

REGISTERED COMPANY NUMBER: SC086932
REGISTERED CHARITY NUMBER: SC003725

**REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
FOR
EARLY YEARS SCOTLAND**

Martin Aitken & Co Ltd
Statutory Auditor
Chartered Accountants
Caledonia House
89 Seaward Street
Glasgow
G41 1HJ



EARLY YEARS SCOTLAND

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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 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 March 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

Objectives and aims

Early Years Scotland is committed to providing the very best start in life for each and every child in Scotland. We are Scotland's principal national organisation that is dedicated to, and has a strong specialism in, the early years of children's lives, from birth to five.

We have high expectations of, and aspirations for, each and every child, believing them to be naturally curious and creative, as well as extremely competent, capable thinkers and learners.

Our services aim to strengthen and improve confidence, attachment, interactions, shared learning, the home learning environment, and attainment.

All of our early years staff, from the practitioners working directly with families, to the Service Managers who plan and manage our services, and our senior leaders overseeing the strategic direction of the organisation, are fully qualified early years professionals with a strong track record in Early Learning and Childcare policy and practice.

Our key responsibility is to listen to and take account of the views, preferences and needs of children and their families. We work closely with children, parents, carers and the workforce, to support them to remove the barriers of inequality, so that children are loved, nurtured, ambitious, and have a fair start, growing to realise both their potential and their aspirations.

Mission, Vision, Aspiration, Values and Strategic Objectives

Early Years Scotland's high level statements were reviewed and amended in 2016.

Mission

Early Years Scotland is the national leading organisation that invests in our youngest children pre-birth to 5. We deliver and support high quality Early Learning and Childcare for children and families across Scotland.

Vision

We will be the clear choice as the 'one-stop shop' offering help and advice for organisations and professionals providing, promoting or supporting high quality Early Learning and Childcare.

We will provide high quality services predominantly for children and families experiencing disadvantage through our distinctive Early Years Scotland brand of family-focused Early Learning and Childcare.

We will be, and will be recognised as, a leading advocate for children in Early Learning and Childcare across Scotland. We will have established a significantly improved position with regard to increased membership, number of local authority funding partnerships and other funding streams, to ensure that we can provide support to children, their families and to the sector.

Aspiration

We aspire to see a Scotland where every baby and young child's life chances are enriched by high quality Early Learning and Childcare which is affordable, accessible and in accordance with individual preference and need.

Values

We believe that it is our organisational responsibility to support everyone who is engaged, directly or indirectly, in the provision of Early Learning and Childcare for Scotland's youngest children. We believe our specialist expertise places us in a strong position to ensure that all children can have the very best start in life leading to a better future.

We consider everything that we do must be of the highest quality and in collaboration with our partners. In so doing, we endeavour to be exceptional partners who are open, transparent and always deliver in accordance with all commitments we make.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2019**

Values

Our determination to achieve our objectives and continue to improve, means that we always strive for the highest standards to ensure that our contributions impact positively on the life chances of young children and their families.

We focus our collective organisational efforts solely on benefiting Scotland's youngest children. As we develop and flourish together, we will become increasingly an organisation that staff feel ownership of, are proud to be part of, and where people want to work, participate and contribute to the early years landscape.

Strategic Objectives

Strategic Objective 1: Working with Children and their Parents

We will tackle the attainment gap by providing direct support for 4000 children through an Early Years Scotland brand of family-focused Early Learning and Childcare.

Strategic Objective 2: Membership and Support for the Early Learning and Childcare Sector

We will build capacity across the expanding Early Learning and Childcare sector by increasing our Development and Support Service by 150 Early Learning and Childcare settings, and by increasing our total membership by 600 members to ensure Scotland's children benefit from high quality Early Learning and Childcare experiences.

Strategic Objective 3: Professional Learning for the Workforce

We will develop, design and deliver a new professional learning framework by securing an additional 15 new contracts to ensure Scotland's youngest children benefit from high quality Early Learning and Childcare experiences provided by a highly skilled workforce.

Strategic Objective 4: Advocacy and Advisory services relating to legislation, policy and practice

We will be recognised as the 'go-to' early years organisation through delivery of both our advisory and advocacy role for children and their families, and our members with regard to all legislation, policy and practice concerning young children, to ensure that Scotland's children have the best start in life.

Strategic Objective 5: Quality Assurance and Improvement

We will have in place an established process for improving quality in all aspects of our organisation to ensure that our contributions to improving the life chances of young children and their families are of the highest standards.

Strategic Objective 6: Funding

We will improve and extend our support for Scotland's youngest children by increasing our income by 25% through a variety of funding streams.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Achievements: 2018-19

As can be seen by this report, Early Years Scotland has been dynamic and resourceful in the last year, building and extending our provision of services to support children, families and the early years workforce across the country.

We have continued to go from strength to strength developing and improving relationships, services, systems and partnerships.

The Board of Trustees as always, have been extremely active and supportive as we continue to gather momentum and become known as Scotland's main 'go-to' early years specialist professional third sector organisation.

Delivery of services working with children and families together

Our range of **Stay Play and Learn** two generational services have continued to develop and become well known across the country. Our qualified Early Years Practitioners aim to work with children and families to reduce the disadvantage gap by strengthening and improving confidence, attachments, interactions, shared learning and attainment.

Throughout the year, our professional staff have delivered these very supportive and impactful services across a variety of local community settings including schools, community and church halls, nurseries, family homes and in prisons. Our unique 2 Stay Play and Learn service continues to thrive and flourish and supports families with an eligible 2 year old, so come and stay, play and learn with the support of our early years qualified staff team.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2019**

Delivery of Advocacy and Advisory services relating to legislation, policy and practice

As Early Years Scotland (EYS) is a membership and service delivery organisation, we have continued to ensure that we recognise our responsibility to make certain that our children's and members' voices are represented at local and national level. A significant strand of our work therefore has been rooted in informing, influencing, supporting and challenging early years legislation, policy and practice.

EYS has continued to play an ever-increasing prominent role at national level, in contributing to and advising on, policy and guidance. This has taken the form mainly through our membership of key working and advisory groups. The remit of most of the groups relates to the unprecedented planned expansion of funded entitlement of Early Learning and Childcare for all 3 and 4 year olds and eligible 2 year olds. We have also contributed substantially to the policy process by engaging with and submitting organisational responses to a number of high level consultations.

The EYS Staff Consultation Committee has gone from strength to strength with regular meetings and all staff views and voices being heard and represented. This new organisational model to date has proven to be a tremendous success and has led to greater harmony and consensus with regard to staffing matters and decision-making (where relevant) throughout.

With regard to funding, despite many cutbacks across the country, we were awarded most of the local authority funding which we had in the previous year, and we were also awarded some additional funding from a number of sources. We increased the number of prisons we work in from 3 to 6 and we look forward to increasing this number again next year.

EYS Membership 2018/19

Over the reporting year, we had a total number of 1013 members.

Overall, we are still seeing a steady increase in independent ELC provider members, and a decrease in ELC voluntary settings. This is reflective of the sector as a whole, where voluntary settings are finding sustainability more challenging and independent providers are seeking more support to survive the changing (and indeed expanding) climate.

Membership Developments for this reporting period also include the following:

- The introduction of a new tailor-made **Childminder** category;
- Increased range of **Membership Information Sessions** within more Local Authorities.

