



First Steps (BATH)

Report of the Trustees and Financial Statements for the year ended 31st March 2025

IN PARTNERSHIP WITH

**Bath & North East
Somerset Council**

First Steps (Bath)

Charity registration number 1012690

Registered Company number 02656485

Contents of the Financial Statements
for the Year Ended 31 March 2024

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First Steps (Bath)

Report of the Trustees for the Year Ended 31 March 2025

CHAIR'S REPORT 2025

I am delighted to present the Report of the Trustees in my first year as Chair of Trustees. I would like to thank Ken Littlewood (former Chair), Roz Lambert and Sarah Elliot, together with the Nursery Managers and the excellent Board of Trustees, for their support in my transition to Chair from November 2024.

I am proud to report on another successful year for First Steps, a highly committed and caring organisation. First Steps Nursery continues to make determined progress towards its objectives, in particular, to offer local, quality, all year around nursery care, and a support hub for families with preschool children. The contribution of First Steps Nursery to the local communities it serves is exceptional and over half our staff live in the areas where we work.

A particular challenge for us, along with other similar settings, has been to ensure that we have maintained target levels of staffing whilst continuing to develop quality and standards. We have sought to be as flexible as we can on providing fair remuneration levels and working hours, as well as providing support and professional development opportunities for staff. Excellent training opportunities have included work towards Dingley's promise 'Mark of Achievement,' as well as additional training to support Special Educational Needs. We are committed to continuing this in the year ahead.

Our overall financial position remains sound; at the end of this financial year, we can be confident that the charity will continue as a going concern. This year we have been able to invest in the development of services at all three of our settings from First Steps reserves. We have successfully completed the Bath Opportunity Preschool's move to new premises, having been awarded the contract for a further five years, allowing us to continue to provide this valuable service. We have improved the garden and outdoor facilities at Twerton and made better use of our premises at Moorlands. We have provided free school meals to around a quarter of our children most in need. None of this would have been possible without the generosity of our many varied funders, and I would like to thank them wholeheartedly for their support.

Funding allows us to respond more positively to the many opportunities to develop our services. The importance of the preschool years to a child's development is now well recognised, and the recent changes in early years' entitlements will increase the demand for the services we provide. I am confident First Steps is in a good position to respond to these.

None of the successes of the past year would be possible without the determination of our high-quality staff, at all levels, together with the commitment of parents, volunteers, and funders. I particularly want to thank the excellent group of trustees that I work with. Together, the Trustees bring invaluable and diverse expertise and experience to our work. This year the Board has provided huge support, insights and advice at a time of change and challenges, not least in the funding and policy landscape. Thank you to our dedicated Board of Trustees who have supported many different areas of First Steps activities and achievements over the year.

Best wishes

Elisabeth Barratt Hacking
Chair of Trustees



15th July 2025

TRUSTEES' ANNUAL REPORT

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2025. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

STRATEGIC REPORT

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

REFERENCE AND ADMINISTRATIVE DETAILS

| | | |
|--|--|---|
| Chair From Nov 24 | Elisabeth Barratt Hacking | Senior Lecturer and Head of Department of Education, University of Bath |
| Chair Resigned Nov 24 | Ken Littlewood | Retired Business Executive |
| Vice Chair | Janet Rose | Director Principal |
| Treasurer From Nov 24 | Tracey Farwell | Senior Management Consultant |
| Treasurer Resigned July 24 | *Tom Williams | Management Accountant |
| Other trustees | Isobel Michael | Fundraiser and Prospect Researcher |
| From July 24 | James Salkeld | Chief Executive |
| | *Jayanna Witt | Parent |
| From July 24 | Lysha Goode | Early Years Educator |
| | Marina Sloan | Specialist Speech & Language Therapist |
| | Meg North | Retired local government officer |
| From July 24 | Mir Abdullah Miri | Lecturer in Education and PHD Student, University of Bath |
| | *Simon Andrews | Project Manager |
| | Val Wheeler | Retired Health Visitor |
| * Denotes parents whose children used First Steps (Bath) services during the year. | | |
| Senior Management Team | | |
| | Roz Lambert | Chief Executive |
| | Sarah Elliott | Finance & HR Manager and Company Secretary |
| | Charlotte Miller | Children's Services Manager - Moorlands |
| | Louise Hewings | Children's Services Manager - Twerton |
| | Stefanie Walbyoff | Children's Services Manager - BOP |
| Registered Company number | 02656485 (England and Wales) | |
| Registered Charity number | 1012690 | |
| Registered Office | Ms S Elliott, Woodhouse Road, Twerton, Bath, BA2 1SY | |
| E-mail | info@firststepsbath.org.uk | |
| Website | www.firststepsbath.org.uk | |

TRUSTEES' ANNUAL REPORT

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

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

Recruitment and appointment of Trustee Board members

Recruitment of new Trustees is ongoing; interested potential Trustees are invited to submit a CV and meet with the Chair of Trustees and CE before attending a Board meeting as an observer. Before being nominated for election, the procedures for safe recruitment are followed.

Trustee Induction and Training

The structure and process of new Trustee induction and training have 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 the staff and volunteers. Training is offered through specific sessions tailored to meet the needs of current Trustees.

Risk Management

The Trustee Board has the responsibility to manage risk within the charity. They have updated and reviewed risks within the year and agreed on a schedule of actions to mitigate the identified risks as below. Any updates to the risk assessments are brought to Board meetings, and the risk assessments are reviewed by the Board annually.

- Major IT Failure - SLA with established IT supplier and information stored in the cloud, 2FA enabled with regular staff training.
- Allegation of abuse - Employment policies and procedures with safer recruitment measures in place. Clear safeguarding and child protection policies with training every 2 years.
- Recruitment - Terms and Conditions above the industry average, with regular training offered.
- Change in Government policy - Loss of funding, several income streams, and diverse activities.

Related parties

No trustees receive remuneration or other benefits from their work with the charity. Any contractual relationship with a related party between a trustee and a senior manager of the charity must be disclosed to the full board of trustees. In the current year, no such related party transactions were reported.

