST RUNG LIMITED****STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31ST JULY 2023**

	Notes	Unrestricted fund £	Restricted fund £	2023 Total funds £	2022 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
<b>Charitable activities</b>					
Main charitable activities	4	1,712,652	-	1,712,652	1,397,519
Investment income	3	491	-	491	66
<b>Total</b>		<b>1,713,143</b>	<b>-</b>	<b>1,713,143</b>	<b>1,397,585</b>
<b>EXPENDITURE ON</b>					
<b>Charitable activities</b>					
Main charitable activities	5	1,205,399	-	1,205,399	1,157,645
Support costs		434,751	-	434,751	455,710
<b>Total</b>		<b>1,640,150</b>	<b>-</b>	<b>1,640,150</b>	<b>1,613,355</b>
<b>NET INCOME/(EXPENDITURE)</b>		<b>72,993</b>	<b>-</b>	<b>72,993</b>	<b>(215,770)</b>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		219,251	-	219,251	435,021
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>292,244</b>	<b>-</b>	<b>292,244</b>	<b>219,251</b>

**CONTINUING OPERATIONS**

All income and expenditure has arisen from continuing activities.

The statement of financial activities includes all gains and losses recognised in the year.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes form part of these financial statements

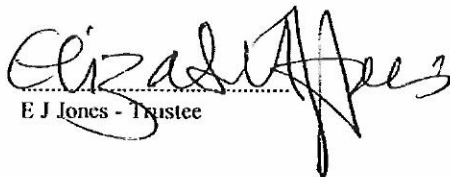
**FIRST RUNG LIMITED**

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

	Notes	2023 £	2022 £
<b>FIXED ASSETS</b>			
Tangible assets	12	83,297	112,654
<b>CURRENT ASSETS</b>			
Debtors	13	248,594	277,043
Cash at bank and in hand		215,433	186,879
		<u>464,027</u>	<u>463,922</u>
<b>CREDITORS</b>			
Amounts falling due within one year	14	(255,080)	(357,325)
<b>NET CURRENT ASSETS</b>		<u>208,947</u>	<u>106,597</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>292,244</u>	<u>219,251</u>
<b>NET ASSETS/(LIABILITIES)</b>		<u>292,244</u>	<u>219,251</u>
<b>FUNDS</b>	17		
Unrestricted funds		292,244	219,251
<b>TOTAL FUNDS</b>		<u>292,244</u>	<u>219,251</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on 08-02-2024 and were signed on its behalf by:

  
E J Jones - Trustee

The notes form part of these financial statements

**FIRST RUNG LIMITED**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31ST JULY 2023**

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	Notes	2023 £	2022 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	29,001	(302,195)
Net cash provided by/(used in) operating activities		<u>29,001</u>	<u>(302,195)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(938)	(260)
Interest received		491	66
Net cash used in investing activities		<u>(447)</u>	<u>(194)</u>
<b>Change in cash and cash equivalents in the reporting period</b>			
Cash and cash equivalents at the beginning of the reporting period		28,554	(302,389)
Cash and cash equivalents at the end of the reporting period		<u>186,879</u>	<u>489,268</u>
Cash and cash equivalents at the end of the reporting period		<u>215,433</u>	<u>186,879</u>

The notes form part of these financial statements

**FIRST RUNG LIMITED**

**NOTES TO THE STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31ST JULY 2023**

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**1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2023	2022
	£	£
<b>Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)</b>	<b>72,993</b>	<b>(215,770)</b>
<b>Adjustments for:</b>		
Depreciation charges	30,295	33,133
Interest received	(491)	(66)
Decrease/(increase) in debtors	28,449	(166,897)
(Decrease)/increase in creditors	<u>(102,245)</u>	<u>47,405</u>
<b>Net cash provided by/(used in) operations</b>	<b><u>29,001</u></b>	<b><u>(302,195)</u></b>

**2. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.8.22	Cash flow	At 31.7.23
	£	£	£
<b>Net cash</b>			
Cash at bank and in hand	<u>186,879</u>	<u>28,554</u>	<u>215,433</u>
	<u>186,879</u>	<u>28,554</u>	<u>215,433</u>
<b>Total</b>	<b><u>186,879</u></b>	<b><u>28,554</u></b>	<b><u>215,433</u></b>

The notes form part of these financial statements

## **FIRST RUNG LIMITED**

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

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#### **1. GENERAL INFORMATION**

First Rung Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 197 – 205 High Street, Ponders End, Enfield, EN3 4DZ. First Rung Limited is also a registered charity in England and Wales. Charity number is 800614.

#### **2. ACCOUNTING POLICIES**

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

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

##### **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. There were no critical accounting estimates and judgements made in preparing these financial statements.

##### **Going concern**

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. This view has been reinforced by First Rung's ability to maintain a positive cash balance, without recourse to borrowing, despite substantial deficits in the Income Statement over the last two financial years. This position is strengthened by the continuation of our existing ESFA funding contract until July 2023 and recent confirmation that the following year's contract until July 2024 will show significant growth.

##### **Income**

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

##### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

##### **Government grants**

The company recognises income arising from government grants using the performance model.

##### **Tangible fixed assets and impairment of fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

**2. ACCOUNTING POLICIES - continued**

**Tangible fixed assets and impairment of fixed assets**

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Over the term of the lease
Plant and machinery	33.33% Straight line
Fixtures, fittings and equipment	20% Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and carrying value of the asset, and is recognized in net income/(expenditure) for the year.

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

**Taxation**

The charity is exempt from corporation tax on its charitable activities.

**Fund accounting**

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

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

**Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Payments in respect of other post-retirement benefits are charged to the Statement of Financial Activities in the period to which they relate.

**Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**Financial instruments**

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**2. ACCOUNTING POLICIES - continued**

**Financial instruments**

**Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

**Basic financial liabilities**

Basic financial liabilities, including creditors are initially recognized at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognized initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**3. INVESTMENT INCOME**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Interest receivable	<b>491</b>	<b>66</b>

**4. INCOME FROM CHARITABLE ACTIVITIES**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
ESFA Study programme and traineeships	<b>974,765</b>	<b>721,466</b>
Apprenticeships	<b>191,190</b>	<b>215,926</b>
Other	<b>546,697</b>	<b>460,127</b>
	<b>1,712,652</b>	<b>1,397,519</b>

**FIRST RUNG LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST JULY 2023****5. CHARITABLE ACTIVITIES COSTS**

	Direct Costs (see note 6) £	Support costs (see note 7) £	Totals £
Main charitable activities	1,205,399	-	1,205,399
Support costs	-	434,751	434,751
	<u>1,205,399</u>	<u>434,751</u>	<u>1,640,150</u>

**6. DIRECT COSTS OF CHARITABLE ACTIVITIES**

	2023 £	2022 £
Staff costs	1,128,704	1,104,867
Learner support costs	4,057	6,563
Training costs and materials	9,295	12,700
Registration fees	63,343	33,515
	<u>1,205,399</u>	<u>1,157,645</u>

**7. SUPPORT COSTS**

	Management £	Governance costs £	Totals £
Support costs	<u>424,251</u>	<u>10,500</u>	<u>434,751</u>

Support costs, included in the above, are as follows:

	2023 Support costs £	2022 Total activities £
Sundries	19	1,681
Premises costs	289,811	291,841
Office costs	52,630	75,963
Legal and professional	6,205	9,585
Bank charges	464	475
Bad debt provision	-	235
Staff expenses	44,827	32,297
Depreciation of tangible and heritage assets	30,295	33,133
Auditors' remuneration	10,500	10,500
	<u>434,751</u>	<u>455,710</u>

**FIRST RUNG LIMITED**

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

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

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

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Auditors' remuneration	<b>10,500</b>	10,500
Depreciation - owned assets	<b>30,295</b>	33,133
	<u><u>          </u></u>	<u><u>          </u></u>

**9. TRUSTEES' REMUNERATION AND BENEFITS**

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

**Trustees' expenses**

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

**10. STAFF COSTS**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>1,022,359</b>	1,000,207
Social security costs	<b>83,476</b>	81,800
Other pension costs	<b>22,869</b>	22,860
	<u><u>1,128,704</u></u>	<u><u>1,104,867</u></u>

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

	<b>2023</b>	<b>2022</b>
Direct charitable services	<b>32</b>	35
	<u>          </u>	<u>          </u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	<b>2023</b>	<b>2022</b>
£80,001 - £90,000	<b>1</b>	1
	<u>          </u>	<u>          </u>

Of the employees whose emoluments exceed £60,000, one (2022: one) has retirement benefits accruing under defined benefit scheme £354 (2022: £354). Pension contributions relating to those staff earning over £60,000 totalled £4,250 in the current year (2022: £4,250).

The senior management team (consisting of Senior Staff Chief Executive, Deputy CEO and Operational Manager and Head of Centres and Inclusion) received total remuneration of £193,000 (2022: £193,000).