Membership Profile 2018/19

Local Authority Early Learning and Childcare Settings	76
Voluntary Early Learning and Childcare Settings	250
Private Early Learning and Childcare Settings	175
Combined (ELC & P&T)	52
Parent and Toddler	221
Student (Individual)	13
Practitioner (Individual)	85
Friend of EYS (Individual)	1
Staff (EYS)	55
Board (EYS)	10
Local Authority	5
Voluntary Sector Organisations	5
College Department	5
Childminder	14
Company/Business	2
Primary Schools	31
Out of School Care	13
Total	<u>1,013</u>

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2019**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Local Authority and Private Bulk Buys to 30 June 2019

Organisation	Number of Settings
Aberdeenshire	56
Bright Horizons	21
Childcare Scotland	5
East Lothian Council	48
West Dunbartonshire Council	71
Glasgow City Council	84

Working Directly with Children and Families

We continue to work directly with young children and their families in a range of local community settings to build confidence, improve attachments and encourage shared play and learning between children and their parents. This includes our EYS Stay Play and Learn services, Baby Massage programme, P1 Stay Play and Learn and 2 Stay Play and Learn. In 2018-19, these services in the community supported over 4,839 children and 3,750 families. Additionally, across the year, we have supported a further 1,823 people through our membership services, professional learning delivery, and partnership working arrangements.

Children Affected by Parental Imprisonment - our work in Scottish Prisons

Our prison work is going from strength to strength and expanding. We deliver a multi-component project (Prison Stay Play and Learn, Fathers' Programme and Baby Massage, Mothers' Programme) to support children affected by parental imprisonment in six prisons (HMP Barlinnie, HMP Castle Huntly, HMP Low Moss, HMP Edinburgh, HMP Greenock and HMP Cornton Vale). We have recently built relations with HMP Edinburgh and started delivering the programme in September 2018.

In 2018-19 we worked with 281 families and 280 children through our EYS prison programmes, and Prison Stay Play and Learn sessions. We have also supported 26 mothers through the Mothers' Programme in HMP Cornton Vale and HMP Greenock.

Our full-time PhD student, who is funded jointly by the University of Glasgow and the William Grant Foundation, continues to work across 2 prisons, HMP Low Moss and HMP Barlinnie, evaluating the impact of our prison work. She is now in the second year, which has involved fieldwork and analysis of her findings.

The EYS Family Visitor Centre at HMP Low Moss has had its second successful year delivering a much needed, very welcomed and extensively used, service for children and families. The Family Visitor Centre provides a welcoming and supportive environment for all visitors, especially children. There are approximately 125 families visiting the centre each month with over 1,000 visitors a week coming through the centre to visit friends and families in prison. The majority of visitors are being supported and / or signposted to other services by EYS staff. EYS works in partnership with SPS and other outside agencies including Families Outside, to deliver this much-needed service for children and families who are affected by imprisonment.

Community Stay Play and Learn

Early Years Scotland continues to develop and improve as we strive to serve and support young children through working with parents of young children through our Parent and Toddler Improvement Programme, and through our National Membership service as described in the Membership Section above.

The supported Parent and Toddler Groups 'Together We Can' sessions are delivered in Glasgow, where our Early Years Practitioners work directly with Parent and Toddler Groups to raise the quality of play learning experiences for children and to provide a support service for the parents. This programme also focuses on assisting these key community groups to be impactful, successful and self-sustaining.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2019**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Community Stay Play and Learn

In 2018/19 Early Years Scotland delivered 200 'Together We Can' sessions, supporting 444 children and 367 families within 17 Parent and Toddler Groups in South Glasgow.

The aims of the sessions are to promote a positive early intervention strategy, healthy diet, oral health awareness, physical exercise and play and learning experiences for young children and their parents/carers who attend. The popular sessions improve family health and wellbeing and raise parents' confidence and awareness of how to support more effectively their children's development and learning.

We also run a Development and Support service for ELC settings in 5 local authorities. Our Development and Support Officers work face-to-face with managers and Management Committees, and carry out audits of governance and financial management processes. This enables settings to run their service effectively, maintaining and improving leadership and management. This planned approach leads to successful, sustainable services within communities. We supported 126 ELC settings, and 40 Parent and Toddler Groups with this service in 2018/19.

EYS Key Achievements 2018-19

Early Years Scotland's achievements and progress over the past year have been considerable and include the following:

1. Delivering the 51st Annual National Conference which was a sell-out, with 350 delegates in attendance. Delegates were treated to a performance of our unique musical collaboration with children from our 2 Stay Play and Learn Service, Chesters Nursery School and award winning Scottish musicians, Chris Stout and Catriona McKay 'Believe in Me'
2. Growing the Early Years Scotland Professional Learning Academy, with 55 sessions delivered across the year.
3. Applying for a closed William Grant Step Change Award. Delighted to then get through to round two of the process from 40 applications, and pleased to be finally awarded a substantial award to fund the development of our EYS Online Learning Platform.
4. Working towards securing our Early Years Scotland Professional Learning Academy as an official 'SQA approved centre'. (We are delighted that this is now officially approved).
5. Being approved by SQA to develop the new SCQF Level 7 PDA Early Years Award.
6. Seeing the highest level to date of EYS staff engaging with professional learning, both from that being delivered internally and also externally.
7. Working in partnership with the Institute for Research and Innovation in Social Services (IRISS) to offer a three part workshop focussing on self-care for our Early Years Scotland Practitioners.
8. Continuing to develop the EYS Staff Consultation Committee to gather and represent the views of the wider organisation.
9. Delivering a successful All Staff Conference for our whole staff team, with the input of a motivational external speaker, including our annual child protection professional learning for the Board of Directors and the staff team.
10. Sponsoring the Scottish Education Awards in June 18, providing a valuable opportunity to raise the profile of EYS.
11. Debating on BBC Radio Scotland on the 'Call Kaye Show' to discuss the national school starting age in Scotland.
12. Speaking on the STV Scotland Tonight Show to discuss the recent Audit Scotland report published in January 2019, focusing on the Early Years expansion in Scotland.
13. Establishing and hosting the inaugural 5 Nations Early Years Summit in August 2018 with representation from our equivalent Third Sector Early Years colleagues across the UK and Ireland. This will now be held as an annual event and the next Summit will be held in Wales in August 2019.
14. Hosting a successful 2nd Careers Event in January 2019 with funding from Scottish Government, Glasgow City Council, Scottish Funding Council and Skills Development Scotland, with a focus on diversifying the early years workforce.
15. Hosting a supportive one to one advice follow up Careers Event for delegates interested in commencing a career in early years.
16. Being nominated as a finalist in the category of HR Team of the Year at the S1 Jobs Annual Awards.
17. Delivering a second year of our successful P1 Stay Play and Learn service within 25 Primary Schools across Glasgow, North Lanarkshire, West Dunbartonshire and Dumfries and Galloway Council.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2019**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