AIMS

Our Mission

First Steps has a governing document (Memorandum and Articles of Association dated 10 June 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"

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, emphasising 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 collaborating with professionals from other disciplines, sharing expertise, and exploiting opportunities in areas of common interest.

TRUSTEES' ANNUAL REPORT

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

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-judgmental and non-stigmatising way.
- Encourage open-mindedness within our practice and ensure that our policies are sufficiently flexible to admit innovative ideas.
- Respect parents as partners in their children's educational and developmental progress.

Our guiding principles

- Create a culture that values and celebrates children and families in a way that strengthens our community.
- Seek new ways of doing things, explore innovative 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.

This work is conducted through two Community Nurseries, First Steps Twerton and First Steps Moorlands and an Early Years Specialist service, First Steps Bath Opportunity Preschool (BOP). A contract with the Local Authority for early years specialist provision funds BOP.

In shaping these priorities and planning our activities, the Trustees have considered the Charity Commission's guidance on public benefit. The Trustees undertake an annual review of day care fees; in setting the level of fees and concessions, the Trustees give careful consideration to ensure the accessibility of the service for those on low incomes.

Our Purpose

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'Public Benefit: running a charity (PB2)'.

Our Partners

Much of our work is delivered in partnership with other agencies to provide integrated, seamless support for children and families when they need it. Examples of the partners include:

- HCRG Care Group - Health Visitors have an office in Woodhouse Road delivering the Healthy Child Programme.
- Speech & Language service: We use the pupil premium funding to pay for a speech and language therapist embedded within our services to provide special projects or groups with children, screening and individual work with children and advice and training for staff to enhance the usual support. In addition, First Steps is part of the language for life programme. The project aims to close the persistent word gap that impacts children's later outcomes, thereby making a significant difference in their lives. The project also supports preschool children to reach their age-related expectations in communication and language development before they transition into primary school settings in Bath and Keynsham.
- Other health professionals, e.g., community paediatricians, and occupational therapists – provide staff with advice and guidance, and provide individual work with children and families.
- Action for Children – family support workers delivering the Children's Centre Service have an office at Woodhouse Road. Parenting programmes and support groups are delivered from there.

TRUSTEES' ANNUAL REPORT

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

- Local Authority Children's Services - First Steps provides placements for 'children in need' and/or children who are the subject of a child protection plan, and 'child-friendly' venues for contact sessions.
- Local Authority Early Years and Special Educational Needs teams.
- Southside Family Project: supporting families with complex needs.
- Local schools, particularly our neighbours: Moorlands Schools Federation and Twerton Infants School.
- B&NES Bright Start Children's Centre's: joint working/training, collaboration and sharing good practice.
- Bath Spa University, University of Bath, Norland College and other training providers, local colleges, and schools: First Steps acts as a training base for a range of student placements.
- Twerton and Whiteway Network – First Steps is a founder organisation and part of the steering group to ensure that the voice of families with children under five is heard and knowledge of the services, groups, and activities across Twerton and Whiteway is shared.
- 3SG (Third Sector Group) in Bath, First Steps is an active member of this independent membership network that supports the charity, social enterprise, faith, and voluntary sectors in Bath and North East Somerset (B&NES).

OBJECTIVES AND ACTIVITIES

ACHIEVEMENT AND PERFORMANCE.

Our achievements for 2024 – 2025

Priority One: To continue with the ambitious vision to deliver universal, inclusive children's care and education, high expectations for children's achievement and high standards of provision.

Ensure that a sharp focus is placed on improving the life chances of children through accurate evaluation of provision through information gathered from children, parents, staff and linked professionals and data from children's assessments.

To embed the concept of childhood nature, the idea that children are nature, that human health and well-being are linked to the environment and that adults have a responsibility to ensure that children have access to nature and opportunities to explore the natural world, that children are encouraged to be active citizens and are encouraged in appropriate ways to embed sustainability. To promote healthy and sustainable living for children's families and the community.

- We have continued to employ local individuals, with 60% of our staff residing within the service area where they work.
- Staff turnover has remained below the target at 15%.
- Staff have participated in learning at levels 3, 5, and above.
- 96% of children attend nursery for over 11 hours a week, which is the duration that research indicates maximises their benefits from Early Years Education.
- Excellent grades were awarded at the Ofsted Inspection for Moorlands and Twerton Nurseries.
- We consistently meet the requirements of the contract for the Specialist Early Years Service, BOP.

Priority Two: To further develop the concept of Community Nursery and Early Years Centre through the delivery of services that raise the profile of the early years in a child's life and are responsive to family needs and special educational needs. Taking actions to build an organization that includes the voice of minority groups.

- All settings have continued to hold well-attended events that involve parents in their children's care.
- BOP has continued to deliver stay and play sessions, working with local children's centres to ensure that parents receive the guidance and peer support around children's special educational needs.
- Fundraised to cover most of the costs of a fun summer outing for children at Moorlands and Twerton.
- Raised funds to ensure that children from low-income households accessed free, healthy meals and snacks.
- Demonstrating high standards when raising funds through signing up with the fundraising regulator.

Priority Three: To further develop the Social Enterprise Model, exploring new funding and trading opportunities, employing a mixed model of funding to support special projects that meet community needs.

- Average occupancy at Twerton and Moorlands was above target.
- Adjusted sessions to ensure increased occupancy
- Increased income from room rental

TRUSTEES' ANNUAL REPORT

OBJECTIVES AND ACTIVITIES ACHIEVEMENT AND PERFORMANCE.

Our achievements for 2024 – 2025 (continued)

Priority Four: To secure the necessary funding to successfully complete refurbishment projects at Twerton and Moorlands nurseries, as well as at the BOP site. In addition to supporting expansion initiatives at the Twerton location. Our focus is on enhancing our facilities to better serve our community and stakeholders.

