

First Steps (Bath)

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COMPANIES HOUSE

Financial Statements for the year ended 31st March 2015

IN PARTNERSHIP WITH

**Bath & North East
Somerset Council**



NHS
**Bath and
North East Somerset**

FIRST STEPS (BATH)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

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FIRST STEPS (BATH)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

CHAIR'S REPORT

This year has been another successful year for First Steps.

We are delighted to have expanded with our third day care centre in Weston. We have increasingly focussed on the provision of targeted services and support and have achieved significantly increased, and effective, engagement with families who need most support.

We are continuing the process of developing sustainability to adapt to the anticipated changes in Local Authority funding and contracting arrangements in the next two years.

We are also continuing to explore, with the Local Authority, options for improving the environment in which the Moorlands Children Centre and day care services are provided.

On behalf of the Trustees I want to thank First Steps staff, volunteers and partners for all their commitment and hard work in continuing to provide and develop high quality and effective support for families and children in West Bath.

Best wishes



Sue Pendle

Chair

FIRST STEPS (BATH)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

TRUSTEES' ANNUAL REPORT

The Trustee Board present their Report together with the financial statements for the year ended 31 March 2015.

REFERENCE AND ADMINISTRATIVE INFORMATION

| | | |
|-------------------|------------------|---|
| Chair of Trustees | Sue Pendle | Independent HR Consultant |
| Vice Chair | Laura Pilkington | Repairs Manager, The Curo Group |
| Treasurer | Mike Turner | Managing Director |
| Other trustees | Val Wheeler | Retired Health Visitor |
| | *Shirley Stevens | Parent at Moorlands, Teacher, |
| | Meg North | Retired local government officer |
| | Dougie Brown | Senior Head of Programmes for Education Training and Development, Princes Trust |
| | Jacqui Lazare | Solicitor, Withy King – appointed September 2014 |
| | *Claire Sands | Play Development Officer – resigned July 2014 |
| | Trish O'Donnell | Development Manager for NSPCC– resigned September 2014 |

* Denotes parents whose children used First Steps (Bath) services during the year.

| | | |
|------------------------|--|---|
| Board Advisors | Debbie Forward Helen Rugg | Commissioning Manager, B&NES Early Childhood Services Family Nurse Partnership Supervisor, Sirona Care & Health |
| Senior Management Team | Roz Lambert Sarah Elliott Ann Thurgood Tracey Wrench | Chief Executive Finance & Administration Manager and Company Secretary Children's Services Manager - Twerton Children's Services Manager – Moorlands (left April 2015) |
| Registered office | Woodhouse Road Twerton, Bath, BA2 1SY | |
| E-mail | info@firststepsbath.org.uk | |
| Website | www.firststepsbath.org.uk | |
| Auditors | Moore Stephens 30 Gay Street Bath BA1 2PA | |
| Bankers | NatWest Bank plc, High St, Bath, BA1 3TJ | |
| Solicitors | Withy King, James St. West, Bath BA1 2BT | |

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

First Steps (Bath) is a company limited by guarantee and is a registered charity, which is governed by its Memorandum and Articles of Association dated May 1992. The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Trustee Board.

Organisational Structure

First Steps (Bath) is governed by a Charity Board of Trustees, which includes parents using our services and local professionals. The Board's membership reflects key stakeholders in the local community including local public services, local businesses, independent consultants, voluntary organisations and schools. Trustees therefore bring a wide range of individual skills and experience to the Board.

FIRST STEPS (BATH)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

TRUSTEES' ANNUAL REPORT

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational Structure (continued)

The Trustee Board, which met six times during the year, makes decisions on the annual budget, formulates policy and considers strategic issues which affect the charity. At the Annual General Meeting the Trustees elect the Chairperson.

The Trustees of First Steps (Bath) delegate the day-to-day running of the charity to the Chief Executive and Senior Management Team, who attend Trustee Board meetings in an advisory capacity. The Trustee Board has power to require the Chief Executive and members of staff to withdraw from meetings whenever confidential matters are being discussed.

Advisors / commissioners from the Bath and North East Somerset Council's ('B&NES') Early Childhood Services attend some of the Board meetings in a non-voting capacity.

Recruitment and appointment of Trustee Board members

Recruitment of new Trustees is on-going; interested potential Trustees are invited to submit a CV and attend Board meetings as an observer before being nominated for election.

