

**Charity registration number NIC105832**

**Company registration number NI023257 (Northern Ireland)**

**EARLY YEARS - THE ORGANISATION FOR YOUNG CHILDREN**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

# EARLY YEARS - THE ORGANISATION FOR YOUNG CHILDREN

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	MT McDonagh, Chair A Sobieraj, Treasurer N Fulton J Barkley R Park S McCambley	(Appointed 25 November 2022)
<b>Secretary/Chief executive officer</b>	P M Walmsley	
<b>Charity number</b>	NIC105832	
<b>Company number</b>	NI023257	
<b>Principal address</b>	6c Wildflower Way Apollo Road Belfast BT12 6TA	
<b>Registered office</b>	6c Wildflower Way Apollo Road Belfast BT12 6TA	
<b>Auditor</b>	GMcG BELFAST Chartered Accountants & Statutory Auditor Alfred House 19 Alfred Street Belfast BT2 8EQ	
<b>Bankers</b>	Danske Bank Benmore House 353 Lisburn Road Belfast BT9 7EP	
<b>Solicitors</b>	Elliott Duffy Garrett 40 Linenhall Street Belfast BT2 8BA	

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# EARLY YEARS - THE ORGANISATION FOR YOUNG CHILDREN

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# **EARLY YEARS - THE ORGANISATION FOR YOUNG CHILDREN**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2023**

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The Trustees present their annual report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2019).

### **Objectives and activities**

Formed in 1965, Early Years – the organisation for young children (hereafter, called 'Early Years' and 'the Organisation') works to promote the development of high quality care, education and play facilities for children aged 0-18 years and their families.

It is the largest voluntary organisation, employing 250 staff across Sure Start, Pathway, HSC Regional Contract arrangements, Toybox (which works with Traveller and Roma families), EY core training, membership activities and Peace IV funded activities, working in the early years care and education sector across the breadth of Northern Ireland, and, increasingly, internationally.

Early Years objectives, as outlined in the Organisation's Articles of Association, are as follows:

- To promote and enhance the development and education of children aged 0-18 years, their parents or carers, and those who work with, or provide services to them ('the beneficiaries') in Northern Ireland and in any other part of the world and in particular.
- To provide information, advice, support services and training to the beneficiaries.
- To support and develop projects, either alone or in partnership with statutory or voluntary organisations, which encourage the beneficiaries to understand and provide for the needs of children.
- To encourage, develop and support the formation of playgroups, parent and toddler groups, full daycare groups, crèches and other such groups.
- To encourage the study of the needs of children and to stimulate and educate the public interest in this and other related educational and social fields.
- To act as a representative for the beneficiaries in relation to government policies and legislation.
- To administer programmes of funding to support any or all of the charitable purposes of the Organisation.
- To advance any other exclusively charitable purpose as the trustees may, from time to time, decide in accordance with the law of charity.

The Organisation supports and endorses the United Nations Convention on the Rights of the Child (UNCRC) to which both the UK and Irish governments are signatories. The Organisation will continue to use the Convention and the concluding observations of the Committee on the Rights of the Child as a basis for its work with young children.

In particular the Organisation will work towards implementing the UNCRC's position on young children known as General Comment Number 7. Periodically the Committee on the Rights of the Child publishes reports (termed General Comments) which detail, for specific circumstances or groups of children, how the Committee wishes to see the Articles of the Convention interpreted and implemented. General Comment Number 7 sets out how the rights enshrined in the Convention must be fully implemented for young children and how, in doing so, governments and civic society can provide a clear framework for young children to realise their rights under the Convention.

The Organisation supports A Shared Future Policy Agenda and will work towards implementation of the policy throughout the Early Years network.

## **EARLY YEARS - THE ORGANISATION FOR YOUNG CHILDREN**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2023**

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#### **Mission Statement**

The Mission of Early Years is to lead and innovate to ensure high quality shared early education and care services that support resilience for young children, their families and communities.

#### **Organisational Vision**

- Children are strong, competent and visible in their local communities.
- Parents, carers and families live in communities with healthy relationships that nurture good child development outcomes.
- Children and families are physically and emotionally well and resilient.
- Children are eager and able to learn and reach their full potential.
- Parents/carers, families and service providers are empowered and resilient.
- Children are respectful of difference and grow up in a peaceful and shared region.

#### **Organisational Values**

Early Years believes in:

- Childhood - in its own right
- Listening to children – and those who care for them
- A strong voice for children
- Play, fun and creativity
- Parents as lead educators
- Participation of children and families
- Community involvement and development
- Partnership
- Inclusion and diversity
- Excellence and evidence-based innovation
- Effective stewardship and governance
- A professional, committed and recognised early learning and care workforce
- Valuing staff, members and their commitment

This Vision is driven by the Organisation's Strategic Plan 2022-2026, with the aims of:

- Young children and families being able to access high quality evidence-based early childhood services in SureStart areas;
- Leading, developing and promoting learning and understanding of diverse early childhood services and associated pedagogy;
- Championing engagement with parents, families, member groups and branches in advocacy for young children, and
- Achieving long term organisational sustainability including financial, governance, environmental robustness and democratic participation.

