

TUESDAY



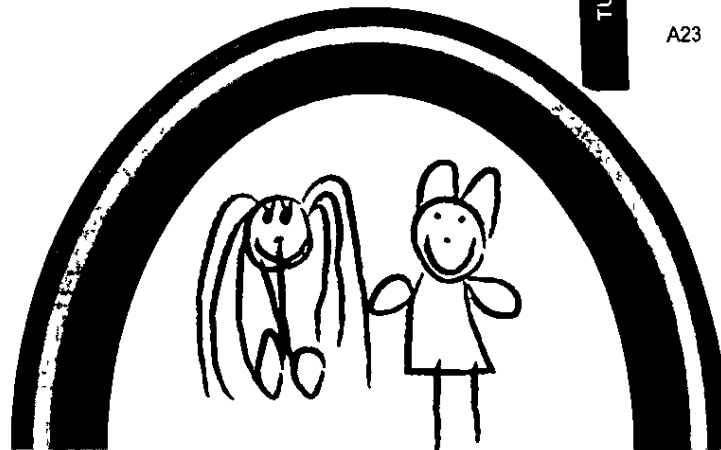
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COMPANIES HOUSE



First Steps Bath

Financial statements for the year ended 31st March 2012

IN PARTNERSHIP WITH

**Bath & North East
Somerset Council**

**Believe in
children
Barnardo's**



NHS
**Bath and
North East Somerset**

Registered Charity No 1012690



Registered Company No 2656485

FIRST STEPS (BATH)

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FIRST STEPS (BATH)

CHAIR'S REPORT FOR THE YEAR ENDED 31 MARCH 2012

We have been delighted this year with the outcomes from Ofsted Inspections of both Twerton and Moorlands which have confirmed the quality of day care and children's centre services that are provided at our Children's Centres.

During the year we have continued to work to maximise our level of contact with families and children both overall, and targeted on particular issues. As well as our early education and day care, our involvement with families and children is through the various open access groups run by our family services and more targeted groups and individual work with children and families with particular needs.

This year our engagement with parents has been further developed through, for example, an accredited training course for volunteer parents, the developing First Steps Parent's Forum and targeted work focussed on children's safety and postnatal depression.

The overall numbers of children and families that we have had contact with, one way and another has increased during the year as has the take up of our early year's education and day care. We have, as a result, been starting to look at the buildings at Moorlands and Twerton, to see how, with the Local Authority, we might be able to improve the condition and capacity of our Children's Centres to ensure that we are in the best position possible to support children and families in Twerton and Moorlands.

On behalf of the Trustees I want to thank First Steps staff, our volunteers and partners for all their commitment and hard work in continuing to provide and develop high quality

Best wishes



Sue Pendle
Chair

FIRST STEPS (BATH)

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2012

The Trustee Board present their Report together with the financial statements for the year ended 31 March 2012

REFERENCE AND ADMINISTRATIVE INFORMATION

Chair of Trustees

Sue Pendle Independent HR Consultant

Company Secretary

* Naomi Trentham

Vice Chairs

Laura Pilkington Repairs Manager, Somer Housing Trust
* Patricia Bourke Research Centre Co-ordinator, University of Bath

Treasurer

Mike Turner European Company Director

Other trustees

Val Wheeler Retired Health Visitor
* Shirley Stevens Teacher, Moorlands Infant School
* Suzy O'Kelly Inclusion Manager for Bristol Local Authority
Trish O'Donnell Development Manager for NSPCC
Alison Kane Director of AKA (The Business Improver) - Resigned March 2012
Lynn Quick Neighbourhood Manager, Somer Housing Trust, Director of Credit Union-Resigned
September 2011

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

Board Advisors

Sara Willis Service Manager, B&NES Early Years & Extended Services
Helen Rugg Health Visitor Manager, Sirona Care & Health - Appointed March 2012
Rachel Howell Health Visiting Manager, B&NES Primary Care Trust - Resigned March 2012

Senior Management Team

Helena Thompson Director (Chief Executive)
Sarah Elliott Finance and Administration Manager
Phil Holford Family Services Manager
Ann Thurgood Children's Services Manager - Twerton
Lysha Goode Children's Services Manager - Moorlands

Company number 2656485

Charity registration number 1012690

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

FIRST STEPS (BATH)

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2012

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.