Trustee Induction and Training

The structure and process of new Trustee induction and training has been developed as part of the recruitment of new Trustees. Information packs containing copies of the financial statements, Memoranda and Articles of Association, and recent Board Meeting Minutes are provided. An invitation is made to visit staff and volunteers together with the opportunity to meet existing Trustees and observe a Board meeting. Training is offered through specific sessions tailored to meet the needs of current Trustees.

Risk Management

The Trustee Board has responsibility to manage risk within the charity. They have updated and reviewed risks within the year and agreed a schedule of actions to mitigate the identified risks. Key policies and procedures developed and/or revised during the year include Safeguarding, Code of Conduct, Financial Rules, Staff Employment, Disciplinary, Fundraising strategy, together with the Trustees Handbook.

AIMS

Our Mission

First Steps has a governing document (Memorandum and Articles of Association dated May 1992) which sets out our 'Objects' as a charity. These have been summarised into our mission:

"to work in partnership with children, families, colleagues and the community by being a responsive, informed, reflective and innovative provider of early years' education, childcare and integrated family services"

FIRST STEPS (BATH)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

TRUSTEES' ANNUAL REPORT

AIMS

Our Mission (continued)

In pursuing this mission First Steps will deliver value to:

- Children, through access to quality integrated care, play and early learning opportunities
- Families, through a range of services which are responsive to their individual needs with an emphasis on bringing services to families
- Staff, by maintaining a stimulating environment that encourages innovation and best practice and developing and implementing a coherent range of policies understood and valued by all
- Other stakeholders, through our commitment to working collaboratively with professionals from other disciplines, sharing expertise and exploiting opportunities in areas of common interest

Our guiding principles

To guide our actions as an organisation and ensure a culture of shared values and direction we:

- Work in partnership not in competition
- Are committed to an integrated service approach that brings professionals from various disciplines together
- Foster an ethos of providing professional support in a non-judgemental and non-stigmatising way
- Encourage open-mindedness within our practice and ensure that our policies are sufficiently flexible to admit new ideas
- Respect parents as partners in the educational and developmental progress of their children
- Create a culture that values and celebrates children and families in a way that strengthens our community
- Seek new ways of doing things, explore new approaches, and are open to learning from others
- Measure our success by the way we deliver on our commitment to better outcomes for children and families

OBJECTIVES AND ACTIVITIES

The principal objectives of First Steps (Bath) are to advance the development of education of children below compulsory school age (by encouraging parents to understand and provide for the needs of their children) in particular through the provision of safe and satisfying group play in which parents have the right to take part and by encouraging the study of the needs of children and their families and by promoting public interest in and recognition of such needs in the City of Bath and as a result of the provision of such facilities to relieve cases of need hardship or distress

First Steps (Bath) runs three Early Years Settings: First Steps Twerton Children's Centre at Woodhouse Road, Twerton; First Steps Moorlands Children's Centre at Moorfields Rd and First Steps Weston Nursery & Pre-school, within Weston Children's Centre, Penn Hill Road, Weston. The charity provides Family Services from Dominion Rd, Twerton. Through these centres (and at other venues) we deliver integrated childcare, education and family support for young children and their families living in the Bath West Group of Children's centres on behalf of the Local Authority.

FIRST STEPS (BATH)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

TRUSTEES' ANNUAL REPORT

OBJECTIVES AND ACTIVITIES

As a charity we cover the whole of Bath and our services are open to anyone living or working in the area, though priority will be given to families in the children's centre reach areas.

In shaping these priorities and planning our activities the Trustees have considered the Charity Commission's guidance on public benefit, including the guidance on public benefit and fee charging. The charity relies on the income from day care fees to contribute towards its operating costs. Family support groups are provided without charge, but a voluntary donation is requested to cover the cost of refreshments. The Trustees undertake an annual review of day care fees - in setting the level of fees and concessions offered through subsidised places, the Trustees give careful consideration to ensuring the accessibility of the service for those on low incomes.