## **EARLY YEARS - THE ORGANISATION FOR YOUNG CHILDREN**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)**

#### **FOR THE YEAR ENDED 31 MARCH 2023**

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In furtherance of its aims, objectives, values and principles, Early Years provides the following services to the early years sector:

- A team of highly qualified Senior Early Years Specialists and Mentors working within a range of settings and supporting key Early Years projects, research and practice and working with playgroups, nursery schools and units, parent and toddler groups, full day-care groups and after schools;
- High/Scope training and development staff who support early years services in Northern Ireland and the Republic of Ireland implement the High/Scope approach;
- An information, research, communication and publication service supporting policy influence and information dissemination;
- A lead role in SureStart Projects across Northern Ireland;
- A specialist service working with Traveller and Roma families – Toybox;
- Governance and leadership support for management committees to develop sound community development and social economy approaches;
- A team of Early Years Trainers providing a range of training and professional development within settings and for Management Committees;
- A Pathway fund Administration Team which distributes funding to the sector coupled with financial back - office support;
- A Childcare Recovery Support Fund administration team which distributes Covid Recovery monies to the sector;
- A bespoke project funded by Peace IV aimed at supporting Shared Education in the voluntary, community, independent and statutory pre-school sector;
- A bespoke project funded by Peace IV aimed at supporting the implementation of diversity and inclusion initiatives in day cares for pre-school and school aged children;
- Delivery of daycare services;
- A consultancy service providing advice and training support on a range of early years issues in Northern Ireland and internationally, and
- A range of additional membership services including a payroll service, a disclosures service, access to statutory training, preferential rates with third party suppliers, a competitive insurance package, and discounts on publications/training materials.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

During the prior year, Early Years developed a new strategic plan for 2022 to 2026 with a strong focus on people and pedagogy. This plan was implemented from April 2022. Over the year, a focus on the broader early childhood education and care workforce was realised.

Key highlights from the year include:

- Securing the Investors in People Platinum award;
- Completion of the Covid Recovery Support Fund on behalf of DE;
- A partnership with Stranmillis College to begin a consultation on the establishment of a professional body for early care and education workers;
- Delivery on Year 7 of the Pathway Fund which enabled an investment by DE of £3,369,271 across 166 projects;
- The €4.2m project funded by the EU Peace IV Programme for shared education within the pre-school sector continued during the year, and completed in September 2023. The Programme is underpinned by a strong partnership between Early Years – the organisation for young children, the Fermanagh Trust and the National Childhood Network. Activity in 2022/23 focused on continuing to support a blended learning approach with 68 settings and 1,670 children engaged.
- Early Years "EY" continued to be Lead Body for seven SureStart projects, and accountable for three, providing support services in the areas of improvement of socio-emotional development, predispositions for learning, language skills, and physical and mental health to over 8,000 children and their families.

#### **Strategic report**

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the Trustees to present a strategic report.

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## **EARLY YEARS - THE ORGANISATION FOR YOUNG CHILDREN**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)**

#### **FOR THE YEAR ENDED 31 MARCH 2023**

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##### **Achievements and performance**

For the outgoing year notable achievements include:

Continued consolidation of the Early Years Specialist service to form a regional service focused on mentoring and advice with an emphasis on upskilling of senior service delivery staff to Masters level. The organisation continues to provide a Compassionate Leadership programme aimed at supporting settings to deal with the pressures of re-establishing front line services and supporting children overcome the challenges.

Early Years continue to focus on key evidence-informed, outcomes-focused programmes including the Media Initiative for Children Respecting Difference Programme, Eager and Able to Learn and HighScope and this can be evidenced in the embedding of HighScope within the Toybox project and the tangible improvements for Traveller and Roma families as a result. EY has achieved increased international penetration with continued delivery on a contract signed with partners in China. Early Years continue to play a lead role in the Early Childhood Peace Consortium and the International Network on Peacebuilding with Young Children.

As part of the Organisation's advocacy role on behalf of the sector, to advocate, mobilise and influence early years' policy developments that are rights based, evidence informed and appropriately resourced EY continue to advocate for the publication of an Early Learning and Childcare Strategy. We are determined to continue our focus, with commitment, dedication and determination and to better leverage EY membership, parents and public support for key policy objectives which support the rights of young children and deliver outcomes for young children, six key messages have been developed to influence DE strategy. EY continues to increase its online advocacy profile, with significant increases in Facebook and Twitter following.

In communicating and disseminating a robust knowledge transfer strategy, the Organisation continues to deliver the Pathway Fund on behalf of DE, moving an increasing number of recipient organisations to the noted OBA framework monitoring and reporting in the year. In addition, delivery of Peace IV and associated education and sharing outcomes, saw over 2,000 children being reached in year 6 in relation to diversity, respect for difference and sharing.

The ongoing involvement in the 3 year research project with two year olds is showing significant contribution to the objective of further evidence of the impact of the MIFC on improving inclusion and social cohesion outcomes and Early Years was delighted to present findings at a number of key international conferences.

Early Years led a successful advocacy campaign to secure the sustainability of the childcare sector throughout the Covid-19 period. Early Years has prioritised the delivery of safe, sustainable and stable services during a period of great uncertainty and it is notable that the organisation has successfully delivered funding support across the full range of registered services.

##### **Conclusion**

Early Years will continue and increase its role in advocacy. The implementation, in partnership with the Department of Education, of the Pathway Fund by Early Years, as the organisation selected to deliver the fund following a competitive tender process, continues to be a real success. Early Years continued to build expertise in fund management through the delivery of the Childcare Recovery Support Fund.

Children remain at the centre of Early Years, and it is their needs and interests that guide all staff members in both long term strategic and every day activity. With the focus on children underpinning everything the organisation does, we are sure that Early Years will continue to innovate and grow.

The Board would wish to commend the continued commitment, dedication and sheer energy and enthusiasm of Early Years staff and the membership. It is these personal attributes of all involved that make the work of Early Years so successful, everyone should be very proud of the impact they are making day to day on the lives of our young children.

## **EARLY YEARS - THE ORGANISATION FOR YOUNG CHILDREN**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)**

#### **FOR THE YEAR ENDED 31 MARCH 2023**

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##### **Plans for Future Periods**

Early Years is looking to the future with two substantial applications to Peace Plus already submitted. These will allow the organisation to build on the successful Sharing from the Start model for shared education through a broader partnership with EA. A second application focuses on the establishment of a shared early childhood centre of excellence at Clogher which will allow Early Years to maximise its evidence based excellence and innovation in a demonstration site with cross-community and cross-border reach.

