

REGISTERED COMPANY NUMBER: 05885935 (England and Wales)
REGISTERED CHARITY NUMBER: 1142554

Report of the Trustees and
Unaudited Financial Statements for the Year
Ended 31 July 2019
for
First Step Pre-school Ltd

Stanley Joseph Limited
Chartered Accountants
Suite 1
Liberty House
South Liberty Lane
Bristol
BS3 2ST

First Step Pre-school Ltd
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for the Year Ended 31 July 2019

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First Step Pre-school Ltd
Report of the Trustees
for the Year Ended 31 July 2019

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 July 2019. 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 2015).

OBJECTIVES AND ACTIVITIES

Principle activity and objects of the charity

The principal activity and object of the company and charity, in the period under review, was to advance the education of children below compulsory school age.

Public benefit

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

First step pre-school has been educating children and benefitting the community of Thornbury for the last thirty years. We welcome all children in the local community from every background.

Our work with children from 2 years to school age means we help children learn and develop important social skills they will take with them into school and beyond. We lay important foundations in skills such as turn taking, staying safe, communication and language development, teamwork and conflict resolution. All these skills enable our children to be a responsible member of their local community.

Our work means we work closely with the local primary schools. This work is of benefit to our children and to the schools themselves as well as the wider community.

ACHIEVEMENT AND PERFORMANCE

Achievements, performance and financial review of the charity

The charity has continued to provide pre-school sessions for children from two to five years old as outlined above.

The Committee Members have continued to give their time to support the running of the pre-school. The Directors would like to thank everyone who gave their time and supported the fundraising activities and events carried out by the Charity in the year.

Income totalled £187,153 (2018: £157,511) and the total expenditure was £178,075 (2018: £153,519) resulting in a surplus of £9,078 (2018: £3,992 surplus) for the year. These funds have been applied to the objects of the charity. The financial position at the end of the year was such that the charity had sufficient liquid funds to cover its liabilities.

The directors are confident that the charity will continue to further achieve its objectives in future years.

First Step Pre-school Ltd
Report of the Trustees
for the Year Ended 31 July 2019
FINANCIAL REVIEW

Reserves policy

In line with guidance issued by the Charity Commission, the Trustees have reviewed the charity's need for reserves. The balance of reserves in the general account stands at £33,459 (2018: £28,976).

The funds held by First Step Pre-school fall into three categories:

Restricted Funds

Money received through grants or specific fundraising are restricted funds and can only legally be used for the particular purpose or project that the donor provided them for. Restricted funds will need to be accounted for separately to ensure that they are not accidentally used for another purpose. Occasionally, there is a time lag between the receipt of these funds and the related expenditure, thereby resulting in Pre-school holding the funds until payment is made.

Unrestricted Funds

Funds received from other sources of income (for example, payments for childcare places, or general fundraising), will generally be unrestricted funds and may be used as and when required, as costs become due. From the unrestricted funds we have set aside some money, called designated funds for specific purposes outlined in the section below. Any remaining funds are our reserves or working capital, which are freely available to spend on any of the charity's activities.

Income levels vary during the year, but expenditure levels remain relatively constant throughout. Income is at its lowest during the autumn term rising during the spring to its highest level in the summer term, this is due to the availability of grant funding. The Trustees consider it prudent that between 2 and 3 months administration and supports costs should be kept in reserve. This level will ensure we have adequate resources to cover our outgoings whilst income is at its lowest level during the autumn term and to provide a suitable level of protection against delayed or late payments. The trustees will monitor and review this reserve level with reference to income forecasts and changes in funding on an annual basis to ensure that it continues to meet the needs of the Pre-school and that it is balanced with our responsibility to spend our income on promoting our charitable objectives.

Designated funds are amounts specifically excluded from being used to meet the day-to-day running costs of the Pre-school. Designated Funds currently held:

1. General fundraising: these funds are spent at the discretion of the trustees to provide additional resources or pay for special events outside the normal running costs of the preschool.
2. Freehold property repair and replacement: to cover repair and/or eventual replacement of the portable building at Christ the King School which does not have a "long" life. If required, this fund may also cover the cost of renegotiating the lease for the Christ the King site. This fund is built up by regular transfers from working capital.
3. Crossways building fund and sinking fund: The building fund is the remaining money from the new building at Crossways and will be used to cover larger scale costs at Crossways. The sinking fund is to cover costs not borne by South Gloucestershire Council in provision of the leased Crossways building, or to meet any costs associated with negotiating Crossways lease rent reviews. The establishment of this fund forms part of the lease agreement and is built up by regular transfers from working capital until a cap is reached as determined by the lease agreement.