Our Partners

Much of our work is delivered in partnership with other agencies, working with us and/or providing services within our Centres. Examples of the partners we work with to provide integrated 'seamless' support for children and families when they need it include:

- Sirona Care and Health - Health Visitors provide baby clinics, baby massage and support on health issues; a Stop Smoking Advisor and other 'Healthy Lifestyles' staff give support and advice
- Speech & Language service: special projects or groups with children; screening and individual work with children and advice and training for staff
- Child and Adolescent Mental Health Service - Early Relationships Service: individual work with children and families, and provide training and consultation for staff
- Other health professionals, e.g. community paediatricians, occupational therapists – provide staff with advice and guidance; individual work with children and families
- B&NES Family Information Service: an Information and Advice worker is based with us one day a week to attend groups and to undertake individual work
- Bath City College Community Learning Service: joint working and provide advice and guidance to parents
- Job Centre Plus Lone Parent Advisor:
- B&NES Library Development Worker, Supports the development of Book Start.
- A B&NES Children's Centre Social Worker is based with us one day a week; First Steps provide placements for 'children in need' and/or children who are the subject of a child protection plan, and 'child friendly' venues for contact sessions
- Citizen's Advice Bureau: provides regular sessions at all of our three sites
- Community Police Support Officers: support our community events and work on safety
- Southside Family Project: supporting families with complex needs, attending multi-agency meetings to secure positive outcomes for the most vulnerable children.
- Other local voluntary and community organisations: e.g. Bath City Farm, Volunteer Bureau, Time Bank, Bath Area Play Project, Bath Opportunity Pre-School,, Southdown Methodist Church: joint working to provide support, events and activities, share information and resources, and support volunteers

FIRST STEPS (BATH)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

TRUSTEES' ANNUAL REPORT

OBJECTIVES AND ACTIVITIES

Our Partners (continued)

- Local schools, particularly our neighbours: Moorlands Schools Federation, St. Michaels C of E Junior School and Twerton Infants School; together with B&NES Children's Service and school staff, e.g. on school transition and the national 'Hello' campaign on language and communication; and we work with Advisory Teachers, the Behaviour Support Service and Early Support who provide advice and individual work
- Other Children's Centres across B&NES: joint working or training, collaboration and sharing good practice
- Bath Spa University, University of Bath and other training providers, local colleges and schools: First Steps acts as a training base for a range of student placements

ACHIEVEMENTS AND PERFORMANCE

The year to 31 March 2015 saw a range of service developments, particularly focussed on extending the reach of our children's centres to more vulnerable families.

The key priorities for the year were to:

- Maintain and improve the high quality of our services
- Improve the reach of our services to families who can benefit from them
- Strengthen our future sustainability through planning, fundraising and improvements to policies, procedures and processes

A detailed action plan for each priority was put in place and the bulk of the planned actions have been completed.

Key achievements for the organisation in the year ended 31 March 2015 are set out below.

- A 6% increase in the number of children using our services during the year (2013/14 58.24%; 2012/13 52.18%)
- An 18% increase in the number of families using our services during the year. (2013/4 62%; 2012/13 44%)
- A new measurement in line with the revised Ofsted Framework for Children's Centre monitoring was set up. The number of families in Greatest Need (IGN) gaining sustained contact – (5 or more per annum) Bath West identified 160 families in greatest need and provided sustained contact for 85.6% of them.
- Positive results for Local Authority Early Years Quality Monitoring visits for Children's Services, achieved grade 1, requiring the least intervention from the LA and were praised for quality of service
- A 10% increase in families reached over the year (2014-15 71.7% 2013-14 62%)
- Working intensively with 70% of the 113 families who were identified as being in greatest need

FIRST STEPS (BATH)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

TRUSTEES' ANNUAL REPORT

ACHIEVEMENTS AND PERFORMANCE (continued)

- Reaching 92% of families from workless households and 79% of lone parents
- Positive outcomes for the majority of the 22 families who attended the Incredible Years Parenting courses run over the year.
- Award from Youth Music for funding to deliver an Early Years music project to support children's emotional, social and language development .
- Delivering volunteer parent as partners training with 12 families attending and xx going on to gain employment. 10 volunteers have supported services during the year.
- Our annual satisfaction survey indicated that 95% of parents are happy with the services they experience at First Steps.
- Winning a tender as part of a competitive process to deliver childcare at Weston Children's Centre and opening the new setting on the 30th of March.
- Successfully fundraising to provide free meals for children from families on low incomes.
- Award of the social enterprise mark which had come up for renewal.
- Award of the Communication Champion Award and the Director of Public Health Award.
- To have moved to a more sustainable model of nursery provision.
- Implementation of an online assessment tool to track children's progress
- Multi partnership meetings to ensure that families are receiving appropriate support and children make progress.