Early Years continues to consolidate its international reputation on peacebuilding with young children through the International Network on Peacebuilding with Young Children. The network will work on a new publication highlighting successes around the world to be launched at a high profile event in New York.

Early Years continues to focus on consolidating its financial position to enable a clear and independent focus on advocacy for young children, families and those who work with them. It continues to focus on grassroots advocacy with strong community connections through its local Branch network, Daycare Forum and PSEP Forum.

##### **Financial review**

The Charity's principal sources of funding are as disclosed in note 4 of the financial statements and its expenditure is detailed in notes 8 and 9 of the financial statements, have supported the Charity's key objectives as highlighted on pages 1-3.

The results for the year are set out in detail on pages 15 to 36. The Charity had net outgoing resources for the year of £37,554. In 2022, the Charity had net incoming resources of £292,487.

At 31 March 2023, the total funds of the charity amounted to £764,290 (2022 - £801,844) comprising restricted funds of £39,403 and unrestricted funds of £724,887.

Unrestricted funds are considered essential to provide sufficient funds to cover any unforeseen costs which may arise and fulfil the legal obligations of the charity in the event that current levels of income are not maintained. Note 23 of the financial statements provides a breakdown of net assets between restricted and unrestricted funds. The breakdown shows that unrestricted funds include fixed assets with a net book value of £782,153, net current assets of £147,292 and long term liabilities of £204,559.

The unrestricted funds position is a result of several challenging years for the organisation. The challenges were caused by several factors over a number of years; the results of the Newry Early Years Centre, an overspend on Atlantic Philanthropies, the loss of the DE Early Years Fund, continued lack of government support for High Scope activities in Republic of Ireland and the slow process of the opening of funding of European programmes all contributed to putting pressure on reserves in the period from 2015 onwards. The unrestricted funds position improved during the years ended 31 March 2021 and 31 March 2022, and has slightly worsened again in the year-ended 31 March 2023 reflecting the challenging economic environment and high inflation during the year ended 31 March 2023.

The Board and the Senior Management Team continue to be committed to an agreed future strategy and building up the level of reserves in the short to medium term is a key priority. During the year ended 31 March 2023 Early Years continued its successful management of the Pathway Fund, a major Peace IV project and completed delivery of the Childcare Recovery Support Fund.

The Charity continues to develop its plans for a new HQ and childcare centre at Clogher. In 2023/24 the organisation has submitted applications for multi-year funding under PEACEPLUS, which, if successful, will allow staff to continue to innovate on programme delivery and new initiatives.

Although the unrestricted reserves position at 31 March 2023 remains stable, the financial position of the organisation requires further strengthening, with a need to continue to focus on unrestricted reserves for future reinvestment in sustained growth. Financial projections have been prepared by management of the charitable company for the period to 31 December 2024. The projections indicate that the organisation should have sufficient funds to continue to operate. Consequently, these financial statements have been prepared on a going concern basis. Further information regarding going concern is disclosed in note 1.2 of the financial statements.



## EARLY YEARS - THE ORGANISATION FOR YOUNG CHILDREN

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2023

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##### Reserves Policy

The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (as amended for accounting periods commencing from 1 January 2019) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) defines unrestricted reserves as funds which are expendable at the Board's discretion in furtherance of any of the charity's objects but which are not yet spent or committed. Consistent with responsible financial management, the Board balances the needs of their current and future beneficiaries by identifying the likely challenges and opportunities the Organisation faces in the medium to long term. A reserves policy and adherence provide confidence that the Organisation can meet its operational requirements. A full review of the Organisation's reserves policy was carried out in August 2012 and again in 2016 and 2023. As recommended by the Charities Commission for England and Wales, the reserves policy was agreed following an analysis of the following four factors:

- Forecasts for levels of income in future years taking into account the reliability of each source of income and the prospects for opening up new sources;
- Forecasts for expenditure in future years on the basis of planned activity;
- Analysis of any future needs, opportunities, contingencies or risks, the effects of which are not likely to be met out of income if and when they arise;
- Assessment of the likelihood of each of those needs and risks materialising and the potential consequences of the charity not being able to meet them.

On the basis of this review, the Organisation has defined the following reserves in order to meet both the current and imminent future needs of the Organisation:

General Funds - Tactical: This reflects the short-term tactical reserves required by the Organisation. The balance at 31 March 2023 was £724,887 (2022 - £747,374), which includes fixed assets with a net book value of £782,153. The aim of the General Reserve is to hold 8 weeks' worth of unrestricted expenditure to cover short term setbacks or cash flow difficulties. The decrease in unrestricted reserves during the year to 31 March 2023 reflects the challenging economic conditions during the year. The Board remains committed to achieving the targeted level of General Reserve and continues to monitor levels of unrestricted reserves.

These reserves are detailed in note 23 of the financial statements.

##### Risk Management

The Senior Management Team continued to implement a risk-based approach during the year. The following actions were completed:

The Corporate Risk Register was regularly reviewed and updated at meetings of the Senior Management Team and the Board to ensure that it supported the delivery of the Organisation's Balanced Scorecard.

- The Senior Management Team managed a Fraud Risk Register, which is reviewed on a six-monthly basis.
- Staff received further support in risk awareness and risk assessment.
- The Health and Safety Committee met monthly and implemented all Covid related Health and Safety requirements as well as its annual work-plan; the Committee also focussed further on the reporting and management of health and safety issues and adopted the learning into policies and practice.
- The Organisation continued to implement actions arising from its Safeguarding Committee to ensure that best practice could be developed and shared.

The key risks relevant to the Organisation have been identified within the Corporate Risk Register, and include the following:

- A lack of liquid reserves.
- A loss of credibility, funding and competitive edge if the behaviours of staff, Board, membership and key stakeholders, including third parties, do not represent the value-base of the Organisation.
- Injury or harm to children as a result of inappropriate practices or negligence.
- The impact on the Organisation of a critical incident or event.

