



First Steps (BATH)

Financial Statements for the year ended 31st March 2020

IN PARTNERSHIP WITH

**Bath & North East
Somerset Council**

Charity registration number 1012690



Registered Company number 02656485

FIRST STEPS (BATH)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

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FIRST STEPS (BATH)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

CHAIR'S REPORT

Following the successful opening of our new building at Moorlands and the transfer of the specialist services provided by Bath Opportunity Playgroup to First Steps last year, 2019/20 has focussed more on consolidating our position. We set ourselves the target of showing a healthy surplus before the much increased depreciation charges were made. I am pleased to report that this has been achieved. We showed an operating surplus of £34,844 in 2019/20, before a depreciation charge of £36,394.

This achievement is all the more important as the coronavirus lockdown measures were introduced in the last two weeks of the 2019/20 year, and this has, of course, been a major challenge for us. We have stayed open throughout the pandemic, providing services for the children of essential workers and those with a child protection plan. We have also sought to provide as much support as we can to the communities we serve during this difficult period, and we will continue to do this.

Following our major financial commitment to the Moorlands rebuild, our reserves have inevitably been depleted. Consequently, we are now clearly focussed on the need for us to operate in surplus going forward, as well as the vital importance of fund raising to our overall income stream. I would like to thank all involved for the encouraging £41,248 raised during the year. This has allowed us to provide free meals for over 70 children from low income families, support home learning activities for families and broaden the range of physical opportunities for children.

There currently remain many uncertainties arising from the coronavirus pandemic for the year ahead. However, we will continue to follow a strategy of consolidation is to ensure we are in a sound position to grow our services going forward. We have the capacity at both Twerton and Moorlands to do more when conditions allow, and we wish to explore with our partners how we can better meet the significant unmet demand for children with special educational needs. Our focus on the community will remain – we wish to provide local, quality, all year around nursery care, and a support hub for families with preschool children.

Finally I want to thank the First Steps management team, staff, trustees and volunteers, as well as our partners, for their commitment and hard work during the year. I also want to thank parents for their support. We value hearing their input so that we can continue to improve as we move forward together.

Best wishes
Ken Littlewood



Chair

FIRST STEPS (BATH)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

TRUSTEES' ANNUAL REPORT

The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ending 31 March 2020 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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).

The Committee of Management presents its report for the year up to 31st March 2020.

Further information about the charity and its work may be found on First Steps (Bath) website (www.firststepsbath.org.uk) and through direct enquiry to the main office at Woodhouse Road, Twerton, Bath, BA2 1SY.

REFERENCE AND ADMINISTRATIVE INFORMATION

Chair	Ken Littlewood	Retired Business Executive
Vice Chair	Jane Millar	Professor of Social Policy University of Bath
Vice Chair	Janet Rose	Director Norland College
Treasurer	*Tom Williams	Management Accountant
Other trustees	Dougie Brown	Director of eXL Consultancy
	Isobel Michael	Director NSP Philanthropy
	Meg North	Retired local government officer
	Marina Sloan	Specialist Speech & Language Therapist
	Mike Turner	Managing Director
	Val Wheeler	Retired Health Visitor
Appointed 19/04/2019	*Simon Andrews	Project Manager

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

Senior Management Team	Roz Lambert	Chief Executive
	Sarah Elliott	Finance & Administration Manager and Company Secretary
Resigned 14/04/2020	Georgina Bassil	Children's Services Manager – Moorlands
	Louise Hewings	Children's Services Manager – Twerton
	Stefanie Walbyoff	Children's Services Manager- BOP

Registered office	Woodhouse Road Twerton, Bath, BA2 1SY
E-mail	info@firststepsbath.org.uk
Website	www.firststepsbath.org.uk
Auditors	Moore, 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)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

TRUSTEES' ANNUAL REPORT

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 10 June 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 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 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 on-going; interested potential Trustees are invited to submit a CV and meet with the Chair of Trustees and CE prior to 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 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. Training is offered through specific sessions tailored to meet the needs of current Trustees.

Risk Management

The Trustee Board has responsibility to manage risk within the charity. They have updated and reviewed risks within the year and agreed a schedule of actions to mitigate the identified risks. The risk register is reviewed at each Board meeting.