FINANCIAL REVIEW

It is pleasing to report that the year has seen a further continuing improvement in the financial situation, which enables First Steps (Bath) to maintain the quality of its provision whilst ensuring its future viability.

The significant features of the finances during the year are as follows:

- **Funding from B&NES** – core revenue funding for 2014-5 was unchanged from the previous year's total of £502,402; CHIF payments from Social Services increased and £10,294 was received towards start-up costs for the new Weston nursery, so revenue grants increased by £5,713 (1%) compared to 2013-4. A further £73,953 was received last year as Capital Grant towards the costs of the refurbishments at Woodhouse Road.
- **Nursery income** - fees charged to parents fell very slightly, by £5,745 (1.9%), mainly as result of lower numbers of fee paying children at Twerton, but funding from Early Years Entitlement (EYE) rose by £100,834 (38%) as a result of increased occupancy and changes to entitlement with the expansion of 2 year old funded places, so total nursery fee income rose by £94,967 (17%) to £662,308.
- **Total incoming resources** - the loss of £74,000 B&NES funding for refurbishments is more than offset by increased nursery income from EYE, so incoming resources from charitable activities have risen by £25,920 (2%); income from fundraising increased, and restricted grants amounting to £27,760 were received so total incoming resources rose by £54,938 to £1,300,347.

FIRST STEPS (BATH)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

TRUSTEES' ANNUAL REPORT

FINANCIAL REVIEW (continued)

- **Employment costs** – at £855,312 these amount to 76% of all spending on unrestricted activities - they fell this year by 6% following a reduction in head-count, mainly through leaving vacancies unfilled;
- **Other direct costs** - these amount to £98,196, including £11,785 of expenditure funded from restricted grants; the assessed value of subsidised meals for children amounted to £9,895;
- **Overheads** - these amount to £200,481, a large reduction as last year included a further £61,878 of expenditure on refurbishments to the property at Woodhouse Road. If this is excluded, overheads have increased this year by £6,075;

The overall result for the year was an increase in funds of £139,477 (2013-14 £8,158 decrease) – this was created from movement on restricted funds giving a deficit of £5,791 (2013-14 £18,300 deficit) and a surplus of £145,268 (2013-14 £10,142 surplus) on unrestricted funds.

Reserves policy

The Trustee Board acknowledges that the charity should ideally maintain a level of unrestricted funds equivalent to three to six months' expenditure, which at current levels of operations means free reserves of between £300,000 - £600,000, to ensure that, in the event of a significant drop in funding, the Board will be able to continue the charity's current activities while additional funding is sought.

At 31 March 2015 unrestricted funds amounted to £626,070, of which £6,040 was invested in equipment, leaving £620,030 as working capital. This means that the charity remains comfortably within its target for the ideal level of reserves. The need to continue to hold reserves, especially relevant given the continuing cuts in public funding, is addressed within the business plan.

Fixed assets

Movements in fixed assets are set out in Note 5 to the financial statements; there were no additions to fixed assets during the year (2013-14 £726)

PLANNING FOR THE FUTURE

The Local Authority has extended the contract to deliver Children's Centre Services to the Bath West Group of Children's Centres for a year until 31st August 2016. A competitive tender process will be held for the new contract to deliver Children's Centre Services for the Bath West Group from 1st September 2016 to 31st March 2018. During this time the Local Authority will review service delivery and a second competitive tender process will take place for Bath (5 Children's Centres) and North East Somerset (6 Children's Centres). It is anticipated that the funding will be focussed on the delivery of targeted services and will be reduced. Therefore First Steps may be faced with three possibilities

- Winning the Children's Centre contract and increasing in size
- Collaboratively working with other organisations to deliver part of the contract.
- Not winning the Children's Centre contract

Therefore work is underway to secure the future by increasing fundraising opportunities for specific projects and continuing to move childcare to a cost neutral position.

FIRST STEPS (BATH)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

TRUSTEES' ANNUAL REPORT

TRUSTEES RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Company law requires the Trustees/Directors to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the year end. In preparing these financial statements the Trustees/Directors should follow best practice and:

- select suitable accounting policies and then apply them consistently
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charity will continue in operation

The Trustees/Directors are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and to ensure that the financial statements comply with applicable laws. They are also responsible for safeguarding the assets of the charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with company law, as the company's directors, we certify that:


- so far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- as the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

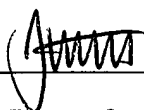
Moore Stephens, Chartered Accountants and Statutory Auditors, have signified their willingness to continue in office and their reappointment will be proposed at the Annual General Meeting.