18. Completing a successful second year of supporting our PhD Studentship, in partnership with Glasgow University's Medical Research Council and the William Grant Foundation, which is focused on evaluating how our services in prison are impacting on children and families affected by imprisonment
19. Supporting a second PhD student in partnership with University of West of Scotland. The focus of this research is to examine heteronormative practice within early years practice.
20. Continuing to grow and develop our SG funded EYS Family Visitor Centre in HMP Low Moss as it continues to be a very valuable support for children and families.
21. Creating our first contract to deliver our very first programme working with mothers affected by parental imprisonment, as opposed to fathers.
22. Working in partnership with HMP Edinburgh and HMP Cornton Vale to support more children affected by the parental imprisonment of both fathers and mothers.
23. Supporting our families from our 2 Stay Play and Learn to be among the first parents to trial the new Scottish Government Best Start Grant programme.
24. Securing membership of Quality Scotland to ensure we continue to develop and extend our robust quality management procedures.
25. Receiving invitations from partners at national and local level to contribute to events by chairing, running professional learning and delivering presentations.
26. Being awarded further Scottish Government core/infrastructure funding for 2018-19
27. Sustaining the continuation of funding from The Big Lottery Fund for Prevention and Early Intervention services. We have now completed this funding and applied for new Big Lottery and Robertson Trust funding, to maintain and expand our children affected by parental imprisonment programme.
28. Securing additional monies from West Dunbartonshire Council, the Endrick Trust, the Hugh Fraser Foundation, and the Dulverton Trust to deliver an increased volume of Stay Play and Learn sessions in West Dunbartonshire.
29. Increasing and improving our profile and reputation as a key advisory and advocacy organisation on behalf of children and our members.
30. Creating a new Membership category for Childminders.
31. Attracting increasing numbers of members from the private sector as well as additional 'bulk-buy' membership purchases from local authorities
32. Informing, contributing to and influencing early years national policy developments across Scotland by serving on most of the strategic, short life and working ELC groups. This includes the ELC Strategic Forum that is chaired by the Minister; this includes EYS as the early years representative on the Curriculum and Assessment Board, convened by Education Scotland and Scottish Government.
33. Contributing a articles for publication in the Times Educational Supplement Scotland.
34. Delivering a strong and impactful Development and Support Officer Service for ELC settings in a number of local authorities.
35. Keeping members and other stakeholders informed by disseminating policy and good practice information through various communication channels such as our website, magazines, e-bulletins, leaflets, conference, helpline.
36. Introducing new regular membership information evenings for our members in Edinburgh, Aberdeenshire, Fife as well as continuing to support our members in other local authority areas.
37. Developing and extending social media to improve our accessibility, communications and profile: statistics show significant increase and progress.
38. Creating a new EYS app to support membership and professional learning bookings on a mobile device.
39. Improving and developing further our 2 regular magazines which are published 3 times per year and are targeted at practitioners and a separate one for parents
40. Updating, improving and increasing the number and quality of member policies.
41. Continuing to increase and extend our membership benefit service for members entitled, Top Tips for Parents.
42. Increasing our media presence and profile including some television interviews as well as a presence in local radio and papers.
43. Reviewing and improving a number of internal EYS processes within the organisation that lead to more effective systems and overall quality.
44. Reviewing and updating all staff policies and the EYS staff handbook.
45. Receiving a steadily increasing number of applicants for posts advertised, indicating that EYS is an attractive place to work.
46. Increasing our overall income through increased and more diverse funders and projects.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2019**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

EYS Partnerships 2018/19

- | | |
|---|--|
| - Local Authorities | - Scottish Book Trust |
| - NHS Community Food and Health | - Glasgow Life |
| - Health Scotland, 2 Health Boards | - Education Scotland |
| - Scottish Prison Service (6 Prisons) | - The Dulverton Trust |
| - Scottish Funding Council | - The Wheatley Group |
| - Community Justice Department | - Robertson Trust |
| - William Grant Foundation | - Families Outside |
| - Medical Research Council at University of Glasgow | - Quality Scotland |
| - Endrick Trust | - Children 1st |
| - Hugh Fraser Foundation | - Inspiring Scotland |
| - SSSC | - Scottish Parent Teacher Council |
| - Scottish Government | - National Parent Forum Scotland |
| - SCMA | - Various colleges & College Development Network |
| - NDNA | - Care Inspectorate |
| - Children in Scotland | - CELCIS |
| - Community Custody Units for Women | - SQA |
| - Family Visitor Centre National Steering Group | - SDS |
| - Young Parents' Unit Smithycroft High School | - University of the West of Scotland |
| - National GIRFEC Team | - ASH |
| - Media Scotland and Reach plc | - Glasgow University Educational Colloquium |
| - Kelly Family Trust | - CALA |
| - CDN | |

Performance

With regard to governance arrangements and monitoring / measuring progress, the Early Years Scotland Trustees received papers and written reports before every Board meeting to enable them to provide strategic leadership and monitor operations. The sub-groups met regularly and were provided with papers in advance of the meetings and action minutes were shared following the meetings. The traffic light system, which was introduced in 2012-13 to monitor performance and all financial activity, continued to be used in 2018-2019.

The Board and Management Team continue to place an important focus on ensuring that the Strategic and Operational Plans are refreshed and kept up to date. Management Team and Board Agendas reflect this. The Operational Plan Progress Report indicates that the majority of targets for the year have been met or exceeded.

In addition, all Early Years Scotland direct services that are mainly contracted under Service Level Agreements and contracts, were subject to regular structured monitoring and evaluation in partnership with the funder, and measured against agreed outcomes and service specification.

The Scottish Government Children and Young People Early Intervention Fund (due to conclude in March 2020) and the Big Lottery 5 years grant (just concluded in March 19), were monitored and evaluated against outcomes and indicators by means of six monthly and one year reports which were submitted timeously on all occasions. All reports were welcomed, very positive feedback given to us, and it was clear that our performance on all occasions has met all of the needs and expectations of our funders.

We have been continuing to work with partners and also Scottish Government to improve and strengthen our approaches to recording, monitoring, evaluation and analysis. As we go forward, this continues to be an important area of development so that we can ensure that we are able to evaluate the impact of our services effectively, meaningfully and proportionately.

As a result of the strong demand from our members that we offer more professional learning opportunities for the sector, the Early Years Scotland Professional Learning Academy was set up and has now been established and launched.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2019**

ACHIEVEMENT AND PERFORMANCE

The Trustees are extremely grateful to the Scottish Government, Skills Development Scotland, The Big Lottery, William Grant Foundation, BBC Children in Need, Aberdeen Integrated Children's Services Nurtured Outcome Group, Aberdeenshire, Fife, Glasgow City, Dumfries & Galloway, Scottish Borders and West Dunbartonshire Councils, Pupil Equity Funding in Glasgow, South Lanarkshire, North Lanarkshire, Dumfries and Galloway, West Dunbartonshire and West Lothian, NHS Greater Glasgow and Clyde Health Improvement Team South, Aberdeenshire Alcohol and Drug Partnership, Hugh Fraser Foundation, Dulverton Trust, Endrick Trust, Kelly Family Trust, Volant Trust, Tron St Mary's Church and Broomhill Toddlers.

The support of our partners has been essential in maintaining such a varied range of services. Our sincere thanks also goes to all our partners who have made financial contributions to support our conference and /or other work this year.

FINANCIAL REVIEW

Financial overview

Overall reserves have decreased by £36,657 during the year to 31 March 2019. Total income in the year was £1,777,421, an increase on the prior year by £62,755.

Investment policy and objectives

In light of the decrease in the interest available from the banks, the Trustees decided to use an asset management company to establish an investment portfolio. Brewin Dolphin was appointed as investment managers and at the beginning of the year, £250k was invested across a diversified balanced portfolio to generate both income and capital return.

Reserves policy

The Trustees recognise the need for the charity to have reserves (that is, those funds that are freely available), which will enable it to cope with unexpected fluctuations in income and expenditure, to take advantage of development opportunities that might otherwise cause cash flow problems and to act as responsible employers in the event of termination of specific funding of the organisation. Currently, funding decisions are significantly delayed, in some cases beyond the start of the relevant period which necessitates an element of gap funding.

Consequently, the Trustees remain committed to maintaining unrestricted reserves to at least three months operating costs.

At 31 March 2019, unrestricted reserves totalled £637,671. The actual free reserves of the charity at the year end being those funds not tied up in fixed assets, long term investments designated for a specific purpose or restricted, are £10,708.

FUTURE PLANS

Going forward, Early Years Scotland's Strategic Plan is clear and optimistic about its future path in terms of the 4 main strands of activity:

- Developing and delivering services for children and families primarily through our Stay Play and Learn services.
- Developing, improving and increasing membership services for our range of membership categories. This year has seen the introduction of Childminders as a new membership category.
- Building and establishing our newly created and launched EYS Professional Learning Academy as a Go-To provider of Learning for the ELC Workforce.
- Providing Advocacy and Advisory services to support and represent children and our members with regard to legislation, policy and practice.