FIRST STEPS (BATH)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

TRUSTEES' ANNUAL REPORT

STRUCTURE, GOVERNANCE AND MANAGEMENT

Related parties

No trustees receive remuneration or other benefit from their work with the charity. Any contractual relationship with a related party between a trustee and 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 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

FIRST STEPS (BATH)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

TRUSTEES' ANNUAL REPORT

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) ran two Early Years Settings and Children's Centre services for Bath West. The Children Centre Service contract was awarded to a national charity in April 2018 which resulted in having to close the Children's Centre in Dominion Road, Twerton. In July 2018 First Steps was awarded a local authority contract to deliver the Early Years Specialist Service, as the charity (BOP) previously offering this service wished to close, the assets of this charity were transferred to First Steps. A lease for the Annex at Threeways School was taken on to continue the Specialist Service provision.

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 ensuring 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, 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:

- Virgin Health Care - Health Visitors have an office in Woodhouse Road delivering the Healthy Child Programme they specifically provide baby feeding hubs, baby massage and one to one meetings with parents.
- Speech & Language service: We use the pupil premium funding to pay for special projects or groups with children; screening and individual work with children and advice and training for staff to enhance the usual support.
- Other health professionals, e.g. community paediatricians, occupational therapists – provide staff with advice and guidance; 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.
- 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.
- Southside Family Project: supporting families with complex needs.

FIRST STEPS (BATH)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

TRUSTEES' ANNUAL REPORT

OBJECTIVES AND ACTIVITIES

Our Partners (continued)

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

ACHIEVEMENT AND PERFORMANCE.

Our achievements for 2019/2020

To provide high quality childcare and education, high expectations for children's achievement and standards of provision.

- Children's assessment has been more finely tuned to provide a focus on progress and early identification of needs.
- There has been an increase in the numbers of children who, as a result of early intervention have received additional support.
 - Progress in vulnerable children's learning and development has been made, resulting from partnership work with families and the Advisory Teacher from the Local Authority on accelerated learning plans.
 - Professionals working closely with First Steps services provided positive, constructive feedback.
- Staff turnover over the year was 8.5%
- 51% of staff live within the Bath West area.

To become an Early Years resource for the Community

- Key stakeholders including families consulted on parent support requirements
- Funding gained for a partnership with parents programme to support home learning
- 200 families attended a service to help develop home learning for their children
- A total of £43,000 was raised to enhance provision and to sustain the free meal offer for children from low income families.

To further develop a Social Enterprise Model

- Funds to First Steps through the letting of rooms was £26,000 above the target set of £22,000

FIRST STEPS (BATH)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

TRUSTEES' ANNUAL REPORT

OBJECTIVES AND ACTIVITIES (continued)

Our priorities for 2020 – 2021 are:-

- To continue with the ambitious vision to deliver universal, inclusive child care and education, high expectations for children's achievement and high standards of provision.
- To further develop the concept of a 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 education needs.
- To further develop the Social Enterprise Model, exploring new funding and trading opportunities, employing a mixed model of funding to ensure the success and security of First Steps long term future plans.

FINANCIAL REVIEW

First Steps (Bath) continued to improve its financial situation this year with growth in restricted and unrestricted funds.

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

- **Specialist Service Contract** – First Steps was awarded a 3 year contract with B&NES to take on the provision of a specialist service from August 2018 with a contract value of £200,000 per annum.
- **Funding from B&NES** – Placement and Inclusion payments from Social Services increased by nearly £20,000 (up 57%) compared to last year.
- **Nursery income** - fee income from parents increased by £21,000 compared to 2019 although the Early Years Entitlement has decreased by £3,000 (down 1%) compared to last year. This is mainly as a result of our increased capacity at Moorlands from our new build compared to last year. Funding from Early Years Pupil Premium with the deprivation Supplement (previously included in the Early Years Entitlement) has increased by £1,962 which is received to give extra support for children from low income families.
- **Total incoming resources** - the decrease in B&NES funding was more than offset by increased nursery income. This meant incoming resources from charitable activities grew by £101,839 (10%) but donations and legacies also fell making fall in total income to £1,208,002 (2019: £1,307,379).
- **Employment costs** – at £928,735 these amount to 80% of all spending on unrestricted activities – an increase of 12% on the previous year.
- **Other direct costs** – of £118,231 have reduced by 6% from last year, (2019: £125,077).
- **Overheads** - amount to £154,684, a 26% increase from previous year arising mainly due to increased premises costs and depreciation charges.

The overall result for the year was a deficit in funds of £1,550 (2019, £224,619 surplus) this was a result of a deficit on restricted funds of £24,761 (2019: £162,546 surplus) and a surplus of £23,211 on unrestricted funds (2019: £62,073).