This report has been prepared in accordance with the small company Section 419(2) of the Companies Act 2006

Approved by the Trustees on 21st July 2015 and signed on their behalf by:-



Sue Pendle - Chair



Sarah Elliott – Company Secretary

FIRST STEPS (BATH)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIRST STEPS (BATH)

We have audited the financial statements of First Steps (Bath) for the year ended 31 March 2015 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. 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).

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.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Trustees' Responsibilities Statement, the trustees' (who are also the directors of First Steps (Bath) 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

OPINION ON FINANCIAL STATEMENTS

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 2015 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

FIRST STEPS (BATH)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIRST STEPS (BATH) (continued)

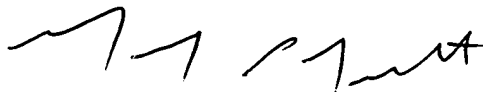
OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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
- 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 prepare the financial statements in accordance with the small companies' regime.



MARK BURNETT

Senior Statutory Auditor

For and on behalf of

MOORE STEPHENS

Chartered Accountants & Statutory Auditor
30 Gay Street Bath BA1 2PA

19 August 2015

FIRST STEPS (BATH)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT)

| | Note | Unrestricted Funds £ | Restricted Funds £ | Total 2015 £ | Total 2014 £ |
|--|------|----------------------------|--------------------------|-------------------------|--------------------|
| Incoming resources | | | | | |
| Incoming resources from generated funds | | | | | |
| Voluntary income: donations and fundraising | | 17,958 | - | 17,958 | 13,026 |
| Grants received | | - | 27,760 | 27,760 | - |
| Bank interest | | 3,344 | - | 3,344 | 7,018 |
| Incoming resources from charitable activities | 1 | 1,253,653 | (2,368) | 1,251,285 | 1,225,365 |
| Total incoming resources | | <u>1,274,955</u> | <u>25,392</u> | <u>1,300,347</u> | <u>1,245,409</u> |
| Resources expended | | | | | |
| Charitable activities | 2 | 1,122,806 | 31,183 | 1,153,989 | 1,247,459 |
| Governance costs | 3 | 6,881 | - | 6,881 | 6,108 |
| Total resources expended | | <u>1,129,687</u> | <u>31,183</u> | <u>1,160,870</u> | <u>1,253,567</u> |
| Incoming/(outgoing) resources before transfers, and net income for the year | | 145,268 | (5,791) | 139,477 | (8,158) |
| Transfers between funds | 8 | - | - | - | - |
| Net increase/(decrease) in funds | | <u>145,268</u> | <u>(5,791)</u> | <u>139,477</u> | <u>(8,158)</u> |
| Funds brought forward | | 480,802 | 604,753 | 1,085,555 | 1,093,713 |
| Funds carried forward | | <u>626,070</u> | <u>598,962</u> | <u>1,225,032</u> | <u>1,085,555</u> |

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

The accompanying accounting policies and notes form an integral part of these financial statements.


FIRST STEPS (BATH)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

BALANCE SHEET AT 31 MARCH 2015

| | Note | Unrestricted Funds £ | Restricted Funds £ | Total 2015 £ | Total 2014 £ |
|---|------|----------------------------|--------------------------|--------------------|--------------------|
| Fixed assets | | | | | |
| Tangible fixed assets | 5 | 6,040 | 586,453 | 592,493 | 614,261 |
| Current assets | | | | | |
| Stocks | | 1,406 | - | 1,406 | 1,485 |
| Debtors | 6 | 34,559 | - | 34,559 | 119,382 |
| Cash at bank and in hand | | 627,987 | 12,509 | 640,496 | 426,030 |
| | | 663,952 | 12,509 | 676,461 | 546,897 |
| Creditors: amounts falling due within one year | 7 | (43,922) | - | (43,922) | (75,603) |
| Net current assets | | 620,030 | 12,509 | 632,539 | 471,294 |
| Total assets less liabilities | | 626,070 | 598,962 | 1,225,032 | 1,085,555 |
| Funds of the charity | | | | | |
| Restricted funds | 8 | - | 598,962 | 598,962 | 604,752 |
| Unrestricted funds | | 626,070 | - | 626,070 | 480,803 |
| Total charity funds | | 626,070 | 598,962 | 1,225,032 | 1,085,555 |