- Obtained funding to expand the Twerton toddler room and refurbish community spaces at Woodhouse Road.
- Increased the baby room space at Moorlands
- Improve storage facilities at BOP.

OBJECTIVES AND ACTIVITIES ACHIEVEMENT AND PERFORMANCE.

Our priorities for 2025 – 2026 are: -

Priority One: To continue with the ambitious vision to deliver universal, inclusive children's care and education, high expectations for children's achievement and high standards of provision.

Ensure that a sharp focus is placed on improving the life chances of children through accurate evaluation of provision through information gathered from children, parents, staff and linked professionals and data from children's assessments.

To embed the concept of Childhoodnature, the idea that children are nature and that human health and wellbeing are linked to the environment.

That adults have a responsibility to ensure that children have access to nature and opportunities to explore the natural world, that children be active citizens and are encouraged in appropriate ways to embed sustainability. To promote healthy and sustainable living for children, families and the community.

Priority Two: To ensure that both community nurseries create revenue to enable staff to be paid above industry average, together with a programme of community support for families. To explore new funding and trading opportunities, employing a mixed model of funding to include fundraising to ensure the success and security of long-term plans.

Priority three: To secure the future of the Specialist Support Service, lobbying the local authority for a partnership approach to commissioning and sourcing a more suitable long-term home for BOP.

TRUSTEES' ANNUAL REPORT

FINANCIAL REVIEW

There has been an increased demand for our services during the year, with services being full during peak sessions.

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

- **Nursery income** - Nursery fee income was up by 13% to £1,479,420 from the previous year.
- **Specialist Service Contract** – This contract awarded to First Steps by B&NES from September 2023 to August 2027 with a contract value of £250,369 per annum to provide support to children with high-level additional needs.
- **Other funding from B&NES** – Payments to support Inclusion from Social Services, which are dependent on individual children's needs, were higher than budget expectations and up compared to last year. Additional income was received for children whose families have opted for delayed school entry. An increased number of children were eligible for the Early Years Pupil Premium and the Disability Access Fund.
- **One-off income** – Played a crucial role in offsetting costs, especially for capital improvements and strategic projects, which included £15,000 to support the cost of the specialist service move in the previous year and £32,348 for an expansion project expected to be completed in Summer 2025.
- **Income from Charitable Activities** - the increase in nursery fee income has meant income from charitable activities has grown by £243,088, to a total of £1,891,315 (2024: £1,648,227).
- **Employment costs** – at £1,565,749, these have risen to 80% of all spending on unrestricted activities, an increase of 4% from the previous year, which was due to rising employment costs and an increase in staff to support additional children, particularly those with special education needs.
- **Other direct costs** of £130,552, which include additional SEN training, have reduced compared to the previous year by £83,006 (2024: £213,558). The assessed value of free meals for children increased to £20,306 (2024: £19,073), funded by restricted and unrestricted donations.
- **Overheads** - amounting to £273,150 - were increased by 21% on the previous year, which included the relocation of a service.

The overall result for the year was a surplus fund of £39,544 (2024: £132,360 deficit). The movement in funds is a result of a surplus of £25,304 on restricted funds, a movement in funds to the designated fixed asset fund of a deficit of £24,508 and a surplus on unrestricted funds of £15,036.

Reserves policy

The trustees have reviewed the charity's reserves policy and determined that it is prudent to maintain free reserves at a level sufficient to meet ongoing operational commitments and to safeguard the delivery of services under existing contractual obligations. The trustees have agreed to aim for a minimum level of free reserves equivalent to three months of budgeted expenditure, with a minimum threshold of no less than two months. Based on the projected expenditure for the forthcoming financial year, the average monthly expenditure is approximately £172,788. This results in a target reserves range of £345,576 to £518,364.

As at the balance sheet date, the charity held unrestricted reserves (excluding designated fixed assets) of £350,459, which is within the acceptable range set by the trustees.

Fixed assets

Movements in fixed assets are set out in Note 13 to the financial statements; Additions during the year totalled £11,132, which mostly relates to a new boiler (2024, £10,804).

Planning for the future

Trustees have used the Theory of Change model to support decision-making and are continuing to ensure that diversity is represented within services is also reflected further up the organisation. Financial decisions have been made to strengthen the workforce and improve buildings to secure quality for future years, whilst avoiding undue financial pressures on parents. This will secure all services with the expansion of the Early Years Entitlement and particularly the Early Years specialist service.

TRUSTEES' ANNUAL REPORT
FINANCIAL REVIEW (continued)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of First Steps (Bath) for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charity SORP.
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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


In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditor, Sumer Auditco Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 15th July 2025 and signed on the board's behalf by:


E Barrett Hacking - Trustee

15th July 2025

Report of the Independent Auditors to the Members of
First Steps (Bath)

Opinion

We have audited the financial statements of First Steps (Bath) (the 'charitable company') for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 2025 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Report of the Independent Auditors to the Members of
First Steps (Bath)

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken during the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained during the audit, we have not identified material misstatements in the Report of the Trustees.

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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Report of the Independent Auditors to the Members of
First Steps (Bath)

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.

The extent to which our procedures can detect irregularities, including fraud is detailed below:

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK Financial Reporting Standards and UK taxation legislation.

We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.

We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.

We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Report of the Independent Auditors to the Members of
First Steps (Bath)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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.