FIRST STEPS (BATH)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

TRUSTEES' ANNUAL REPORT

FINANCIAL REVIEW (continued)

The trustees have also created a designated fixed asset reserve to allow clearer recognition of working capital (expendable free reserves) and those reserves tied up as illiquid assets. Further information can be found in the notes to the accounts.

Reserves policy.

The minimum amount designated as Operating Reserve was established as an amount sufficient to maintain ongoing operations measured for a set period of time, measured in months. The Operating Reserve serves a dynamic role and will be reviewed and adjusted in response to both internal and external changes. The Operating Reserves for 2019-20 met the minimum requirement as set by Trustees.

At 31 March 2020 working capital (total funds excluding those tied up in fixed assets) amounted to £237,874 (2019: £211,125). This means that the charity remains within its target for Operating Reserves with the balance set aside in order to achieve our future objectives of growing the First Steps model.

Fixed assets

Movements in fixed assets are set out in Note 13 to the financial statements; there was one addition to fixed assets during the year which relates to the completion of Moorlands garden £5,160 (2019, £727,151).

PLANNING FOR THE FUTURE

The trustee's annual strategic workshop was held in November 2019 and included a 5 year plan. Trustees agreed to continue to follow a strategy of consolidation to ensure that it is in a sound position to provide a foundation for a future growth strategy. However the strategy acknowledges that First Steps position is now strong enough to start considering growth opportunities particularly relating to capacity at Moorlands and Twerton combined with the significant unmet demand for support for children with special educational needs.

Covid

The impact of COVID19 resulted in restrictions on the service offered for the period April to August 2020 which as a consequence reduced income. As restrictions lifted, occupancy has increased although not yet at pre-COVID levels. Plans have been made for a potential 20% reduction in income for the period September to December 2020 to allow for lack of parental confidence in government guidelines and any potential local lockdowns. Future forecasts to 2022 have also been adjusted to allow for the impact of COVID.

Our Specialist Service has been given notice of an in-year cut of Grant from the Local Authority which will reduce the number of children able to access this service. Plans are in place to fundraise to cover places cut. Expenditure has been reduced by using the Government Job Retention Scheme from April to October 2020 for some staff. Further savings are planned through the streamline of processes.

In light of the above actions 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.

FIRST STEPS (BATH)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

TRUSTEES' ANNUAL REPORT

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The charity trustees (who are also the directors of the First Steps (Bath) for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each 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 group for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

FIRST STEPS (BATH)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

TRUSTEES' ANNUAL REPORT

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the auditor is unaware, and
- the trustees, having made enquiries of fellow directors and the auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the board of trustees

AUDITORS

The auditors, Moore, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 21st July 2020 and signed on its behalf on 20th October 2020 by:-



Ken Littlewood - Chair



Sarah Elliott – Company Secretary

FIRST STEPS (BATH)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

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

Opinion

We have audited the financial statements of First Steps Bath Ltd (the 'charitable company') for the year ended 31 March 2020 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 2020 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 the 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you were:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

FIRST STEPS (BATH)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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

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 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, 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of 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 in the course of 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.

FIRST STEPS (BATH)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

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

Responsibilities of trustees (continued)

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.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole 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 on the basis of these financial statements.

Our responsibilities for the audit of the financial statements

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.

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 Moore Chartered Accountants and Statutory Auditors
30 Gay Street
Bath
BA1 2PA

Date: 26/10/2020

FIRST STEPS (BATH)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT)

	Notes	Unrestricted funds £	Designated Fixed Asset Reserve fund £	Restricted funds £	31.3.20 Total funds £	31.3.19 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	23,309	-	25,679	48,988	258,295
Charitable activities						
Charitable	5	1,131,293	-	-	1,131,293	1,029,454
Other trading activities	3	27,148	-	-	27,148	18,984
Investment income	4	573	-	-	573	646
Total		1,182,323	-	25,679	1,208,002	1,307,379
EXPENDITURE ON						
Charitable activities	6	1,159,112	-	50,440	1,209,552	1,082,760
NET						
INCOME/(EXPENDITURE)		23,211	-	(24,761)	(1,550)	224,619
Transfers between funds	17	(848,743)	1,453,791	(605,048)	-	-
Net movement in funds		(825,532)	1,453,791	(629,809)	(1,550)	224,619
RECONCILIATION OF FUNDS						
Total funds brought forward		984,716	-	708,499	1,693,215	1,468,596
TOTAL FUNDS CARRIED FORWARD		159,184	1,453,791	78,690	1,691,665	1,693,215