**FIRST RUNG LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST JULY 2023****11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £	Restricted fund £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
<b>Charitable activities</b>			
Main charitable activities	1,397,519	-	1,397,519
Investment income	66	-	66
<b>Total</b>	<b>1,397,585</b>	<b>-</b>	<b>1,397,585</b>
<b>EXPENDITURE ON</b>			
<b>Charitable activities</b>			
Main charitable activities	1,157,645	-	1,157,645
Support costs	455,710	-	455,710
<b>Total</b>	<b>1,613,355</b>	<b>-</b>	<b>1,613,355</b>
<b>NET INCOME/(EXPENDITURE)</b>	<b>(215,770)</b>	<b>-</b>	<b>(215,770)</b>
<b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward	435,021	-	435,021
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>219,251</b>	<b>-</b>	<b>219,251</b>

**12. TANGIBLE FIXED ASSETS**

	Leasehold improvements £	Plant and machinery £	Fixtures and fittings £	Totals £
<b>COST</b>				
At 1st August 2022	236,190	178,498	39,560	454,248
Additions	-	558	380	938
At 31st July 2023	236,190	179,056	39,940	455,186
<b>DEPRECIATION</b>				
At 1st August 2022	129,149	175,100	37,345	341,594
Charge for year	24,886	3,444	1,965	30,295
At 31st July 2023	154,035	178,544	39,310	371,889
<b>NET BOOK VALUE</b>				
At 31st July 2023	82,155	512	630	83,297
At 31st July 2022	107,041	3,398	2,215	112,654

**FIRST RUNG LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST JULY 2023**

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<b>13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>			<b>2023</b>	<b>2022</b>
			£	£
Trade debtors			26,656	23,933
Other debtors			72,759	70,529
Prepayments and accrued income			149,179	182,581
			<u>248,594</u>	<u>277,043</u>
<b>14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>			<b>2023</b>	<b>2022</b>
			£	£
Trade creditors			28,176	16,140
Social security and other taxes			22,021	24,328
Other creditors			163,935	281,842
Accrued expenses			40,948	35,015
			<u>255,080</u>	<u>357,325</u>
<b>15. LEASING AGREEMENTS</b>				
Minimum lease payments under non-cancellable operating leases fall due as follows:				
			<b>2023</b>	<b>2022</b>
			£	£
Within one year			38,874	123,575
Between one and five years			36,500	75,374
			<u>75,374</u>	<u>198,949</u>
<b>16. ANALYSIS OF NET ASSETS BETWEEN FUNDS</b>			<b>2023</b>	<b>2022</b>
	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>	<b>Total</b>
	<b>fund</b>	<b>fund</b>	<b>funds</b>	<b>funds</b>
	£	£	£	£
Fixed assets	83,297	-	83,297	112,654
Current assets	464,027	-	464,027	463,922
Current liabilities	(255,080)	-	(255,080)	(357,325)
	<u>292,244</u>	<u>-</u>	<u>292,244</u>	<u>219,251</u>

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**FIRST RUNG LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST JULY 2023****17. MOVEMENT IN FUNDS**

	At 1.8.22 £	Net movement in funds £	At 31.7.23 £
<b>Unrestricted funds</b>			
General fund	219,251	72,993	292,244
<b>TOTAL FUNDS</b>	<u>219,251</u>	<u>72,993</u>	<u>292,244</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	1,713,143	(1,640,150)	72,993
<b>TOTAL FUNDS</b>	<u>1,713,143</u>	<u>(1,640,150)</u>	<u>72,993</u>

**Comparatives for movement in funds**

	At 1.8.21 £	Net movement in funds £	At 31.7.22 £
<b>Unrestricted funds</b>			
General fund	435,021	(215,770)	219,251
<b>TOTAL FUNDS</b>	<u>435,021</u>	<u>(215,770)</u>	<u>219,251</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	1,397,585	(1,613,355)	(215,770)
<b>TOTAL FUNDS</b>	<u>1,397,585</u>	<u>(1,613,355)</u>	<u>(215,770)</u>

**FIRST RUNG LIMITED**

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

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**18. RELATED PARTY DISCLOSURES**

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

**FIRST RUNG LIMITED****DETAILED STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31ST JULY 2023**

	2023	2022
	£	£
<b>INCOME AND ENDOWMENTS</b>		
<b>Investment income</b>		
Interest receivable	491	66
<b>Charitable activities</b>		
ESFA Study programme and traineeships	974,765	721,466
Apprenticeships	191,190	215,926
Other	546,697	460,127
	<u>1,712,652</u>	<u>1,397,519</u>
<b>Total incoming resources</b>	<b>1,713,143</b>	<b>1,397,585</b>
<b>EXPENDITURE</b>		
<b>Charitable activities</b>		
Wages	1,022,359	1,000,207
Social security	83,476	81,800
Pensions	22,869	22,860
Learner support costs	4,057	6,563
Training costs and materials	9,295	12,700
Registration fees	63,343	33,515
	<u>1,205,399</u>	<u>1,157,645</u>
<b>Support costs</b>		
<b>Management</b>		
Sundries	19	1,681
Premises costs	289,811	291,841
Office costs	52,630	75,963
Legal and professional	6,205	9,585
Bank charges	464	475
Bad debt provision	-	235
Staff expenses	44,827	32,297
Depn of leasehold improvements	24,886	24,886
Plant and machinery	3,444	6,153
Fixtures and fittings	1,965	2,094
	<u>424,251</u>	<u>445,210</u>
<b>Governance costs</b>		
Auditors' remuneration	10,500	10,500
	<u>1,640,150</u>	<u>1,613,355</u>
<b>Total resources expended</b>	<b>1,640,150</b>	<b>1,613,355</b>
<b>Net income/(expenditure)</b>	<b><u>72,993</u></b>	<b><u>(215,770)</u></b>

This page does not form part of the statutory financial statements

**FIRST RUNG LTD**

England & Wales - Charity number 800614

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# Accounts

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**REGISTERED COMPANY NUMBER: 02171777 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 800614**

**REPORT OF THE TRUSTEES AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST JULY 2022**  
**FOR**  
**FIRST RUNG LIMITED**

Sproull & Co.  
Chartered Accountants  
Statutory Auditors  
First Floor, Jebson House  
53-61 High Street  
Ruislip  
Middlesex  
HA4 7BD

**FIRST RUNG LIMITED**

**CONTENTS OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST JULY 2022**

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	<b>Page</b>
<b>Reference and Administrative Details</b>	1
<b>Report of the Trustees</b>	2 to 5
<b>Statement of Trustees' Responsibilities</b>	6
<b>Report of the Independent Auditors</b>	7 to 9
<b>Statement of Financial Activities</b>	10
<b>Balance Sheet</b>	11
<b>Cash Flow Statement</b>	12
<b>Notes to the Cash Flow Statement</b>	13
<b>Notes to the Financial Statements</b>	14 to 22

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**FIRST RUNG LIMITED**

**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31ST JULY 2022**

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<b>TRUSTEES</b>	O Ahmed S Riley J L Szabo-Merridew W A Warner (Treasurer) C S Pike S J Stott E J Jones I J Lawrence H Ali
<b>COMPANY SECRETARY</b>	H J Warwick
<b>REGISTERED OFFICE</b>	197-205 High Street Ponders End Enfield Middlesex EN3 4DZ
<b>REGISTERED COMPANY NUMBER</b>	02171777 (England and Wales)
<b>REGISTERED CHARITY NUMBER</b>	800614
<b>AUDITORS</b>	Sproull & Co. Chartered Accountants Statutory Auditors First Floor, Jebson House 53-61 High Street Ruislip Middlesex HA4 7BD
<b>BANKERS</b>	HSBC Bank plc 1 The Town Enfield EN2 6LD  Scottish Widows Bank plc PO Box 12757 67 Morrison Street Edinburgh EH3 8YJ

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31ST JULY 2022**

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st July 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

**OBJECTIVES AND ACTIVITIES**

**Objectives and aims**

1. To advance education for the public benefit, particularly but not exclusively, by the provision of vocational training.
2. The relief of unemployment for the public benefit, particularly, but not exclusively, by the provision of training, retraining and periods of work experience through the programmes of the Education and Skills Funding Agency (ESFA), or similar programmes funded by local and central Government, corporate partners and the European Social Fund.
3. To deliver training and development to young people so that their employment prospects are significantly improved. This can be through classroom or digital delivery.
4. To provide learning, training, and work experience opportunities for young people to prepare them for the world of work. This is tailored to the individual needs of the young person and is supported by a comprehensive pastoral care programme.

**Public benefit**

Trustees of a charity have a duty to report on their charity's public benefit. The Trustees of First Rung Limited have considered the guidance issued by the Charity Commission. The Trustees have concluded that:-

1. The aims and activities of the organisation continue to be charitable;
2. The aims and the work done give identifiable benefits in the charitable sector and both directly and indirectly to young people in need;
3. The benefits are for the public, are not unreasonably restrictive in any way and certainly not by ability to pay;
4. There is no detriment or harm arising from the aims and activities.

The trustees can confirm that they are complying with the Charity Commission's guidance on public benefit. First Rung is a registered charity; its only activity is the provision of learning, training and preparing young people for work. Prior to joining us many of our learners struggle to identify the next stage in their education or work. The charity, by providing tailor made courses combined with excellent pastoral care, nurtures the young people, enabling them to make the next step in their journey for the benefit of society, local employers and the economy.

**Activities**

**ESFA Study Programme**

First Rung continues to develop the 16-18 Study programme, which is tailored to each student's prior attainment and career goal; it includes preparation for employment. The aim is to provide young people with the skills and qualifications to progress to an apprenticeship, employment or further education.

