

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 2018
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

Contents of the Financial Statements
for the Year Ended 31 July 2018

	Page
Report of the Trustees	1 to 4
Independent Examiner's Report	5
Statement of Financial Activities	6
Statement of Financial Position	7 to 8
Notes to the Financial Statements	9 to 14
Detailed Statement of Financial Activities	15 to 16

Report of the Trustees
for the Year Ended 31 July 2018

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 2018. 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 £157,511 (2017: £255,129) and the total expenditure was £153,519 (2017: £253,958) resulting in a surplus of £3,992 (2017: £1,171 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.

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 £27,472 (2017: £25,210).

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

Unrestricted Funds

Unrestricted Funds are needed to cover staff costs and those of administration and support without which the Pre-school could not operate.

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 unrestricted funds should be sufficient to cover one month's administration and support costs. This level will ensure we have adequate resources to cover our outgoings whilst income is at its lowest level during the autumn term. Without this funding level we would not have sufficient funds to ensure our continued operation to the end of January.

The Trustees will monitor and review this unrestricted fund 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.

Restricted Funds

Restricted funds normally arise from donations or grants which have been received to meet the costs of specific items of expenditure. 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.

Designated Funds

Designated funds are amounts specifically excluded from being used to meet the day-to-day running costs of the Pre-school. Sums raised through fundraising activities fall into this category. Such funds may be spent at the discretion of the Trustees to provide additional resources or to pay for special events outside the normal running costs of the Pre-school. In addition funds have also been set aside to cover specific items of expenditure. The Trustees have identified three designated items:

1. A fund has been established for repairs and maintenance to the building we own, which is sited at Christ the King School. It is acknowledged that buildings such as ours do not have a "long" life and that it is prudent to set aside monies for its repair or even replacement.
2. A fund to cover the cost of renegotiating the lease for Christ the King site.
3. A fund to meet any costs associated with negotiating rent reviews at Crossways site.

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

X Huang	Treasurer	- resigned 6.12.17
J Gillard	Vice Chair	- resigned 6.12.17
E J K Jones	Chair	- resigned 6.12.17
S Wordsworth	Vice Chair	- resigned 6.12.17
L Beake	Vice Treasurer	- resigned 6.12.17
E Rummey	Minutes Secretary	- resigned 6.12.17
G R Chappell	Chair	- appointed 18.12.17
K M Coates	Minutes Secretary	- appointed 6.12.17
C L Dean	Vice Chair	- appointed 18.12.17
G V Seamark	Treasurer	- appointed 6.12.17
C A Taylor	Vice Chair	- appointed 18.12.17

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.

The committee meets about 6 times per year.

Approved by order of the board of trustees on 9 November 2018 and signed on its behalf by:


.....

G V Seamark - Trustee

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 2018.

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.

Stanley Joseph Limited

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

Date: *15 November 2018*

First Step Pre-school Ltd

Statement of Financial Activities
for the Year Ended 31 July 2018

				31.7.18	31.7.17
		Unrestricted funds	Restricted fund	Total funds	Total funds
	Notes	£	£	£	£
INCOME AND ENDOWMENTS FROM					
Charitable activities		147,526	-	147,526	127,628
Donations and legacies	2	9,979	-	9,979	127,481
Investment income	3	<u>6</u>	<u>-</u>	<u>6</u>	<u>20</u>
Total		157,511	-	157,511	255,129
EXPENDITURE ON					
Charitable activities					
Charitable activities		149,040	-	149,040	129,143
Other		<u>3,721</u>	<u>758</u>	<u>4,479</u>	<u>124,815</u>
Total		152,761	758	153,519	253,958
NET INCOME/(EXPENDITURE)		4,750	(758)	3,992	1,171
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>78,687</u>	<u>758</u>	<u>79,445</u>	<u>78,274</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>83,437</u></u>	<u><u>-</u></u>	<u><u>83,437</u></u>	<u><u>79,445</u></u>

The notes form part of these financial statements

First Step Pre-school Ltd

Statement of Financial Position
At 31 July 2018

		Unrestricted funds £	Restricted fund £	31.7.18 Total funds £	31.7.17 Total funds £
	Notes				
FIXED ASSETS					
Tangible assets	8	27,000	-	27,000	30,000
CURRENT ASSETS					
Cash at bank and in hand		65,858	-	65,858	55,399
CREDITORS					
Amounts falling due within one year	9	(9,421)	-	(9,421)	(5,954)
NET CURRENT ASSETS		<u>56,437</u>	<u>-</u>	<u>56,437</u>	<u>49,445</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>83,437</u>	<u>-</u>	<u>83,437</u>	<u>79,445</u>
NET ASSETS		<u>83,437</u>	<u>-</u>	<u>83,437</u>	<u>79,445</u>
FUNDS	10				
Unrestricted funds				83,437	78,687
Restricted funds				-	<u>758</u>
TOTAL FUNDS				<u>83,437</u>	<u>79,445</u>

The notes form part of these financial statements

Statement of Financial Position - continued

At 31 July 2018

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 July 2018.


