

First Steps Bath

THURSDAY



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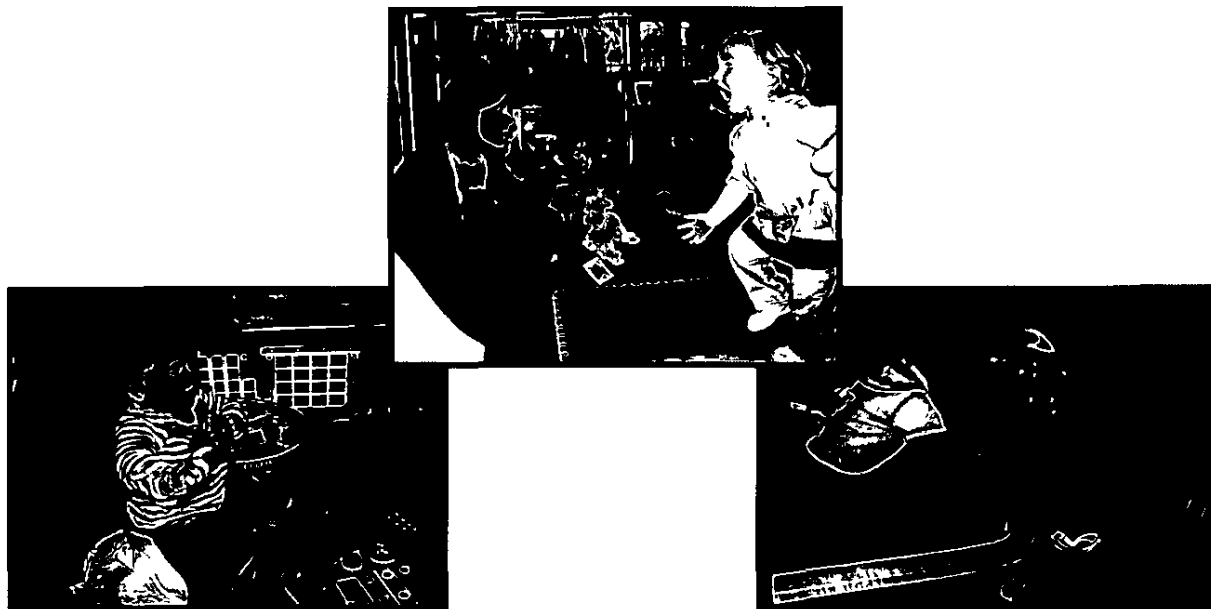
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COMPANIES HOUSE

Financial statements for the year ended 31st March 2010



Registered Charity No. 1012690 Registered Company No. 2656485



**Bath & North East
Somerset Council**

IN PARTNERSHIP WITH

NHS
Bath and
North East Somerset

Barnardo's
South West
BELIEVE IN CHILDREN

FIRST STEPS (BATH)

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FIRST STEPS (BATH)

CHAIR'S REPORT FOR THE YEAR ENDED 31 MARCH 2010

First Steps has prospered this year, fulfilling its core purpose more than ever, with significantly higher levels of usage at both Children's Centres and a developed range of Family Services provision. Both rigorous self evaluation and positive external reviews indicate that we have good reason to be proud of the quality of our provision.

The strength and breadth of our partnership working is evident in the Children's Centre Services Forum which has been instrumental in ensuring that service developments are effectively focussed. This has underpinned the development of our Stay and Play group at Whiteway and a childminding support group for the Twerton and Moorlands area. The Family Services Team have continued to deliver services through partnership working with Barnardo's and Southside and Parent Support groups have been delivered from our successful Local Area Partnership tender.

There has, this year, been further improvement to First Step's financial stability. The financial and other support to our Children's Centres, provided through and by the local authority, is key to the continuing effectiveness of our work with children and families.

I want to acknowledge the quality of leadership and management provided by the Senior Management Team in ensuring the quality and focus of our provision as well as providing highly effective resource management. The Trustees are grateful for the contribution of all of the staff to the continuing First Steps success story.

Amongst the Trustees we have said farewell to Meg North, Dr Jill Porter and Beryl Corkhill and thank them for their contribution. We have also welcomed a number of new parent Trustees. I am grateful to all of the Trustees who, individually and collectively, have made a significant contribution to the effective governance and work of First Steps this year through a range of activities and roles.

I am delighted to be able to announce that Don Foster MP has recently agreed to develop his interest in early years' education, and in First Steps in particular, by taking on the role of Patron and we look forward to working with him.

All that has been achieved this year places First Steps in the best position possible to continue to develop its work with children and families in Bath.