Learners have the opportunity to achieve a level 1 vocational qualification in either business administration, customer service or childcare. They develop their skills in English, Mathematics and ICT by undertaking the functional skills qualification at the appropriate level. First Rung continues to offer GCSE English and Mathematics provision to learners who did not previously achieve at least a grade 3 (grade D) in these subjects.

All learners on the programme attend preparation for life and work sessions to support them to develop the necessary skills and attributes to sustain employment and be a good citizen. All learners are also expected to undertake a work placement as part of the programme.

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31ST JULY 2022**

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**OBJECTIVES AND ACTIVITIES**

ESFA Traineeships

Many of First Rung's younger learners lack work readiness to progress on to an apprenticeship. Traineeships provide an intermediate stage between the Study Programme and a full apprenticeship. During the programme the learner acquires the essential skills and experience for the next stage of their journey, whether to an apprenticeship or work.

Following a period of employability and preparation for work, learners undertake a work placement for up to 4 days a week. They receive a high level of support from First Rung staff and attend one of the centres one day per week to study.

Apprenticeships

Companies with an annual pay bill of more than £3 million have to pay an apprenticeship levy at a rate of 0.5% of their annual pay bill. They can use this fund to provide apprenticeship training to their staff. The funds are accessed through the Digital Apprenticeship Service (DAS) system. Apprenticeship standards provide a structure of industry relevant to both on and off the job training. Off the job training is delivered by First Rung either in centre or on-line. On the job training is delivered in work by the employer. Apprenticeships are both level 2 and 3 and are delivered in a range of vocational areas.

Smaller employers who are not required to pay the apprenticeship levy can also employ and train apprentices. Funding for the training delivered by First Rung is drawn down from the Digital Apprenticeship Service, which pays for 95% of the training, the employer contributing 5%. Training for apprentices aged 16-18 is funded at 100%.

Reed in Partnership; ESF SEND Youth Unemployment Project

First Rung is a partner of Reed to deliver employability training and mentoring to young people with Special Educational Needs (SEND). This flexible programme is tailored to the needs of each young person and supports them into work, including apprenticeships or further training. The programme is funded by the European Social Fund. The contract is held by Reed in Partnership and First Rung delivers in North London as a subcontractor.

**ACHIEVEMENT AND PERFORMANCE**

**Achievements**

Delivery of Learning

First Rung supported 166 Trainees and Study Programme learners during the year and 45 apprentices.

Quality of Provision

The Charity's aim is continuously to improve the quality of the learning that it provides. To achieve this aim, each year a critical self-assessment is undertaken, the findings from which are used to produce a Quality Improvement Plan (QIP) which identifies the areas requiring attention, the person tasked with the work and the deadline of completion.

The Apprenticeship, Traineeship and Study Programme provision is subject to inspection by Ofsted. The organisation was inspected in November 2016 and was graded as "Good".

While preparing this report, First Rung was inspected by Ofsted in December 2022 and was graded "Good" overall. This included a "Good" judgement in the new areas of Apprenticeships and High Needs support.

**Fundraising activities**

During this financial year, the Trustees decided that the environment and circumstances were still not conducive to active fundraising. In the future, we will return to active fundraising when the time is right and opportunities arise.

**FINANCIAL REVIEW**

**Results for the Financial Year and Long Term Strategy**

This proved to be another challenging financial year, resulting in a deficit on operations of £215,770. This has occurred for two main reasons; the continued impact of the Covid Pandemic and some essential investments in staff and other longer term costs. These investments were required for the implementation of the new strategy, developed on the initiative of our CEO who was appointed in the previous financial year. There were also some overspends on running costs as higher inflation began to have an impact.

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31ST JULY 2022**

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**FINANCIAL REVIEW**

**Risks attached to achievement of objectives**

First Rung faces risks from changes in Government priorities in employment and skills provision; to mitigate this risk the Charity is proactively looking to diversify into alternative income streams, so that there is less dependence on the ESFA contract which at present constitutes the majority of our income.

The safety of our learners, many of whom are vulnerable, is of paramount importance to First Rung. To mitigate the risks, all staff and trustees are DBS (Disclosure and Barring Service) checked and have regular training in safeguarding, 'Prevent' and bullying awareness. Safeguarding is included as a topic for discussion at every board meeting.

**Investment policy and objectives**

It is the policy of the Trustees to invest surplus cash in short term cash deposits. From time to time the Trustees, via the Finance and Premises Working Party, look at the overall resources of the organisation and its future needs in order to establish whether there is scope for extending the range of investments. Our present financial position means that this is unlikely to happen in the near future.

**Reserves policy**

The Trustees have agreed that, in the long term, free reserves should be maintained at a minimum level of 3 months of operating costs, in order to provide cover in the event of any interruption of income and to enable opportunities to invest in the organisation as they arise. The free reserves at 31 July 2022 were £107k (289k as at 31 July 2021) which represents between 3 and 4 weeks average operating costs. This has been caused by our investment in the Colindale Centre, the impact of the Covid Pandemic and other outlays which are essential to achieve our long term strategy. This strategy includes a commitment to move to a free reserves level that consistently exceeds three months over the long term.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

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

Day to day decisions regarding the charity are made by the senior management team, led by the CEO. There are two Board working parties covering finance & premises and quality & personnel.

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31ST JULY 2022**

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**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Board of Trustees**

The following list includes all Trustees and key management who served during the financial year.

Chair	Frank Longsworth Elizabeth Joan Jones	Resigned 1.12.2022 Appointed 18.11.2022
Treasurer	Alan Warner	
Other Trustees	Sonal Riley Omar Ahmed Jitesh Dodhia Juliet Szabo-Merridew Paulette Lindsay-Greenridge Saskia Jane Stotte Sally Chessum Rita Sonnie Essien Nicholas Sean Jervis Iain James Lawrence Kalvin Sidney Pike Hafiza Ali Denis Dillon	Resigned 1.12.2022  Resigned 1.12.2022 Appointed 9.12.2021 Resigned 1.9.2022 Appointed 23.9.2021 Resigned 1.9.2022 Resigned 1.9.2022 Appointed 18.11.2022 Appointed 23.9.2021 Appointed 12.12.2022 Resigned 6.10.2021
Company Secretary	Charlotte Anne Horton Hannah Julie Warwick	Resigned 1.9.2022 Appointed 1.9.2022
Senior Staff Chief Executive	Steve Woolcock	
Deputy CEO/Operations Manager	Denis Dillon	
Head of Centres and Inclusion	Francesca Muratori	
Finance and performance manager	Druvi Attygalle	

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the trustees are aware; there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

**AUDITORS**

Under section 487(2) of the Companies Act 2006, Sproull & Co., Chartered Accountants and Statutory Auditors, are deemed to be reappointed as auditors.

Approved by order of the board of trustees on 27th April 2023 and signed on its behalf by:

  
E J Jones - Trustee

**FIRST RUNG LIMITED**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31ST JULY 2022**

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The trustees (who are also the directors of First Rung Limited for the purposes of company law) are responsible for preparing the Report of the Trustees 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FIRST RUNG LIMITED**

---

### **Opinion**

We have audited the financial statements of First Rung Limited (the 'charitable company') for the year ended 31st July 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st July 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FIRST RUNG LIMITED**

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### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### **Our responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the company and the sector in which it operates, we identified the principle risks of non-compliance with laws and regulations related to charitable companies and the application of charitable funds. We also considered those laws and regulations which have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities SORP (FRS 102).

Through enquiry of management we gained an understanding of their relevant laws and regulations; the entity's policies and procedures regarding compliance; and how they identify, evaluate and account for litigation claims. We understand that the company complies with the framework through having in place robust procedures and policies and by outsourcing and taking external professional legal, tax and accounting advice on relevant specialist functions and areas.

The senior statutory auditor led a discussion with all members of the engagement team regarding the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. The areas identified in this discussion were:

- Manipulation or error in the classification of income leading to the under or overstatement of unrestricted or restricted funds.
- Manipulation or error in the use of funds leading to expenditure which is not in accordance with the charitable company's objectives.

The procedures we carried out to gain sufficient appropriate audit evidence in the above areas included:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
FIRST RUNG LIMITED**

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Identifying and testing journal entries.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Sproull & Co.*

Michelle Wickwar A.C.A., F.C.C.A. (Senior Statutory Auditor)

for and on behalf of Sproull & Co.

Chartered Accountants

Statutory Auditors

First Floor, Jebson House

53-61 High Street

Ruislip

Middlesex

HA4 7BD

28th April 2023

**FIRST RUNG LIMITED****STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31ST JULY 2022**

	Notes	Unrestricted fund £	Restricted fund £	2022 Total funds £	2021 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
<b>Charitable activities</b>					
Main charitable activities	4	<b>1,397,519</b>	-	<b>1,397,519</b>	1,388,617
Investment income	3	<b>66</b>	-	<b>66</b>	101
Other income	5	-	-	-	28,855
<b>Total</b>		<b>1,397,585</b>	-	<b>1,397,585</b>	1,417,573
<b>EXPENDITURE ON</b>					
<b>Charitable activities</b>					
Main charitable activities	6	<b>1,157,645</b>	-	<b>1,157,645</b>	1,162,020
Support costs		<b>455,710</b>	-	<b>455,710</b>	359,268
Other	9	-	-	-	54,631
<b>Total</b>		<b>1,613,355</b>	-	<b>1,613,355</b>	1,575,919
<b>NET INCOME/(EXPENDITURE)</b>		<b>(215,770)</b>	-	<b>(215,770)</b>	(158,346)
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		<b>435,021</b>	-	<b>435,021</b>	593,367
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>219,251</b>	-	<b>219,251</b>	435,021

**CONTINUING OPERATIONS**

All income and expenditure has arisen from continuing activities.