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


FIRST STEPS (BATH)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

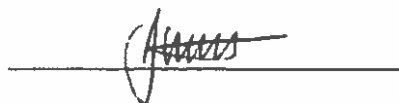
BALANCE SHEET AT 31 MARCH 2020

	Notes	Unrestricted funds £	Designated Fixed Asset Reserve fund £	Restricted funds £	31.3.20 Total funds £	31.3.19 Total funds £
FIXED ASSETS						
Tangible assets	13	-	1,453,791	-	1,453,791	1,482,090
CURRENT ASSETS						
Stocks	14	2,156	-	-	2,156	1,454
Debtors	15	44,177	-	-	44,177	43,694
Cash at bank		189,599	-	78,690	268,289	227,585
		235,932	-	78,690	314,622	272,733
CREDITORS						
Amounts falling due within one year	16	(76,748)	-	-	(76,748)	(61,608)
NET CURRENT ASSETS		<u>159,184</u>	<u>-</u>	<u>78,690</u>	<u>237,874</u>	<u>211,125</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>159,184</u>	<u>1,453,791</u>	<u>78,690</u>	<u>1,691,665</u>	<u>1,693,215</u>
NET ASSETS		<u>159,184</u>	<u>1,453,791</u>	<u>78,690</u>	<u>1,691,665</u>	<u>1,693,215</u>
FUNDS	17					
Unrestricted funds					1,612,975	984,716
Restricted funds					78,690	708,499
TOTAL FUNDS					<u>1,691,665</u>	<u>1,693,215</u>

The financial statements were approved by the Board of Trustees on 21st July 2020 and were signed on its behalf by:



Ken Littlewood - Chair



Sarah Elliott - Company Secretary

FIRST STEPS (BATH)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

STATEMENT OF CASH FLOWS

Notes	31.3.20 £	31.3.19 £
Cash flows from operating activities		
Cash generated from operations 1	<u>48,226</u>	<u>204,049</u>
Net cash provided by operating activities	<u>48,226</u>	<u>204,049</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(8,095)	(727,151)
Interest received	<u>573</u>	<u>646</u>
Net cash used in investing activities	<u>(7,522)</u>	<u>(726,505)</u>
Change in cash and cash equivalents in the reporting period		
Cash and cash equivalents at the beginning of the reporting period	<u>227,585</u>	<u>750,041</u>
Cash and cash equivalents at the end of the reporting period	<u>268,289</u>	<u>227,585</u>

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

	31.3.20 £	31.3.19 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(1,550)	224,619
Adjustments for:		
Depreciation charges	36,393	19,917
Interest received	(573)	(646)
Increase in stocks	(702)	(257)
Increase in debtors	(483)	(7,862)
Increase/(decrease) in creditors	<u>15,141</u>	<u>(31,722)</u>
Net cash provided by operations	<u>48,226</u>	<u>204,049</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.19 £	Cash flow £	At 31.3.20 £
Net cash			
Cash at bank	<u>227,585</u>	<u>40,704</u>	<u>268,289</u>
	<u>227,585</u>	<u>40,704</u>	<u>268,289</u>
Total	<u>227,585</u>	<u>40,704</u>	<u>268,289</u>

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

FIRST STEPS (BATH)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. PRINCIPAL 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

During the period under review and continuing to the date that the Financial Statements were approved, the coronavirus (Covid-19) outbreak has caused extensive disruptions to businesses and economic activities globally.

The trustees have considered the financial resources and commitments of the charity, particularly in light of the coronavirus outbreak, and concluded that they have sufficient resources to meet liabilities as they fall due. The trustees' therefore consider it appropriate to prepare the financial statements on the going concern basis.

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.

FIRST STEPS (BATH)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

PRINCIPAL ACCOUNTING POLICIES (continued)

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.

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.

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.
- Designated fixed asset fund – this is illiquid fixed assets which are used to deliver the charitable objects but which cannot be used for the day to day expenditure and so is ring fenced to allow the true free reserves to be identifiable.
- 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

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

Operating lease agreements

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

FIRST STEPS (BATH)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS

2. DONATIONS AND LEGACIES

	31.3.20	31.3.19
	£	£
Gifts In Kind	-	36,020
Donations and fundraising	41,248	142,497
Grants	7,740	-
BOP Contract	-	79,778
	<u>48,988</u>	<u>258,295</u>

The BOP contract is a specialist service which started in September 2018, offering pre-school education and care for children 0-5 with additional educational and care needs. In taking on the new contract in 2019, the funds of £79k were received from the wind up of the charity that previously provided this service. It has been treated as a donation.

The gift in kind related to goods and services provided free charge in relation to the building of Moorlands Road.