It is clear that our modern name, branding, website, clarity of purpose, management information system and new services have created a very positive and renewed confidence across the staff team and with partners around the status and viability of our organisation.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2019**

FUTURE PLANS

There is no doubt that Early Years Scotland has become the 'Go-To' organisation for many parts of the sector and also for the Scottish Government. We are therefore as an organisation, in a very positive position with a much improved profile. This position is enhanced by the fact that our organisational purpose is very much in alignment with Scottish Government priorities which are concerned with Early Years developments and the expansion of Early Learning and Childcare for every 3 and 4 year old as well as eligible 2 year olds. We are also very much in alignment with the national priority of raising attainment and closing the unacceptable attainment gap at the earliest possible stage in children's lives. As we go forward into 2019-2020 and beyond, we will continue to expand at a rate, and in a way, that is managed, considered and planned in line with the changing needs of the sector and our strategic objectives.

Early Years Scotland Services

EYSS (previously known as EYS Direct Childcare Services) will provide management and administrative services to ELC providers and communities to support the ELC expansion across Scotland, and to supply all such ancillary services and facilities as the directors may consider appropriate from time to time. EYSS will carry on any other trade or business, ancillary to the core activities of the company which the directors may consider appropriate from time to time. EYSS will also make donations (whether by way of gift aid or otherwise), and/or provide other forms of support, to the Holding Company and that irrespective of whether the provision of such support advances the interests of the company.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Early Years Scotland is a company limited by guarantee, registered number SC086932. It was incorporated on 7 November 1968 in Scotland and is governed by its Memorandum and Articles of Association which were amended to allow for current governance arrangements on 27 April 1996. It is registered as a charity with the Office of the Scottish Charity Regulator, charity number SC003725. It operates from its registered office at 23 Granville Street, Glasgow, G3 7EE and local office in Dumfries. Any Early Learning and Childcare provider or Parent and Toddler Group can become a member of the company and there were 1151 members at 31 March 2019 each of whom agrees to contribute £1 in the event of the charity winding up.

Recruitment and appointment of new trustees

The Board recruits trustees from membership and others with relevant skills and experience who can support the governance of the charity. Trustees are elected annually by the members of the charitable company by ballot and confirmed at the Annual General Meeting in September and serve for a period of six years, with provision for exceptions where agreed by the Board. The trustees have the power to co-opt up to four further members to fill specialist roles. Co-opted members are appointed by the Board annually and may serve for a period of up to six years maximum. As set out in the Articles of Association, the Chair of the trustees is nominated by the Board of Directors.

Organisational structure

Early Years Scotland is a membership and delivery organisation. The Board of Directors, which can have up to ten elected members and four co-opted members, have overall responsibility for the strategic management of the charity. The Board meet at least four times each year and there are Board standing committees covering finance, risk management and conference planning, which meet more regularly. A Chief Executive is appointed by the trustees to manage the day-to-day operations of the charity. The Chief Executive has delegated authority, within terms of delegation approved by the trustees, for operational matters including finance, employment and services related activity.

Induction and training of new trustees

New trustees undergo an induction session to brief them on their legal obligations under charity and company law; the content of the Memorandum and Articles of Association; the Board and decision making processes; the strategic business plan and recent financial performance of the charity. During the induction session, the new trustees meet with the Chief Executive and thereafter with other key employees and trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Related parties

Early Years Scotland Services (EYSS -previously known as EYS Direct Childcare Services) is no longer dormant, and will provide management and administrative services to ELC providers and communities to support the ELC expansion across Scotland, and to supply all such ancillary services and facilities as the directors may consider appropriate from time to time. EYSS will carry on any other trade or business, ancillary to the core activities of the company which the directors may consider appropriate from time to time. EYSS will also make donations (whether by way of gift aid or otherwise), and/or provide other forms of support, to the Holding Company irrespective of whether the provision of such support advances the interests of the company.

EARLY YEARS SCOTLAND (REGISTERED NUMBER: SC086932)

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2019**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The trustees, with support from Management, have conducted a review of the major risks to which the charity is exposed. A revised risk register drafted by the Management Team was considered by the trustees and this continues to be developed in an ongoing way. Where possible and appropriate, systems, procedures or action plans have been established to mitigate the risks the charity faces. Strategic planning has helped to identify risks to funding and enabled the organisation to address more effectively the need for the diversification of funding and activities. Risks are minimised by effective control procedures.

This risk assessment has also enabled improved emergency procedures and contingency plans and has given the impetus for better planning. Particular focus of this risk management is on non-financial risks arising from fire, flood, health and safety and any resulting business disruption. A key element in the management of financial risk is the setting of a reserves policy to establish, at least, three months operating costs in reserve from 2011. This target has been achieved in 2018-19.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
SC086932

Registered Charity number
SC003725

Registered office
23 Granville Street
Glasgow
G3 7EE

Trustees

Barbara Dale	
Teresa Ashmead	
Marion Burns	
Beverly Malcolm	
Fraser Sanderson	
Marion Flett	
Annette MacPherson	- resigned 29/11/2018
Sara Harkins	
Davina Coupar	
Marion Samson	
Marion Courtney	- appointed 29/11/2018

Company Secretary
Jean Carwood-Edwards

Auditors

Martin Aitken & Co Ltd
Statutory Auditor
Chartered Accountants
Caledonia House
89 Seaward Street
Glasgow
G41 1HJ

Bankers

Bank of Scotland
54/62 Sauchiehall Street
Glasgow
G2 3AH

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2019**

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Boyle Shaughnessy
94 Hope Street
Glasgow
G2 6QB

Burness Paull
120 Bothwell Street
Glasgow
G2 7JL

Morton Fraser
145 St Vincent Street
Glasgow
G2 5JF

Key Management Personnel

Jean Carwood-Edwards
Jane Brumpton
Michele Doull

Chief Executive
Deputy Chief Executive
Head of Professional Learning & Quality Assurance

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Early Years Scotland 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 group and the charitable company and of the income and expenditure, of the group and 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 group and the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). 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.

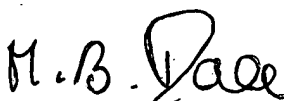
In so far as the trustees are aware:

- 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 auditors, Martin Aitken & Co Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the Board of Trustees on 22 August 2019 and signed on its behalf by:



Barbara Dale - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF EARLY YEARS SCOTLAND (REGISTERED NUMBER: SC086932)

Opinion

We have audited the financial statements of Early Years Scotland (the 'charitable company') for the year ended 31 March 2019 which comprise the Consolidated Statement of Financial Activities, the Company Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Cash Flow Statement 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2019 and of the group's and the parent charitable company's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 the provisions available for small entities, in the circumstances set out in note 23 to the financial statements, and we have fulfilled our 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 where:

- the trustees' (who are also the directors of the company for the purposes of company law) 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.

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. The trustees are responsible for the other information.

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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 in the course of the audit:

- the information given in the directors' report, prepared for the purposes of company law and included within the Report of the Trustees, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report, included within the Report of the Trustees, has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF EARLY YEARS SCOTLAND (REGISTERED NUMBER: SC086932)

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 directors' report, included within the Report of the Trustees.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies exemptions in preparing the directors' report, included within the Report of the Trustees, and from the requirements to prepare a strategic report.

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.

Our responsibilities for the audit of the financial statements

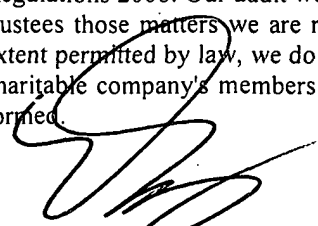
We have been appointed as auditor under section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereafter.

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.