The statement of financial activities includes all gains and losses recognised in the year.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes form part of these financial statements

**FIRST RUNG LIMITED (REGISTERED NUMBER: 02171777)**

**BALANCE SHEET**  
**31ST JULY 2022**

	Notes	2022 £	2021 £
<b>FIXED ASSETS</b>			
Tangible assets	14	112,654	145,527
<b>CURRENT ASSETS</b>			
Debtors	15	277,043	110,146
Cash at bank and in hand		186,879	489,268
		<u>463,922</u>	<u>599,414</u>
<b>CREDITORS</b>			
Amounts falling due within one year	16	(357,325)	(309,920)
<b>NET CURRENT ASSETS</b>		<u>106,597</u>	<u>289,494</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>219,251</u>	<u>435,021</u>
<b>NET ASSETS</b>		<u>219,251</u>	<u>435,021</u>
<b>FUNDS</b>	19		
Unrestricted funds		219,251	435,021
<b>TOTAL FUNDS</b>		<u>219,251</u>	<u>435,021</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on 27th April 2023 and were signed on its behalf by:

  
E J Jones - Trustee

The notes form part of these financial statements

**FIRST RUNG LIMITED****CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31ST JULY 2022**

---

	Notes	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<b>(302,195)</b>	(155,281)
Net cash used in operating activities		<b>(302,195)</b>	(155,281)
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		<b>(260)</b>	(8,720)
Interest received		<b>66</b>	101
Net cash used in investing activities		<b>(194)</b>	(8,619)
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(302,389)</b>	(163,900)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>489,268</b>	653,168
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>186,879</b>	489,268

The notes form part of these financial statements

**FIRST RUNG LIMITED**

**NOTES TO THE CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31ST JULY 2022**

---

**1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	<b>2022</b>	2021
	<b>£</b>	£
<b>Net expenditure for the reporting period (as per the Statement of Financial Activities)</b>	<b>(215,770)</b>	(158,346)
<b>Adjustments for:</b>		
Depreciation charges	33,133	43,069
Interest received	(66)	(101)
(Increase)/decrease in debtors	<b>(166,897)</b>	17,653
Increase/(decrease) in creditors	<b>47,405</b>	(57,556)
<b>Net cash used in operations</b>	<b><u>(302,195)</u></b>	<u>(155,281)</u>

**2. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.8.21	Cash flow	At 31.7.22
	£	£	£
<b>Net cash</b>			
Cash at bank and in hand	<b>489,268</b>	<b>(302,389)</b>	<b>186,879</b>
	<u>489,268</u>	<u>(302,389)</u>	<u>186,879</u>
<b>Total</b>	<b><u>489,268</u></b>	<b><u>(302,389)</u></b>	<b><u>186,879</u></b>

The notes form part of these financial statements

## **FIRST RUNG LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31ST JULY 2022**

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#### **1. GENERAL INFORMATION**

First Rung Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 197 – 205 High Street, Ponders End, Enfield, EN3 4DZ. First Rung Limited is also a registered charity in England and Wales. Charity number is 800614.

#### **2. ACCOUNTING POLICIES**

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

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

##### **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. There were no critical accounting estimates and judgements made in preparing these financial statements.

##### **Going concern**

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. This view has been reinforced by First Rung's ability to maintain a positive cash balance, without recourse to borrowing, despite substantial deficits in the Income Statement over the last two financial years. This position is strengthened by the continuation of our existing ESFA funding contract until July 2023 and recent confirmation that the following year's contract until July 2024 will show significant growth.

##### **Income**

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

##### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

##### **Government grants**

The company recognises income arising from government grants using the performance model.

##### **Tangible fixed assets and impairment of fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

## **FIRST RUNG LIMITED**

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

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#### **2. ACCOUNTING POLICIES - continued**

##### **Tangible fixed assets and impairment of fixed assets**

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Over the term of the lease
Plant and machinery	33.33% Straight line
Fixtures, fittings and equipment	20% Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and carrying value of the asset, and is recognized in net income/(expenditure) for the year.

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

##### **Taxation**

The charity is exempt from corporation tax on its charitable activities.

##### **Fund accounting**

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

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

##### **Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Payments in respect of other post-retirement benefits are charged to the Statement of Financial Activities in the period to which they relate.

##### **Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### **Financial instruments**

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**FIRST RUNG LIMITED**

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

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**2. ACCOUNTING POLICIES - continued**

**Financial instruments**

**Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

**Basic financial liabilities**

Basic financial liabilities, including creditors are initially recognized at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognized initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**3. INVESTMENT INCOME**

	<b>2022</b>	2021
	<b>£</b>	£
Interest receivable	<b>66</b>	101
	<u>          </u>	<u>          </u>

**4. INCOME FROM CHARITABLE ACTIVITIES**

		<b>2022</b>	2021
	Activity	<b>£</b>	£
ESFA Study programme and traineeships	Main charitable activities	<b>721,466</b>	969,566
Apprenticeships	Main charitable activities	<b>215,926</b>	195,549
Other	Main charitable activities	<b>460,127</b>	223,502
		<u>          </u>	<u>          </u>
		<b>1,397,519</b>	1,388,617
		<u>          </u>	<u>          </u>

**FIRST RUNG LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST JULY 2022****5. OTHER INCOME**

	2022	2021
	£	£
Coronavirus Job Retention Scheme	-	28,855

**6. CHARITABLE ACTIVITIES COSTS**

	Direct Costs (see note 7) £	Support costs (see note 8) £	Totals £
Main charitable activities	1,157,645	-	1,157,645
Support costs	-	455,710	455,710
	<u>1,157,645</u>	<u>455,710</u>	<u>1,613,355</u>

**7. DIRECT COSTS OF CHARITABLE ACTIVITIES**

	2022	2021
	£	£
Staff costs	1,104,867	1,095,648
Learner support costs	6,563	5,138
Training costs and materials	12,700	29,629
Registration fees	33,515	31,605
	<u>1,157,645</u>	<u>1,162,020</u>

**8. SUPPORT COSTS**

	Management £	Governance costs £	Totals £
Support costs	445,210	10,500	455,710

Support costs, included in the above, are as follows:

	2022	2021
	Support costs £	Total activities £
Sundries	1,681	148
Premises costs	291,841	175,137
Office costs	75,963	59,125
Legal and professional	9,585	12,232
Bank charges	475	1,165
Bad debt provision	235	430
Unrecoverable VAT	-	40,080
Staff expenses	32,297	28,581
Depreciation of tangible and heritage assets	33,133	33,620
Auditors' remuneration	10,500	8,750
	<u>455,710</u>	<u>359,268</u>

**FIRST RUNG LIMITED**

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

**9. OTHER**

	<b>2022</b>	2021
	<b>£</b>	£
Exceptional items	-	54,631

Exceptional items represent additional service charges levied at the Colindale centre of £15,630 in relation to the financial year ended 30th June 2019 and £29,552 in relation to the financial year ended 30th June 2020, together with £9,449 of depreciation charges arising as a result of the Trustees reassessing the estimated useful economic life of its tangible fixed assets.

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

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

	<b>2022</b>	2021
	<b>£</b>	£
Audit fees	<b>10,500</b>	8,750
Depreciation - owned assets	<b>33,133</b>	43,069

**11. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31st July 2022 nor for the year ended 31st July 2021.

**Trustees' expenses**

J Dodhia received fees of £nil (2021: £4,442) in relation to professional consultancy advice he provided to the Charity.

**12. STAFF COSTS**

	<b>2022</b>	2021
	<b>£</b>	£
Wages and salaries	<b>1,000,207</b>	994,269
Social security costs	<b>81,800</b>	76,174
Other pension costs	<b>22,860</b>	25,205
	<b>1,104,867</b>	1,095,648

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

	<b>2022</b>	2021
Direct charitable services	<b>35</b>	35

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	<b>2022</b>	2021
£80,001 - £90,000	<b>1</b>	-

**FIRST RUNG LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST JULY 2022****12. STAFF COSTS - continued**

Of the employees whose emoluments exceed £60,000, one (2021: none) has retirement benefits accruing under defined benefit scheme £354 (2021: £Nil). Pension contributions relating to those staff earning over £60,000 totalled £4,250 in the current year (2021: £Nil).

The senior management team described in the trustees' report received total remuneration of £193,000 (2021: £169,735).