2. DONATIONS AND LEGACIES - continued

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

	31.3.20	31.3.19
	£	£
Capital grants	<u>7,740</u>	<u>-</u>

The capital grant relates to the Moorland Road Garden project.

3. OTHER TRADING ACTIVITIES

	31.3.20	31.3.19
	£	£
Community lettings	26,794	18,505
Training income	176	194
Misc Income	178	285
	<u>27,148</u>	<u>18,984</u>

4. INVESTMENT INCOME

	31.3.20	31.3.19
	£	£
Deposit account interest	<u>573</u>	<u>646</u>

FIRST STEPS (BATH)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS

5. INCOME FROM CHARITABLE ACTIVITIES

	31.3.20	31.3.19
	Charitable	Total
	£	£
Incoming Resources	<u>1,131,293</u>	<u>1,029,454</u>

	Unrestricted Funds	Restricted Funds	Total 2020	Total 2019
	£	£	£	£
Bath & North East Somerset Council:				
Children's Centre Contract Funding	-	-	-	149,563
BOP	200,000	-	200,000	-
Social Services: CHIF	63,931	-	63,931	37,956
Other grant funding	1,350	-	1,350	-
Other revenue funding	6,055	-	6,055	2,660
Total Revenue Funding	271,336	-	271,336	190,179
Nursery Fees & Related Funding:				
Early Years Entitlement	442,604	-	442,604	445,877
Nursery fees charged to parents	397,689	-	397,689	375,696
Early Years Pupil Premium	19,664	-	19,664	17,702
	859,957	-	859,957	839,279
Total Income from charitable activities	1,131,293	-	1,131,293	1,029,454

Comparative

	Unrestricted Funds	Restricted Funds	Total 2019
	£	£	£
Bath & North East Somerset Council:			
Children's Centre Contract Funding	149,563	-	149,563
Notional Rent - Moorlands/Weston Centre	-	-	-
Social Services: CHIF & IPAS	37,956	-	37,956
Other grant funding	-	-	-
Other revenue funding	2,660	-	2,660
Total Revenue Funding	190,179	-	190,179
Nursery Fees & Related Funding:			
Early Years Entitlement	445,877	-	445,877
Nursery fees charged to parents	375,696	-	375,696
Milk grants	-	-	-
Early Years Pupil Premium	17,702	-	17,702
Other Income from activities	-	-	-
	839,275	-	839,275
Total Income from charitable activities	1,029,454	-	1,029,454

FIRST STEPS (BATH)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 7) £	Totals £
Charitable	<u>1,201,649</u>	<u>7,903</u>	<u>1,209,552</u>

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Direct Costs:				
Employment costs	928,734	-	928,734	827,554
Catering costs	45,857	-	45,857	54,234
Staff costs (training costs, expenses etc.)	9,624	-	9,624	10,154
Value of subsidies granted to parents	-	-	-	2,536
Special Projects: Direct Costs	9,440	32,142	41,582	39,445
Service costs	19,918	-	19,918	18,708
Bad debts - fees written off.	1,250	-	1,250	-
Total Direct Costs	1,014,823	32,142	1,046,965	952,631
Overheads:				
Premises costs	74,302	-	74,302	56,349
Administrative costs	24,363	-	24,363	22,862
Information Technology costs	19,626	-	19,626	23,496
Depreciation charges	18,093	18,300	36,393	19,917
Total Overhead Costs	136,384	18,300	154,684	122,624
Total Costs of Charitable activities	1,151,207	50,442	1,201,649	1,075,255

FIRST STEPS (BATH)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS

6. CHARITABLE ACTIVITIES COSTS

Comparative

	Unrestricted Funds	Restricted Funds	Total 2019
	£	£	£
Direct Costs:			
Employment costs	827,554	-	827,554
Catering costs	54,234	-	54,234
Staff costs (training costs, expenses etc.)	10,154	-	10,154
Value of subsidies granted to parents	-	2,536	2,536
Special Projects: Direct Costs	18,515	20,930	39,445
Service costs	18,708	-	18,708
Bad debts - fees written off.	-	-	-
Total Direct Costs	929,165	23,466	952,631
Overheads:			
Premises costs	56,349	-	56,349
Administrative costs	22,862	-	22,862
Information Technology costs	23,496	-	23,496
Depreciation charges	1,617	18,300	19,917
BOP	-	-	-
Total Overhead Costs	104,324	18,300	122,624
Total Costs of Charitable activities	1,033,489	41,766	1,075,255

FIRST STEPS (BATH)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS

7. SUPPORT COSTS

	Finance	Governance	Totals
	£	costs	£
	£	£	£
Charitable	<u>2,353</u>	<u>5,550</u>	<u>7,903</u>

8. NET INCOME/(EXPENDITURE)

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

	31.3.20	31.3.19
	£	£
Auditors' remuneration	5,550	5,750
Depreciation - owned assets	36,394	20,864
Other operating leases	<u>6,845</u>	<u>3,368</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustee's remuneration or other benefits for the year ended 31 March 2020 nor for the year ended 31 March 2019.