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, and to the charitable company's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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 and trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Ewen Dyer BA CA (Senior Statutory Auditor)
for and on behalf of Martin Aitken & Co Ltd, 89 Seaward Street, Glasgow, G41 1HJ
Statutory Auditor, Chartered Accountants
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

22 August 2019

EARLY YEARS SCOTLAND

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
INCOME FROM					
Donations and legacies	2	13,214	1,453,550	1,466,764	1,552,858
Charitable activities	5				
Education and social development		91,320	6,562	97,882	107,907
Income from sale of publications		4,045	-	4,045	4,189
Friends of EYS		970	-	970	360
Sponsorship		2,500	-	2,500	7,824
Miscellaneous income		63,602	-	63,602	28,296
Other trading activities	3	121,733	-	121,733	-
Investment income	4	5,659	-	5,659	578
Other income		<u>14,266</u>	<u>-</u>	<u>14,266</u>	<u>12,654</u>
Total		317,309	1,460,112	1,777,421	1,714,666
EXPENDITURE ON					
Raising funds	6	104,450	-	104,450	-
Charitable activities	7				
Education and social development		<u>250,119</u>	<u>1,458,448</u>	<u>1,708,567</u>	<u>1,710,879</u>
Total		354,569	1,458,448	1,813,017	1,710,879
Net gains/(losses) on investments		<u>(1,061)</u>	<u>-</u>	<u>(1,061)</u>	<u>-</u>
NET INCOME/(EXPENDITURE)		(38,321)	1,664	(36,657)	3,787
Transfers between funds	20	<u>6,473</u>	<u>(6,473)</u>	<u>-</u>	<u>-</u>
Net movement in funds		(31,848)	(4,809)	(36,657)	3,787
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>669,519</u>	<u>145,785</u>	<u>815,304</u>	<u>811,517</u>
TOTAL FUNDS CARRIED FORWARD		<u>637,671</u>	<u>140,976</u>	<u>778,647</u>	<u>815,304</u>

The notes form part of these financial statements

EARLY YEARS SCOTLAND

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
INCOME FROM					
Donations and legacies	2	32,914	1,453,550	1,486,464	1,552,858
Charitable activities	5				
Education and social development		91,320	6,562	97,882	107,907
Income from sale of publications		4,045	-	4,045	4,189
Friends of EYS		970	-	970	360
Sponsorship		2,500	-	2,500	7,824
Miscellaneous income		63,602	-	63,602	28,296
Investment income	4	5,659	-	5,659	578
Other income		14,266	-	14,266	12,654
Total		215,276	1,460,112	1,675,388	1,714,666
EXPENDITURE ON					
Raising funds	6	2,417	-	2,417	-
Charitable activities	7				
Education and social development		250,119	1,458,448	1,708,567	1,710,879
Total		252,536	1,458,448	1,710,984	1,710,879
Net gains/(losses) on investments		(1,061)	-	(1,061)	-
NET INCOME/(EXPENDITURE)		(38,321)	1,664	(36,657)	3,787
Transfers between funds	20	6,473	(6,473)	-	-
Net movement in funds		(31,848)	(4,809)	(36,657)	3,787
RECONCILIATION OF FUNDS					
Total funds brought forward		669,519	145,785	815,304	811,517
TOTAL FUNDS CARRIED FORWARD		637,671	140,976	778,647	815,304

The notes form part of these financial statements

EARLY YEARS SCOTLAND (REGISTERED NUMBER: SC086932)

**CONSOLIDATED BALANCE SHEET
AT 31 MARCH 2019**

	Notes	2019 £	2018 £
FIXED ASSETS			
Tangible assets	13	54,286	46,240
Investments	14	<u>250,988</u>	<u>-</u>
		305,274	46,240
CURRENT ASSETS			
Stocks	15	1,181	1,402
Debtors	16	112,765	171,338
Cash at bank and in hand		<u>496,025</u>	<u>769,886</u>
		609,971	942,626
CREDITORS			
Amounts falling due within one year	17	(136,598)	(173,562)
		<u>477,327</u>	<u>769,064</u>
NET CURRENT ASSETS			
		<u>778,647</u>	<u>815,304</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>778,647</u>	<u>815,304</u>
NET ASSETS			
		<u>778,647</u>	<u>815,304</u>
FUNDS	20		
Unrestricted funds		637,671	669,519
Restricted funds		<u>140,976</u>	<u>145,785</u>
TOTAL FUNDS		<u>778,647</u>	<u>815,304</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved by the Board of Trustees on 22 August 2019 and were signed on its behalf by:



Barbara Dale - Trustee



Fraser Sanderson - Trustee

The notes form part of these financial statements

EARLY YEARS SCOTLAND (REGISTERED NUMBER: SC086932)**BALANCE SHEET
AT 31 MARCH 2019**

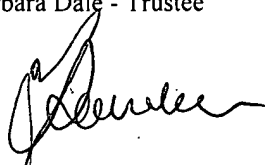
	Notes	2019 £	2018 £
FIXED ASSETS			
Tangible assets	13	54,286	46,240
Investments	14	<u>251,088</u>	<u>100</u>
		305,374	46,340
 CURRENT ASSETS			
Stocks	15	1,181	1,402
Debtors	16	109,303	171,338
Cash at bank and in hand		<u>468,920</u>	<u>769,886</u>
		579,404	942,626
 CREDITORS			
Amounts falling due within one year	17	(106,131)	(173,662)
		<u> </u>	<u> </u>
NET CURRENT ASSETS		<u>477,227</u>	<u>768,964</u>
 TOTAL ASSETS LESS CURRENT LIABILITIES		<u>778,647</u>	<u>815,304</u>
 NET ASSETS		<u>778,647</u>	<u>815,304</u>
 FUNDS	20		
Unrestricted funds		637,671	669,519
Restricted funds		<u>140,976</u>	<u>145,785</u>
TOTAL FUNDS		<u>778,647</u>	<u>815,304</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved by the Board of Trustees on 22 August 2019 and were signed on its behalf by:



Barbara Dale - Trustee



Fraser Sanderson - Trustee

The notes form part of these financial statements

EARLY YEARS SCOTLAND

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	2018 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>(2,455)</u>	<u>(37,829)</u>
Net cash provided by (used in) operating activities		<u>(2,455)</u>	<u>(37,829)</u>
Cash flows from investing activities:			
Purchase of property plant and equipment		(22,474)	(15,328)
Purchase of fixed asset investments		(254,591)	-
Interest received		<u>5,659</u>	<u>578</u>
Net cash provided by (used in) investing activities		<u>(271,406)</u>	<u>(14,750)</u>
Change in cash and cash equivalents in the reporting period		<u>(273,861)</u>	<u>(52,579)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>769,886</u>	<u>822,465</u>
Cash and cash equivalents at the end of the reporting period		<u>496,025</u>	<u>769,886</u>

The notes form part of these financial statements

EARLY YEARS SCOTLAND

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

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

	2019 £	2018 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(36,657)	3,787
Adjustments for:		
Depreciation charges	14,428	15,240
Losses on investments	1,061	-
Investment management fees	2,417	-
Interest received	(5,659)	(578)
Decrease in stocks	221	1,233
Decrease/(increase) in debtors	58,673	(65,465)
(Decrease)/increase in creditors	(36,939)	7,954
Net cash provided by (used in) operating activities	<u>(2,455)</u>	<u>(37,829)</u>

EARLY YEARS SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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', the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are presented in Sterling (£).

Going concern

The financial statements have been prepared on a going concern basis, which the trustees believe to be appropriate for the reasons set out in the Trustee's Report. There are no material uncertainties about the charity's ability to continue.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and further periods if the revision affects both current and future periods.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, any performance conditions attached to the income have been met, 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.

Charitable activities

Costs of charitable activities are incurred on the charity's core operations, including support costs and costs relating to the governance of the charity.

Tangible fixed assets

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

Leasehold improvements	- 20% on cost
Furniture & fittings	- 10% on cost
Office equipment	- 20% on cost
Computer equipment	- at varying rates on cost

EARLY YEARS SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES - continued

Tangible fixed assets – continued

Fixed assets are included in the balance sheet at cost less accumulated depreciation and impairment.

No assets with a gross value of less than £100 are capitalised. These items have been treated as expenditure in the Statement of Financial Activities.

Impairment of tangible fixed assets

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. When the carrying value exceeds its recoverable amount, an impairment loss is recognised in the profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Stocks

Stocks are valued at the lower of cost and estimated selling price less costs to sell.