**13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES (2020)**

	Unrestricted fund £	Restricted fund £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
<b>Charitable activities</b>			
Main charitable activities	1,388,617	-	1,388,617
Investment income	101	-	101
Other income	28,855	-	28,855
<b>Total</b>	<b>1,417,573</b>	<b>-</b>	<b>1,417,573</b>
<b>EXPENDITURE ON</b>			
<b>Charitable activities</b>			
Main charitable activities	1,162,020	-	1,162,020
Support costs	359,268	-	359,268
Other	54,631	-	54,631
<b>Total</b>	<b>1,575,919</b>	<b>-</b>	<b>1,575,919</b>
<b>NET INCOME/(EXPENDITURE)</b>	<b>(158,346)</b>	<b>-</b>	<b>(158,346)</b>
<b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward	593,367	-	593,367
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>435,021</b>	<b>-</b>	<b>435,021</b>

**FIRST RUNG LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST JULY 2022****14. TANGIBLE FIXED ASSETS**

	Leasehold improvements £	Plant and machinery £	Fixtures and fittings £	Totals £
<b>COST</b>				
At 1st August 2021	236,190	178,498	39,300	453,988
Additions	-	-	260	260
At 31st July 2022	236,190	178,498	39,560	454,248
<b>DEPRECIATION</b>				
At 1st August 2021	104,263	168,947	35,251	308,461
Charge for year	24,886	6,153	2,094	33,133
At 31st July 2022	129,149	175,100	37,345	341,594
<b>NET BOOK VALUE</b>				
At 31st July 2022	107,041	3,398	2,215	112,654
At 31st July 2021	131,927	9,551	4,049	145,527

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

	2022 £	2021 £
Trade debtors	23,933	17,778
Other debtors	70,529	58,748
Prepayments and accrued income	182,581	33,620
	277,043	110,146

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

	2022 £	2021 £
Trade creditors	16,140	56,913
Social security and other taxes	24,328	22,667
Other creditors	281,842	171,526
Accrued expenses	35,015	58,814
	357,325	309,920

**FIRST RUNG LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST JULY 2022****17. LEASING AGREEMENTS**

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

	<b>2022</b>	2021
	£	£
Within one year	<b>123,575</b>	121,703
Between one and five years	<b>75,374</b>	185,346
	<b>198,949</b>	307,049

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

	Unrestricted fund	Restricted fund	<b>2022</b> <b>Total</b> <b>funds</b>	2021 Total funds
	£	£	£	£
Fixed assets	<b>112,654</b>	-	<b>112,654</b>	145,527
Current assets	<b>463,922</b>	-	<b>463,922</b>	599,414
Current liabilities	<b>(357,325)</b>	-	<b>(357,325)</b>	(309,920)
	<b>219,251</b>	-	<b>219,251</b>	435,021

**19. MOVEMENT IN FUNDS**

	At 1.8.21	Net movement in funds	At 31.7.22
	£	£	£
<b>Unrestricted funds</b>			
General fund	<b>435,021</b>	<b>(215,770)</b>	<b>219,251</b>
<b>TOTAL FUNDS</b>	<b>435,021</b>	<b>(215,770)</b>	<b>219,251</b>

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

	Incoming resources	Resources expended	Movement in funds
	£	£	£
<b>Unrestricted funds</b>			
General fund	<b>1,397,585</b>	<b>(1,613,355)</b>	<b>(215,770)</b>
<b>TOTAL FUNDS</b>	<b>1,397,585</b>	<b>(1,613,355)</b>	<b>(215,770)</b>

**FIRST RUNG LIMITED**

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

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**19. MOVEMENT IN FUNDS - continued**

**Comparatives for movement in funds**

	At 1.8.20 £	Net movement in funds £	At 31.7.21 £
<b>Unrestricted funds</b>			
General fund	593,367	(158,346)	435,021
<b>TOTAL FUNDS</b>	<u>593,367</u>	<u>(158,346)</u>	<u>435,021</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	1,417,573	(1,575,919)	(158,346)
<b>TOTAL FUNDS</b>	<u>1,417,573</u>	<u>(1,575,919)</u>	<u>(158,346)</u>

**20. RELATED PARTY DISCLOSURES**

During the year, First Rung Ltd paid Deltacom up to October 2022 £Nil (2021: £1,315) for IT support, facility services, building and maintenance and refurbishment. Deltacom is owned by director Peter Betts, the husband of Diane Betts, First Rung's Chief Executive. Diane Betts left First Rung in October 2020.

**FIRST RUNG LTD**

England & Wales - Charity number 800614

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# Accounts

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**REGISTERED COMPANY NUMBER: 02171777 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 800614**

**REPORT OF THE TRUSTEES AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST JULY 2021**  
**FOR**  
**FIRST RUNG LIMITED**

Sproull & Co.  
Chartered Accountants  
Statutory Auditors  
First Floor, Jebson House  
53-61 High Street  
Ruislip  
Middlesex  
HA4 7BD

**FIRST RUNG LIMITED**

**CONTENTS OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST JULY 2021**

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	<b>Page</b>
<b>Reference and Administrative Details</b>	1
<b>Report of the Trustees</b>	2 to 6
<b>Statement of Trustees' Responsibilities</b>	7
<b>Report of the Independent Auditors</b>	8 to 10
<b>Statement of Financial Activities</b>	11
<b>Balance Sheet</b>	12
<b>Cash Flow Statement</b>	13
<b>Notes to the Cash Flow Statement</b>	14
<b>Notes to the Financial Statements</b>	15 to 24
<b>Detailed Statement of Financial Activities</b>	25 to 26

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**FIRST RUNG LIMITED**

**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31ST JULY 2021**

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<b>TRUSTEES</b>	O Ahmed S Chessum J Dodhia P Lindsay-Greenidge F E Longworth (Chair) S Riley J L Szabo-Merridew W A Warner (Treasurer) N S Jervis C S Pike R S Essien S J Stott
<b>COMPANY SECRETARY</b>	C A Horton
<b>REGISTERED OFFICE</b>	197-205 High Street Ponders End Enfield Middlesex EN3 4DZ
<b>REGISTERED COMPANY NUMBER</b>	02171777 (England and Wales)
<b>REGISTERED CHARITY NUMBER</b>	800614
<b>AUDITORS</b>	Sproull & Co. Chartered Accountants Statutory Auditors First Floor, Jebson House 53-61 High Street Ruislip Middlesex HA4 7BD
<b>BANKERS</b>	HSBC Bank plc 1 The Town Enfield EN2 6LD  Scottish Widows Bank plc PO Box 12757 67 Morrison Street Edinburgh EH3 8YJ

## **FIRST RUNG LIMITED**

### **REPORT OF THE TRUSTEES** **FOR THE YEAR ENDED 31ST JULY 2021**

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st July 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives and aims**

1. To advance education for the public benefit, particularly but not exclusively, by the provision of vocational training.
2. The relief of unemployment for the public benefit, particularly, but not exclusively, by the provision of training, retraining and periods of work experience through the programmes of the Education and Skills Agency (ESFA), or similar programmes funded by the Government, public agencies, corporations and the European Social Fund.
3. To deliver training and development to young people so that their employment prospects are significantly improved. This can be through classroom or digital delivery.
4. To provide learning, training, and work experience opportunities for young people to prepare them for the world of work. This is tailored to the individual needs of the young person and is supported by a comprehensive pastoral care programme.

##### **Public benefit**

Trustees of a charity have a duty to report on their charity's public benefit. The Trustees of First Rung Limited have considered the guidance issued by the Charity Commission. The Trustees have concluded that:-

1. The aims and activities of the organization continue to be charitable;
2. The aims and the work done give identifiable benefits in the charitable sector and both directly and indirectly to young people in need;
3. The benefits are for the public, are not unreasonably restrictive in any way and certainly not by ability to pay;
4. There is no detriment or harm arising from the aims and activities.

The trustees can confirm that they are complying with the Charity Commission's guidance on public benefit. First Rung is a registered charity; its only activity is the provision of learning, training and preparing young people for work. Prior to joining us many of our learners struggle to identify the next stage in their education or work. The charity, by providing tailor made courses combined with excellent pastoral care, nurtures the young people, enabling them to make the next step in their journey for the benefit of society, local employers and the economy.

##### **Activities**

###### **ESFA Study Programme**

First Rung continues to develop the 16-18 Study programme, which is tailored to each student's prior attainment and career goal; it includes preparation for employment. The aim is to provide young people with the skills and qualifications to progress to an apprenticeship, employment or further education.

Learners have the opportunity to achieve a level 1 vocational qualification in either business administration, customer service or childcare. They develop their skills in English, Mathematics and ICT by undertaking the functional skills qualification at the appropriate level. First Rung continues to offer GCSE English and Mathematics provision to learners who did not previously achieve at least a grade 3 (grade D) in these subjects.

All learners on the programme attend preparation for life and work sessions to support them to develop the necessary skills and attributes to sustain employment and be a good citizen. All learners are also expected to undertake a work placement as part of the programme.

## **FIRST RUNG LIMITED**

### **REPORT OF THE TRUSTEES** **FOR THE YEAR ENDED 31ST JULY 2021**

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#### **OBJECTIVES AND ACTIVITIES**

##### ESFA Traineeships

Many of First Rung's younger learners lack work readiness to progress on to an apprenticeship. Traineeships provide an intermediate stage between the Study Programme and a full apprenticeship. During the programme the learner acquires the essential skills and experience for the next stage of their journey, whether to an apprenticeship or work.

Following a period of employability and preparation for work, learners undertake a work placement for up to 4 days a week. They receive a high level of support from First Rung staff and attend one of the centres one day per week to study.

##### Apprenticeships

Companies with a turnover of over £3 million have to pay an apprenticeship levy of 3% of their annual pay bill. They can use this fund to provide training, including apprenticeships, to their staff. The funds are accessed through the National Apprenticeship Service digital system. Apprenticeship standards provide a structure of industry relevant to both on and off the job training. Off the job training is delivered by First Rung either in centre or on-line. On the job training is delivered in work by the employer. Apprenticeships are both level 2 and 3 and are delivered in a range of vocational areas.