## EARLY YEARS - THE ORGANISATION FOR YOUNG CHILDREN

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2023

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##### **Structure, governance and management**

Early Years is a company limited by guarantee; it does not have share capital. It is governed by a Memorandum and Articles of Association dated 8 November 1989, which was amended to allow for a name change to its current name on 12 April 2007, and further revised in 2012 and most recently in June 2016. The liability of each member is limited to an amount not exceeding £1.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

MT McDonagh, Chair

A Sobieraj, Treasurer

E McIvor

(Resigned 25 November 2022)

A Loughery

(Resigned 29 April 2022)

N Fulton

J Barkley

R Park

S McCambley

(Appointed 25 November 2022)

Trustees are elected for a tenure of three years, with the option of a further three-year tenure, by the members of the organisation attending the Annual General Meeting (AGM) in November. Trustees are nominated by the Board of Trustees. All members are circulated with details of retiring and nominated trustees prior to the AGM and are invited to vote either by proxy or when in attendance at the AGM.

The Board of Trustees administers the charity. The Board meets quarterly and is supported in its governance by a Finance & General Purposes Committee, which meets every six weeks. The Board of Trustees currently consists of six Trustees, including a nominated Chair and Treasurer. During the year, the day to day running of the Organisation was delegated to the Chief Executive Officer, Pauline Walmsley.

All new trustees and Board members receive both induction training and an induction pack comprising a Governance Manual outlining the role and responsibilities of the Board, organisational policies and procedures, and the Strategic Plan and annual Corporate Balanced Scorecard. Training for Board members is provided as required; a skills audit is also undertaken annually to identify current and future training needs of Board members.

##### **Employee involvement**

The charity's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

##### **Disabled persons**

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the charity continues and that the appropriate training is arranged. It is the policy of the charity that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

## EARLY YEARS - THE ORGANISATION FOR YOUNG CHILDREN

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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#### Statement of Trustees' responsibilities

The trustees, who are also the directors of Early Years - the organisation for young people for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

In preparing these 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

#### Auditor


In accordance with the company's articles, a resolution proposing that GMcG BELFAST be reappointed as auditor of the company will be put at a General Meeting.

#### Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees' report, including the strategic report, was approved by the Board of Trustees.

  
MT McDonagh, Chair  
Director

  
A Sobieraj, Treasurer  
Director

Dated: 24/11/23

Dated: 24/11/23

## EARLY YEARS - THE ORGANISATION FOR YOUNG CHILDREN

### INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF EARLY YEARS - THE ORGANISATION FOR YOUNG CHILDREN

#### Opinion

We have audited the financial statements of Early Years - the organisation for young children (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (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 31 March 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity 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.

#### Material uncertainty related to going concern

We draw attention to note 1.2 in the financial statements, which indicates that the validity of going concern depends upon forecasts being achieved and no significant unforeseen costs arising. As stated in note 1.2, these events or conditions, along with the other matters as set forth in note 1.2 indicate that a material uncertainty exists that may cast significant doubt on the charitable company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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## **EARLY YEARS - THE ORGANISATION FOR YOUNG CHILDREN**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF EARLY YEARS - THE ORGANISATION FOR YOUNG CHILDREN**

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##### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 our audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report and the strategic report prepared for the purposes of company law, is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the Trustees' report.

We have nothing to report in respect of the following matters in relation to which 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.

## **EARLY YEARS - THE ORGANISATION FOR YOUNG CHILDREN**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF EARLY YEARS - THE ORGANISATION FOR YOUNG CHILDREN**

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##### **Responsibilities of Trustees**

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the charity for the purpose 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 charity'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.

##### **Auditor's 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 an auditor's report 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.

## EARLY YEARS - THE ORGANISATION FOR YOUNG CHILDREN

### INDEPENDENT AUDITOR'S REPORT (CONTINUED)

#### TO THE MEMBERS OF EARLY YEARS - THE ORGANISATION FOR YOUNG CHILDREN

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##### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing potential risks of material misstatement in respect of irregularities, including fraud and non-compliances with laws and regulations, we considered the following:

- The nature of the industry and sector, control environment and business performance, including the company's remuneration policies for directors, bonus levels and performance targets, if any;
- Results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- Any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
  - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instance of non-compliance;
  - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - The internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- The matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the company for fraud and identified the greatest potential for fraud in revenue recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies Act 2006, and local tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

## **EARLY YEARS - THE ORGANISATION FOR YOUNG CHILDREN**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF EARLY YEARS - THE ORGANISATION FOR YOUNG CHILDREN**

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##### **Audit response to risks identified**

Our procedures to respond to the risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reading minutes of meetings of those charged with governance and reviewing correspondence with tax authorities; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as they may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



**EARLY YEARS - THE ORGANISATION FOR YOUNG CHILDREN**

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE MEMBERS OF EARLY YEARS - THE ORGANISATION FOR YOUNG CHILDREN**

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**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 auditor's 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.



**Mr Nigel Moore FCA (Senior Statutory Auditor)**  
for and on behalf of GMcG BELFAST

24.11.23

**Chartered Accountants**  
**Statutory Auditor**

Chartered Accountants & Statutory  
Auditor  
Alfred House  
19 Alfred Street  
Belfast  
BT2 8EQ

