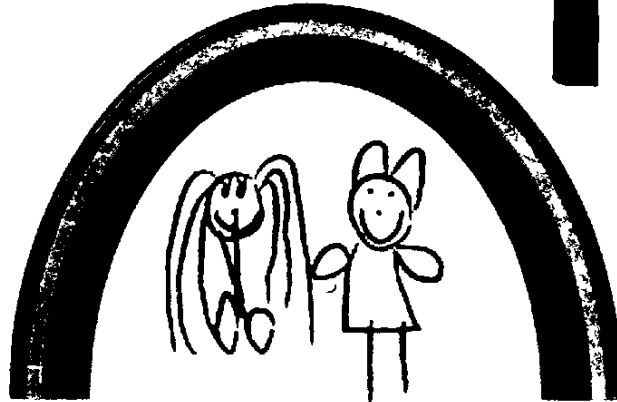




ANMLJZ6S

A47	12/11/2011	167
	COMPANIES HOUSE	
A44	04/11/2011	132
	COMPANIES HOUSE	



First Steps Bath

Financial statements for the year ended 31st March 2011

IN PARTNERSHIP WITH

**Bath & North East
Somerset Council**



Barnardo's
— South West —
BELIEVE IN CHILDREN



southside



**Bath and
North East Somerset**

Registered Charity No. 1012690

Registered Company No. 2656485

FIRST STEPS (BATH)

A company limited by guarantee

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**CHAIR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2011**

First Steps has had another good year with further increases in levels of usage and partnership working with parents and other agencies. Management and staff have worked hard and effectively together to achieve development of stay and play arrangements; the parent partnership work and volunteer training have been particularly pleasing developments. We are proud of the external confirmation of the quality of our services measured against the Bristol Standard, the Children's Charter and other quality awards.

Sue Pendle
Chair of Trustees

FIRST STEPS (BATH)

A company limited by guarantee

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2011

The Trustee Board present their Report together with the financial statements for the year ended 31 March 2011

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

Other trustees

Mike Turner	European Company Director	Treasurer
Lynn Quick	Neighbourhood Manager, Somer Housing Trust, Director of Credit Union	
Val Wheeler	Retired Health Visitor	
* Shirley Stevens	Teacher, Moorlands Infant School	
* Claire McLeod	Administrator, Percy Community Centre	Resigned July 2010
Trish O'Donnell	Development Manager for NSPCC	Appointed September 2010
Alison Kane	Director - AKA (The Business Improvers)	Appointed September 2010
* Suzy O'Kelly	Inclusion Manager for Bristol Local Authority	Appointed September 2010

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

Board Advisors

Sara Willis Head of B&NES Early Years & Extended Services
Rachel Howell Clinical Team Lead, Health Visiting for Bath City (South team)

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 (on maternity leave)
Matthew Jarvis	Acting 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)

A company limited by guarantee

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2011

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 and the Health Service attend 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, Memorandum 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. 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 Health and Safety, Sustainability and Staff Grievance Policies.

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"

**TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2011**

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 & 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 reach areas

In shaping our 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 annual reviews 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

**TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2011**

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 have formed a formal partnership with these voluntary organisations and jointly we won a tender to deliver Family Support Services across Bath & North East Somerset from April 2008
- National Health Service - 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 provide Playsacks, 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 two days a week to attend groups and to undertake individual work
- B&NES Community Learning Service joint working and provide advice and guidance to parents at groups
- 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 linked to our children's centres, 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 Infants School, 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 (including 'Out to Lunch' and 'Get Set for School' projects); and we work with Advisory Teachers, the Behaviour Support Service, Early Support, Hearing Support Service and the Ethnic Minority Advisory Service who provide advice and individual work
- 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

**TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2011**

ACHIEVEMENTS AND PERFORMANCE

The year to 31 March 2011 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 the high quality of our services
- Improve the reach of our services to families who can benefit from them
- Improve our marketing and communication systems