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 Director and Senior Management Team, who attend Trustee Board meetings in an advisory capacity. The Trustee Board has power to require the Director and members of staff to withdraw from meetings whenever confidential matters are being discussed.

Advisors / commissioners from the Early Years and Extended Services section of Bath and North East Somerset Council's ('B&NES') Children's 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 have 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)

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2012

AIMS (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 two Sure Start Children's Centres First Steps Twerton Children's Centre at Woodhouse Road, Twerton, and First Steps Moorlands Children's Centre at Moorfields Rd The charity also 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 Bath and North East Somerset

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

FIRST STEPS (BATH)

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2012

OBJECTIVES AND ACTIVITIES (continued)

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:

- Barnardo's and Southside – we formed a formal partnership with these voluntary organisations and jointly won a tender to deliver Family Support Services across BANES from April 2008 to March 2012
- Sirona Care and Health - Health Visitors provide baby clinics, baby massage and support on health issues, a breast feeding advisor sees individuals and runs groups, and 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 joint working and delivers individual sessions at First Steps Twerton Children's Centre
- B&NES Library Development Worker, mobile library and toy library provide activities and books for adults and children through groups
- 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
- MusicSpace music therapy service works with individual parents and children together, and attends groups
- Citizen's Advice Bureau provides regular sessions at all of our three sites
- Children's Society supports staff on consulting children
- Community Police Support Officers support our community events and work on safety
- 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
- 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

FIRST STEPS (BATH)

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2012

ACHIEVEMENTS AND PERFORMANCE

The year to 31 March 2012 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 2012 are set out below

- A 3% increase in the number of children using our services during the year (2011/12 1,212, 2010/11 1,177)
- Positive results for Ofsted inspections – 'Outstanding' in all areas for Moorlands Early Years provision inspected in March 2012, and 'Good' with outstanding features for both Twerton Children's centre and Twerton Early Years provision, separately inspected in November 2011
- Successful application for the 'Social Enterprise Mark', we achieved the award in March 2012
- Delivery of Family Support services through the formal Partnership with Barnardo's and Southside, the contract included the development of a new group in Snow Hill and the work was completed and handed over to Bath East children's centres at the end of March 2012
- Development of new services to meet local need, including mini-library services, Child Safety sessions for parents and a Dramatherapy group for mothers with postnatal depression
- Parent Partner volunteer training developed in partnership with Bath Spa University- twelve parents completed a seven week course, and several other volunteers have been inducted and supported during
- Successful bids for funding £5,000 to run two further Parent/Partner volunteer training courses in 2012/13, and £1,250 to run Child Safety sessions for parents
- Successful Summer Fayre/Open Day held on 11th June, attracting over 300 people to our two Children's Centres
- Projects developed with partner agencies to engage priority groups – e.g. participation in Child Safety Week, Healthy Living Week, Bath Festival of Children's Literature, theatre visits and the 'Hello' campaign for the National Year of Communication
- A 40% increase in take up of our subsidised child care places by families on benefits (63 in 2011/12, 45 in 2010/11) and a 12% increase in take up of child care places by disadvantaged two year olds eligible for Early Years Entitlement funding (63 in 2011/12, 56 in 2010/11)
- Positive assessments received in relation to the Bristol Standard, Baby Quality Scheme, Healthy Early Years and Environmental Health

FINANCIAL REVIEW

It is pleasing to be able 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 - following a reduction of £51,125 in 2010-11, there was a further reduction of £53,163 in 2011-12, Parent Participation research funding amounting to £31,000 in 2010-11 ceased, and Children's Centre funding was reduced by £22,750 (5.4%)