The members have not required the company to obtain an audit of its financial statements for the year ended 31 July 2018 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
- (b) 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 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 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 9 November 2018 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
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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.

Notes to the Financial Statements - continued
for the Year Ended 31 July 2018

2. DONATIONS AND LEGACIES

	31.7.18	31.7.17
	£	£
Fundraising events	2,667	1,738
Donations & legacies	-	223
Sundry income	7,312	-
Grants	-	125,520
	<u>9,979</u>	<u>127,481</u>

3. INVESTMENT INCOME

	31.7.18	31.7.17
	£	£
Deposit account interest	<u>6</u>	<u>20</u>

4. NET INCOME/(EXPENDITURE)

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

	31.7.18	31.7.17
	£	£
Depreciation - owned assets	<u>3,000</u>	<u>-</u>

5. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 July 2018 nor for the year ended 31 July 2017.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 July 2018 nor for the year ended 31 July 2017.

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

Notes to the Financial Statements - continued
for the Year Ended 31 July 2018

7. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Charitable activities	127,628	-	127,628
Donations and legacies	1,908	125,573	127,481
Investment income	<u>20</u>	<u>-</u>	<u>20</u>
Total	129,556	125,573	255,129
 EXPENDITURE ON			
Charitable activities			
Charitable activities	129,143	-	129,143
Other	<u>-</u>	<u>124,815</u>	<u>124,815</u>
Total	129,143	124,815	253,958
 NET INCOME/(EXPENDITURE)	413	758	1,171
 RECONCILIATION OF FUNDS			
Total funds brought forward	<u>78,274</u>	<u>-</u>	<u>78,274</u>
 TOTAL FUNDS CARRIED FORWARD	<u><u>78,687</u></u>	<u><u>758</u></u>	<u><u>79,445</u></u>

Notes to the Financial Statements - continued
for the Year Ended 31 July 2018

8. TANGIBLE FIXED ASSETS

Freehold
property
£

COST

At 1 August 2017 and 31 July 2018

30,000

DEPRECIATION

Charge for year

3,000

NET BOOK VALUE

At 31 July 2018

27,000

At 31 July 2017

30,000

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.18 £	31.7.17 £
Accrued expenses	<u>9,421</u>	<u>5,954</u>

10. 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	<u>30,000</u>	<u>(3,000)</u>	<u>-</u>	<u>27,000</u>
	78,687	4,750	-	83,437
Restricted funds				
Restricted funds	758	(758)	-	-
	<u>79,445</u>	<u>3,992</u>	<u>-</u>	<u>83,437</u>
TOTAL FUNDS	<u>79,445</u>	<u>3,992</u>	<u>-</u>	<u>83,437</u>

Notes to the Financial Statements - continued
for the Year Ended 31 July 2018

10. MOVEMENT IN FUNDS - continued

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

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

Comparatives for movement in funds

	At 1.8.16 £	Net movement in funds £	Transfers between funds £	At 31.7.17 £
Unrestricted Funds				
General fund	21,934	(1,016)	6,554	27,472
Designated funds	26,340	1,429	(6,554)	21,215
Property funds	<u>30,000</u>	-	-	<u>30,000</u>
	78,274	413	-	78,687
Restricted Funds				
Restricted funds	-	758	-	758
TOTAL FUNDS	<u>78,274</u>	<u>1,171</u>	<u>-</u>	<u>79,445</u>

Notes to the Financial Statements - continued
for the Year Ended 31 July 2018

10. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	128,127	(129,143)	(1,016)
Designated funds	<u>1,429</u>	<u>-</u>	<u>1,429</u>
	129,556	(129,143)	413
Restricted funds			
Restricted funds	125,573	(124,815)	758
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u><u>255,129</u></u>	<u><u>(253,958)</u></u>	<u><u>1,171</u></u>

11. RELATED PARTY DISCLOSURES

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