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 2011 are set out below

- A 16% increase in the number of children using our services during the year (2010/11 1,177, 2009/10 1,010)
- Delivery of Family Support services through the formal Partnership with Barnardo's and Southside, the contract has been renegotiated and extended for a further year to March 2012
- Children's Centre Services Forum held with partner agencies, to review the implications of funding reductions on service delivery for the area and to promote partnership working to minimise the impact on the community
- Development of new services to meet local need, including outreach Stay and Play sessions, and Council Connect outreach sessions
- Parent Participation/Research report completed and submitted to B&NES to help inform developments in all Children's Centres in the area
- Delivery of parent support groups in Bath through our successful Local Area Partnership tender
- Successful bid for capital funding of £10,000 for improvements to the outdoor areas at Moorlands Children's Centre – the work was completed in August 2010
- Successful Open Day/ Big Lunch held on 17 July, attracting over 100 people to each of our Children's Centres
- Projects developed with partner agencies to engage priority groups – e.g. Forest Schools Healthy Living Week, Child Safety week and the 'Hello' campaign for National Year of Communication
- 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 the year
- Positive assessments received in relation to the Bristol Standard, Children's Charter (Gold award for both centres), Healthy Early Years Active Play, 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 - this fell by a total of £51,125, increased Children's Centre and Parent Participation research funding was offset by reductions in the Local Children's' Centre allocation, funding from Social Services for individual children, and capital funding

Nursery income - fees charged to parents rose by £4,084 (1.2%), 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 £35,297 (6.2%)

Total incoming resources - the reduction in B&NES funding was not fully offset by increased nursery income, so total incoming resources from charitable activities fell by £17,184 to £1,267,307

**TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2011**

FINANCIAL REVIEW (continued)

Employment costs - these amount to 79.4% (2009-10 82.0%) of all spending - they rose by £32,695 (3.6%), the continuing expansion of the Family Services team being offset by reductions in Nursery staffing, which led to an decrease of 4 full-time equivalent staff during the year

Other direct costs - these amount to £73,991, the increase of £2,905 over the previous year being mainly due to increased service costs. The value of subsidised places granted to parents remained little changed from the previous year, at £12,197

Overheads - these have fallen by £11,433 (6%), mainly the result of reduced premises expenditure, which was previously funded from the Local Children's Centre allocation, and good control over administrative costs

The overall result for the year was an increase in funds of £80,141 (2009-10 £120,431) - there was a deficit of £8,360 (2009-10 £9,892 surplus) on restricted funds (the excess of depreciation charges over capital grants received) and a surplus of £88,501 (2009-10 £110,539) 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 £290,000 - £580,000, 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 2011 unrestricted funds amounted to £335,012, of which £8,669 was invested in equipment, leaving £326,343 as working capital. This means that the charity has finally reached the lower 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 expected 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, £10,000 was spent on property alterations and improvements, which was fully funded by grants received from B&NES

PLANNING FOR THE FUTURE

At the time of writing, the detail of the Local Authority's commissioning plans for children's centres and family services are not yet known. Ideally we aim to continue to grow our business over the next two years by extending our services to larger numbers of families within our reach areas. Having successfully tendered to deliver services in other areas of B&NES, we hope to build on these developments and to secure continuing service delivery contracts when these are re-tendered. Having strengthened our governance, management and infrastructure, and having started to re-grow our business in a carefully managed way, we now have the capacity to develop our services further and to achieve long term sustainability

For the current year to 31 March 2012, the Trustees have approved a budget showing a break-even position, after providing for a reduction of £80,000 in public sector funding, and including £5,500 depreciation of fixed assets chargeable against unrestricted funds. In order to achieve this break-even position the Trustees have had to terminate some fixed term contracts at their end date and include a fund-raising target of £5,700 and are currently planning how this can be raised

**TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2011**

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

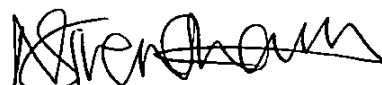
Moore Stephens, Chartered Accountants and Statutory Auditors, have signified their willingness to continue in office and their reappointment will be proposed at the Annual General Meeting

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

Approved by the Trustees on 19 July 2011 and signed on their behalf on 10 August 2011 by -



Sue Pendle - Chair



Naomi Trentham - Secretary

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

A company limited by guarantee

We have audited the financial statements of First Steps (Bath) for the year ended 31 March 2011 which comprise the Statement of Financial Activities, the Balance Sheet and 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 its 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 the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 2011 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 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.