Nursery income - fees charged to parents rose by £37,758 (11.3%), mainly as result of improved numbers of children, and the extension of Early Years Entitlement to 2 year olds means that total nursery fee income has risen by £55,218 (9.1%)

Total incoming resources - the reduction in B&NES funding and reduced grants received for training was almost offset by increased nursery income, so total incoming resources fell by £13,276 to £1,259,687

FIRST STEPS (BATH)

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2012

FINANCIAL REVIEW (continued)

Employment costs - these amount to 77.8% (2010-11 79.4%) of all spending - they fell by £15,432 (1.7%), due to reductions in the Family Services team as a result of the reduction in funding

Other direct costs - these amount to £71,484, the decrease of £2,507 over the previous year being mainly attributable to reduced debts written off, the assessed value of subsidised places granted to parents amounted to £13,218, an increase of just under £1,000

Overheads - these have fallen by £2,825 (1.6%), mainly the result of reduced premises expenditure and good control over administrative costs, offset by additional expenditure on IT systems

The overall result for the year was an increase in funds of £81,907 (2010-11 £80,141) - there was a deficit of £18,860 (2010-11 £8,360 deficit) on restricted funds (being the depreciation of assets purchased from restricted funds) and a surplus of £100,767 (2010-11 £88,501) 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 £295,000 - £590,000, 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 2012 unrestricted funds amounted to £435,779, of which £3,638 was invested in equipment, leaving £432,141 as working capital. This means that the charity is comfortably within its target for the ideal level of reserves, a further significant improvement on previous years. The need to continue to build up 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.

PLANNING FOR THE FUTURE

At the time of writing, the Local Authority's plans for funding of Children's Centres from April 2013 onwards are not yet known. Ideally we aim to continue to grow our business by securing larger, more suitable premises for our Moorlands Children's Centre in the longer term. In the immediate future we will be developing additional services with the aim of attracting larger numbers of families from within our reach area, particularly those who are disadvantaged and/or in need of additional support. Having achieved very positive judgements from Ofsted in the year, and being awarded the Social Enterprise Mark, we are confident in our capacity and capability to develop our services further and to achieve long term sustainability.

For the current year to 31 March 2013, the Trustees have approved a budget showing a break-even position, after providing for a reduction of £10,500 in public sector funding. In order to achieve this break-even position the Trustees have had to include a fund-raising target of £5,700 and are currently planning how this can be raised.

FIRST STEPS (BATH)

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2012

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

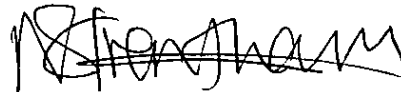
Moore Stephens, Chartered Accountants and Statutory Auditors, have signified their willingness to continue in office and their reappointment will be proposed at the Annual General Meeting.

This report has been prepared in accordance with the small company regime of the Companies Act 2006.

Approved by the Trustees on 17 July 2012 and signed on their behalf by -



Sue Pendle - Chair



Naomi Trentham - Secretary

**FIRST STEPS (BATH)
COMPANY LIMITED BY GUARANTEE**

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

YEAR ENDED 31 MARCH 2012

We have audited the financial statements of First Steps (Bath) for the year ended 31 March 2012 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

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 2012 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.

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.

**FIRST STEPS (BATH)
COMPANY LIMITED BY GUARANTEE**


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

YEAR ENDED 31 MARCH 2012

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
- 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


SUSAN CARTER
Senior Statutory Auditor
For and on behalf of
MOORE STEPHENS
Chartered Accountants
& Statutory Auditor

19 July 2012
30 Gay Street
Bath
BA1 2PA

FIRST STEPS (BATH)