These financial statements have been prepared in accordance with the provisions of part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Trustees at their meeting on ** July 2015 and are signed on their behalf by


 Sue Pendle - Chair


 Sarah Elliott – Company Secretary

FIRST STEPS (BATH)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

PRINCIPAL ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005), the Financial Reporting Standard for Smaller Entities (effective April 2008), and the Companies Act 2006.

Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Contract and grant income is included as incoming resources in the period to which it relates
- When donors specify that donations or grants are for particular restricted purposes, the income is included as incoming resources of restricted funds when receivable. Grants received are deferred and recognised through the statement of financial activities in full when conditions for receipt are complied with
- Intangible income, including gifts in kind, is included at the trustees' valuation when known;
- No amounts are included in the financial statements for services donated by volunteers.
- Where incoming resources are for goods or services and, upon full performance of the service, any surplus funds can be retained and used for general purposes, the incoming resources and related expenditure is treated as Unrestricted.

Resources expended and liabilities

Expenditure is recognised on an accruals basis as a liability is incurred; inclusive of any VAT where this cannot be recovered. Liabilities are recognised when the charity has an obligation to transfer economic benefit as a result of a past transaction or event.

Pensions

The charity's employees are eligible to participate in The Pension Trust's Defined Contribution Pension Scheme. The employer's contributions payable to this scheme are charged to the income and expenditure account in the period to which they relate.

Fund accounting

Funds held by the charity are either:

- Unrestricted - these are donations and other income generated, for the objects of the charity without further specified purposes and which can be used in accordance with the charitable objects at the discretion of the trustees.
- Restricted funds - these can only be used for particular restricted purposes, the charity, as specified by the donor. Expenditure which meets these criteria is charged against the fund. Further details of the funds are given in the Notes to the Accounts.

FIRST STEPS (BATH)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

PRINCIPAL ACCOUNTING POLICIES (continued)

Tangible Fixed Assets

Tangible fixed assets costing more than £2,000 are capitalised and included at cost. Depreciation is calculated to write off the cost, less estimated residual values, of tangible fixed assets over their estimated useful lives to the charity. The annual depreciation rates and methods are:

| | |
|----------------------------------|----------------------------------|
| Leasehold property | Evenly over a period of 50 years |
| Fixtures, fittings and equipment | 10 or 25% straight line |

A review of impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognized as impairments. Impairment losses are recognized in the Statement of Financial Activities.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