First Step Pre-school Ltd
Report of the Trustees
for the Year Ended 31 July 2019
FINANCIAL REVIEW

Reserves policy

The Trustees will review this reserve level on an annual basis to ensure that it continues to meet the needs of the Pre-school this is done in the budget setting.

The Charity's bank accounts are interest-bearing. Restricted and Designated Funds are placed in deposit accounts until required.

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

Registered Company number

05885935 (England and Wales)

Registered Charity number

1142554

Registered office

Christ the King School
Easton Hill Road
Thornbury
South Gloucs
BS35 1AX

Trustees

G R Chappell	Chair	- resigned 15.5.19
K M Coates	Minutes Secretary	- resigned 20.11.19
C L Dean	Vice Chair	- resigned 8.5.19
G V Seamark	Treasurer	
C A Taylor	Vice Chair	- resigned 20.11.19
J Spence	Chair	- appointed 15.5.19
R Wheeler	Vice Chair	- appointed 20.11.19

Independent examiner

Stanley Joseph Limited
Chartered Accountants
Suite 1
Liberty House
South Liberty Lane
Bristol
BS3 2ST

MANAGEMENT AND GOVERNANCE

Trustees for the Charity, also Directors of the company, are elected each year at the Annual General Meeting and are known as 'the committee'. Candidates are proposed and seconded by the AGM attendees; election is by a show of hands or a written vote.

First Step Pre-school Ltd
Report of the Trustees
for the Year Ended 31 July 2019

The committee meets about 6 times per year.

Approved by order of the board of trustees on 20 December 2019 and signed on its behalf by:

G V Seamark - Trustee

Independent Examiner's Report to the Trustees of
First Step Pre-school Ltd

Independent examiner's report to the trustees of First Step Pre-school Ltd ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 July 2019.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached

Independent Examiner's Report to the Trustees of
First Step Pre-school Ltd

Philip Helps
Institute of Chartered Accountants in England and Wales
Stanley Joseph Limited
Chartered Accountants
Suite 1
Liberty House
South Liberty Lane
Bristol
BS3 2ST

24 December 2019

First Step Pre-school Ltd
Statement of Financial Activities
for the Year Ended 31 July 2019

		Unrestricted funds £	Restricted fund £	31.7.19 Total funds £	31.7.18 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Charitable activities		183,163	-	183,163	147,526
Donations and legacies	2	3,938	-	3,938	9,979
Investment income	3	52	-	52	6
Total		<u>187,153</u>	<u>-</u>	<u>187,153</u>	<u>157,511</u>
EXPENDITURE ON					
Charitable activities					
Charitable activities		175,090	-	175,090	149,040
Other		2,985	-	2,985	4,479
Total		<u>178,075</u>	<u>-</u>	<u>178,075</u>	<u>153,519</u>
NET INCOME		9,078	-	9,078	3,992
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>83,437</u>	<u>-</u>	<u>83,437</u>	<u>79,445</u>
TOTAL FUNDS CARRIED FORWARD		<u>92,515</u>	<u>-</u>	<u>92,515</u>	<u>83,437</u>

First Step Pre-school Ltd
Statement of Financial Position
At 31 July 2019

	Notes	Unrestricted funds £	Restricted fund £	31.7.19 Total funds £	31.7.18 Total funds £
FIXED ASSETS					
Tangible assets	8	24,000	-	24,000	27,000
CURRENT ASSETS					
Debtors	9	352	-	352	-
Cash at bank and in hand		<u>76,011</u>	<u>-</u>	<u>76,011</u>	<u>65,858</u>
		76,363	-	76,363	65,858
CREDITORS					
Amounts falling due within one year	10	(7,848)	-	(7,848)	(9,421)
NET CURRENT ASSETS		<u>68,515</u>	<u>-</u>	<u>68,515</u>	<u>56,437</u>
TOTAL ASSETS LESS CURRENT					
LIABILITIES		<u>92,515</u>	<u>-</u>	<u>92,515</u>	<u>83,437</u>
NET ASSETS		<u>92,515</u>	<u>-</u>	<u>92,515</u>	<u>83,437</u>
FUNDS	11				
Unrestricted funds				92,515	83,437
Restricted funds				-	-
TOTAL FUNDS				<u>92,515</u>	<u>83,437</u>

First Step Pre-school Ltd
Statement of Financial Position - continued

At 31 July 2019

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 July 2019.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 July 2019 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in
- (b) accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees on 20 December 2019 and were signed on its behalf by:

G V Seamark -Trustee

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

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 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Portable buildings - 10% on cost

Taxation

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

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the Trustee's Report.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

2. DONATIONS AND LEGACIES

	31.7.19	31.7.18
	£	£
Fundraising events	1,722	2,667
Sundry income	<u>2,216</u>	<u>7,312</u>
	<u>3,938</u>	<u>9,979</u>

3. INVESTMENT INCOME

	31.7.19	31.7.18
	£	£
Deposit account interest	<u>52</u>	<u>6</u>

4. NET INCOME/(EXPENDITURE)

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

	31.7.19	31.7.18
	£	£
Depreciation - owned assets	<u>3,000</u>	<u>3,000</u>

5. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 July 2019 nor for the year ended 31 July 2018.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 July 2019 nor for the year ended 31 July 2018.