## EARLY YEARS - THE ORGANISATION FOR YOUNG CHILDREN

### STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
<b>Income from:</b>							
Donations and legacies	3	2,100	112,730	114,830	30,151	79,474	109,625
Charitable activities	4	1,067,077	8,786,750	9,853,827	1,483,653	8,858,081	10,341,734
Other trading activities	5	997,471	-	997,471	878,913	-	878,913
Investments	6	271	-	271	468	-	468
<b>Total income</b>		<b>2,066,919</b>	<b>8,899,480</b>	<b>10,966,399</b>	<b>2,393,185</b>	<b>8,937,555</b>	<b>11,330,740</b>
<b>Expenditure on:</b>							
Raising funds	7	10,211	39	10,250	13,466	608	14,074
Charitable activities	8	2,102,131	8,891,572	10,993,703	1,853,592	9,170,587	11,024,179
<b>Total expenditure</b>		<b>2,112,342</b>	<b>8,891,611</b>	<b>11,003,953</b>	<b>1,867,058</b>	<b>9,171,195</b>	<b>11,038,253</b>
<b>Net (outgoing)/incoming resources before transfers</b>		<b>(45,423)</b>	<b>7,869</b>	<b>(37,554)</b>	<b>526,127</b>	<b>(233,640)</b>	<b>292,487</b>
Gross transfers between funds		22,936	(22,936)	-	36,766	(36,766)	-
<b>Net (expenditure)/income for the year/ Net movement in funds</b>		<b>(22,487)</b>	<b>(15,067)</b>	<b>(37,554)</b>	<b>562,893</b>	<b>(270,406)</b>	<b>292,487</b>
Fund balances at 1 April 2022		747,374	54,470	801,844	184,481	324,876	509,357
<b>Fund balances at 31 March 2023</b>		<b>724,887</b>	<b>39,403</b>	<b>764,290</b>	<b>747,374</b>	<b>54,470</b>	<b>801,844</b>

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

All income and expenditure derive from continuing activities.

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

# EARLY YEARS - THE ORGANISATION FOR YOUNG CHILDREN

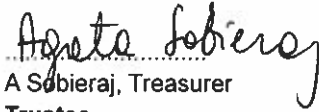
## BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
<b>Fixed assets</b>					
Tangible assets	13		782,153		821,513
<b>Current assets</b>					
Stocks	14	28,742		31,063	
Debtors	15	680,346		713,494	
Cash at bank and in hand		1,504,867		3,083,412	
		<u>2,213,955</u>		<u>3,827,969</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(2,029,215)</u>		<u>(3,561,435)</u>	
Net current assets			184,740		266,534
<b>Total assets less current liabilities</b>			<u>966,893</u>		<u>1,088,047</u>
<b>Creditors: amounts falling due after more than one year</b>	17		(202,603)		(286,203)
<b>Net assets</b>			<u><u>764,290</u></u>		<u><u>801,844</u></u>
<b>Income funds</b>					
Restricted funds	20		39,403		54,470
Unrestricted funds			724,887		747,374
			<u><u>764,290</u></u>		<u><u>801,844</u></u>

The financial statements were approved by the Trustees on 24/11/23

  
MT McDonagh, Chair  
Trustee

  
A Sobieraj, Treasurer  
Trustee

Company registration number NI023257

## EARLY YEARS - THE ORGANISATION FOR YOUNG CHILDREN

### STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	27		(150,963)		(174,526)
<b>Investing activities</b>					
Purchase of tangible fixed assets		-		(78,591)	
Investment income received		271		468	
<b>Net cash generated from/(used in) investing activities</b>			271		(78,123)
<b>Financing activities</b>					
Repayment of bank loans		(83,067)		(81,944)	
<b>Net cash used in financing activities</b>			(83,067)		(81,944)
<b>Net decrease in cash and cash equivalents</b>			(233,759)		(334,593)
Cash and cash equivalents at beginning of year			409,627		744,220
<b>Cash and cash equivalents at end of year</b>			175,868		409,627
<b>Relating to:</b>					
Cash at bank and in hand			1,504,867		3,083,412
Bank overdrafts included in creditors payable within one year			(1,328,999)		(2,673,785)

# EARLY YEARS - THE ORGANISATION FOR YOUNG CHILDREN

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 1 Accounting policies

##### Charity information

Early Years - the organisation for young children is a private company limited by guarantee incorporated in Northern Ireland. The registered office is 6c Wildflower Way, Apollo Road, Belfast, BT12 6TA.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

The charitable company incurred deficits for a number of years up until 2020 and those deficits eroded the unrestricted funds of the organisation. The trustees and management of the organisation have made considerable efforts to improve the finances of the organisation over the past three years and positive progress is being made, despite the difficult economic landscape. As a result of these efforts the charitable company recognised a surplus in the years ended 31 March 2021 and 31 March 2022. However, a small deficit was incurred in the year ended 31 March 2023 and the charitable company remains in the position that it has limited free reserves as at 31 March 2023.

Following the year end, management accounts indicate that the charitable company has generated a surplus in the period since 31 March 2023. In addition, detailed projections and cash flow forecasts have been prepared for the period to 31 December 2024. The projections prepared to 31 December 2024 indicate that there should be adequate resources to enable the charitable company to continue to operate for at least the next twelve months after the date of signing these financial statements. However, the charitable company's ability to continue as a going concern is dependent on forecasts being achieved and no significant unforeseen costs arising.

The conditions outlined above represent a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern and to realise its assets and discharge its liabilities in the normal course of business. Taking all factors into consideration, the directors are of the opinion that it is appropriate that the financial statements are prepared on a going concern basis.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

#### 1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

# EARLY YEARS - THE ORGANISATION FOR YOUNG CHILDREN

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies (Continued)

#### 1.5 Expenditure

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

Support costs are those costs incurred directly in support of expenditure on the objects of the charity. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

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

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

All expenditure is inclusive of irrecoverable VAT.

#### 1.6 Tangible fixed assets

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

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

Leasehold land and buildings	2% per annum straight line
Leasehold improvements	4% per annum straight line
Fixtures and fittings	15% per annum straight line
Computers	33% per annum straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

Assets under construction are not depreciated until construction is complete and the asset is available for use.

#### 1.7 Impairment of fixed assets

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).

# EARLY YEARS - THE ORGANISATION FOR YOUNG CHILDREN

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 1 Accounting policies (Continued)

##### 1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

##### 1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### 1.10 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**

Basic financial liabilities, including creditors and bank loans are initially recognised 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 recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

## EARLY YEARS - THE ORGANISATION FOR YOUNG CHILDREN

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2023

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#### **1 Accounting policies (Continued)**

##### **1.11 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.

##### **1.12 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

##### **1.13 Operating leases**

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight line basis over the lease term.