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2012

	Note	Unrestricted Funds £	Restricted Funds £	Total 2012 £	Total 2011 £
Incoming resources					
Incoming resources from generated funds					
Voluntary income donations and fundraising		4,053	-	4,053	2,550
Bank interest		4,995	-	4,995	3,106
Incoming resources from charitable activities					
	1	1,245,828	4,811	1,250,639	1,267,307
Total incoming resources		1,254,876	4,811	1,259,687	1,272,963
Resources expended					
Charitable activities	2	1,147,024	23,671	1,170,695	1,185,809
Governance costs	3	7,085	-	7,085	7,013
Total resources expended		1,154,109	23,671	1,177,780	1,192,822
Incoming resources before transfers, and net income for the year		100,767	(18,860)	81,907	80,141
Transfers between funds		-	-	-	-
Net increase in funds		100,767	(18,860)	81,907	80,141
Funds brought forward		335,012	660,212	995,224	915,083
Funds carried forward		435,779	641,352	1,077,131	995,224

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)

BALANCE SHEET AT 31 MARCH 2012

	Note	Unrestricted Funds £	Restricted Funds £	Total 2012 £	Total 2011 £
Fixed assets					
Tangible fixed assets	5	3,638	641,352	644,990	668,881
Current assets					
Stocks of uniforms		1,002		1,002	669
Debtors	6	32,135	-	32,135	16,441
Cash at bank and in hand		455,378	-	455,378	367,088
		<u>488,515</u>	<u>-</u>	<u>488,515</u>	<u>384,198</u>
Creditors amounts falling due within one year	7	(56,374)	-	(56,374)	(57,855)
Net current assets		<u>432,141</u>	<u>-</u>	<u>432,141</u>	<u>326,343</u>
Total assets less liabilities		<u>435,779</u>	<u>641,352</u>	<u>1,077,131</u>	<u>995,224</u>
Funds of the charity					
Restricted funds	8	-	641,352	641,352	660,212
Unrestricted funds		435,779	-	435,779	335,012
Total charity funds		<u>435,779</u>	<u>641,352</u>	<u>1,077,131</u>	<u>995,224</u>

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 17 July 2012 and are signed on their behalf by


Sue Pendle - Chair


Naomi Trentham - Secretary

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

FIRST STEPS (BATH)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

1 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

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

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)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

	Unrestricted Funds £	Restricted Funds £	Total 2012 £	Total 2011 £
1. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES				
Local Authority - Bath & North East Somerset Council				
Children's Centre Contract Funding	419,840	-	419,840	442,590
Family Services partnership contract	93,000	-	93,000	98,730
Parent Participation research contract	-	-	-	31,000
Social Services CHIF & IPAs	27,695	-	27,695	22,943
Notional rent - Moorlands Centre	21,500	-	21,500	21,500
Other funding Revenue	12,063	-	12,063	5,309
Other funding Capital (Restricted Funding)	-	4,811	4,811	10,000
	574,098	4,811	578,909	632,072
Nursery fees and related funding				
Nursery Fees charged to parents	370,594	-	370,594	332,836
Early Years Entitlement	284,873	-	284,873	268,108
Milk grants	3,946	-	3,946	3,251
	659,413	-	659,413	604,195
Other income from activities				
Training income (grants rec'd and training provide	3,886	-	3,886	23,399
Community lettings (room and office hires)	5,021	-	5,021	4,945
Other income from activities	3,410	-	3,410	2,696
	12,317	-	12,317	31,040
	1,245,828	4,811	1,250,639	1,267,307
2 COSTS OF CHARITABLE ACTIVITIES				
Direct costs				
Employment costs	916,891	-	916,891	932,323
Catering costs	28,143	-	28,143	27,878
Staff costs (training costs, expenses etc)	17,586	-	17,586	19,200
Service costs	12,372	-	12,372	12,856
Value of subsidised places granted to parents	13,218	-	13,218	12,197
Bad debts - fees due from parents written off	165	-	165	1,860
Other direct costs	71,484	-	71,484	73,991
	988,375	-	988,375	1,006,314
Overheads				
Premises costs	89,805	4,811	94,616	102,028
Information Technology costs	36,711	-	36,711	31,076
Administrative costs	27,102	-	27,102	23,002
Depreciation charges (Note 5)	5,031	18,860	23,891	23,389
	158,649	23,671	182,320	179,495
	1,147,024	23,671	1,170,695	1,185,809