Taxation

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

Fund accounting

Unrestricted funds

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

Restricted funds

They 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.

Designated funds

These are income funds which are set aside by the trustees out of unrestricted funds for specific future purposes.

Transfers between funds

With regard to the use of both restricted and designated funds, the release represents an amount which matches the expenditure incurred in the year in respect of the relevant purpose of each fund. Transfers are made between funds for identified internal transactions such as staff training where funds are moved from unrestricted core income to a designated training fund.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged against the Statement of Financial Activities represents the contributions payable to the scheme in respect of the accounting period.

Donated assets

Donated assets received by the charity are capitalised and recognised in the Statement of Financial Activities in the year they are received.

The basis of valuation is the price the charity estimates it would pay in the open market for goods of equivalent utility.

VAT

The company is exempt from VAT. Expenses are therefore shown inclusive of VAT in the financial statements.

EARLY YEARS SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES - continued

Leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Investments

Investments representing shareholdings in unquoted subsidiary undertakings are stated at the lower of cost or where the difference is material, net asset value.

Investments representing shareholdings in listed funds are initially recognised at cost then subsequently at fair value, being the quoted market value. Realised gains and losses (representing the difference between sales proceeds and fair value at the previous financial year end or purchase cost if acquired during the financial year) and unrealised gains and losses (representing the movement in the fair value of investments over the financial year or from their date of purchase if acquired during the financial year) are recognised within income and expenditure in the Statement of Financial Activities.

Debtors

Short term debtors with no stated interest rate are measured at transaction price, less any impairment. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

Deferred income

Deferred income comprises grant income for use in future years which was received in advance.

Other basic financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently at their settlement value.

2. DONATIONS AND LEGACIES

Group	2019 £	2018 £
Donations	13,214	2,352
Contracts	534,696	316,968
Grants	<u>918,854</u>	<u>1,233,538</u>
	<u>1,466,764</u>	<u>1,552,858</u>
Charity	2019 £	2018 £
Donations	32,914	2,352
Contracts	534,696	316,968
Grants	<u>918,854</u>	<u>1,233,538</u>
	<u>1,486,464</u>	<u>1,552,858</u>

3. OTHER TRADING ACTIVITIES

Group	2019 £	2018 £
Subsidiary company income	<u>121,733</u>	<u>-</u>

EARLY YEARS SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2019

4. INVESTMENT INCOME

Group and charity	2019	2018
	£	£
Deposit account interest	1,193	578
Other investment income	<u>4,466</u>	<u>-</u>
	<u>5,659</u>	<u>578</u>

5. INCOME FROM CHARITABLE ACTIVITIES

Group and charity	Activity	2019	2018
		£	£
Subscriptions	Education and social development	91,320	104,737
Other income	Education and social development	6,562	3,170
Publications sales	Income from sale of publications	4,045	4,189
Other income	Friends of EYS	970	360
Other income	Sponsorship	2,500	7,824
Other income	Miscellaneous income	<u>63,602</u>	<u>28,296</u>
		<u>168,999</u>	<u>148,576</u>

6. RAISING FUNDS

Other trading activities

Group	2019	2018
	£	£
Purchases	<u>102,033</u>	<u>-</u>

Investment management costs

Group and charity	2019	2018
	£	£
Portfolio management	<u>2,417</u>	<u>-</u>

Aggregate amounts – Group	<u>104,450</u>	<u>-</u>
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Aggregate amounts – Charity	<u>2,417</u>	<u>-</u>
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7. CHARITABLE ACTIVITIES COSTS

Group and charity	Direct costs	Support costs (See note 8)	Totals
	£	£	£
Education and social development	<u>1,638,294</u>	<u>70,273</u>	<u>1,708,567</u>

EARLY YEARS SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2019

8. SUPPORT COSTS

	Governance costs £
Education and social development	<u>70,273</u>

Support costs, included in the above, are as follows:

	2019 Education and social development £	2018 Total activities £
Governance salaries	18,716	17,593
Auditors' remuneration	7,530	7,500
Professional fees	<u>44,027</u>	<u>13,206</u>
	<u>70,273</u>	<u>38,299</u>

9. NET INCOME/(EXPENDITURE)

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

Group	2019 £	2018 £
Auditors' remuneration	11,230	7,500
Depreciation - owned assets	<u>14,428</u>	<u>15,240</u>

Charity	2019 £	2018 £
Auditors' remuneration	7,530	7,500
Depreciation - owned assets	<u>14,428</u>	<u>15,240</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

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

Trustees' expenses

During the year 4 trustees were reimbursed travel expenses of £1,453 (2018: £499).

EARLY YEARS SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2019

11. STAFF COSTS

Group and charity	2019	2018
	£	£
Wages and salaries	1,119,847	1,122,094
Social security costs	87,828	91,420
Other pension costs	54,252	50,696
	<u>1,261,927</u>	<u>1,264,210</u>

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

	2019	2018
Administration	17	14
Area staff	35	37
Management	6	9
Valuators	<u>1</u>	<u>1</u>
	<u>59</u>	<u>61</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2019	2018
£60,001 - £70,000	<u>1</u>	<u>1</u>

Remuneration paid to key management personnel in the year amounted to £166,849 (2018: £128,301).

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME FROM			
Donations and legacies	2,351	1,550,507	1,552,858
Charitable activities			
Education and social development	104,737	3,170	107,907
Income from sale of publications	4,189	-	4,189
Friends of EYS	360	-	360
Sponsorship	7,824	-	7,824
Miscellaneous income	28,296	-	28,296
Investment income	578	-	578
Other income	<u>12,654</u>	<u>-</u>	<u>12,654</u>
Total	160,989	1,553,677	1,714,666
EXPENDITURE ON			
Charitable activities			
Education and social development	<u>161,438</u>	<u>1,549,441</u>	<u>1,710,879</u>
Total	161,438	1,549,441	1,710,879
NET INCOME/(EXPENDITURE)	(449)	4,236	3,787
Transfers between funds	<u>(13,177)</u>	<u>13,177</u>	<u>-</u>

EARLY YEARS SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2019

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
Net movement in funds	(13,626)	17,413	3,787

RECONCILIATION OF FUNDS

Total funds brought forward	683,144	128,373	811,517
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TOTAL FUNDS CARRIED FORWARD	669,518	145,786	815,304
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13. TANGIBLE FIXED ASSETS

Group and charity	Leasehold improvements £	Furniture & fittings £	Office equipment £	Computer equipment £	Totals £
COST					
At 1 April 2018	11,615	1,764	7,682	184,443	205,504
Additions	-	-	13,472	9,002	22,474
At 31 March 2019	11,615	1,764	21,154	193,445	227,978
DEPRECIATION					
At 1 April 2018	11,615	1,764	7,281	138,604	159,264
Charge for year	-	-	1,463	12,965	14,428
At 31 March 2019	11,615	1,764	8,744	151,569	173,692
NET BOOK VALUE					
At 31 March 2019	-	-	12,410	41,876	54,286
At 31 March 2018	-	-	401	45,839	46,240

EARLY YEARS SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2019

14. FIXED ASSET INVESTMENTS

Group	Listed investments £	Cash and settlements pending £	Totals £
MARKET VALUE			
At 1 April 2018	-	-	-
Additions	248,095	6,496	254,591
Reclassification	-	(2,542)	(2,542)
Revaluations	<u>(1,061)</u>	<u>-</u>	<u>(1,061)</u>
At 31 March 2019	<u>247,034</u>	<u>3,954</u>	<u>250,988</u>
NET BOOK VALUE			
At 31 March 2019	<u>247,034</u>	<u>3,954</u>	<u>250,988</u>
At 31 March 2018	<u>-</u>	<u>-</u>	<u>-</u>

Charity	Shares in group undertakings £	Listed investments £	Cash and settlements pending £	Totals £
MARKET VALUE				
At 1 April 2018	100	-	-	100
Additions	-	248,095	6,496	254,591
Reclassification	-	-	(2,542)	(2,542)
Revaluations	<u>-</u>	<u>(1,061)</u>	<u>-</u>	<u>(1,061)</u>
At 31 March 2019	<u>100</u>	<u>247,034</u>	<u>3,954</u>	<u>251,088</u>
NET BOOK VALUE				
At 31 March 2019	<u>100</u>	<u>247,034</u>	<u>3,954</u>	<u>251,088</u>
At 31 March 2018	<u>100</u>	<u>-</u>	<u>-</u>	<u>100</u>

There were no investment assets outside the UK.