##### **1.14 Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Financial Activities incorporating Income and Expenditure Account.



## EARLY YEARS - THE ORGANISATION FOR YOUNG CHILDREN

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2023

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## 2 Critical accounting estimates and judgements

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.

### Key sources of estimation uncertainty

#### Fixed assets

The annual depreciation charge on fixed assets depends primarily on the estimated lives of each type of asset and estimates of residual values. The directors regularly review these asset lives and change them as necessary to reflect current thinking on remaining lives in light of prospective economic utilisation and physical condition of the assets concerned. Changes in asset lives can have a significant impact on depreciation and amortisation charges for the period. Detail of the useful lives is included in the accounting policies.

#### Debtors

Short term debtors are measured at transaction price, less any impairment. Impairment of such debtors involves some estimation uncertainty.

#### Restricted and unrestricted funds

Judgements are made in relation to allocation of income and expenditure to restricted and unrestricted funds. The directors consider it appropriate to allocate these funds based on interpretation of donations received.

## 3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Total
	2023 £	2023 £	2023 £	2022 £
Grants	2,100	112,730	114,830	109,625
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>For the year ended 31 March 2022</b>	<u>30,151</u>	<u>79,474</u>		<u>109,625</u>

# EARLY YEARS - THE ORGANISATION FOR YOUNG CHILDREN

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 4 Charitable activities

	2023 £	2022 £
SureStarts and support to the sector	9,853,827	10,341,734
Analysis by fund		
Unrestricted funds	1,067,077	1,483,653
Restricted funds	8,786,750	8,858,081
	9,853,827	10,341,734
<b>For the year ended 31 March 2022</b>		
Unrestricted funds	1,483,653	
Restricted funds	8,858,081	
	10,341,734	
<b>Detailed analysis of income from charitable activities</b>		
Training	254,601	315,700
Management recharges	363,478	781,960
Northern Health & Social Care Trust	35,312	33,974
Southern Health & Social Care Trust	54,147	57,277
Western Health & Social Care Trust	26,745	60,731
Health & Social Care Trusts - Other, including SureStart	4,111,329	3,955,513
DE Pathways Fund	3,369,271	3,458,164
DE Pathways management fee	374,270	318,494
Project grants	842,979	781,224
Peace IV	421,695	578,697
	9,853,827	10,341,734

## EARLY YEARS - THE ORGANISATION FOR YOUNG CHILDREN

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

#### 5 Other trading activities

	Unrestricted funds	Total
	2023 £	2022 £
Insurance and Members' insurance	10,801	29,434
Fundraising events	-	(739)
Day care fees	766,665	661,433
Sale of publications	15,394	31,328
Subscriptions	39,866	45,645
Trading activity income: other	164,745	111,812
	<u>997,471</u>	<u>878,913</u>
Other trading activities	<u>997,471</u>	<u>878,913</u>

#### 6 Investments

	Unrestricted funds	Total
	2023 £	2022 £
Interest receivable	271	468
	<u>271</u>	<u>468</u>

## EARLY YEARS - THE ORGANISATION FOR YOUNG CHILDREN

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2023

#### 7 Raising funds

	Unrestricted funds	Restricted funds	Total	Total
	2023 £	2023 £	2023 £	2022 £
<u>Fundraising and publicity</u>				
Advertising	-	-	-	300
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<u>Trading costs</u>				
Other trading activities	10,211	39	10,250	13,774
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<u>10,211</u>	<u>39</u>	<u>10,250</u>	<u>14,074</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>For the year ended 31 March 2022</b>				
Fundraising and publicity	-	300		300
Trading costs	13,466	308		13,774
	<u>          </u>	<u>          </u>		<u>          </u>
	<u>13,466</u>	<u>608</u>		<u>14,074</u>
	<u>          </u>	<u>          </u>		<u>          </u>

## EARLY YEARS - THE ORGANISATION FOR YOUNG CHILDREN

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

#### 8 Charitable activities

	Total 2023 £	Total 2022 £
Staff costs	5,547,955	5,425,801
DE Pathway grants paid	3,369,270	3,458,163
Accountancy fees	8,225	7,134
Programme costs	820,619	853,952
Recruitment expenses	14,110	10,131
Training course costs	3,789	9,625
Travel and subsistence	1,307	1,160
Travel - direct cost	80,016	48,494
Redundancy costs	47,537	33,380
Peace IV grants paid	4,000	149,325
CEPNET grants paid	64,389	64,558
	<u>9,961,217</u>	<u>10,061,723</u>
Share of support costs (see note 9)	1,021,596	953,306
Share of governance costs (see note 9)	10,890	9,150
	<u>10,993,703</u>	<u>11,024,179</u>
<b>Analysis by fund</b>		
Unrestricted funds	2,102,131	1,853,592
Restricted funds	8,891,572	9,170,587
	<u>10,993,703</u>	<u>11,024,179</u>
<b>For the year ended 31 March 2022</b>		
Unrestricted funds	1,853,592	
Restricted funds	9,170,587	
	<u>11,024,179</u>	

## EARLY YEARS - THE ORGANISATION FOR YOUNG CHILDREN

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

#### 9 Support costs

	Support costs £	Governance costs £	2023 £	2022 £
Depreciation	39,360	-	39,360	40,942
Computer expenses	116,134	-	116,134	114,189
Light, heat and power	90,722	-	90,722	70,194
Training (inclu. SureStarts)	51,723	-	51,723	52,851
Subscriptions and support services	30,173	-	30,173	28,287
Sundries	150,714	-	150,714	130,864
Telephone and fax	62,938	-	62,938	55,021
Professional fees	113,764	-	113,764	105,218
Cleaning	51,692	-	51,692	52,450
Insurance	71,062	-	71,062	71,059
Rent	243,314	-	243,314	232,231
Audit fees	-	10,890	10,890	9,150
	<u>1,021,596</u>	<u>10,890</u>	<u>1,032,486</u>	<u>962,456</u>
Analysed between Charitable activities	<u>1,021,596</u>	<u>10,890</u>	<u>1,032,486</u>	<u>962,456</u>

Governance costs includes payments to the auditors of £10,890 (2022- £9,150) for audit fees.