FIRST STEPS (BATH)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS

| | Unrestricted Funds £ | Restricted Funds £ | Total 2015 £ | Total 2014 £ |
|---|----------------------------|--------------------------|--------------------|--------------------|
| 1. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES | | | | |
| Local Authority - Bath & North East Somerset Council: | | | | |
| Children's Centre Contract Funding | 502,402 | - | 502,402 | 502,402 |
| Social Services: CHIF | 37,327 | - | 37,327 | 28,943 |
| Notional rent - Moorlands Centre | 21,500 | - | 21,500 | 21,500 |
| Weston Nursery set-up costs | 10,294 | - | 10,294 | - |
| Other grant funding | 9,153 | - | 9,153 | 22,118 |
| Total Revenue funding | 580,676 | - | 580,676 | 574,963 |
| Funding for Refurbishments | - | - | - | 73,953 |
| | 580,676 | - | 580,676 | 648,916 |
| Nursery fees and related funding: | | | | |
| Nursery Fees charged to parents | 295,868 | (2,368) | 293,500 | 299,245 |
| Early Years Entitlement | 364,873 | - | 364,873 | 264,039 |
| Milk grants | 3,935 | - | 3,935 | 4,057 |
| | 664,676 | (2,368) | 662,308 | 567,341 |
| Training income (grants rec'd and training provided) | 3,457 | - | 3,457 | 1,722 |
| Community lettings (room and office hires) | 3,234 | - | 3,234 | 2,231 |
| Other income from activities | 1,610 | - | 1,610 | 5,155 |
| Other income from activities | 8,301 | - | 8,301 | 9,108 |
| | 1,253,653 | (2,368) | 1,251,285 | 1,225,365 |
| 2. COSTS OF CHARITABLE ACTIVITIES | | | | |
| Direct costs: | | | | |
| Employment costs | 855,312 | - | 855,312 | 905,788 |
| Catering costs | 35,617 | - | 35,617 | 31,868 |
| Service costs | 17,161 | 2,000 | 19,161 | 12,475 |
| Staff costs (training costs, expenses etc.) | 19,479 | - | 19,479 | 13,952 |
| Special Projects | 1,871 | 9,785 | 11,656 | 8,175 |
| Value of subsidies granted to parents | 9,895 | - | 9,895 | 16,967 |
| Bad debts - fees due from parents written off | 2,388 | - | 2,388 | 1,950 |
| Other direct costs | 86,411 | 11,785 | 98,196 | 85,387 |
| | 941,723 | 11,785 | 953,508 | 991,175 |
| Overheads: | | | | |
| Premises costs | 118,087 | - | 118,087 | 116,792 |
| Information Technology costs | 28,586 | - | 28,586 | 28,084 |
| Administrative costs | 27,102 | - | 27,102 | 27,761 |
| Depreciation charges (Note 5) | 3,468 | 18,300 | 21,768 | 21,769 |
| Refurbishment of Woodhouse Rd premises | - | - | - | 61,878 |
| Special Projects Overheads | 3,840 | 1,098 | 4,938 | - |
| | 181,083 | 19,398 | 200,481 | 256,284 |
| | 1,122,806 | 31,183 | 1,153,989 | 1,247,459 |

FIRST STEPS (BATH)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS

| | Unrestricted Funds £ | Restricted Funds £ | Total 2015 £ | Total 2014 £ |
|----------------------------|----------------------------|--------------------------|--------------------|--------------------|
| 3. GOVERNANCE COSTS | | | | |
| Audit fees | 6,040 | - | 6,040 | 5,040 |
| Other governance costs | 841 | - | 841 | 1,068 |
| | <u>6,881</u> | <u>-</u> | <u>6,881</u> | <u>6,108</u> |

4. STAFF COSTS

| | 2015 £ | 2014 £ |
|-----------------------|----------------|----------------|
| Wages and salaries | 782,601 | 833,319 |
| Social security costs | 51,045 | 56,427 |
| Pension costs | 21,666 | 16,042 |
| | <u>855,312</u> | <u>905,788</u> |

The average full-time equivalent number of employees, based on March 2015 actual staffing, was:

| | | |
|--|-----------|-----------|
| Delivery of Children's and Family Services | 33 | 37 |
| Management and Administration | 7 | 7 |
| | <u>40</u> | <u>44</u> |

No employee earned more than £60,000 per annum (2013-14 - none)

5. TANGIBLE FIXED ASSETS

| | | Leasehold Land & Buildings £ | Fixtures, Fittings & Equipment £ | Total £ |
|-----------------------|--------------------------|---------------------------------------|---|----------------|
| Cost | At beginning of the year | 769,790 | 125,370 | 895,160 |
| | Additions | - | - | - |
| | At end of the year | <u>769,790</u> | <u>125,370</u> | <u>895,160</u> |
| Depreciation | At beginning of the year | 165,037 | 115,862 | 280,899 |
| | Charge for the year | 18,300 | 3,468 | 21,768 |
| | At end of the year | <u>183,337</u> | <u>119,330</u> | <u>302,667</u> |
| Net Book Value | At end of the year | <u>586,453</u> | <u>6,040</u> | <u>592,493</u> |
| | At beginning of the year | <u>604,753</u> | <u>9,508</u> | <u>614,261</u> |

The charity's fixed assets were all used for direct charitable purposes, including the provision of office accommodation for administrative staff.