Best wishes

Sue Pendle
Chair

FIRST STEPS (BATH)

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2010

The Trustee Board present their Report together with the financial statements for the year ended 31 March 2010

REFERENCE AND ADMINISTRATIVE INFORMATION

Chair of Trustees

Meg North	Manager, B&NES Community Learning Service	Resigned September 2009
Sue Pendle	Independent HR Consultant	From September 2009

Company Secretary

Sue Pendle	Independent HR Consultant	To September 2009
* Naomi Trentham		Appointed September 2009

Vice Chairs

Laura Pilkington	Repairs Manager, Somer Housing Trust	
* Patricia Bourke	Research Centre Co-ordinator, University of Bath	Appointed September 2009

Other trustees

Mike Turner - Treasurer	European Company Director	
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	Appointed September 2009
Beryl Corkhill	Deputy Head, Twerton Infants School	Resigned May 2009
Dr Jill Porter	University Programme Director, Education Early Years	Resigned September 2009

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

Board Advisors

Sara Willis	Service Manager, B&NES Early Years & Extended Services
Rachel Howell	Health Visiting Manager, B&NES Primary Care Trust
Lesley Jones	Manager, Family Support, B&NES Children's Service Resigned March 2010

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 2010

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. Training is offered through membership of the Trustees Network which is facilitated by the local Council for Voluntary Service.

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 Confidentiality, Exceptional Circumstances, Transition, Student Placements, Staff Attendance, together with a new staff 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 2010

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 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 2010

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 and North East Somerset from April 2008
- Primary Care Trust - 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 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 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

FIRST STEPS (BATH)

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2010

ACHIEVEMENTS AND PERFORMANCE

The year to 31 March 2010 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 2010 are set out below

- An increase of 14% in the number of children using our services during the year - 2009/10 1,010, 2008/9 886
- Delivery of Family Support services through the formal Partnership with Barnardo's and Southside, extensions to the contract for Parent Participation and Walcot Stay and Play agreed for 2009 to 2011
- Children's Centre Services Forum held with partner agencies, to review the implications of the 'Local Child Well Being Index' for the Twerton and Moorlands area, and agree actions as a result. This led to the development of new services following consultation in the community
- Development of new services to meet local need, including Stay and Play groups at Walcot and Whiteway, and a childminding support group for the Twerton and Moorlands area
- Delivery of parent support groups in Bath through our successful Local Area Partnership tender
- Presentation of our pilot 'Caring 4 Kids' project at a national Children's Workforce Development Council information sharing day held in Birmingham
- Successful bid for capital funding of £10,000 for improvements to the outdoor areas at Moorlands Children's Centre – the work will be completed in August 2010
- Successful Open Day/ Big Lunch held on 18 July, attracting over 100 people to each of our Children's Centres
- Establishment of three fixed term trainee posts – local people appointed to each service and supported to study for NVQ3 in Early Years and Childcare
- New ten year lease negotiated for our use of the Annexe at Dominion Road, as a base for the Family Services Team and venue for the delivery of group work
- Key policies and procedures developed and/or revised, including Confidentiality, Exceptional Circumstances, Transition, Student Placements, Staff Attendance, together with a new staff handbook
- Positive assessments received in relation to the Bristol Standard, Children's Charter, Physical Activity, and Environmental Health

FINANCIAL REVIEW

It is pleasing to be able to report that the year has seen a 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 increased by £133,054, mainly due to increased funding under the Local Children's Centre allocation, capital funding of £27,000 for Nursery improvements, and £18,000 of Parent Participation Research funding

Income from fees - income from parents rose by £4,817 (1.5%), but the extension of Early Years Entitlement for 3 year olds and to 2 year olds means that total nursery fee income has risen by £102,136 (22.5%)

Total incoming resources - after a reduction in property rental income, total incoming resources from charitable activities amounted to £1,272,258, an increase of 21% over the previous year

FIRST STEPS (BATH)

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2010

FINANCIAL REVIEW (continued)

Staff costs - these, including staff training and other staff expenses, amount to 79.5% (2008-9 77.2%) of all spending - they rose by £125,000 (15.7%) as a result of the continuing expansion of the Family Services team and increased Nursery staffing to cover the additional numbers of children, which led to an increase of 6 full-time equivalent staff during the year

Other costs - these rose by £1,300 (0.6%), increased property expenditure, much of which was funded from the B&NES Local Childrens' Centre allocation, being offset by reduced depreciation charges

