

Report of the Director and  
Unaudited Financial Statements  
for the Year Ended  
31<sup>st</sup> July 2008  
for  
First Step Pre-school Ltd

First Step Pre-school Ltd

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for the Year Ended 31 July 2008

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First Step Pre-school Ltd

Company Information  
for the Year Ended 31 July 2008

CHAIRPERSON:	N Payne
TREASURER:	A Serbrock
REGISTERED OFFICE:	Christ the King School Easton Hill Road Thornbury South Gloucestershire BS35 1AX
REGISTERED NUMBER:	5885935
CHARITY NUMBER:	1022996
ACCOUNTANTS:	Bennett Stock Limited Rose Cottage Old Gloucester Road Thornbury South Gloucestershire BS35 3UG
BANKERS:	Lloyds TSB plc 40 High Street Chipping Sodbury South Gloucestershire BS37 6AW

First Step Pre-school Ltd

Report of the Director  
for the Year Ended 31 July 2008

The chairperson presents this report with the financial statements of the company for the year ended 31 July 2008.

**INCORPORATION AND CONSTITUTION**

First Step Pre-school Ltd is a registered charity and is registered in England as a company. The company was incorporated on 25 July 2006 and commenced trading on 1 August 2006.

The Pre-school's current constitution was formally adopted at the Annual General Meeting of 2002.

**PRINCIPAL ACTIVITY AND OBJECT**

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.

The Pre-school owns a building situated on leased land at Christ the King School in Thornbury and rents a second building at Crossways Infant School, also in Thornbury. Sessions run concurrently at both sites where qualified and friendly staff provide stimulating and creative play that enables learning to take place in a fun and secure environment. We look upon pre-school as the first stepping-stone to school and school life.

**MISSION STATEMENT**

Working together to provide quality care and a foundation for life long learning.

**CHAIRPERSON**

Neil Payne was appointed as the chairperson at the AGM held on 10 October 2007 and held office during the whole of the period from that date to the date of this report. Andy Wilson resigned as chairperson at that same AGM.

It has been another busy year for the staff and committee of First Step Pre-school Limited. The financial situation has been brought to the forefront with the general economic situation in the country and worldwide, leading to increases in costs of all the services used by the Pre-school. It is, therefore, a great testament to the hard work of everyone that we have been able to make a small operating profit.

In December the Christ the King site was inspected by OFSTED and awarded an outstanding grading. This is a fantastic achievement and shows that all our efforts are worthwhile. Well done to Jenny and her staff, whom I know had to answer a lot of questions during the inspection.

Due to the financial situation it has not been possible to move forward with the building project as planned. I hope to progress this during the next year

First Step Pre-school Ltd

Report of the Director - continued  
for the Year Ended 31 July 2008

I would like to thank Penny and Jenny for their continued hard work and dedication to the Pre- school. I also thank all the staff for their efforts throughout the year, it is a team effort and everyone has made a positive contribution. I also thank Deb for her work during the year in keeping the administration in order.

The next year or so will prove to be a challenge as we have increasing costs and falling child numbers. The main focus of my efforts over the next year will be to try and get our numbers up to capacity and promote the Pre-school in order to increase numbers on our admissions list.

I hope to stand again as chairman next year and look forward to the challenges ahead.

**LEADERS**

Jenny Harris continued in her role as leader of the Christ the King site and Penny Smith continued similarly at Crossways site.

We have had another full and enjoyable year and at a fun leavers party we said good-bye to the morning children who are taking the next step in their education and are off to school.

Sadly, Auntie Marie did not return to Pre-school last September and Auntie Josie left us during the year to return to dental nursing. On a happier note Auntie Carol joined the team in September and of course we have had many new children start pre-school. All staff have continued to update their knowledge by attending training courses and Aunties Teresa and Caroline have completed their NVQ Level 3 training.

During the course of the year the morning children have taken part in a wide range of activities to help prepare them for school, including visiting the reception classes and playing with reception children in their playgrounds. The Crossways children enjoyed visiting the Year 6 classrooms and playing on the interactive whiteboards. They have also had many visitors and we have had students on work experience or college placements also with us. Zoolab returned again with their collection of snakes, gerbils, snails and other small creatures; while Christ the King children were lucky to have some newly hatched chicks and ducklings visit them. We invited the firemen and the police to join us. The police brought their car and the children were able to sit inside it and use the flashing lights and the siren.