FIRST STEPS (BATH)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS

6. DEBTORS

| | 2015 £ | 2014 £ |
|--|---------------|----------------|
| B&NES: revenue funding outstanding | - | 62,800 |
| B&NES: funding of remodelling costs | - | 32,953 |
| Other trade debtors | 10,199 | 4,162 |
| Amounts due from parents for fees | 14,583 | 12,860 |
| Prepayments, accrued income and sundry debtors | 9,777 | 6,607 |
| | 34,559 | 119,382 |

7. CREDITORS: FALLING DUE WITHIN ONE YEAR

| | £ | £ |
|--|---------------|---------------|
| Trade creditors | 6,030 | 4,119 |
| Taxes and social security costs | 4,279 | 5,073 |
| Deposits received from parents | 13,251 | 11,155 |
| Other creditors and accruals | 20,362 | 11,755 |
| Deferred income: funding received in advance | - | 43,501 |
| | 43,922 | 75,603 |

8. RESTRICTED FUNDS

The funds of the charity include restricted funds comprising the following donations and grants held on trust to be applied for specific purposes:

| | Grants Received | Expenditure incurred | Depreciation Charged | Transfer between funds | Balance b'fwd | Balance c'fwd |
|---------------------------------|--------------------|-------------------------|-------------------------|------------------------------|------------------|------------------|
| | £ | £ | £ | £ | £ | £ |
| Capital - Woodhouse Road | | | | | | |
| Miscellaneous grants | - | - | (9,773) | - | 360,935 | 351,162 |
| DFES Early Excellence | - | - | (4,455) | - | 149,363 | 144,908 |
| New Opportunities Fund | - | - | (2,483) | - | 83,238 | 80,755 |
| Awards for All funding | - | - | (57) | - | 1,905 | 1,848 |
| Capital - Moorlands | | | | | | |
| Miscellaneous grants | - | - | (1,532) | - | 9,312 | 7,780 |
| | - | - | (18,300) | - | 604,753 | 586,453 |
| Revenue | | | | | | |
| Youth Music Grant | 17,262 | (8,655) | - | - | - | 8,607 |
| Quartet Foundation | 3,130 | (2,228) | - | - | - | 902 |
| John Ackroyd Char, Trust | 3,000 | - | - | - | - | 3,000 |
| Children in Need | 2,000 | (2,000) | - | - | - | - |
| Williamson Fund | 1,100 | (1,100) | - | - | - | - |
| St Johns Hospital | 1,268 | (1,268) | - | - | - | - |
| | 27,760 | (15,251) | (18,300) | - | 604,753 | 598,962 |

FIRST STEPS (BATH)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS

8. RESTRICTED FUNDS

Capital - Woodhouse Road and Moorlands

This represents the Children's Centre building at Woodhouse Road, Twerton, Bath and the costs of additions to the leasehold Children's Centre building at Moorfields Road. The costs of construction and subsequent additions were met by donations, grants and a 'gift-in-kind', the expenditure charged against this fund representing the depreciation charges for the year.

Revenue Funding

These are grants made to the charity for specific purposes, as follows; any unspent balance is carried forward at the end of the financial year:

- **Youth Music Trust** – funding to provide music therapy sessions from November 2014 to August 2015;
- **Quartet Foundation** - £2,000 to fund Citizens Advice Bureau sessions;
- **Quartet Foundation** - £1,130 to fund group sessions for families affected by mental ill health;
- **John Ackroyd Charitable Trust** - £3,000 received to part-fund costs of meals during 2015-16;
- **Children in Need** – £2,000 received to fund cost of toys and equipment in Twerton Family Room
- **Williamson Fund and St John's Hospital** - £2,368 to fund fees for specific parents facing financial hardship.

9. PENSION COSTS

The charity is a member of The Pension Trust's Defined Contribution Pension Scheme. Contributions made by the charity amounted to £21,666 (2014 £16,042) - year-end contributions outstanding amounted to £4,031 (2014 £2,675).

10. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

At 31 March 2015 there were no capital commitments or contingent liabilities (2014 - none).

11. OPERATING LEASE COMMITMENTS

The charity leases two photocopiers – annual charges are £2,328p.a, due between two and five years (2014 £2,328).

The charity leases premises at Dominion Rd Twerton under a ten-year lease from 2009 at an annual cost of £8,386. The premises at Moorlands are leased on an annual basis from B&NES at a notional annual rental of £21,500, which is covered by payments received from B&NES under the Service Level Agreement.

12. TAXATION

First Steps (Bath) is a registered charity and accordingly is exempt from taxation on its income and capital gains, provided certain conditions are met.

13. TRUSTEES REMUNERATION AND EXPENSES

No remuneration or expenses were paid during the year to any of the trustees (2013-4 nil). Two of the Trustees have children in a children's centre nursery; they pay the full rate for all services used, and so receive no benefit as a result of their role as Trustee.