Smaller employers who are not required to pay the apprenticeship levy can also employ and train apprentices. Funding for the training delivered by First Rung is drawn down from the National Apprenticeship Service, which pays for 95% of the training, the employer contributing 5%. Training for apprentices aged 16-18 is funded at 100%.

##### Kick Start

The Kickstart Scheme is run by the Department for Work and Pensions and provides funding to create new jobs for 16 to 24 year olds on Universal Credit who are at risk of long term unemployment. Employers of all sizes can apply for the fund, which was created in response to rising youth unemployment due to the Covid pandemic. First Rung delivers placements for employer partners and internally.

##### Reed in Partnership; ESF SEND Youth Unemployment Project

First Rung is a partner of Reed to deliver employability training and mentoring to young people with Special Educational Needs (SEND). This flexible programme is tailored to the needs of each young person and supports them into work, including apprenticeships or further training. The programme is funded by the European Social Fund. The contract is held by Reed in Partnership and First Rung delivers in North London as a subcontractor.

##### Independent School

The Trustees have decided to de-register as an Independent School due to low occupancy. However, part time alternative education is still being offered to local schools.

#### **ACHIEVEMENT AND PERFORMANCE**

##### **Achievements**

##### Delivery of Learning

First Rung supported 218 Trainees and Study Programme learners during the year and 37 apprentices.

A major achievement of the organization was, during the Covid Pandemic, to switch all learning on-line, using Microsoft Teams and existing e-portfolio and learning systems. Learners continued to progress on their courses. Vulnerable learners were continually supported in both centres, which stayed open for this purpose.

##### Quality of Provision

The Charity's aim is continuously to improve the quality of the learning that it provides. To achieve this aim, each year a critical self-assessment is undertaken, the findings from which are used to produce a Quality Improvement Plan (QIP) which identifies the areas requiring attention, the person tasked with the work and the deadline of completion.

During the year the Charity has pro-actively recruited trustees with an educational background with the aim of further improving the quality of learning.

## **FIRST RUNG LIMITED**

### **REPORT OF THE TRUSTEES** **FOR THE YEAR ENDED 31ST JULY 2021**

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The Apprenticeship, Traineeship and Study Programme provision is subject to inspection by Ofsted. The organisation was last inspected in November 2016 and was graded as "Good".

#### **Fundraising activities**

During this financial year, the Trustees decided that the environment and circumstances were still not conducive to active fundraising. In the future, we will return to active fundraising when the time is right and opportunities arise.

#### **FINANCIAL REVIEW**

##### **Results for the Financial Year and Long Term Strategy**

This financial year proved to be highly challenging and resulted in a deficit on normal operations of £103,715. This was mainly due to the Covid pandemic which had a significant impact on First Rung. As employers ceased to recruit new staff, particularly young inexperienced people, the volumes of apprenticeships fell significantly which had a detrimental effect on income. Some staff were furloughed through the Government's job protection scheme and costs were closely managed. Most training and mentoring moved on-line with only the most vulnerable learners attending the centres. Staff adapted well to digital delivery and this was enhanced during the year with new laptops and improved use of on-line systems.

During the year, following the appointment of our new CEO, there has been a comprehensive and fundamental review of strategy. A new three year plan has been produced which lays the foundation for the continued success of First Rung. This strategy starts with a year of investment, particularly in staff development, marketing and IT, with a view to achieving a break even situation in 2022/23 and a significant surplus in 2023/24.

##### **Risks attached to achievement of objectives**

The trustees operate a formal risk management process from which appropriate strategies are formulated to mitigate the risks. During the year a comprehensive review was undertaken and new actions agreed.

First Rung faces risks from changes in Government priorities in employment and skills provision; to mitigate this risk the Charity is pro-actively looking to diversify into alternative income streams, so that we are less dependent on the ESFA contract which at present constitutes the majority of First Rung's income.

The safety of our learners, many of whom are vulnerable, is of paramount importance to First Rung. To mitigate the risks, all staff and trustees are DBS (Disclosure and Barring Service) checked and have regular training in safeguarding, 'Prevent' and bullying awareness. Safeguarding is included as a topic for discussion at every board meeting.

##### **Investment policy and objectives**

It is the policy of the Trustees to invest surplus cash in short-term bank deposits. From time to time the Trustees, via the Finance & Premises Working Party, look at the overall resources of the organisation and its future needs in order to establish whether there might be scope for extending the appropriate range of investments.

##### **Reserves policy**

The Trustees have agreed that, in the long term, free reserves should be maintained at a level equal to between 3 to 6 months of operating costs, in order to provide cover in the event of any interruption of income and to enable opportunities to invest in the organization as they arise. The free reserves at 31 July 2021 were £289k (£413K as at 31 July 2020) which represents between 2 and 3 months average operating costs. This has been caused by our investment in the Colindale Centre and the recent impact of the Covid Pandemic. The long term strategy mentioned above is designed to move to a level that consistently exceeds 3 months over the long term.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing document**

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

Day to day decisions regarding the charity are made by the senior management team, led by the CEO. There are three Board working parties covering finance and property, quality and personnel and strategy.

## **FIRST RUNG LIMITED**

### **REPORT OF THE TRUSTEES** **FOR THE YEAR ENDED 31ST JULY 2021**

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#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Appointment of new Chief Executive**

During this financial year, Diane Betts resigned as CEO and, after a rigorous selection process, Steve Woolcock was appointed to this position in January 2021. Steve has had much relevant experience in the charity sector and has already played a leading role in developing the long term strategy mentioned above.

##### **Remuneration of Senior Management**

All staff at First Rung are remunerated through the annual pay review process. Salary bandings are based on experience, skills, behaviours and performance, split into two areas; increase in responsibility and major achievements. Managers' salaries are set by the Senior Remuneration Committee. All salary reviews go to the Quality and Personnel and the Finance and Premises working parties for approval with final review and confirmation at the main Board.

##### **Board of Trustees**

After a long period of stability, significant changes have taken place in Board membership. A number of Trustees decided to resign in accordance with the Charity Commission recommendation that terms of service do not exceed nine years. Eight new Trustees from a range of different backgrounds have been appointed during 2021 to add to the strength and diversity of the Board in its development of the new strategic plan. On appointment there is a one day induction programme followed by regular on line training on specific relevant subjects eg safeguarding, health and safety.

The following list includes all Trustees and key management who served during the financial year.

Chair	Frank Longsworth	
Treasurer	Alan Warner	
Other Trustees	Joseph Mintz	Resigned 9.9.2020
	Ade Shokunbi	Appointed 4.8.2020 Resigned 17.5.2021
	Jitesh Dodhia	Appointed 4.8.2020
	Juliet Szabo-Merridew	Appointed 4.8.2020
	Paulette	
	Lindsay-Greenridge	Appointed 4.8.2020
	Sally Chessum	Appointed 4.8.2020
	Sonal Riley	Appointed 4.8.2020
	Naysoe Naing	Resigned 10.5.2021
	Omar Ahmed	
	Nicholas Sean Jervis	Appointed 22.7.2021
	Denis Dillon	Appointed 10.5.2021 Resigned 6.10.2021
Company Secretary	Michelle Keady	Resigned 26.3.2021
	Charlotte Anne Horton	Appointed 26.3.2021
Senior Staff		
Chief Executive	Diane Betts	Resigned 20.10.2020
	Steve Woolcock	Appointed 11.1.2021
Deputy CEO/Operations Manager	Denis Dillon	
Head of Centres	Francesca Muratori	

#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

**FIRST RUNG LIMITED**

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31ST JULY 2021**

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**AUDITORS**

The Board has decided to appoint new auditors after working with Fisher & Co for the last twelve years. After an appropriate selection process, it was decided at the July 2021 Board Meeting to appoint Sproull & Co, Chartered Accountants as new auditors, to be effective immediately, including responsibility for the audit of the accounts for financial year 2020/21.

The auditors, Sproull & Co., will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on ..... and signed on its behalf by:

.....  
F E Longworth - Trustee

**FIRST RUNG LIMITED**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31ST JULY 2021**

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The trustees (who are also the directors of First Rung Limited for the purposes of company law) are responsible for preparing the Report of the Trustees 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FIRST RUNG LIMITED**

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### **Opinion**

We have audited the financial statements of First Rung Limited (the 'charitable company') for the year ended 31st July 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st July 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FIRST RUNG LIMITED**

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### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### **Our responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the company and the sector in which it operates, we identified the principle risks of non-compliance with laws and regulations related to charitable companies and the application of charitable funds. We also considered those laws and regulations which have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities SORP (FRS 102).

Through enquiry of management we gained an understanding of their relevant laws and regulations; the entity's policies and procedures regarding compliance; and how they identify, evaluate and account for litigation claims. We understand that the company complies with the framework through having in place robust procedures and policies and by outsourcing and taking external professional legal, tax and accounting advice on relevant specialist functions and areas.

The senior statutory auditor led a discussion with all members of the engagement team regarding the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. The areas identified in this discussion were:

- Manipulation or error in the classification of income leading to the under or overstatement of unrestricted or restricted funds.
- Manipulation or error in the use of funds leading to expenditure which is not in accordance with the charitable company's objectives.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
FIRST RUNG LIMITED**

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The procedures we carried out to gain sufficient appropriate audit evidence in the above areas included:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Identifying and testing journal entries.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Sproull & Co.*

Michelle Wickwar A.C.A., F.C.C.A. (Senior Statutory Auditor)

for and on behalf of Sproull & Co.