No remuneration or expenses were paid during the year to any of the trustees (2019:£Nil). Two Trustees have children in a children's centre nursery, they paid the full rate for all services used and so received no benefit as result of their role as Trustees.

10. STAFF COSTS

	31.3.20	31.3.19
	£	£
Wages and salaries	849,260	757,926
Social security costs	44,075	42,811
Other pension costs	<u>35,400</u>	<u>26,817</u>
	<u>928,735</u>	<u>827,554</u>

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

	31.3.20	31.3.19
Delivery of Children's & Family Services	40	36
Management and Administration	<u>4</u>	<u>4</u>
	<u>44</u>	<u>40</u>

FIRST STEPS (BATH)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS

10. STAFF COSTS - continued

No employees received emoluments in excess of £60,000

The key management personnel of the charity comprise of the trustees, Chief Executive Office, Finance and Administration Manager, and Children's Services Managers for Twerton, Moorlands and BOP. The total employee benefits of the key management personnel of the Trust were £155,989. (2019; £163,054).

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	53,982	204,313	258,295
Charitable activities			
Charitable	1,029,454	-	1,029,454
Other trading activities	18,984	-	18,984
Investment income	646	-	646
Total	1,103,066	204,313	1,307,379
EXPENDITURE ON			
Charitable activities			
Charitable	1,040,993	41,767	1,082,760
NET INCOME	62,073	162,546	224,619
RECONCILIATION OF FUNDS			
Total funds brought forward	922,643	545,953	1,468,596
TOTAL FUNDS CARRIED FORWARD	984,716	708,499	1,693,215

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)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS

13. TANGIBLE FIXED ASSETS

	Leasehold Property £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 April 2019	1,716,793	108,577	10,261	1,835,631
Additions	<u>5,161</u>	<u>2,934</u>	<u>-</u>	<u>8,095</u>
At 31 March 2020	<u>1,721,954</u>	<u>111,511</u>	<u>10,261</u>	<u>1,843,726</u>
DEPRECIATION				
At 1 April 2019	240,269	108,577	4,695	353,541
Charge for year	<u>33,830</u>	<u>-</u>	<u>2,564</u>	<u>36,394</u>
At 31 March 2020	<u>274,099</u>	<u>108,577</u>	<u>7,259</u>	<u>389,935</u>
NET BOOK VALUE				
At 31 March 2020	<u>1,447,855</u>	<u>2,934</u>	<u>3,002</u>	<u>1,453,791</u>
At 31 March 2019	<u>1,476,524</u>	<u>-</u>	<u>5,566</u>	<u>1,482,090</u>

14. STOCKS

	31.3.20 £	31.3.19 £
Stocks	<u>2,155</u>	<u>1,454</u>

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.20 £	31.3.19 £
Trade debtors	35,771	37,353
Prepayments and accrued income	<u>8,405</u>	<u>6,341</u>
	<u>44,177</u>	<u>43,694</u>

FIRST STEPS (BATH)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.20	31.3.19
	£	£
Trade creditors	12,738	3,323
Social security and other taxes	17,021	14,087
Other creditors	31,989	29,198
Accruals and deferred income	<u>15,000</u>	<u>15,000</u>
	<u>76,748</u>	<u>61,608</u>

17. MOVEMENT IN FUNDS

	At 1.4.19	Net movement in funds	Transfers between funds	At 31.3.20
	£	£	£	£
Unrestricted funds				
General fund	984,716	23,211	(848,743)	159,184
Designated Fixed Asset Reserve	-	-	<u>1,453,791</u>	<u>1,453,791</u>
	<u>984,716</u>	<u>23,211</u>	<u>605,048</u>	<u>1,612,975</u>
Restricted funds				
Revenue funds				
Trips & Events	4,216	(4,216)	-	-
BOP	84,298	(6,606)	-	77,692
Leadership Learning	1,281	(1,281)	-	-
Partnership With Parents	-	518	-	518
Moorlands Decoration	-	480	-	480
Total Revenue funds	89,795	(11,105)	-	78,690
Capital funds				
Woodhouse Road	312,070	(9,773)	(302,297)	-
Moorlands - Miscellaneous grants	1,652	(1,532)	(120)	-
DFES Early Excellence	127,088	(4,455)	(122,633)	-
New Opportunities Fund	70,823	(2,483)	(68,340)	-
Awards for All Funding	1,620	(57)	(1,563)	-
Moorlands Garden	26,500	4,644	(31,144)	-
Moorlands Rebuild	78,951	-	(78,951)	-
Total Capital funds	618,704	(13,656)	(605,048)	-
Total Restricted Funds	708,499	(24,761)	(605,048)	78,690
TOTAL FUNDS	<u>1,693,215</u>	<u>(1,550)</u>	-	<u>1,691,665</u>