There were no investments held in individual entities at 31 March 2019 which are over 5% of portfolio.

The listed investments have a fair value of £247,034 (2018: Nil) and a historical cost of £248,095 (2018: Nil).

EARLY YEARS SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2019

14. FIXED ASSET INVESTMENTS - continued

The company's investments at the balance sheet date in the share capital of companies include the following:

Early Years Scotland Services Limited

Registered office: 23 Granville Street, Glasgow, G3 7EE.

Nature of business: pre-primary education

Class of share:	% holding
Ordinary	100

	2019 £	2018 £
Aggregate capital and reserves	<u>100</u>	<u>100</u>

15. STOCKS

Group and charity	2019 £	2018 £
Stocks	<u>1,181</u>	<u>1,402</u>

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Group	2019 £	2018 £
Other debtors	88,198	133,923
Prepayments and accrued income	<u>24,567</u>	<u>37,415</u>
	<u>112,765</u>	<u>171,338</u>

Charity	2019 £	2018 £
Other debtors	65,036	133,923
Prepayments and accrued income	<u>44,267</u>	<u>37,415</u>
	<u>109,303</u>	<u>171,338</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Group	2019 £	2018 £
Trade creditors	24,822	25,398
Social security and other taxes	18,073	23,915
Pension creditor	5,471	6,054
VAT	11,080	-
Other creditors	37,733	55,555
Accruals and deferred income	<u>39,419</u>	<u>62,640</u>
	<u>136,598</u>	<u>173,562</u>

EARLY YEARS SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2019

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

Charity	2019	2018
	£	£
Trade creditors	9,136	25,398
Social security and other taxes	18,073	23,915
Pension creditor	5,471	6,054
Other creditors	37,733	55,555
Accruals and deferred income	<u>35,718</u>	<u>62,740</u>
	<u>106,131</u>	<u>173,662</u>

18. LEASING AGREEMENTS

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

Charity	2019	2018
	£	£
Within one year	47,750	47,186
Between one and five years	<u>33,493</u>	<u>61,614</u>
	<u>81,243</u>	<u>108,800</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	Unrestricted funds	Restricted funds	2019 Total funds	2018 Total funds
	£	£	£	£
Fixed assets	54,286	-	54,286	46,240
Investments	247,034	-	247,034	100
Current assets	472,949	140,976	613,925	942,626
Current liabilities	<u>(136,598)</u>	<u>-</u>	<u>(136,598)</u>	<u>(173,662)</u>
	<u>637,671</u>	<u>140,976</u>	<u>778,647</u>	<u>815,304</u>

Charity	Unrestricted funds	Restricted funds	2019 Total funds	2018 Total funds
	£	£	£	£
Fixed assets	54,286	-	54,286	46,240
Investments	247,134	-	247,134	100
Current assets	442,382	140,976	583,358	942,626
Current liabilities	<u>(106,131)</u>	<u>-</u>	<u>(106,131)</u>	<u>(173,662)</u>
	<u>637,671</u>	<u>140,976</u>	<u>778,647</u>	<u>815,304</u>

EARLY YEARS SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2019

20. MOVEMENT IN FUNDS

Group	At 1/4/18 £	Net movement in funds £	Transfers between funds £	At 31/3/19 £
Unrestricted funds				
Unrestricted	314,851	(2,312)	3,543	316,082
Designated - Central office	<u>354,668</u>	<u>(36,009)</u>	<u>2,930</u>	<u>321,589</u>
	669,519	(38,321)	6,473	637,671
Restricted funds				
Scottish Government	8,630	4,497	(6,600)	6,527
Local Authorities	82,326	(11,533)	1,431	72,224
BIG	27,603	(21,258)	-	6,345
Other	24,026	24,821	(7,904)	40,943
Wm Grant, Tots and Toys	<u>3,200</u>	<u>5,137</u>	<u>6,600</u>	<u>14,937</u>
	145,785	1,664	(6,473)	140,976
TOTAL FUNDS	<u>815,304</u>	<u>(36,657)</u>	<u>-</u>	<u>778,647</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted	317,309	(318,560)	(1,061)	(2,312)
Designated - Central office	<u>-</u>	<u>(36,009)</u>	<u>-</u>	<u>(36,009)</u>
	317,309	(354,569)	(1,061)	(38,321)
Restricted funds				
Scottish Government	324,600	(320,103)	-	4,497
Local Authorities	772,915	(784,448)	-	(11,533)
BIG	240,155	(261,413)	-	(21,258)
NHS	24,509	(24,509)	-	-
Other	50,415	(25,594)	-	24,821
Wm Grant, Tots and Toys	<u>47,518</u>	<u>(42,381)</u>	<u>-</u>	<u>5,137</u>
	1,460,112	(1,458,448)	-	1,664
TOTAL FUNDS	<u>1,777,421</u>	<u>(1,813,017)</u>	<u>(1,061)</u>	<u>(36,657)</u>

EARLY YEARS SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2019

20. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/4/17 £	Net movement in funds £	Transfers between funds £	At 31/3/18 £
Unrestricted Funds				
Unrestricted	323,818	31,715	(40,682)	314,851
Designated - Central office	<u>359,326</u>	<u>(32,163)</u>	<u>27,505</u>	<u>354,668</u>
	683,144	(448)	(13,177)	669,519
Restricted Funds				
Scottish Government	1,668	8,744	(1,782)	8,630
Local Authorities	78,421	(11,591)	15,496	82,326
BIG	32,359	(4,756)	-	27,603
NHS	4,142	(4,724)	582	-
Other	11,783	13,371	(1,128)	24,026
Wm Grant, Tots and Toys	<u>-</u>	<u>3,191</u>	<u>9</u>	<u>3,200</u>
	128,373	4,235	13,177	145,785
TOTAL FUNDS	<u>811,517</u>	<u>3,787</u>	<u>-</u>	<u>815,304</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
Unrestricted	160,989	(129,274)	31,715
Designated - Central office	<u>-</u>	<u>(32,163)</u>	<u>(32,163)</u>
	160,989	(161,437)	(448)
Restricted funds			
Scottish Government	291,597	(282,853)	8,744
Local Authorities	909,269	(920,860)	(11,591)
BIG	235,827	(240,583)	(4,756)
NHS	24,000	(28,724)	(4,724)
Other	54,333	(40,962)	13,371
Wm Grant, Tots and Toys	<u>38,651</u>	<u>(35,460)</u>	<u>3,191</u>
	1,553,677	(1,549,442)	4,235
TOTAL FUNDS	<u>1,714,666</u>	<u>(1,710,879)</u>	<u>3,787</u>