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

A company limited by guarantee

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

30 Gay Street
Bath BA1 2PA

17 August 2011

FIRST STEPS (BATH)

A company limited by guarantee

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2011****(INCLUDING INCOME & EXPENDITURE ACCOUNT)**

	Note	Unrestricted Funds £	Restricted Funds £	Total 2011 £	Total 2010 £
Incoming resources					
Incoming resources from generated funds					
Voluntary income donations and fundraising		2,550	-	2,550	2,372
Bank interest		3,106	-	3,106	97
Incoming resources from charitable activities					
	1	1,257,307	10,000	1,267,307	1,284,491
Total incoming resources		1,262,963	10,000	1,272,963	1,286,960
Resources expended					
Charitable activities	2	1,167,449	18,360	1,185,809	1,161,642
Governance costs	3	7,013	-	7,013	4,887
Total resources expended		1,174,462	18,360	1,192,822	1,166,529
Incoming resources before transfers, and net income for the year		88,501	(8,360)	80,141	120,431
Transfers between funds		-	-	-	-
Net increase in funds		88,501	(8,360)	80,141	120,431
Funds brought forward		246,511	668,572	915,083	794,652
Funds carried forward		335,012	660,212	995,224	915,083

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)

A company limited by guarantee

**BALANCE SHEET
AT 31 MARCH 2011**

	Note	Unrestricted Funds £	Restricted Funds £	Total 2011 £	Total 2010 £
Fixed assets					
Tangible fixed assets	5	8,668	660,212	668,880	682,269
Current assets					
Stocks of uniforms		669		669	660
Debtors	6	16,441	-	16,441	69,302
Cash at bank and in hand		367,089	-	367,089	212,095
		<u>384,199</u>	<u>-</u>	<u>384,199</u>	<u>282,057</u>
Creditors: amounts falling due within one year	7	(57,855)	-	(57,855)	(49,243)
Net current assets		<u>326,344</u>	<u>-</u>	<u>326,344</u>	<u>232,814</u>
Total assets less liabilities		<u>335,012</u>	<u>660,212</u>	<u>995,224</u>	<u>915,083</u>
Funds of the charity					
Restricted funds	8	-	660,212	660,212	668,572
Unrestricted funds		335,012	-	335,012	246,511
Total charity funds		<u>335,012</u>	<u>660,212</u>	<u>995,224</u>	<u>915,083</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 19 July 2011 and are signed on their behalf on 10 August 2011 by



Sue Pendle - Chair



Naomi Trentham - Secretary

Company number 2656485

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

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 value to the charity where known,
- The effective cost of providing subsidised places is included in the accounts at the value to the beneficiary,
- 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)

A company limited by guarantee

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

	Unrestricted Funds £	Restricted Funds £	Total 2011 £	Total 2010 £
1. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES				
Local Authority - Bath & North East Somerset Council				
Children's Centre Funding	442,590	-	442,590	352,038
Local Children's Centres' allocation	-	-	-	107,500
Family Services partnership funding	98,730	-	98,730	98,730
Parent Participation research funding	31,000	-	31,000	18,000
Social Services CHIF (was JEYA) & IPAs	22,943	-	22,943	49,252
Notional rent - Moorlands Centre	21,500	-	21,500	21,500
Other funding Revenue	5,309	-	5,309	9,187
Other funding Capital (Restricted Funding)	-	10,000	10,000	26,990
	622,072	10,000	632,072	683,197
Nursery fees and related funding				
Nursery Fees charged to parents	332,836	-	332,836	328,752
Early Years Entitlement (previously NEG)	268,108	-	268,108	236,384
Milk grants	3,251	-	3,251	3,762
	604,195	-	604,195	568,898
Other income from activities				
Training (grants received and training provided)	23,399	-	23,399	24,989
Community lettings (room and office hires)	4,945	-	4,945	4,296
Other income from activities	2,696	-	2,696	3,111
	31,040	-	31,040	32,396
	1,257,307	10,000	1,267,307	1,284,491
2. COSTS OF CHARITABLE ACTIVITIES				
Direct costs				
Employment costs	932,323	-	932,323	899,628
Catering costs	27,878	-	27,878	30,239
Other staff costs (inc training, expenses etc)	19,200	-	19,200	18,555
Other service costs	12,856	-	12,856	5,473
Value of subsidised places granted to parents	12,197	-	12,197	12,233
Bad debts - fees due from parents written off	1,860	-	1,860	4,586
	1,006,314	-	1,006,314	970,714
Overheads.				
Premises costs	102,028	-	102,028	108,187
Information Technology costs	31,076	-	31,076	29,198
Administrative costs	23,002	-	23,002	30,901
Depreciation charges (Note 5)	5,029	18,360	23,389	22,642
	161,135	18,360	179,495	190,928
	1,167,449	18,360	1,185,809	1,161,642