Mark Powell (Senior Statutory Auditor)
for and on behalf of Sumer Auditco Limited
Statutory Auditor and Chartered Accountants
Lennox House,
3 Pierrepont Street
Bath
BA1 1LB

Date: 24/7/2025

First Steps (Bath)

Statement of Financial Activities
for the Year Ended 31 March 2025

| | | | | 2025 | 2024 |
|------------------------------------|-------|------------------|------------------|----------------|------------------|
| | | Unrestricted | Designated | | |
| | | funds | Fixed | | |
| | | | Asset | | |
| | | | Reserve | | |
| | | | Fund | | |
| | Notes | £ | £ | Restricted | Total |
| | | | | funds | funds |
| | | | | £ | £ |
| INCOME AND | | | | | |
| ENDOWMENTS FROM | | | | | |
| Donations and legacies | 2 | 4,680 | - | 68,372 | 73,052 |
| Charitable activities | 5 | | | | |
| Charitable Activities | | 1,891,315 | - | - | 1,891,315 |
| Other trading activities | 3 | 36,410 | - | - | 36,410 |
| Investment income | 4 | 8,218 | - | - | 8,218 |
| Total | | <u>1,940,623</u> | <u>-</u> | <u>68,372</u> | <u>2,008,995</u> |
| EXPENDITURE ON | | | | | |
| Charitable activities | 6 | | | | |
| Charitable Activities | | <u>1,882,689</u> | <u>42,096</u> | <u>44,666</u> | <u>1,969,451</u> |
| NET INCOME/(EXPENDITURE) | | 57,934 | (42,096) | 23,706 | 39,544 |
| Transfers between funds | 18 | <u>(9,903)</u> | <u>9,101</u> | <u>802</u> | <u>-</u> |
| Net movement in funds | | 48,031 | (32,995) | 24,508 | 39,544 |
| RECONCILIATION OF FUNDS | | | | | |
| Total funds brought forward | | 302,428 | 1,333,828 | 101,501 | 1,737,757 |
| TOTAL FUNDS CARRIED FORWARD | | <u>350,459</u> | <u>1,300,833</u> | <u>126,009</u> | <u>1,777,301</u> |

First Steps (Bath)

Statement of Financial Position
31 March 2025

| | | | | 2025 | 2024 |
|--|-------|----------------|---|------------------|------------------|
| | | Unrestricted | Designated Fixed Asset Reserve Fund | Restricted | Total |
| | Notes | funds £ | £ | funds £ | funds £ |
| FIXED ASSETS | | | | | |
| Tangible assets | 13 | - | 1,300,833 | - | 1,300,833 |
| CURRENT ASSETS | | | | | |
| Stocks | 14 | 523 | - | - | 523 |
| Debtors | 15 | 19,171 | - | - | 19,171 |
| Cash at bank | | <u>506,379</u> | <u>-</u> | <u>126,009</u> | <u>632,388</u> |
| | | 526,073 | - | 126,009 | 652,082 |
| CREDITORS | | | | | |
| Amounts falling due within one year | 16 | (175,614) | - | - | (175,614) |
| NET CURRENT ASSETS | | <u>350,459</u> | <u>-</u> | <u>126,009</u> | <u>476,468</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>350,459</u> | <u>1,300,833</u> | <u>126,009</u> | <u>1,777,301</u> |
| NET ASSETS | | <u>350,459</u> | <u>1,300,833</u> | <u>126,009</u> | <u>1,777,301</u> |
| FUNDS | 18 | | | | |
| Unrestricted general funds | | | | 350,459 | 302,428 |
| Designated fixed asset reserve fund | | | | 1,300,833 | 1,333,828 |
| Restricted funds | | | | <u>126,009</u> | <u>101,501</u> |
| TOTAL FUNDS | | | | <u>1,777,301</u> | <u>1,737,757</u> |

The financial statements were approved by the Board of Trustees and authorised for issue on and were signed on its behalf by:

Elizabeth Barratt Hacking

15th July 2025

Elizabeth Barratt Hacking, Chair of Trustees

First Steps (Bath)

Statement of Cash Flows
for the Year Ended 31 March 2025

| | Notes | 2025 £ | 2024 £ |
|---|-------|--------------------|--------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 1 | <u>108,641</u> | <u>80,833</u> |
| Net cash provided by operating activities | | <u>108,641</u> | <u>80,833</u> |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | | (11,132) | (10,804) |
| Sale of tangible fixed assets | | 2,031 | - |
| Interest received | | <u>8,218</u> | <u>7,721</u> |
| Net cash used in investing activities | | <u>(883)</u> | <u>(3,083)</u> |
| Change in cash and cash equivalents in the reporting period | | 107,758 | 77,750 |
| Cash and cash equivalents at the beginning of the reporting period | | <u>524,630</u> | <u>446,880</u> |
| Cash and cash equivalents at the end of the reporting period | | <u>632,388</u> | <u>524,630</u> |

First Steps (Bath)

Notes to the Statement of Cash Flows
for the Year Ended 31 March 2025

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2025 £ | 2024 £ |
|---|-----------------------|----------------------|
| Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities) | 39,544 | (132,360) |
| Adjustments for: | | |
| Depreciation charges | 42,096 | 39,026 |
| Interest received | (8,218) | (7,721) |
| Decrease in stocks | 220 | 196 |
| Decrease in debtors | 10,990 | 99,336 |
| Increase in creditors | <u>24,009</u> | <u>82,356</u> |
| Net cash provided by operations | <u><u>108,641</u></u> | <u><u>80,833</u></u> |

2. ANALYSIS OF CHANGES IN NET FUNDS

| | At 1.4.24 £ | Cash flow £ | At 31.3.25 £ |
|-----------------|-----------------------|-----------------------|-----------------------|
| Net cash | | | |
| Cash at bank | <u>524,630</u> | <u>107,758</u> | <u>632,388</u> |
| | <u>524,630</u> | <u>107,758</u> | <u>632,388</u> |
| Total | <u><u>524,630</u></u> | <u><u>107,758</u></u> | <u><u>632,388</u></u> |

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

First Steps (Bath) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going Concern

As stated in the financial review section of the annual report the Trustees are confident it will be able to meet its obligations as they fall due for a minimum period of at least 12 months from the date of signing. These financial statements are therefore produced on a going-concern basis.

Income

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 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 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 accrual 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.

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 of the year after purchase, less estimated residual values, of tangible fixed assets over their estimated useful lives, to the charity.

First Steps (Bath)

Notes to the Financial Statements - continued for the Year Ended 31 March 2023

1. ACCOUNTING POLICIES - continued

The annual depreciation rates and methods are:

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

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

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items.