FIRST STEPS (BATH)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS

17. 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	1,182,323	(1,159,112)	23,211
Restricted funds			
Revenue funds			
Trips & Events	3,000	(7,216)	(4,216)
Subsidised Meals	11,950	(11,950)	-
BOP	-	(6,606)	(6,606)
Leadership Learning	-	(1,281)	(1,281)
Partnership With Parents	1,339	(821)	518
Outside Play	1,000	(1,000)	-
Moorlands Decoration	650	(170)	480
Total Revenue funds	17,939	(29,044)	(11,105)
Capital funds			
Woodhouse Road	-	(9,773)	(9,773)
Moorlands - Miscellaneous grants	-	(1,532)	(1,532)
DFES Early Excellence	-	(4,455)	(4,455)
New Opportunities Fund	-	(2,483)	(2,483)
Awards for All Funding	-	(57)	(57)
Moorlands Garden	7,740	(3,095)	4,644
Total Capital funds	7,740	(21,396)	(13,656)
Total Restricted Funds	25,679	(50,440)	(24,761)
TOTAL FUNDS	1,208,002	(1,209,552)	(1,550)

FIRST STEPS (BATH)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS

17. MOVEMENT IN FUNDS - continued

The funds of the charity include restricted funds comprising of the following donations and grants

Revenue Funding

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

- **Free Meals** – to fund a meals for children from low income families
- **Trips and Events** – to fund specific trips and events for children
- **Outside Play** – funds to improve outside play
- **Partnership with Parents** – to fund resources and groups for parents to support home learning.
- **Sound Improvement to Internal Environment** – to fund window coverings to reduce sound in rooms.
- **Moorlands Decoration** – to fund internal decoration such as curtains

Transfers between funds and the creation of a Designated Fixed Asset Reserve Fund

As part of the Trustees' ongoing consideration of reserves, a detailed review has been undertaken to assess the presentation of designated funds relating to fixed assets previously listed within both restricted and unrestricted funds.

The trustees decided that a clearer indication of available free reserves to be used for working capital would provide more clarity for the users of these financial statements. The creation of a designated fixed asset reserve fund and the transfer of £1.4m between the funds shown above include this necessary adjustment. The Trustees have given due consideration to the guidance within section 2.12 of the Charities Statement of Recommended Practice (SORP 2019) in making this decision.

FIRST STEPS (BATH)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS

17. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.18 £	Net movement in funds £	At 31.3.19 £
Unrestricted funds			
General fund	922,643	62,073	984,716
Restricted funds			
Revenue funds			
Trips & Events	3,216	1,000	4,216
Subsidised Meals	1,536	(1,536)	-
Quartet Foundation	3,075	(3,075)	-
Twerton Garden Mound	6,573	(6,573)	-
BOP	-	84,298	84,298
Leadership Learning	-	1,281	1,281
Total Revenue funds	14,400	75,395	89,795
Capital funds			
Woodhouse Road	321,843	(9,773)	312,070
Moorlands - Miscellaneous grants	3,184	(1,532)	1,652
DFES Early Excellence	131,543	(4,455)	127,088
New Opportunities Fund	73,306	(2,483)	70,823
Awards for All Funding	1,677	(57)	1,620
Moorlands Garden	-	26,500	26,500
Moorlands Rebuild	-	78,951	78,951
Total Capital funds	531,553	87,151	618,704
Total Restricted funds	545,953	162,546	708,499
TOTAL FUNDS	<u>1,468,596</u>	<u>224,619</u>	<u>1,693,215</u>