We took the morning children to visit Tesco, where they were able to use the tills and staff from the library brought treasure chests for the children. Both sites also had pyjama evenings with bedtime stories, torches, hot chocolate and milkshakes. We all enjoyed Sports Days with the Aunties at Crossways even having their own race (won by Auntie Naomi!).

First Step Pre-school Ltd

Report of the Director - continued  
for the Year Ended 31 July 2008

A great deal of excitement and interest was generated by the emergence of our butterflies from their chrysalises – some of which actually happened during session times! Christ the King site also set up an ant town and Crossways site had a wormery, as well as some escaping snails. The life cycle of the ladybird and the stick insect are on the agenda for next year.

Both the morning and afternoon children enjoyed our Big Box days as well as the Christmas and end of year parties. This year the older children had their parties at a new venue – The Turnberrie Centre. The older children also entertained us with their nativities in December. Crossways site enjoyed a Caribbean Day, when fruit cocktails were once again very popular.

We have celebrated many festivals through the year including harvest, Chinese New Year, Christmas, Shrove Tuesday, Easter and Tanabata. We had grandparents come in to celebrate families and some even came back to help!

One of the major events of the year for Christ the King site was an inspection by Ofsted in November. We were all delighted to be adjudged “outstanding” in all areas. A celebration party was held in January for parents and children.

We have been fortunate to buy a lot of new equipment thanks to the fundraising that has been done. At Christ the King we got a new photocopier as well as a toy table, role-play equipment, lots of new books and other toys and a new cooker. At Crossways we now have a lovely dolls house and accessories, a great variety of musical instruments as well as extra art and ICT equipment.

Thank you to all volunteers who have done rota duty through the year and to all those who have helped us.

**TREASURER**

Anton Serbrock was appointed as the treasurer at the AGM held on 10 October 2007 and held office during the whole of the period from that date to the date of this report. Neil Payne resigned as treasurer at that same AGM.

I am pleased to announce that we have made a small operating profit this year. Given the significant financial pressure we will all face in this current economic climate this profit will be carried over to next year’s accounts. The profit is due largely to the effort made in reducing costs, at a time when all commodities are increasing in price. I feel it is very important to recognise the role played by the staff at both sites, led very ably by Penny and Jenny.

First Step Pre-school Ltd

Report of the Director - continued  
for the Year Ended 31 July 2008

Despite a robust financial situation, discussions have taken place to look some years into the future to ensure that we are as prudent as we can be in our financial planning. We hope this strategy will assist us in dealing with a difficult few years, where it seems numbers will be low at all pre-schools in the area.

The possibility of a staff pay rise will be looked at in January 2009, to be confirmed at that date.

A proposal was again agreed regarding the way course hours are paid, to be reviewed at year-end.

The possibility of building a new purpose built building on Crossways site is still being looked into by the Committee, though there is no significant progress to note at this time.

I would like to recognise the hard work put in by Deb Roper and Neil Payne, ensuring I had the support and information required this year.

I look forward to spending another year in my role as treasurer.

**FUNDRAISING CO-ORDINATOR**

Becky Harris was re-elected as fundraising co-ordinator at the AGM held on 10 October 2007 and held office during the whole of the period from that date to the date of this report.

We started the new school year with a new fundraising event. The morning children held a sponsored Welly Wang, cheered on by their parents. This was a great success, both in terms of fundraising and of fun!!

This was followed by our annual toy sale that was held in November at the Methodist Church Hall. We had a fantastic selection of toys and the sale itself was really well attended.

As usual the run up to Christmas was really busy. The calendars with the children's self-portraits were collated and sold. These proved as popular as ever. We also held our Christmas raffle with some fantastic hampers and other prizes.

After Christmas we had a quiet spell before holding an Easter Egg hunt in March for the children, which they really enjoyed. This was followed by our spring fashion show in May, with a bar and raffle. We managed to stock a lot of the bar with donations that helped keep profits high. Once again the evening was a great success with everyone having lots of fun and picking up a few bargains too.

First Step Pre-school Ltd

Report of the Director - continued  
for the Year Ended 31 July 2008

The photographer also visited in May and took some great group and individual photos of the children.

At the beginning of July we ran four stalls at the Christ the King School summer fair, including Bat the Rat and a second hand bookstall. Parents from both sites donated books and money for prizes, and our stalls had plenty of visitors throughout the day.

The Aunties were asked to draw up a wish list for each site. They were then able to buy new toys and equipment for the pre-school, including a photocopier and sand pit at the Christ the King site and some new musical instruments, books and dressing up clothes at Crossways site. Fundraising money was also used to pay for hall hire and entertainment at the Christmas and leavers parties.