Taxation

The charity is exempt from corporation tax on its charitable activities.

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 - these can only be used for 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.

Operating lease commitments

Rentals applicable to operating leases where substantially all 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.

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.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2025

2. DONATIONS AND LEGACIES

| | 2025 | 2024 |
|---------------------------|---------------|---------------|
| | £ | £ |
| Donations and fundraising | 4,680 | 5,340 |
| Grants | <u>68,372</u> | <u>27,139</u> |
| | <u>73,052</u> | <u>32,479</u> |

Grants received, included in the above, are as follows:

| | 2025 | 2024 |
|--------------------------|---------------|---------------|
| | £ | £ |
| Government capital grant | 32,347 | - |
| Other revenue grants | <u>36,025</u> | <u>27,139</u> |
| | <u>68,372</u> | <u>27,139</u> |

3. OTHER TRADING ACTIVITIES

| | 2025 | 2024 |
|--------------------|---------------|---------------|
| | £ | £ |
| Community lettings | 30,717 | 32,966 |
| Training Income | - | 25 |
| Misc Income | <u>5,693</u> | <u>5,216</u> |
| | <u>36,410</u> | <u>38,207</u> |

4. INVESTMENT INCOME

| | 2025 | 2024 |
|--------------------------|--------------|--------------|
| | £ | £ |
| Deposit account interest | <u>8,218</u> | <u>7,721</u> |

Notes to the Financial Statements - continued
for the Year Ended 31 March 2025

5. INCOME FROM CHARITABLE ACTIVITIES

| | | | 2025 Charitable Activities £ | 2024 Total activities £ |
|--|----------------------------|--------------------------|--|-------------------------------------|
| Incoming Resources | | | <u>1,891,315</u> | <u>1,648,227</u> |
| | Unrestricted Funds £ | Restricted Funds £ | Total 2025 £ | Total 2024 £ |
| Bath & North East Somerset Council: | | | | |
| Disability Access Fund | 7,907 | - | 7,907 | 21,405 |
| BOP Specialist Contract | 250,369 | - | 250,369 | 251,184 |
| Social Services: ISF | <u>153,619</u> | <u>-</u> | <u>153,619</u> | <u>79,526</u> |
| Total Revenue Funding | 411,895 | - | 411,895 | 352,115 |
| Nursery Fees & Related Funding: | | | | |
| Early Years Entitlement | 764,536 | - | 764,536 | 520,296 |
| Nursery fees charged to parents | 678,990 | - | 678,990 | 750,965 |
| Early Years Pupil Premium | <u>35,894</u> | <u>-</u> | <u>35,894</u> | <u>24,851</u> |
| | 1,479,420 | - | 1,479,420 | 1,296,112 |
| Total Income from charitable activities | <u>1,891,315</u> | <u>-</u> | <u>1,891,315</u> | <u>1,648,227</u> |
| 2024 Comparatives | | | | |
| | | | 31.3.24 Charitable activities £ | 31.3.23 Total activities £ |
| Incoming Resources | | | <u>1,648,227</u> | <u>1,497,335</u> |
| | Unrestricted Funds £ | Restricted Funds £ | Total 2024 £ | Total 2023 £ |
| Bath & North East Somerset Council: | | | | |
| Disability Access Fund | 21,405 | - | 21,405 | 9,501 |
| BOP Specialist Contract | 251,184 | - | 251,184 | 211,000 |
| Social Services: ISF | <u>79,526</u> | <u>-</u> | <u>79,526</u> | <u>137,279</u> |
| Total Revenue Funding | 352,115 | - | 352,115 | 357,780 |
| Nursery Fees & Related Funding: | | | | |
| Early Years Entitlement | 520,296 | - | 520,296 | 485,712 |
| Nursery fees charged to parents | 750,965 | - | 750,965 | 631,366 |
| Early Years Pupil Premium | <u>24,851</u> | <u>-</u> | <u>24,851</u> | <u>22,477</u> |
| | 1,296,112 | - | 1,296,112 | 1,139,555 |
| Total Income from charitable activities | <u>1,648,227</u> | <u>-</u> | <u>1,648,227</u> | <u>1,497,335</u> |

Notes to the Financial Statements - continued
for the Year Ended 31 March 2025

6. CHARITABLE ACTIVITIES COSTS

| | Direct Costs £ | Support Support costs (see note 7) £ | Totals £ |
|-----------------------|----------------------|--|------------------|
| Charitable Activities | <u>1,954,022</u> | <u>15,429</u> | <u>1,969,451</u> |

| | Unrestricted Funds £ | Restricted Funds £ | Total 2025 £ | Total 2024 £ |
|--|----------------------------|--------------------------|-------------------------|-------------------------|
| Direct Costs: | | | | |
| Employment costs | 1,550,615 | 15,134 | 1,565,749 | 1,420,577 |
| Catering costs | 54,149 | 20,417 | 74,566 | 72,185 |
| Staff costs (training costs, expenses etc.) | 22,526 | 100 | 22,626 | 69,097 |
| Special Projects: Direct Costs | 15,990 | 1,721 | 17,711 | 51,455 |
| Service costs | 14,503 | - | 14,503 | 18,441 |
| Bad debts - fees written off. | <u>1,146</u> | <u>-</u> | <u>1,146</u> | <u>2,380</u> |
| Total Direct Costs | 1,658,929 | 37,372 | 1,696,301 | 1,634,135 |
| Overheads: | | | | |
| Premises costs | 161,492 | 3,012 | 164,504 | 117,924 |
| Administrative costs | 10,777 | 4,282 | 15,059 | 14,565 |
| Information Technology costs | 36,062 | - | 36,062 | 36,497 |
| Depreciation charges | 42,096 | - | 42,096 | 39,026 |
| Support costs (See note 7) | <u>15,429</u> | <u>-</u> | <u>15,429</u> | <u>16,847</u> |
| Total Overhead Costs | <u>265,856</u> | <u>7,294</u> | <u>273,150</u> | <u>224,859</u> |
| Total Costs of Charitable activities | <u>1,924,785</u> | <u>44,666</u> | <u>1,969,451</u> | <u>1,858,994</u> |