FIRST STEPS (BATH)

A company limited by guarantee

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

	Unrestricted Funds £	Restricted Funds £	Total 2011 £	Total 2010 £
3 GOVERNANCE COSTS				
Audit fees	3,936	-	3,936	4,455
PQASSO Peer Review costs	2,750	-	2,750	-
Other governance costs	327	-	327	432
	<u>7,013</u>	<u>-</u>	<u>7,013</u>	<u>4,887</u>

4. STAFF COSTS

	2011 £	2010 £
Wages and salaries	856,510	829,130
Social security costs	65,371	60,281
Pension costs	10,441	10,217
	<u>932,322</u>	<u>899,628</u>

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

Children's Services and Family Services	37	41
Management and Administration	8	8
	<u>45</u>	<u>49</u>

No employee earned more than £60,000 per annum (2009-10 - none)

5. TANGIBLE FIXED ASSETS

		Leasehold Land & Buildings £	Fixtures, Fittings & Equipment £	Total £
Cost	At beginning of the year	759,790	115,122	874,912
	Additions	10,000	-	10,000
	At end of the year	<u>769,790</u>	<u>115,122</u>	<u>884,912</u>
Depreciation	At beginning of the year	91,218	101,425	192,643
	Charge for the year	18,360	5,029	23,389
	At end of the year	<u>109,578</u>	<u>106,454</u>	<u>216,032</u>
Net Book Value	At end of the year	<u>660,212</u>	<u>8,668</u>	<u>668,880</u>
	At beginning of the year	<u>668,572</u>	<u>13,697</u>	<u>682,269</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

6. DEBTORS

	2011 £	2010 £
Trade Debtors	3,429	43,674
Amounts due for fees	6,835	22,071
Prepayments and sundry debtors	6,177	3,557
	16,441	69,302

7. CREDITORS. FALLING DUE WITHIN ONE YEAR

	£	£
Trade creditors	12,830	162
Taxes and social security costs	19,178	19,611
Deposits received from parents	9,561	9,254
Other creditors and accruals	14,786	11,469
Project funding deferred income carried forward	1,500	8,747
	57,855	49,243

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		(10,034)	(10,034)	402,094	392,060
DFES Early Excellence	-	(4,455)	(4,455)	167,183	162,728
New Opportunities Fund	-	(2,483)	(2,483)	93,170	90,687
Awards for All funding	-	(57)	(57)	2,133	2,076
Capital - Moorlands					
Miscellaneous capital build funds	10,000	(1,331)	8,669	3,992	12,661
	10,000	(18,360)	(8,360)	668,572	660,212

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 premises at Moorlands, again, the expenditure charged against this fund representing the depreciation charges for the year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

9. PENSION COSTS

The charity is a member of The Pension Trust's Defined Contribution Pension Scheme Contributions amounted to £10,441 (2010 £10,217) - at the end of the year contributions outstanding amounted to £1,989 (2010 £1,734)

10 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

At 31 March 2011 there were no capital commitments or contingent liabilities (2010 - none)

11. OPERATING LEASE COMMITMENTS

The charity leases its IT equipment, during the year the charges amounted to £22,214 (2010 £25,629), and for the year to 31 March 2012 they are budgeted to amount to £26,400, 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 £7,710 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 (2010 - nil) - expenses of £165 (2010 - £96) were reimbursed to one trustee to pay for 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.

14. COMPANY LIMITED BY GUARANTEE

The company is limited by guarantee, with every member of the company agreeing to contribute such amount as may be required (not exceeding £1) to the company's assets if it should be wound up