I would like to say a huge thank you to the fundraising team for all their support and hard work this year. Many thanks also to everyone who has helped throughout the year by turning up at events, sending in donations and offering help – we really appreciate all your support.

Net Profit from our Key Fundraising Activities:

	2008	2007
	£	£
Christmas Calendar	307	254
Envelope Sale	0	205
Webb Ivory	0	109
Welly Wang	408	0
Christmas Raffle	325	312
Photographs	345	591
Fashion Show	604	785
Toy Sale	289	293
Other fundraising	274	418

TOTAL: 2,552 2,967

TRUSTEES

Trustees for the Charity 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. Trustees for the year 2007/08 were:

Neil Payne	Chairman
Anton Serbrock	Treasurer
John Baker	Vice Treasurer
Becky Harris	Fundraising Co-ordinator
Lucy Thomas	Vice Fundraising Co-ordinator
John Amor	Minutes Secretary
Delia O'Brien	Publicity Secretary
John Amor	Health & Safety Representative
Andy Wilson	IT/Website Co-ordinator
Wendy Collins	Child Protection Co-ordinator
Eddie Kilmartin	Committee Member
Vicki Vowles	Parents Representative
Tanya Sharp	Parents Representative
Zoe Griffiths	Parents Representative
Rachel Payne	Parents Representative
Jenny Baker	Parents Representative
Lise Gadish	Parents Representative
Rachel Moss	Parents Representative

In addition to the Trustees, there is also a fundraising sub-committee comprised of:

Tanya Sharp  
Zoe Griffiths  
Lise Gadish  
Sandy Harper

## STAFF

Staff employed by the Charity during the past year is detailed below, along with their curriculum responsibilities:

Jenny Harris	- Leader, Christ the King and vice Knowledge & Understanding of the World
Penny Smith	- Leader, Crossways and Mathematics
Crossways Site- Suzanne Golledge	- Knowledge & Understanding of the World
Tracy Stringer	- Special Educational Needs Co-ordinator (SENCO) and vice Personal, Social and Emotional Development
Naomi Millard	- Physical Development
Helen Stolliday	- Vice Language, Literacy and Communication
Carol Ling	- Vice Creative Development
Christ the King Site- Karen Watola	- Creative Development and vice Mathematics
Caroline Wilson	- SENCO and Personal, Social and Emotional Development
Amanda Starr	- Language, Literacy and Communication
Teresa King	- Vice Physical Development
Josie Cole	- Resigned November 2007
Both Sites- Deb Roper	- Book-keeper and Administrator

## ACHIEVEMENTS DURING THE YEAR

Ofsted inspection of CTK resulting in an award of Outstanding

Operated within budget

Successful fundraising events – Fashion show, toy sale, photos

Very positive results from parent questionnaires

## PLANS FOR 2008/2009

Recruit a new committee

Fill all vacant child places

Maintain a stable financial position

Progress building project

Manage transition to EYFS

## ACKNOWLEDGEMENTS

I would like to thank Becky Harris and her fundraising team for their fantastic efforts in raising so much money in so many different ways. The events have been enjoyed by many people and help to promote the Pre-school in a positive way

First Step Pre-school Ltd

Report of the Director - continued  
for the Year Ended 31 July 2008

I offer thanks to the Rotary Club of Thornbury for their generous donation of £500.

I also thank all those on the committee who in their various ways have contributed to the maintenance of both sites and have given their time to attend meetings and events throughout the year.

Finally, thanks also go to the policy committee for their work throughout the year; it is an important task that sometimes goes unnoticed.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:

.....  
A Serbrock - Treasurer

Date: .....

First Step Pre-school Ltd

Profit and Loss Account  
for the Year Ended 31 July 2008

	Notes	2008 £	2007 £
<b>TURNOVER</b>		92,075	96,549
Administrative Expenses		<u>90,613</u>	<u>94,741</u>
<b>OPERATING PROFIT</b>	2	1,462	1,808
Interest receivable and similar income		<u>742</u>	<u>292</u>
		2,204	2,100
Interest payable and similar charges		<u>1,000</u>	<u>1,016</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		1,204	1,084
Tax on profit on ordinary activities	3	-	-
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<u>1,204</u>	<u>1,084</u>
<b>PROFIT AND LOSS ACCOUNT 1 AUGUST 2007</b>		51,919	50,835
<b>PROFIT FOR THE YEAR</b>		1,204	1,084
<b>PROFIT AND LOSS ACCOUNT 31 JULY 2008</b>		<u>53,123</u>	<u>51,919</u>