Chartered Accountants

Statutory Auditors

First Floor, Jebson House

53-61 High Street

Ruislip

Middlesex

HA4 7BD

14/04/2022

Date: .....

**FIRST RUNG LIMITED****STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31ST JULY 2021**

	Notes	Unrestricted fund £	Restricted fund £	2021 Total funds £	2020 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	3	-	-	-	211
<b>Charitable activities</b>					
Main charitable activities	5	<b>1,388,617</b>	-	<b>1,388,617</b>	1,574,146
Investment income	4	<b>101</b>	-	<b>101</b>	769
Other income	6	<b>28,855</b>	-	<b>28,855</b>	82,684
<b>Total</b>		<b>1,417,573</b>	-	<b>1,417,573</b>	1,657,810
<b>EXPENDITURE ON</b>					
<b>Charitable activities</b>					
Main charitable activities	7	<b>917,719</b>	-	<b>917,719</b>	1,032,902
Support costs		<b>603,569</b>	-	<b>603,569</b>	581,260
Other	10	<b>54,631</b>	-	<b>54,631</b>	-
<b>Total</b>		<b>1,575,919</b>	-	<b>1,575,919</b>	1,614,162
<b>NET INCOME/(EXPENDITURE)</b>		<b>(158,346)</b>	-	<b>(158,346)</b>	43,648
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		<b>593,367</b>	-	<b>593,367</b>	549,719
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>435,021</b>	-	<b>435,021</b>	593,367

**CONTINUING OPERATIONS**

All income and expenditure has arisen from continuing activities.

The statement of financial activities includes all gains and losses recognised in the year.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes form part of these financial statements

**FIRST RUNG LIMITED**

**BALANCE SHEET**  
**31ST JULY 2021**

	Notes	2021 £	2020 £
<b>FIXED ASSETS</b>			
Tangible assets	15	145,527	179,876
<b>CURRENT ASSETS</b>			
Debtors	16	110,146	127,799
Cash at bank and in hand		489,268	653,168
		<u>599,414</u>	<u>780,967</u>
<b>CREDITORS</b>			
Amounts falling due within one year	17	(309,920)	(367,476)
<b>NET CURRENT ASSETS</b>		<u>289,494</u>	<u>413,491</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>435,021</u>	<u>593,367</u>
<b>NET ASSETS</b>		<u>435,021</u>	<u>593,367</u>
<b>FUNDS</b>	20		
Unrestricted funds		435,021	593,367
<b>TOTAL FUNDS</b>		<u>435,021</u>	<u>593,367</u>

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

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

.....  
F E Longworth - Trustee

The notes form part of these financial statements

**FIRST RUNG LIMITED****CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST JULY 2021**

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	Notes	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<u>(155,281)</u>	<u>236,195</u>
Net cash (used in)/provided by operating activities		<u>(155,281)</u>	<u>236,195</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(8,720)	(19,872)
Interest received		<u>101</u>	<u>769</u>
Net cash used in investing activities		<u>(8,619)</u>	<u>(19,103)</u>
<b>Change in cash and cash equivalents in the reporting period</b>			
		<u>(163,900)</u>	<u>217,092</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>653,168</u>	<u>436,076</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u>489,268</u>	<u>653,168</u>

The notes form part of these financial statements

**FIRST RUNG LIMITED**

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST JULY 2021**

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**1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	<b>2021</b>	2020
	<b>£</b>	£
<b>Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)</b>	<b>(158,346)</b>	43,648
<b>Adjustments for:</b>		
Depreciation charges	<b>43,069</b>	39,060
Interest received	<b>(101)</b>	(769)
Decrease in debtors	<b>17,653</b>	54,934
(Decrease)/increase in creditors	<b>(57,556)</b>	99,322
<b>Net cash (used in)/provided by operations</b>	<b>(155,281)</b>	236,195

**2. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.8.20	Cash flow	At 31.7.21
	£	£	£
<b>Net cash</b>			
Cash at bank and in hand	<b>653,168</b>	<b>(163,900)</b>	<b>489,268</b>
	<b>653,168</b>	<b>(163,900)</b>	<b>489,268</b>
<b>Total</b>	<b>653,168</b>	<b>(163,900)</b>	<b>489,268</b>

The notes form part of these financial statements

**1. GENERAL INFORMATION**

First Rung Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 197 – 205 High Street, Ponders End, Enfield, EN3 4DZ. First Rung Limited is also a registered charity in England and Wales. Charity number is 800614.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

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

**Critical accounting judgements and key sources of estimation uncertainty**

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. There were no critical accounting estimates and judgements made in preparing these financial statements.

**Going concern**

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. This view has been reinforced by First Rung's ability to maintain a strong cash position during a year when Coronavirus continued to have an adverse impact on its operations. This position is strengthened by the agreement of a new ESFA funding contract until July 2022 and contracts with several new funders which will have a positive impact on income in the new financial year.

**Income**

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

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

**Government grants**

The company recognises income arising from government grants using the performance model.

**Tangible fixed assets and impairment of fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

**2. ACCOUNTING POLICIES - continued**

**Tangible fixed assets and impairment of fixed assets**

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	<b>Over the term of the lease</b>
Plant and machinery	<b>33.33% Straight line</b>
Fixtures, fittings and equipment	<b>20% Straight line</b>

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and carrying value of the asset, and is recognized in net income/(expenditure) for the year.

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

**Taxation**

The charity is exempt from corporation tax on its charitable activities.

**Fund accounting**

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

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

**Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Payments in respect of other post-retirement benefits are charged to the Statement of Financial Activities in the period to which they relate.

**Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**Financial instruments**

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**2. ACCOUNTING POLICIES - continued**

**Financial instruments**

**Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

**Basic financial liabilities**

Basic financial liabilities, including creditors are initially recognized at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognized initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**3. DONATIONS AND LEGACIES**

	<b>2021</b>	2020
	£	£
Donations	-	211
	<u>          </u>	<u>          </u>

**4. INVESTMENT INCOME**

	<b>2021</b>	2020
	£	£
Interest receivable	101	769
	<u>          </u>	<u>          </u>

**FIRST RUNG LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST JULY 2021****5. INCOME FROM CHARITABLE ACTIVITIES**

		<b>2021</b>	2020
	Activity	£	£
ESFA Study programme and traineeships	Main charitable activities	<b>969,566</b>	1,030,840
Apprenticeships	Main charitable activities	<b>195,549</b>	268,493
Other	Main charitable activities	<b>223,502</b>	274,813
		<u><b>1,388,617</b></u>	<u>1,574,146</u>

**6. OTHER INCOME**

	<b>2021</b>	2020
	£	£
Coronavirus Job Retention Scheme	<u><b>28,855</b></u>	<u>82,684</u>

**7. CHARITABLE ACTIVITIES COSTS**

	Direct Costs (see note 8) £	Support costs (see note 9) £	Totals £
Main charitable activities	<b>917,719</b>	-	<b>917,719</b>
Support costs	-	<b>603,569</b>	<b>603,569</b>
	<u><b>917,719</b></u>	<u><b>603,569</b></u>	<u><b>1,521,288</b></u>

**8. DIRECT COSTS OF CHARITABLE ACTIVITIES**

	<b>2021</b>	2020
	£	£
Staff costs	<b>822,766</b>	925,329
Sundries	-	2,138
Learner support costs	<b>5,138</b>	13,310
Training costs and materials	<b>29,629</b>	17,766
Staff expenses	<b>28,581</b>	52,052
Registration fees	<b>31,605</b>	22,307
	<u><b>917,719</b></u>	<u>1,032,902</u>

**FIRST RUNG LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST JULY 2021****9. SUPPORT COSTS**

	Management £	Governance costs £	Totals £
Support costs	<u><b>502,199</b></u>	<u><b>101,370</b></u>	<u><b>603,569</b></u>

Support costs, included in the above, are as follows:

	2021 Support costs £	2020 Total activities £
Staff costs (support)	<b>169,152</b>	<b>145,154</b>
Social security (support)	<b>9,045</b>	<b>6,805</b>
Pensions (support)	<b>2,065</b>	<b>2,424</b>
Sundries	<b>148</b>	<b>-</b>
Premises costs	<b>175,137</b>	<b>184,664</b>
Office costs	<b>59,125</b>	<b>57,925</b>
Legal and professional	<b>12,232</b>	<b>33,257</b>
Bank charges	<b>1,165</b>	<b>574</b>
Bad debt provision	<b>430</b>	<b>8,305</b>
Unrecoverable VAT	<b>40,080</b>	<b>15,480</b>
Depreciation of tangible and heritage assets	<b>33,620</b>	<b>39,060</b>
Staff costs (governance)	<b>81,508</b>	<b>70,594</b>
Social security (governance)	<b>9,046</b>	<b>6,804</b>
Pensions (governance)	<b>2,066</b>	<b>2,424</b>
Auditors' remuneration	<b>8,750</b>	<b>7,790</b>
	<u><b>603,569</b></u>	<u><b>581,260</b></u>

**10. OTHER**

	2021 £	2020 £
Exceptional items	<u><b>54,631</b></u>	<u><b>-</b></u>

Exceptional items represent additional service charges levied at the Colindale centre of £15,630 in relation to the financial year ended 30th June 2019 and £29,552 in relation to the financial year ended 30th June 2020, together with £9,449 of depreciation charges arising as a result of the Trustees reassessing the estimated useful economic life of its tangible fixed assets.