The overall result for the year was an increase in funds of £120,431 - there was a surplus of £9,892 on restricted funds (the excess of capital grants received over depreciation charged) and a surplus of £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 2010 unrestricted funds amounted to £246,511, of which £13,697 was invested in equipment, leaving £232,814 as working capital. This approaches the lower target for the ideal level of reserves, a significant improvement on the levels of reserves held in previous years. The need to continue to build up reserves is addressed within the business plan. The budget for the year to March 2011 anticipates that First Steps (Bath) will at least break even

Fixed assets

Movements in fixed assets are set out in Note 5 to the financial statements, £27,000 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 implications of public sector funding cuts 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. We plan to offer our services more widely across the authority area, either as providers or consultants, or as partners with other agencies. 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 2011, the Trustees have approved a budget showing a break-even position, after providing for £8,500 depreciation of fixed assets. In order to achieve this break-even position the Trustees have had to include a fund-raising target of £5,400 and are currently planning how this can be raised

FIRST STEPS (BATH)

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2010

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

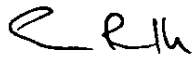
- so far as we are aware, there is no relevant audit information of which the company's auditors are unaware, and
- as the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's 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 20 July 2010 and signed on their behalf on 2 August 2010 by -



Sue Pendle - Chair



Naomi Trentham - Secretary

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 2010 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial statements have been prepared under the accounting policies set out therein.

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 auditors

The trustees' (who are also the directors of First Steps (Bath) for the purposes of Company Law) responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion, the information given in the Trustees' Report is consistent with those financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the charity's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (United Kingdom & Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

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

Opinion

In our opinion

- the financial statements give a true and fair view of the state of the charity's affairs as at 31 March 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006, and
- the information given in the Trustees' Report is consistent with the financial statements



Susan Carter
Senior Statutory Auditor
For and on behalf of Moore Stephens, Statutory Auditor
30 Gay Street Bath BA1 2PA

12 August 2010

FIRST STEPS (BATH)

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2010

	Note	Unrestricted Funds £	Restricted Funds £	Total 2010 £	Total 2009 £
Incoming resources					
Incoming resources from generated funds					
Voluntary income donations and fundraising		2,372	-	2,372	2,016
Bank interest		97	-	97	1,226
Incoming resources from charitable activities					
	1	1,245,268	26,990	1,272,258	1,050,877
Total incoming resources		1,247,737	26,990	1,274,727	1,054,119
Resources expended					
Charitable activities	2	1,132,311	17,098	1,149,409	1,023,416
Governance costs	3	4,887	-	4,887	4,665
Total resources expended		1,137,198	17,098	1,154,296	1,028,081
Incoming resources before transfers, and net income for the year		110,539	9,892	120,431	26,038
Transfers between funds		-	-	-	-
Net increase in funds		110,539	9,892	120,431	26,038
Funds brought forward		135,972	658,680	794,652	768,614
Funds carried forward		246,511	668,572	915,083	794,652

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 2010

	Note	Unrestricted Funds £	Restricted Funds £	Total 2010 £	Total 2009 £
Fixed assets					
Tangible fixed assets	5	13,697	668,572	682,269	677,921
Current assets					
Stocks of uniforms		660		660	2,147
Debtors	6	69,302	-	69,302	71,888
Cash at bank and in hand		212,095	-	212,095	88,318
		282,057	-	282,057	162,353
Creditors amounts falling due within one year	7	(49,243)	-	(49,243)	(45,622)
Net current assets		232,814	-	232,814	116,731
Total assets less liabilities		246,511	668,572	915,083	794,652
Funds of the charity					
Restricted funds	8	-	668,572	668,572	658,680
Unrestricted funds		246,511	-	246,511	135,972
Total charity funds		246,511	668,572	915,083	794,652

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 20 July 2010 and are signed on their behalf on 2 August 2010 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 2010