FIRST STEPS (BATH)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

	Unrestricted Funds £	Restricted Funds £	Total 2012 £	Total 2011 £
3 GOVERNANCE COSTS				
Audit fees	5,940	-	5,940	3,936
PQASSO Peer Review costs	828	-	828	2,750
Other governance costs	317	-	317	327
	7,085	-	7,085	7,013

4 STAFF COSTS

	2012 £	2011 £
Wages and salaries	842,458	856,510
Social security costs	59,942	65,371
Pension costs	14,491	10,441
	916,891	932,322

The average full-time equivalent number of employees during the year was

Children's Services and Family Services	39	37
Management and Administration	8	8
	47	45

No employee earned more than £60,000 per annum (2010-11 - none)

5. TANGIBLE FIXED ASSETS

		Leasehold Land & Buildings £	Fixtures, Fittings & Equipment £	Total £
Cost	At beginning of the year	769,790	115,122	884,912
	Additions	-	-	-
	At end of the year	769,790	115,122	884,912
Depreciation	At beginning of the year	109,578	106,453	216,031
	Charge for the year	18,860	5,031	23,891
	At end of the year	128,438	111,484	239,922
Net Book Value	At end of the year	641,352	3,638	644,990
	At beginning of the year	660,212	8,669	668,881

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

FIRST STEPS (BATH)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

6. DEBTORS

	2012 £	2011 £
Trade Debtors	11,618	3,429
Amounts due for fees	11,166	6,835
Prepayments and sundry debtors	9,351	6,177
	32,135	16,441

7. CREDITORS FALLING DUE WITHIN ONE YEAR

	£	£
Trade creditors	4,342	12,830
Taxes and social security costs	19,404	19,178
Deposits received from parents	11,341	9,561
Other creditors and accruals	14,788	14,786
Project funding deferred income carried forward	6,500	1,500
	56,374	57,855

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 £	Depreciation Charged £	Net movement £	Balance b'fwd £	Balance c'fwd £
Capital - Woodhouse Road					
Miscellaneous capital build funds		(10,333)	(10,333)	390,814	380,481
DFES Early Excellence	-	(4,455)	(4,455)	162,728	158,273
New Opportunities Fund	-	(2,483)	(2,483)	90,687	88,204
Awards for All funding	-	(57)	(57)	2,076	2,019
	-	(17,328)	(17,328)	646,305	628,977
Capital - Moorlands					
Miscellaneous capital build funds		(1,532)	(1,532)	13,907	12,375
	-	(18,860)	(18,860)	660,212	641,352

Capital - Woodhouse Road

This represents the Children's Centre building at Woodhouse Road, Twerton, Bath. 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.

Capital - Moorlands

This represents the costs of additions to the leasehold Children's Centre building at Moorfield Road, again, the expenditure charged against this fund representing the depreciation charges for the year.

FIRST STEPS (BATH)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

9. PENSION COSTS

The charity is a member of The Pension Trust's Defined Contribution Pension Scheme. Contributions amounted to £14,491 (2011 £10,441) - at the end of the year contributions outstanding amounted to £2,671 (2011 £1,989).

10 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

At 31 March 2012 there were no capital commitments or contingent liabilities (2011 - none).

11 OPERATING LEASE COMMITMENTS

The charity leases its IT equipment, during the year the charges amounted to £23,904 (2011 £22,214), and for the year to 31 March 2013 they are budgeted to amount to £24,869 all inclusive of VAT. The agreement is renewable annually.

The charity also leases premises at Dominion Rd Twerton under a ten-year lease at an annual cost of £8,126. The premises at Moorlands are leased 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 was paid during the year to any of the trustees (2011 - nil) - expenses of £94 (2011 - £165) were reimbursed to one trustee to pay for travel and childcare costs whilst attending Board meetings.

Four of the Trustees have children in a children's centre nursery, they all pay the full rate for all services used, and so receive no benefit as a result of their role as Trustee.