**FIRST RUNG LIMITED**

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

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

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

	<b>2021</b>	2020
	<b>£</b>	£
Audit fees	<b>8,750</b>	7,790
Depreciation - owned assets	<b>43,069</b>	39,060
	<u><b>43,069</b></u>	<u>39,060</u>

**12. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31st July 2021 nor for the year ended 31st July 2020.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31st July 2021 nor for the year ended 31st July 2020.

**13. STAFF COSTS**

	<b>2021</b>	2020
	<b>£</b>	£
Wages and salaries	<b>994,269</b>	1,030,206
Social security costs	<b>76,174</b>	98,824
Other pension costs	<b>25,205</b>	30,504
	<u><b>1,095,648</b></u>	<u>1,159,534</u>

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

	<b>2021</b>	2020
Direct charitable services	<b>20</b>	22
Support services	<b>10</b>	12
Governance services	<b>5</b>	6
	<u><b>35</b></u>	<u>40</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	<b>2021</b>	2020
£90,001 - £100,000	<b>-</b>	1
	<u><b>-</b></u>	<u>1</u>

Of the employees whose emoluments exceed £60,000, none (2020: none) have retirement benefits accruing under defined benefit scheme.

The senior management team described in the trustees' report received total remuneration of £169,735 (2020: £232,219).

**FIRST RUNG LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST JULY 2021****14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES (2020)**

	Unrestricted fund £	Restricted fund £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	-	211	211
<b>Charitable activities</b>			
Main charitable activities	1,574,146	-	1,574,146
Investment income	769	-	769
Other income	82,684	-	82,684
<b>Total</b>	<b>1,657,599</b>	<b>211</b>	<b>1,657,810</b>
<b>EXPENDITURE ON</b>			
<b>Charitable activities</b>			
Main charitable activities	1,032,902	-	1,032,902
Support costs	581,260	-	581,260
<b>Total</b>	<b>1,614,162</b>	<b>-</b>	<b>1,614,162</b>
<b>NET INCOME</b>	<b>43,437</b>	<b>211</b>	<b>43,648</b>
<b>Transfers between funds</b>	<b>15,493</b>	<b>(15,493)</b>	<b>-</b>
<b>Net movement in funds</b>	<b>58,930</b>	<b>(15,282)</b>	<b>43,648</b>
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>	<b>534,437</b>	<b>15,282</b>	<b>549,719</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>593,367</b>	<b>-</b>	<b>593,367</b>

**FIRST RUNG LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST JULY 2021****15. TANGIBLE FIXED ASSETS**

	Leasehold improvements £	Plant and machinery £	Fixtures and fittings £	Totals £
<b>COST</b>				
At 1st August 2020	<b>236,190</b>	<b>169,778</b>	<b>39,300</b>	<b>445,268</b>
Additions	-	<b>8,720</b>	-	<b>8,720</b>
At 31st July 2021	<b>236,190</b>	<b>178,498</b>	<b>39,300</b>	<b>453,988</b>
<b>DEPRECIATION</b>				
At 1st August 2020	<b>71,189</b>	<b>160,261</b>	<b>33,942</b>	<b>265,392</b>
Charge for year	<b>33,074</b>	<b>8,686</b>	<b>1,309</b>	<b>43,069</b>
At 31st July 2021	<b>104,263</b>	<b>168,947</b>	<b>35,251</b>	<b>308,461</b>
<b>NET BOOK VALUE</b>				
At 31st July 2021	<b>131,927</b>	<b>9,551</b>	<b>4,049</b>	<b>145,527</b>
At 31st July 2020	<b>165,001</b>	<b>9,517</b>	<b>5,358</b>	<b>179,876</b>

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

	2021 £	2020 £
Trade debtors	<b>17,778</b>	50,838
Other debtors	<b>58,748</b>	44,019
Prepayments and accrued income	<b>33,620</b>	32,942
	<b>110,146</b>	127,799

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

	2021 £	2020 £
Trade creditors	<b>56,913</b>	22,067
Social security and other taxes	<b>22,667</b>	21,475
Other creditors	<b>171,526</b>	263,488
Accrued expenses	<b>58,814</b>	60,446
	<b>309,920</b>	367,476

**FIRST RUNG LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST JULY 2021****18. LEASING AGREEMENTS**

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

	2021 £	2020 £
Within one year	121,703	119,150
Between one and five years	185,346	300,592
	<u>307,049</u>	<u>419,742</u>

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

	Unrestricted fund £	Restricted fund £	2021 Total funds £	2020 Total funds £
Fixed assets	145,527	-	145,527	179,876
Current assets	599,414	-	599,414	780,967
Current liabilities	(309,920)	-	(309,920)	(367,476)
	<u>435,021</u>	<u>-</u>	<u>435,021</u>	<u>593,367</u>

**20. MOVEMENT IN FUNDS**

	At 1.8.20 £	Net movement in funds £	At 31.7.21 £
<b>Unrestricted funds</b>			
General fund	593,367	(158,346)	435,021
<b>TOTAL FUNDS</b>	<u>593,367</u>	<u>(158,346)</u>	<u>435,021</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	1,417,573	(1,575,919)	(158,346)
<b>TOTAL FUNDS</b>	<u>1,417,573</u>	<u>(1,575,919)</u>	<u>(158,346)</u>

**FIRST RUNG LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST JULY 2021****20. MOVEMENT IN FUNDS - continued****Comparatives for movement in funds**

	At 1.8.19 £	Net movement in funds £	Transfers between funds £	At 31.7.20 £
<b>Unrestricted funds</b>				
General fund	534,437	43,437	15,493	593,367
<b>Restricted funds</b>				
Restricted fund	15,282	211	(15,493)	-
<b>TOTAL FUNDS</b>	<u>549,719</u>	<u>43,648</u>	<u>-</u>	<u>593,367</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	1,657,599	(1,614,162)	43,437
<b>Restricted funds</b>			
Restricted fund	211	-	211
<b>TOTAL FUNDS</b>	<u>1,657,810</u>	<u>(1,614,162)</u>	<u>43,648</u>

**21. RELATED PARTY DISCLOSURES**

During the year, First Rung Ltd paid Deltacom up to October 2020 £1,315 (2020: £11,070) for IT support, facility services, building and maintenance and refurbishment. Deltacom is owned by director Peter Betts, the husband of Diane Betts, First Rung's Chief Executive. Diane Betts left First Rung in October 2020.

The son of Denis Dillon, the Deputy CEO, was employed as temporary tutor for first Rung and received fees of £nil (2020: £817).

**FIRST RUNG LIMITED****DETAILED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31ST JULY 2021**

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	2021 £	2020 £
<b>INCOME AND ENDOWMENTS</b>		
<b>Donations and legacies</b>		
Donations	-	211
<b>Investment income</b>		
Interest receivable	101	769
<b>Charitable activities</b>		
ESFA Study programme and traineeships	969,566	1,030,840
Apprenticeships	195,549	268,493
Other	223,502	274,813
	<hr/>	<hr/>
	1,388,617	1,574,146
<b>Other income</b>		
Coronavirus Job Retention Scheme	28,855	82,684
	<hr/>	<hr/>
<b>Total incoming resources</b>	1,417,573	1,657,810
 <b>EXPENDITURE</b>		
<b>Charitable activities</b>		
Wages	743,609	814,458
Social security	58,083	85,215
Pensions	21,074	25,656
Sundries	-	2,138
Learner support costs	5,138	13,310
Training costs and materials	29,629	17,766
Staff expenses	28,581	52,052
Registration fees	31,605	22,307
	<hr/>	<hr/>
	917,719	1,032,902
<b>Other</b>		
Exceptional items	54,631	-
<b>Support costs</b>		
<b>Management</b>		
Staff costs (support)	169,152	145,154
Social security (support)	9,045	6,805
Pensions (support)	2,065	2,424
Sundries	148	-
Premises costs	175,137	184,664
Office costs	59,125	57,925
Carried forward	414,672	396,972

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**FIRST RUNG LIMITED****DETAILED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31ST JULY 2021**

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	2021	2020
	£	£
<b>Management</b>		
Brought forward	<b>414,672</b>	396,972
Legal and professional	<b>12,232</b>	33,257
Bank charges	<b>1,165</b>	574
Bad debt provision	<b>430</b>	8,305
Unrecoverable VAT	<b>40,080</b>	15,480
Depn of leasehold improvements	<b>24,887</b>	27,483
Plant and machinery	<b>5,661</b>	7,212
Fixtures and fittings	<b>3,072</b>	4,365
	<b>502,199</b>	493,648
<b>Governance costs</b>		
Staff costs (governance)	<b>81,508</b>	70,594
Social security (governance)	<b>9,046</b>	6,804
Pensions (governance)	<b>2,066</b>	2,424
Auditors' remuneration	<b>8,750</b>	7,790
	<b>101,370</b>	87,612
Total resources expended	<b>1,575,919</b>	1,614,162
<b>Net (expenditure)/income</b>	<b>(158,346)</b>	43,648

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