Notes to the Financial Statements - continued
for the Year Ended 31 March 2025

6. CHARITABLE ACTIVITIES COSTS (continued)

2024 Comparatives

| | Direct Costs £ | Support costs (see) note 7 £ | Total £ |
|-----------------------|----------------------|---------------------------------------|------------------|
| Charitable Activities | <u>1,842,147</u> | <u>16,847</u> | <u>1,858,994</u> |

| | Unrestricted Funds £ | Restricted Funds £ | Total 2024 £ | Total 2023 £ |
|--|----------------------------|--------------------------|-------------------------|-------------------------|
| Direct Costs: | | | | |
| Employment costs | 1,407,445 | 13,132 | 1,420,577 | 1,205,755 |
| Catering costs | 59,061 | 13,124 | 72,185 | 61,588 |
| Staff costs (training costs, expenses etc.) | 69,097 | - | 69,097 | 61,003 |
| Special Projects: Direct Costs | 51,455 | - | 51,455 | 6,878 |
| Service costs | 18,441 | - | 18,441 | 17,636 |
| Bad debts - fees written off. | <u>2,380</u> | <u>-</u> | <u>2,380</u> | <u>3,580</u> |
| Total Direct Costs | 1,607,879 | 26,256 | 1,634,135 | 1,356,441 |
| Overheads: | | | | |
| Premises costs | 112,181 | 5,743 | 117,924 | 92,214 |
| Administrative costs | 13,144 | 1,421 | 14,565 | 14,440 |
| Information Technology costs | 36,497 | - | 36,497 | 31,363 |
| Depreciation charges | 39,026 | - | 39,026 | 35,980 |
| Support costs (See note 7) | <u>16,847</u> | <u>-</u> | <u>16,847</u> | <u>11,430</u> |
| Total Overhead Costs | 178,669 | 7,164 | 224,859 | 185,427 |
| Total Costs of Charitable activities | <u>1,825,574</u> | <u>33,420</u> | <u>1,858,994</u> | <u>1,541,868</u> |

Notes to the Financial Statements - continued
for the Year Ended 31 March 2025

7. SUPPORT COSTS

| | Finance | Governance costs | Totals |
|-----------------------|--------------|------------------|---------------|
| | £ | £ | £ |
| Charitable Activities | <u>5,243</u> | <u>10,186</u> | <u>15,429</u> |

2024 Comparative

| | Finance | Governance costs | Totals |
|-----------------------|--------------|------------------|---------------|
| | £ | £ | £ |
| Charitable Activities | <u>4,648</u> | <u>12,199</u> | <u>16,847</u> |

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

| | 2025 | 2024 |
|-----------------------------|------------|--------------|
| | £ | £ |
| Auditors' remuneration | 7,000 | 6,500 |
| Other non-audit services | 1,500 | 1,375 |
| Depreciation - owned assets | 42,096 | 39,026 |
| Other operating leases | <u>522</u> | <u>3,088</u> |

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2025, nor for the year ended 31 March 2024.

No remuneration or expenses were paid during the year to any of the trustees (2024: £Nil). During the year, two Trustees had children in First Steps nurseries, they paid the full rate for all services used and so received no benefit because of their role as Trustees.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2025, nor for the year ended 31 March 2024.

First Steps (Bath)

Notes to the Financial Statements - continued
for the Year Ended 31 March 2024

10. STAFF COSTS

| | 2025 | 2024 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 1,418,175 | 1,290,193 |
| Social security costs | 90,137 | 76,985 |
| Other pension costs | <u>57,437</u> | <u>53,398</u> |
| | <u>1,565,749</u> | <u>1,420,576</u> |

The average monthly number of employees during the year was as follows:

| | 31.3.25 | 31.3.24 |
|--|-----------|-----------|
| Delivery of Children's & Family Services | 50 | 49 |
| Management and Administration | <u>4</u> | <u>4</u> |
| | <u>54</u> | <u>53</u> |

No employees received emoluments in excess of £60,000.

The key management personnel of the charity comprise the trustees, the Chief Executive Officer, Finance and Administration Manager, a Children's Services Manager for Twerton and a Children's Services Manager for Moorlands and a Children's Services Manager for BOP. The total employee benefits of the key management personnel of the Trust were £210,569 (2024: £213,709).

Notes to the Financial Statements - continued
for the Year Ended 31 March 2025

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted funds £ | Designated Fixed Asset Reserve Fund £ | Restricted funds £ | Total funds £ |
|------------------------------------|----------------------------|--|--------------------------|---------------------|
| INCOME AND ENDOWMENTS FROM | | | | |
| Donations and legacies | 5,340 | - | 27,139 | 32,479 |
| Charitable activities | | | | |
| Charitable Activities | 1,648,227 | - | - | 1,648,227 |
| Other trading activities | 38,207 | - | - | 38,207 |
| Investment income | <u>7,721</u> | <u>-</u> | <u>-</u> | <u>7,721</u> |
| Total | <u>1,699,495</u> | <u>-</u> | <u>27,139</u> | <u>1,726,634</u> |
| EXPENDITURE ON | | | | |
| Charitable activities | | | | |
| Charitable Activities | <u>1,786,548</u> | <u>39,026</u> | <u>33,420</u> | <u>1,858,994</u> |
| NET INCOME/(EXPENDITURE) | (87,053) | (39,026) | (6,281) | (132,360) |
| Transfers between funds | <u>(10,804)</u> | <u>10,804</u> | <u>-</u> | <u>-</u> |
| Net movement in funds | (97,857) | (28,222) | (6,281) | (132,360) |
| RECONCILIATION OF FUNDS | | | | |
| Total funds brought forward | <u>400,285</u> | <u>1,362,050</u> | <u>107,782</u> | <u>1,870,117</u> |
| TOTAL FUNDS CARRIED FORWARD | <u>302,428</u> | <u>1,333,828</u> | <u>101,501</u> | <u>1,737,757</u> |

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.