The notes form part of these financial statements

First Step Pre-school Ltd

Balance Sheet

31 July 2008

	Notes	£	2008 £	£	2007 £
<b>FIXED ASSETS</b>					
Tangible Assets	4		30,000		30,000
<b>CURRENT ASSETS</b>					
Cash at bank and in hand		23,216		29,488	
<b>CREDITORS</b>					
Amounts falling due within one year	5	<u>93</u>		<u>7,569</u>	
<b>NET CURRENT ASSETS</b>			23,123		21,919
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>53,123</u>		<u>51,919</u>
<b>RESERVES</b>					
Profit and loss account	6		53,123		51,919
			<u>53,123</u>		<u>51,919</u>

The notes form part of these financial statements

First Step Pre-school Ltd

Balance Sheet - continued

31 July 2008

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31 July 2008.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 July 2008 in accordance with Section 249B(2) of the Companies Act 1985.

The chairperson acknowledges responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005).

The financial statements were approved by the director on ..... and were signed by:

.....  
N Payne - Chairperson

The notes form part of these financial statements

Notes to the Financial Statements  
for year ended 31 July 2008

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life: Land and buildings 0%

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

2. OPERATING PROFIT

The operating profit is stated after charging:

	2008 £	2007 £
Director's emoluments and other benefits	-	-

3. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the period.

4. TANGIBLE FIXED ASSETS

	Land and buildings £
<b>COST</b>	
At 1 August 2007	30,000
Additions	-
At 31 July 2008	<u>30,000</u>
<b>NET BOOK VALUE</b>	
At 31 July 2008	<u>30,000</u>
At 1 August 2007	<u>30,000</u>

Notes to the Financial Statements - continued  
for the year ended 31 July 2008

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £	2007 £
Other creditors	<u>93</u>	<u>7,569</u>

6. RESERVES

	Unrestricted funds £	Restricted funds £	Designated funds £	Property funds £	Profit and loss account Total £
At 1 August 2007	5,195	115	16,609	30,000	51,919
Profit for the year	792	-115	527	-	1,204
At 31 July 2008	<u>5,987</u>	<u>0</u>	<u>17,136</u>	<u>30,000</u>	<u>53,123</u>

Reserves Policy

The funds held by First Step Pre-School Ltd 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 it's highest level in the summer term – this is due to the availability of voucher 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 level of funding 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 that 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 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 been set aside to cover specific items of expenditure. The Trustees have identified four 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 any rent reviews at Crossways site.
4. A fund to meet the costs of acquiring a larger building to replace that currently used at the Crossways site or to acquire the lease on the existing building.

The Trustees will review this reserve level on an annual basis to ensure that it continues to meet the needs of the Pre-School.

First Step Pre-school Ltd

Profit and Loss Account  
for the year ended 31 July 2008

	£	2008 £	£	2007 £
<b>Turnover</b>				
Fees	15,742		14,249	
Lunch club	3,676		3,966	
Nursery vouchers	68,309		73,904	
Fundraising	2,552		2,967	
Milk refund	1,144		1,162	
Donations	527		46	
Grant income	125		255	
		92,075		96,549
<b>Other income</b>				
Deposit account interest	350		292	
Discounts received	392		0	
		742		292
		92,817		96,841
<b>Expenditure</b>				
Rent	2,587		2,764	
Rates and water	275		277	
Insurance	1,251		1,155	
Light and heat	739		931	
Milk	1,127		1,211	
Equipment and materials	4,654		4,587	
Toys	2,536		1,909	
Outings and events	523		401	
Fundraising costs	48		18	
Wages	71,836		75,113	
Telephone	545		666	
Post and stationery	803		1,418	
Repairs and renewals	1,139		1,091	
Staff uniform	84		240	
Sundry expenses	524		542	
Accountancy	1,069		918	
Training	731		764	
Teacher involvement	100		100	
Recruitment	-6		252	
CRB checks	48		384	
		90,613		94,741
Carried forward		2,204		2,100

This page does not form part of the statutory financial statements

First Step Pre-school Ltd

Profit and Loss Account  
for the year ended 31 July 2008

	£	2008 £	£	2007 £
Brought forward		2,204		2,100
<b>Finance costs</b>				
Bank interest	-		16	
CTK lease	<u>1,000</u>		<u>1,000</u>	
		<u>1,000</u>		<u>1,016</u>
<b>NET PROFIT</b>		<u>1,204</u>		<u>1,084</u>

This page does not form part of the statutory financial statements