FIRST STEPS (BATH)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS

17. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,103,066	(1,040,993)	62,073
Restricted funds			
Revenue funds			
Trips & Events	1,000	-	1,000
Subsidised Meals	1,000	(2,536)	(1,536)
Quartet Foundation	-	(3,075)	(3,075)
Twerton Garden Mound	11,000	(17,573)	(6,573)
BOP	84,298	-	84,298
Leadership Learning	1,564	(283)	1,281
Total Revenue funds	98,862	(23,467)	75,395
Capital funds			
Woodhouse Road	-	(9,773)	(9,773)
Moorlands - Miscellaneous grants	-	(1,532)	(1,532)
DFES Early Excellence	-	(4,455)	(4,455)
New Opportunities Fund	-	(2,483)	(2,483)
Awards for All Funding	-	(57)	(57)
Moorlands Garden	26,500	-	26,500
Moorlands Rebuild	78,951	-	78,951
Total Capital funds	105,451	(18,300)	87,151
Total Restricted funds	204,313	(41,767)	162,546
TOTAL FUNDS	1,307,379	(1,082,760)	224,619

FIRST STEPS (BATH)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS

17. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.18 £	Net movement in funds £	Transfers between funds £	At 31.3.20 £
Unrestricted funds				
General fund	922,643	85,284	(848,743)	159,184
Designated Fixed Asset Reserve	-	-	1,453,791	1,453,791
	<u>922,643</u>	<u>85,284</u>	<u>605,048</u>	<u>1,612,975</u>
Restricted funds				
Revenue funds				
Trips & Events	3,216	(3,216)	-	-
Subsidised Meals	1,536	(1,536)	-	-
Quartet Foundation	3,075	(3,075)	-	-
Twerton Garden Mound	6,573	(6,573)	-	-
BOP	-	77,692	-	77,692
Partnership With Parents	-	518	-	518
Moorlands Decoration	-	480	-	480
Total Revenue funds	<u>14,400</u>	<u>64,290</u>	<u>-</u>	<u>78,690</u>
Capital funds				
Woodhouse Road	321,843	(19,546)	(302,297)	-
Moorlands - Miscellaneous grants	3,184	(3,064)	(120)	-
DFES Early Excellence	131,543	(8,910)	(122,633)	-
New Opportunities Fund	73,306	(4,966)	(68,340)	-
Awards for All Funding	1,677	(114)	(1,563)	-
Moorlands Garden	-	31,144	(31,144)	-
Moorlands Rebuild	-	78,951	(78,951)	-
Total Capital funds	<u>531,553</u>	<u>73,495</u>	<u>(605,048)</u>	<u>-</u>
Total Restricted Funds	<u>545,953</u>	<u>137,785</u>	<u>(605,048)</u>	<u>78,690</u>
TOTAL FUNDS	<u>1,468,596</u>	<u>223,069</u>	<u>-</u>	<u>1,691,665</u>

FIRST STEPS (BATH)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS

17. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,285,389	(2,200,105)	85,284
Restricted funds			
Revenue funds			
Trips & Events	4,000	(7,216)	(3,216)
Subsidised Meals	12,950	(14,486)	(1,536)
Quartet Foundation	-	(3,075)	(3,075)
Twerton Garden Mound	11,000	(17,573)	(6,573)
BOP	84,298	(6,606)	77,692
Leadership Learning	1,564	(1,564)	-
Partnership With Parents	1,339	(821)	518
Outside Play	1,000	(1,000)	-
Moorlands Decoration	650	(170)	480
Total Revenue funds	116,801	(52,511)	64,290
Capital funds			
Woodhouse Road	-	(19,546)	(19,546)
Moorlands - Miscellaneous grants	-	(3,064)	(3,064)
DFES Early Excellence	-	(8,910)	(8,910)
New Opportunities Fund	-	(4,966)	(4,966)
Awards for All Funding	-	(114)	(114)
Moorlands Garden	34,240	(3,096)	31,144
Moorlands Rebuild	78,951	-	78,951
Total Capital funds	113,191	(39,696)	73,495
Total Restricted Funds	229,992	(92,207)	137,785
TOTAL FUNDS	2,515,381	(2,292,312)	223,069

FIRST STEPS (BATH)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS

18 LEASING AGREEMENTS

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

	31.3.20	31.3.19
	£	£
Within one year	742	742
Between one and five years	<u>742</u>	<u>1,421</u>
	<u>1,484</u>	<u>2,163</u>

19. PENSION COSTS

The charity is a member of The Pension Trust's Defined Contribution Pension Scheme. Contributions made by the charity amounted to £35,400 (2019: £26,817).

Year-end contributions outstanding amounted to £5,975 (2019 : £4,645).

20. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

At 31 March 2020 there were no capital commitments or contingent liabilities (2019 - none).

21. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2020.