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 2010

	Unrestricted Funds £	Restricted Funds £	Total 2010 £	Total 2009 £
1 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES				
Local Authority - Bath & North East Somerset Council				
Children's Centre Funding	352,038	-	352,038	350,000
Local Children's Centres' allocation	107,500	-	107,500	34,522
Family Services partnership funding	98,730	-	98,730	93,000
Social Services (JEYA & IPAs)	49,252	-	49,252	40,372
Notional rent - Moorlands Centre	21,500	-	21,500	21,500
Parent Participation research funding	18,000	-	18,000	-
Other funding Revenue	9,187	-	9,187	10,749
Other funding Capital	-	26,990	26,990	-
	656,207	26,990	683,197	550,143
Nursery fees and related funding				
Nursery Fees charged to parents	316,519	-	316,519	311,702
Early Years Entitlement (previously NEG)	236,384	-	236,384	140,203
Milk grants	3,762	-	3,762	2,624
	556,665	-	556,665	454,529
Other income from activities				
Training income (grants rec'd and training provider)	24,989	-	24,989	27,519
Property lettings	4,296	-	4,296	15,313
Other income from activities	3,111	-	3,111	2,363
Other grants received	-	-	-	1,010
	32,396	-	32,396	46,205
	1,245,268	26,990	1,272,258	1,050,877
2 COSTS OF CHARITABLE ACTIVITIES				
Direct costs				
Employment costs	899,628	-	899,628	781,371
Catering costs	30,239	-	30,239	28,654
Other staff costs (including training, expenses etc)	18,555	-	18,555	11,891
Other service costs	5,473	-	5,473	8,152
Bad debts - fees due from parents written off	4,586	-	4,586	7,023
	958,481	-	958,481	837,091
Overheads				
Premises costs	108,187	-	108,187	86,916
Information Technology costs	32,404	-	32,404	27,449
Administrative costs	27,695	-	27,695	23,797
Depreciation charges (Note 7)	5,544	17,098	22,642	48,163
	173,830	17,098	190,928	186,325
	1,132,311	17,098	1,149,409	1,023,416

FIRST STEPS (BATH)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

	Unrestricted Funds £	Restricted Funds £	Total 2010 £	Total 2009 £
3 GOVERNANCE COSTS				
Audit fees	4,455	-	4,455	4,142
Other governance costs	432	-	432	523
	<u>4,887</u>	<u>-</u>	<u>4,887</u>	<u>4,665</u>

4 STAFF COSTS

	2010 £	2009 £
Wages and salaries	829,130	721,980
Social security costs	60,281	52,460
Pension costs	10,217	6,931
	<u>899,628</u>	<u>781,371</u>

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

Children's Services and Family Services	41	35
Management and Administration	8	8
	<u>49</u>	<u>43</u>

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

5 TANGIBLE FIXED ASSETS

		Leasehold Land & Buildings £	Fixtures, Fittings & Equipment £	Total £
Cost	At beginning of the year	732,800	115,122	847,922
	Additions	26,990	-	26,990
	At end of the year	<u>759,790</u>	<u>115,122</u>	<u>874,912</u>
Depreciation	At beginning of the year	74,120	95,881	170,001
	Charge for the year	17,098	5,544	22,642
	At end of the year	<u>91,218</u>	<u>101,425</u>	<u>192,643</u>
Net Book Value	At end of the year	<u>668,572</u>	<u>13,697</u>	<u>682,269</u>
	At beginning of the year	<u>658,680</u>	<u>19,241</u>	<u>677,921</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)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

6 DEBTORS

	2010 £	2009 £
Trade Debtors	43,674	33,704
Amounts due for fees	22,071	33,267
Prepayments and sundry debtors	3,557	4,917
	<u>69,302</u>	<u>71,888</u>

7 CREDITORS FALLING DUE WITHIN ONE YEAR

	£	£
Trade creditors	162	1,632
Taxes and social security costs	19,611	14,963
Deposits received from parents	9,254	10,335
Other creditors and accruals	11,469	15,692
Project funding deferred income carried forward	8,747	3,000
	<u>49,243</u>	<u>45,622</u>

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

	Incoming resources £	Expenses £	Net movement £	Balance b'fwd £	Balance c'fwd £
Capital - Woodhouse Road					
Miscellaneous capital build funds	21,667	(8,772)	12,895	389,199	402,094
DFES Early Excellence	-	(4,455)	(4,455)	171,639	167,183
New Opportunities Fund	-	(2,483)	(2,483)	95,652	93,170
Awards For All funding	-	(57)	(57)	2,190	2,133
Capital - Moorlands					
Miscellaneous capital build funds	5,323	(1,331)	3,992	-	3,992
	<u>26,990</u>	<u>(17,098)</u>	<u>9,892</u>	<u>658,680</u>	<u>668,572</u>

Capital - Woodhouse Road

This represents the Children's Centre building at Woodhouse Road, Twerton, Bath. The costs of construction 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 Moorland Rd, 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 2010

9 PENSION COSTS

The charity is a member of The Pension Trust's Defined Contribution Pension Scheme. Contributions amounted to £10,217 (2009 £6,931) - at the end of the year contributions outstanding amounted to £1,734 (2009 £1,600)

10 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

At 31 March 2010 there were no capital commitments or contingent liabilities (2009 - none)

11 OPERATING LEASE COMMITMENTS

The charity leases its IT equipment, during the year the charges amounted to £25,629 (2009 £25,193), and for the year to 31 March 2011 they are budgeted to amount to £28,500, 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 (2009 - nil) - expenses of £96 were reimbursed to one trustee during the year (2009 - nil) to pay for private 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 Trustees.