6. STAFF COSTS

The average monthly number of employees during both the current and prior year was 18.

No employees received emoluments in excess of £60,000 in the current or prior year

7. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Charitable activities	147,526	-	147,526
Donations and legacies	9,979	-	9,979
Investment income	6	-	6
Total	157,511	-	157,511
EXPENDITURE ON			
Charitable activities			
Charitable activities	149,040	-	149,040
Other	3,721	758	4,479
Total	152,761	758	153,519
NET INCOME	4,750	(758)	3,992
RECONCILIATION OF FUNDS			
Total funds brought forward	78,687	758	79,445
TOTAL FUNDS CARRIED FORWARD	83,437	-	83,437

8. TANGIBLE FIXED ASSETS

	Freehold property £
COST	
At 1 August 2018 and 31 July 2019	<u>30,000</u>
DEPRECIATION	
At 1 August 2018	3,000
Charge for year	<u>3,000</u>
At 31 July 2019	<u>6,000</u>
NET BOOK VALUE	
At 31 July 2019	<u>24,000</u>
At 31 July 2018	<u>27,000</u>

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.19 £	31.7.18 £
Trade debtors	<u>352</u>	<u>-</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.19 £	31.7.18 £
Accrued expenses	<u>7,848</u>	<u>9,421</u>

11. MOVEMENT IN FUNDS

	At 1.8.18 £	Net movement in funds £	Transfers between funds £	At 31.7.19 £
Unrestricted funds				
General fund	28,976	13,083	(8,600)	33,459
Designated funds	27,461	(1,005)	8,600	35,056
Property funds	<u>27,000</u>	<u>(3,000)</u>	<u>-</u>	<u>24,000</u>
	83,437	9,078	-	92,515
TOTAL FUNDS	<u>83,437</u>	<u>9,078</u>	<u>-</u>	<u>92,515</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	182,513	(169,430)	13,083
Designated funds	4,640	(5,645)	(1,005)
Property funds	<u>-</u>	<u>(3,000)</u>	<u>(3,000)</u>
	187,153	(178,075)	9,078
TOTAL FUNDS	<u>187,153</u>	<u>(178,075)</u>	<u>9,078</u>

11. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.8.17 £	Net movement in funds £	Transfers between funds £	At 31.7.18 £
Unrestricted Funds				
General fund	27,472	(467)	1,971	28,976
Designated funds	21,215	8,217	(1,971)	27,461
Property funds	30,000	(3,000)	-	27,000
	<u>78,687</u>	<u>4,750</u>	<u>-</u>	<u>83,437</u>
Restricted Funds				
Restricted funds	758	(758)	-	-
TOTAL FUNDS	<u>79,445</u>	<u>3,992</u>	<u>-</u>	<u>83,437</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	147,573	(148,040)	(467)
Designated funds	9,938	(1,721)	8,217
Property funds	-	(3,000)	(3,000)
	<u>157,511</u>	<u>(152,761)</u>	<u>4,750</u>
Restricted funds			
Restricted funds	-	(758)	(758)
TOTAL FUNDS	<u>157,511</u>	<u>(153,519)</u>	<u>3,992</u>

11. MOVEMENT IN FUNDS - continued

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

	At 1.8.17 £	Net movement in funds £	Transfers between funds £	At 31.7.19 £
Unrestricted funds				
General fund	27,472	12,616	(6,629)	33,459
Designated funds	21,215	7,212	6,629	35,056
Property funds	30,000	(6,000)	-	24,000
Restricted funds				
Restricted funds	758	(758)	-	-
TOTAL FUNDS	<u>79,445</u>	<u>13,070</u>	<u>-</u>	<u>92,515</u>

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	330,086	(317,470)	12,616
Designated funds	14,578	(7,366)	7,212
Property funds	-	(6,000)	(6,000)
	<u>344,664</u>	<u>(330,836)</u>	<u>13,828</u>
Restricted funds			
Restricted funds	-	(758)	(758)
TOTAL FUNDS	<u>344,664</u>	<u>(331,594)</u>	<u>13,070</u>

12. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 July 2019 or for the year ended 31 July 2018.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.