#### 10 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

#### 11 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Management and administration	40	42
Charity services	191	206
Total	<u>231</u>	<u>248</u>

## EARLY YEARS - THE ORGANISATION FOR YOUNG CHILDREN

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2023

#### 11 Employees (Continued)

Employment costs	2023 £	2022 £
Wages and salaries	4,770,449	4,689,845
Social security costs	400,161	372,140
Other pension costs	377,345	363,816
	<u>5,547,955</u>	<u>5,425,801</u>

#### Redundancy and termination payments

During the year redundancy payments of £47,537 (2022 - £33,380) were made to 5 (2022 - 8) employees.

#### Directors and key management personnel remuneration and expenses

The total amount of employee benefits received by key management personnel is £103,257 (2022 - £98,739)  
The charity considers its key management personnel to comprise of the Chief Executive Officer.

The number of employees whose annual remuneration was more than £60,000  
is as follows:

	2023 Number	2022 Number
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	<u>1</u>	<u>-</u>

#### 12 Taxation

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

## EARLY YEARS - THE ORGANISATION FOR YOUNG CHILDREN

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2023

#### 13 Tangible fixed assets

	Leasehold land and buildings	Leasehold improvements	Assets under construction	Fixtures and fittings	Computers	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 April 2022	736,199	92,600	326,006	69,587	60,497	1,284,889
At 31 March 2023	736,199	92,600	326,006	69,587	60,497	1,284,889
<b>Depreciation and impairment</b>						
At 1 April 2022	321,137	49,491	-	64,361	28,387	463,376
Depreciation charged in the year	14,724	3,704	-	1,260	19,672	39,360
At 31 March 2023	335,861	53,195	-	65,621	48,059	502,736
<b>Carrying amount</b>						
At 31 March 2023	400,338	39,405	326,006	3,966	12,438	782,153
At 31 March 2022	415,062	43,109	326,006	5,226	32,110	821,513



## EARLY YEARS - THE ORGANISATION FOR YOUNG CHILDREN

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

#### 14 Stocks

	2023 £	2022 £
Finished goods and goods for resale	28,742	31,063

#### 15 Debtors

	2023 £	2022 £
<b>Amounts falling due within one year:</b>		
Trade debtors	206,910	146,116
Other debtors	470,269	561,964
Prepayments and accrued income	3,167	5,414
	680,346	713,494

#### 16 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Bank loans and overdrafts	18	1,414,345	2,758,598
Other taxation and social security		88,974	96,720
Deferred income	19	4,329	10,458
Trade creditors		144,850	119,799
Other creditors		12,900	281,181
Accruals and deferred income		363,817	294,679
		2,029,215	3,561,435

Security is as disclosed in note 18.

#### 17 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Bank loans	18	202,603	286,203

Security is as disclosed in note 18.

## EARLY YEARS - THE ORGANISATION FOR YOUNG CHILDREN

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

#### 18 Loans and overdrafts

	2023 £	2022 £
Bank overdrafts	1,328,999	2,673,785
Bank loans	287,949	371,016
	<u>1,616,948</u>	<u>3,044,801</u>
Payable within one year	1,414,345	2,758,598
Payable after one year	<u>202,603</u>	<u>286,203</u>

The bank overdrafts are secured on the building and a floating charge over the assets of the charitable company.

A guarantee has been pledged by the Department for Business Energy and Industrial Strategy in respect of the bank loan.

Bank loans are being repaid by way of monthly instalments until April 2026 with an interest rate of Danske Bank Base Rate plus 4%.

#### 19 Deferred income

	2023 £	2022 £
Other deferred income	<u>4,329</u>	<u>10,458</u>
Deferred income is included in the financial statements as follows:		
	2023 £	2022 £
Deferred income is included within:		
Current liabilities	<u>4,329</u>	<u>10,458</u>
Movements in the year:		
Deferred income at 1 April 2022	10,458	10,616
Released from previous periods	(10,458)	(10,616)
Resources deferred in the year	<u>4,329</u>	<u>10,458</u>
Deferred income at 31 March 2023	<u>4,329</u>	<u>10,458</u>

The deferred income arises in respect of income being received in the year which relates to a future accounting period and in respect of income received in the year where conditions for recognition have not been satisfied. The income will be released to the Statement of Financial Activities in the period to which it relates.

## EARLY YEARS - THE ORGANISATION FOR YOUNG CHILDREN

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2023

#### 20 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds					Movement in funds				
	Balance at 1 April 2021	Incoming resources	Resources expended	Transfers	Balance at 1 April 2022	Incoming resources	Resources expended	Transfers	Balance at 31 March 2023	
	£	£	£	£	£	£	£	£	£	
AP - Centre of Excellence	7,093	-	(11,890)	4,797	-	-	-	-	-	-
AP - Access to Europe	5,897	-	-	(5,897)	-	-	-	-	-	-
SureStarts	1,645	3,810,828	(3,801,078)	(11,395)	-	3,949,329	(3,949,329)	-	-	-
HSCT	-	151,147	(151,147)	-	-	176,204	(176,204)	-	-	-
DE Pathways	6,773	3,458,164	(3,458,164)	(6,773)	-	3,369,271	(3,369,271)	-	-	-
Projects	175,991	326,098	(439,568)	(17,498)	45,023	384,500	(393,514)	(22,936)	13,073	
Toybox	-	343,244	(340,440)	-	2,804	333,481	(333,768)	-	2,517	
Peace IV	127,477	583,074	(703,908)	-	6,643	421,695	(404,526)	-	23,812	
DE Core Grant	-	265,000	(265,000)	-	-	265,000	(265,000)	-	-	
	<u>324,876</u>	<u>8,937,555</u>	<u>(9,171,195)</u>	<u>(36,766)</u>	<u>54,470</u>	<u>8,899,480</u>	<u>(8,891,612)</u>	<u>(22,936)</u>	<u>39,403</u>	

## EARLY YEARS - THE ORGANISATION FOR YOUNG CHILDREN

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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#### 21 EXPLANATORY NOTES TO THE FUNDS

##### **UNRESTRICTED FUNDS**

###### **General Funds**

This reflects the short-term tactical reserves required by the Organisation and represents approximately 4 weeks' worth of unrestricted expenditure to cover short-term setbacks or cash flow difficulties.