First Steps (Bath)

Notes to the Financial Statements - continued for the Year Ended 31 March 2025

13. TANGIBLE FIXED ASSETS

| | Leasehold Property £ | Fixtures and fittings £ | Computer equipment £ | Totals £ |
|-----------------------|----------------------------|----------------------------------|----------------------------|------------------|
| COST | | | | |
| At 1 April 2024 | 1,721,954 | 137,021 | 12,841 | 1,871,816 |
| Additions | - | 11,132 | - | 11,132 |
| Disposals | - | (2,031) | - | (2,031) |
| At 31 March 2025 | <u>1,721,954</u> | <u>146,122</u> | <u>12,841</u> | <u>1,880,917</u> |
| DEPRECIATION | | | | |
| At 1 April 2024 | 390,404 | 136,035 | 11,549 | 537,988 |
| Charge for year | <u>33,968</u> | <u>7,484</u> | <u>644</u> | <u>42,096</u> |
| At 31 March 2025 | <u>424,372</u> | <u>143,519</u> | <u>12,193</u> | <u>580,084</u> |
| NET BOOK VALUE | | | | |
| At 31 March 2025 | <u>1,297,582</u> | <u>2,603</u> | <u>648</u> | <u>1,300,833</u> |
| At 31 March 2024 | <u>1,331,550</u> | <u>986</u> | <u>1,292</u> | <u>1,333,828</u> |

14. STOCKS

| | 2025 £ | 2024 £ |
|--------|------------|------------|
| Stocks | <u>523</u> | <u>743</u> |

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2025 £ | 2024 £ |
|--------------------------------|---------------|---------------|
| Trade debtors | 15,377 | 18,754 |
| Prepayments and accrued income | <u>3,794</u> | <u>11,407</u> |
| | <u>19,171</u> | <u>30,161</u> |

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2025 £ | 2024 £ |
|---------------------------------|----------------|----------------|
| Trade creditors | 12,988 | 5,790 |
| Social security and other taxes | 30,545 | 28,011 |
| Other creditors | <u>132,081</u> | <u>117,804</u> |
| | <u>175,614</u> | <u>151,605</u> |

First Steps (Bath)

Notes to the Financial Statements - continued for the Year Ended 31 March 2025

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued

Included in other creditors is the following deferred income:

| Deferred Income | £ |
|---------------------|---------------|
| Bal B/f | 20,827 |
| Fee income released | (20,827) |
| Fee income deferred | <u>30,280</u> |
| | <u>30,280</u> |

At the balance sheet date, the charity held funds received from parents for nursery fees invoiced in advance and the EYE grant received in advance.

17. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

| | 2025 | 2024 |
|----------------------------|--------------|--------------|
| | £ | £ |
| Within one year | 1,360 | 1,620 |
| Between one and five years | <u>2,235</u> | <u>3,420</u> |
| | <u>3,595</u> | <u>5,040</u> |

18. MOVEMENT IN FUNDS

| | At 1.4.24 | Net movement | Transfers between | At |
|---------------------------------|------------------|-----------------|-------------------|------------------|
| | £ | in funds | funds | 31.3.25 |
| | | £ | £ | £ |
| Unrestricted funds | | | | |
| General fund | 302,428 | 57,934 | (9,903) | 350,459 |
| Designated Fixed Asset Reserve | <u>1,333,828</u> | <u>(42,096)</u> | <u>9,101</u> | <u>1,300,833</u> |
| | 1,636,256 | 15,838 | (802) | 1,651,292 |
| Restricted funds | | | | |
| Trips & Events | - | (634) | 634 | - |
| Subsidised Meals | - | 406 | - | 406 |
| Quartet Foundation | 371 | (32) | - | 339 |
| BOP | - | (168) | 168 | - |
| Partnership With Parents | 279 | (279) | - | - |
| Xmas toys/books | 529 | - | - | 529 |
| Children with SEN | 95,269 | (7,771) | - | 87,498 |
| Replacing Boiler Heating system | 504 | (504) | - | - |
| Stay and Play | 4,549 | 340 | - | 4,889 |
| Renovation Twerton | <u>-</u> | <u>32,348</u> | <u>-</u> | <u>32,348</u> |
| | <u>101,501</u> | <u>23,706</u> | <u>802</u> | <u>126,009</u> |
| TOTAL FUNDS | <u>1,737,757</u> | <u>39,544</u> | <u>-</u> | <u>1,777,301</u> |

Notes to the Financial Statements - continued
for the Year Ended 31 March 2025

18. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|---------------------------------|----------------------------|----------------------------|---------------------------|
| Unrestricted funds | | | |
| General fund | 1,940,623 | (1,882,689) | 57,934 |
| Designated Fixed Asset Reserve | - | (42,096) | (42,096) |
| | 1,940,623 | (1,924,785) | 15,838 |
| Restricted funds | | | |
| Trips & Events | 1,832 | (2,466) | (634) |
| Subsidised Meals | 20,712 | (20,306) | 406 |
| Quartet Foundation | - | (32) | (32) |
| BOP | 7,200 | (7,368) | (168) |
| Partnership With Parents | - | (279) | (279) |
| Children with SEN | - | (7,771) | (7,771) |
| Replacing Boiler Heating system | - | (504) | (504) |
| Stay and Play | 6,280 | (5,940) | 340 |
| Renovation Twerton | 32,348 | - | 32,348 |
| | 68,372 | (44,666) | 23,706 |
| TOTAL FUNDS | <u>2,008,995</u> | <u>(1,969,451)</u> | <u>39,544</u> |

General Fund

The free reserves after allowing for all designated funds

Designated Fixed Asset Reserve fund

Includes tangible fixed assets, property, fixtures and fittings, computer equipment and depreciation.