EARLY YEARS SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2019

20. MOVEMENT IN FUNDS - continued

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

	At 1/4/17 £	Net movement in funds £	Transfers between funds £	At 31/3/19 £
Unrestricted funds				
Unrestricted	323,818	29,403	(37,139)	316,082
Designated - Central office	359,326	(68,172)	30,435	321,589
Restricted funds				
Scottish Government	1,668	13,241	(8,382)	6,527
Local Authorities	78,421	(23,124)	16,927	72,224
BIG	32,359	(26,014)	-	6,345
NHS	4,142	(4,724)	582	-
Other	11,783	38,192	(9,032)	40,943
Wm Grant, Tots and Toys	-	8,328	6,609	14,937
	<u>128,373</u>	<u>5,899</u>	<u>6,704</u>	<u>140,976</u>
TOTAL FUNDS	<u>811,517</u>	<u>(32,870)</u>	<u>-</u>	<u>778,647</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 £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted	478,298	(447,834)	(1,061)	29,403
Designated - Central office	-	(68,172)	-	(68,172)
	<u>478,298</u>	<u>(516,006)</u>	<u>(1,061)</u>	<u>(38,769)</u>
Restricted funds				
Scottish Government	616,197	(602,956)	-	13,241
Local Authorities	1,682,184	(1,705,308)	-	(23,124)
BIG	475,982	(501,996)	-	(26,014)
NHS	48,509	(53,233)	-	(4,724)
Other	104,748	(66,556)	-	38,192
Wm Grant, Tots and Toys	86,169	(77,841)	-	8,328
	<u>3,013,789</u>	<u>(3,007,890)</u>	<u>-</u>	<u>5,899</u>
TOTAL FUNDS	<u>3,492,087</u>	<u>(3,523,896)</u>	<u>(1,061)</u>	<u>(32,870)</u>

EARLY YEARS SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2019

20. MOVEMENT IN FUNDS - continued

Charity	At 1/4/18 £	Net movement in funds £	Transfers between funds £	At 31/3/19 £
Unrestricted funds				
Unrestricted	314,851	(2,312)	3,543	316,082
Designated - Central office	<u>354,668</u>	<u>(36,009)</u>	<u>2,930</u>	<u>321,589</u>
	669,519	(38,321)	6,473	637,671
Restricted funds				
Scottish Government	8,630	4,497	(6,600)	6,527
Local Authorities	82,326	(11,533)	1,431	72,224
BIG	27,603	(21,258)	-	6,345
Other	24,026	24,821	(7,904)	40,943
Wm Grant, Tots and Toys	<u>3,200</u>	<u>5,137</u>	<u>6,600</u>	<u>14,937</u>
	145,785	1,664	(6,473)	140,976
TOTAL FUNDS	<u>815,304</u>	<u>(36,657)</u>	<u>-</u>	<u>778,647</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted	215,276	(216,527)	(1,061)	(2,312)
Designated - Central office	<u>-</u>	<u>(36,009)</u>	<u>-</u>	<u>(36,009)</u>
	215,276	(252,536)	(1,061)	(38,321)
Restricted funds				
Scottish Government	324,600	(320,103)	-	4,497
Local Authorities	772,915	(784,448)	-	(11,533)
BIG	240,155	(261,413)	-	(21,258)
NHS	24,509	(24,509)	-	-
Other	50,415	(25,594)	-	24,821
Wm Grant, Tots and Toys	<u>47,518</u>	<u>(42,381)</u>	<u>-</u>	<u>5,137</u>
	1,460,112	(1,458,448)	-	1,664
TOTAL FUNDS	<u>1,675,388</u>	<u>(1,710,984)</u>	<u>(1,061)</u>	<u>(36,657)</u>

EARLY YEARS SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2019

20. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/4/17 £	Net movement in funds £	Transfers between funds £	At 31/3/18 £
Unrestricted Funds				
Unrestricted	323,818	31,715	(40,682)	314,851
Designated - Central office	<u>359,326</u>	<u>(32,163)</u>	<u>27,505</u>	<u>354,668</u>
	683,144	(448)	(13,177)	669,519
Restricted Funds				
Scottish Government	1,668	8,744	(1,782)	8,630
Local Authorities	78,421	(11,591)	15,496	82,326
BIG	32,359	(4,756)	-	27,603
NHS	4,142	(4,724)	582	-
Other	11,783	13,371	(1,128)	24,026
Wm Grant, Tots and Toys	<u>-</u>	<u>3,191</u>	<u>9</u>	<u>3,200</u>
	128,373	4,235	13,177	145,785
TOTAL FUNDS	<u><u>811,517</u></u>	<u><u>3,787</u></u>	<u><u>-</u></u>	<u><u>815,304</u></u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
Unrestricted	160,989	(129,274)	31,715
Designated - Central office	<u>-</u>	<u>(32,163)</u>	<u>(32,163)</u>
	160,989	(161,437)	(448)
Restricted funds			
Scottish Government	291,597	(282,853)	8,744
Local Authorities	909,269	(920,860)	(11,591)
BIG	235,827	(240,583)	(4,756)
NHS	24,000	(28,724)	(4,724)
Other	54,333	(40,962)	13,371
Wm Grant, Tots and Toys	<u>38,651</u>	<u>(35,460)</u>	<u>3,191</u>
	1,553,677	(1,549,442)	4,235
TOTAL FUNDS	<u><u>1,714,666</u></u>	<u><u>(1,710,879)</u></u>	<u><u>3,787</u></u>

EARLY YEARS SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2019

20. MOVEMENT IN FUNDS - continued

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

	At 1/4/17 £	Net movement in funds £	Transfers between funds £	At 31/3/19 £
Unrestricted funds				
Unrestricted	323,818	29,403	(37,139)	316,082
Designated - Central office	359,326	(68,172)	30,435	321,589
Restricted funds				
Scottish Government	1,668	13,241	(8,382)	6,527
Local Authorities	78,421	(23,124)	16,927	72,224
BIG	32,359	(26,014)	-	6,345
NHS	4,142	(4,724)	582	-
Other	11,783	38,192	(9,032)	40,943
Wm Grant, Tots and Toys	-	8,328	6,609	14,937
	<u>128,373</u>	<u>5,899</u>	<u>6,704</u>	<u>140,976</u>
TOTAL FUNDS	<u>811,517</u>	<u>(32,870)</u>	<u>-</u>	<u>778,647</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 £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted	478,298	(447,834)	(1,061)	29,403
Designated - Central office	-	(68,172)	-	(68,172)
	<u>478,298</u>	<u>(516,006)</u>	<u>(1,061)</u>	<u>(38,769)</u>
Restricted funds				
Scottish Government	616,197	(602,956)	-	13,241
Local Authorities	1,682,184	(1,705,308)	-	(23,124)
BIG	475,982	(501,996)	-	(26,014)
NHS	48,509	(53,233)	-	(4,724)
Other	104,748	(66,556)	-	38,192
Wm Grant, Tots and Toys	86,169	(77,841)	-	8,328
	<u>3,013,789</u>	<u>(3,007,890)</u>	<u>-</u>	<u>5,899</u>
TOTAL FUNDS	<u>3,492,087</u>	<u>(3,523,896)</u>	<u>(1,061)</u>	<u>(32,870)</u>

EARLY YEARS SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2019

20. MOVEMENT IN FUNDS - continued

Funds have been designated by the Board for the following purposes:

- Training
- Capital reserve
- Grants - additional support
- Grants - Helping Hands
- Grants - Group Closure

Funds restricted by donors are for the following purposes:

- Core funding
- Prisons project
- Local authorities services
- Structured and stay and play sessions
- Projects in support of the charity's objects

21. PENSION COMMITMENTS

The company pays into the personal pension plans of certain staff members. The assets of the schemes are held separately from those of the company in a defined contribution scheme and also in independently administered funds. Contributions paid during the year amounted to £54,252 (2018: £50,696). At the balance sheet date unpaid contributions of £5,471 (2018: £6,054) were due.

22. RELATED PARTY DISCLOSURES

At the balance sheet date, a donation was accrued as receivable from Early Years Scotland Services Limited of £19,700 (2018: £Nil).

23. APB ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

24. COMPANY LIMITED BY GUARANTEE

Early Years Scotland is a company limited by guarantee in the terms of the Companies Act 2006. The liability of each member is limited to the sum of £1. In the event of the winding up or dissolution of the company, in terms of the Memorandum of Association, any surplus assets shall be transferred to some other charitable body or bodies having objects similar to the company.