##### **RESTRICTED FUNDS**

###### **Atlantic Philanthropies (AP) and Associated Funds**

Over a number of years the charity received funding from Atlantic Philanthropies to support a long-term research, practice and policy development programme focused on outcomes for young children. This project has concluded.

Atlantic Philanthropies has supported Early Years in the design and development of plans for the construction of an Early Years Centre of Excellence in Clogher Valley.

###### **SureStarts**

Funding from various Trusts and Childcare Partnerships for a number of SureStart projects.

###### **Health and Social Care Trusts**

Funding for an advisory service providing support, training and quality assistance for early years groups within each Trust area, as follows:

- Northern Health and Social Care Trust
- Southern Health and Social Care Trust
- Western Health and Social Care Trust

###### **DE Pathway**

A fund managed by Early Years for the Department of Education to improve the development of children who are at risk of not reaching their full potential within the school system and develop an enhanced, more sustainable Early Years sector.

###### **Projects**

Funding for a range of projects delivered by the charity.

###### **Toybox Project**

Funds for an outreach play development project for Traveller Children.

###### **Peace IV**

This is funding received from SEUPB. This project aims to bring about a positive attitude and behavioural change among children, parents, teachers and the wider community. The project uses an evidence based approach to purposeful, direct and sustained curriculum-based contact between children of different religious backgrounds.

###### **DE Core Funding**

Funding from the Department of Education to support core costs of Early Years.

###### **Transfers**

During the year the charity made transfers from restricted to unrestricted funds totalling £22,936. The balance arose due to the fact that overhead costs were not fully allocated to certain funds in prior years.

## EARLY YEARS - THE ORGANISATION FOR YOUNG CHILDREN

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2023

#### 22 Retirement benefit schemes

##### Defined contribution schemes

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

The charge to profit or loss in respect of defined contribution schemes was £377,345 (2022 - £363,816).

#### 23 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
Fund balances at 31 March 2023 are represented by:				
Tangible assets	782,153	-	782,153	821,513
Current assets/(liabilities)	145,337	39,403	184,740	266,534
Long term liabilities	(202,603)	-	(202,603)	(286,203)
	<u>724,887</u>	<u>39,403</u>	<u>764,290</u>	<u>801,844</u>

#### 24 Conduit funding

Early Years is responsible for receiving and distributing funds on behalf of the Department of Education in respect of the Childcare Sustainability Fund and Childcare Temporary Closure Fund. During the year £1,196,651 was received by the charity in relation to these funds. Included within this figure is management fees of £95,329 that have been recognised as income of the charity. The remaining amount of £1,101,322 was distributed by the charity, £2,100 of which went to childcare groups operated by the charity and has been recognised as income. The remainder has been treated as conduit funding and, as such, has not been recognised as income and expenditure of the charity.

#### 25 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	134,710	139,247
Between two and five years	289,991	379,701
In over five years	495,000	540,000
	<u>919,701</u>	<u>1,058,948</u>

## EARLY YEARS - THE ORGANISATION FOR YOUNG CHILDREN

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2023

#### 26 Related party transactions

##### Transactions with related parties

During the year the charity entered into the following transactions with related parties:

	Grants paid	
	2023	2022
	£	£
Adventures day nursery	-	16,902
Lollipop playgroup	22,500	22,500
	<u>22,500</u>	<u>39,402</u>

The above Trustee owned nursery and playgroup received grants from the Pathway fund and Covid response fund.

During the year the charity provided management and administrative support to Early Years ROI for no charge. In addition, the charity received funds on behalf of Early Years ROI and at the balance sheet date an amount of £10,064 remained due to Early Years ROI.

27 Cash generated from operations	2023	2022
	£	£
(Deficit)/surplus for the year	(37,554)	292,487
Adjustments for:		
Investment income recognised in statement of financial activities	(271)	(468)
Depreciation and impairment of tangible fixed assets	39,360	40,942
Movements in working capital:		
Decrease in stocks	2,321	577
Decrease/(increase) in debtors	33,148	(120,620)
(Decrease) in creditors	(181,838)	(387,286)
(Decrease) in deferred income	(6,129)	(158)
<b>Cash absorbed by operations</b>	<u>(150,963)</u>	<u>(174,526)</u>

#### 28 Analysis of changes in net debt

	At 1 April 2022	Cash flowsAt 31 March 2023	
	£	£	£
Cash at bank and in hand	3,083,412	(1,578,545)	1,504,867
Bank overdrafts	(2,673,785)	1,344,786	(1,328,999)
Loans falling due within one year	(84,813)	(533)	(85,346)
Loans falling due after more than one year	(286,203)	83,600	(202,603)
	<u>38,611</u>	<u>(150,692)</u>	<u>(112,081)</u>

## **EARLY YEARS - THE ORGANISATION FOR YOUNG CHILDREN**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

#### **FOR THE YEAR ENDED 31 MARCH 2023**

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#### **29 Contingent liabilities**

A portion of grants received may become repayable if the charitable company fails to comply with the terms of the letter of offer.

#### **30 Members' liability**

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before they cease to be a member.