Restricted Funds

Children with SEN (previously named BOP fund) – to support SEN children to attend nursery through the provision of extra staff, specific SEN training or resources to meet the child's needs.

Norlands Stay and Play – to provide weekly family support sessions for children with SEN needs.

First Steps (Bath)Notes to the Financial Statements - continued
for the Year Ended 31 March 2025**18. MOVEMENT IN FUNDS - continued****Comparative 2024 movement in funds**

| | At 1.4.23 £ | Net movement in funds £ | Transfers between funds £ | At 31.3.24 £ |
|---------------------------------|-------------------------|----------------------------------|------------------------------------|-------------------------|
| Unrestricted funds | | | | |
| General fund | 400,285 | (87,053) | (10,804) | 302,428 |
| Designated Fixed Asset Reserve | <u>1,362,050</u> | <u>(39,026)</u> | <u>10,804</u> | <u>1,333,828</u> |
| | 1,762,335 | (126,079) | - | 1,636,256 |
| Restricted funds | | | | |
| Subsidised Meals | 5,460 | (5,460) | - | - |
| Quartet Foundation | 371 | - | - | 371 |
| BOP | 95,585 | (316) | - | 95,269 |
| Partnership With Parents | 518 | (239) | - | 279 |
| Xmas toys/books | 529 | - | - | 529 |
| St Johns Language for Life | 1,394 | (1,394) | - | - |
| Consortium order Moorlands | | | | |
| | 1,800 | 1,128 | - | 2,928 |
| Replacing Boiler Heating system | <u>2,125</u> | <u>-</u> | <u>-</u> | <u>2,125</u> |
| | <u>107,782</u> | <u>(6,281)</u> | <u>-</u> | <u>101,501</u> |
| TOTAL FUNDS | <u><u>1,870,117</u></u> | <u><u>(132,360)</u></u> | <u><u>-</u></u> | <u><u>1,737,757</u></u> |

Notes to the Financial Statements - continued
for the Year Ended 31 March 2025

18. MOVEMENT IN FUNDS - continued

Comparative 2024 net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|--------------------------------|----------------------------|----------------------------|---------------------------|
| Unrestricted funds | | | |
| General fund | 1,699,495 | (1,786,548) | (87,053) |
| Designated Fixed Asset Reserve | - | (39,026) | (39,026) |
| | 1,699,495 | (1,825,574) | (126,079) |
| Restricted funds | | | |
| Subsidised Meals | 7,571 | (13,031) | (5,460) |
| BOP | 9,295 | (9,611) | (316) |
| Partnership With Parents | - | (239) | (239) |
| Panto/Sensory play | 400 | (400) | - |
| St Johns Language for Life | 2,660 | (4,054) | (1,394) |
| Consortium order Moorlands | | | |
| | 6,213 | (5,085) | 1,128 |
| BHM - running high | 1,000 | (1,000) | - |
| | 27,139 | (33,420) | (6,281) |
| TOTAL FUNDS | <u>1,726,634</u> | <u>(1,858,994)</u> | <u>(132,360)</u> |

19. EMPLOYEE BENEFIT OBLIGATIONS

The Charity is a member of The Pension Trust's Defined Contribution Pension Scheme. Contributions made by the charity amounted to £57,437 (2024: £53,398). Year-end contributions outstanding amounted to £Nil (2024: £Nil).

20. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES.

On 31 March 2025, there were no capital commitments or contingent liabilities (2024 - None).

21. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2025.

First Steps (Bath)Detailed Statement of Financial Activities
for the Year Ended 31 March 2025

| | 2025 £ | 2024 £ |
|---------------------------------|------------------|------------------|
| INCOME AND ENDOWMENTS | | |
| Donations and legacies | | |
| Donations and fundraising | 4,680 | 5,340 |
| Grants | <u>68,372</u> | <u>27,139</u> |
| | 73,052 | 32,479 |
| Other trading activities | | |
| Community lettings | 30,717 | 32,966 |
| Training Income | - | 25 |
| Misc Income | <u>5,693</u> | <u>5,216</u> |
| | 36,410 | 38,207 |
| Investment income | | |
| Deposit account interest | 8,218 | 7,721 |
| Charitable activities | | |
| Incoming Resources | <u>1,891,315</u> | <u>1,648,227</u> |
| Total incoming resources | 2,008,995 | 1,726,634 |
| EXPENDITURE | | |
| Charitable activities | | |
| Wages | 1,418,175 | 1,290,193 |
| Social security | 90,137 | 76,985 |
| Pensions | 57,437 | 53,398 |
| Other operating leases | 522 | 3,088 |
| Rates and water | 10,799 | 9,533 |
| Insurance | 10,213 | 9,428 |
| Light and heat | 21,998 | 12,463 |
| Other Staff Costs | 22,626 | 25,383 |
| Service Costs | 80,352 | 80,282 |
| Catering Costs | 74,992 | 72,186 |
| Information Technology Costs | 36,062 | 36,496 |
| Administrative Costs | 14,633 | 14,536 |
| Special projects | 17,711 | 51,455 |
| Repairs and renewals | 55,123 | 65,315 |
| Bad debts - Fees written off | 1,146 | 2,380 |
| Improvements to property | <u>42,096</u> | <u>39,026</u> |
| | 1,954,022 | 1,842,147 |

First Steps (Bath)

Detailed Statement of Financial Activities
for the Year Ended 31 March 2025

| | 2025 £ | 2024 £ |
|---|------------------|------------------|
| Support costs | | |
| Finance | | |
| Bank charges | 5,243 | 4,648 |
| Governance costs | | |
| Auditors' remuneration | 7,000 | 6,500 |
| Auditors' remuneration for non audit work | 1,500 | 1,375 |
| Accountancy and legal fees | <u>1,686</u> | <u>4,324</u> |
| | <u>10,186</u> | <u>12,199</u> |
| Total resources expended | <u>1,969,451</u> | <u>1,858,994</u> |
| Net income/(expenditure) | <u>39,544</u> | <u>(132,360)</u> |