

**Charity Registration No. 1056381**

**Company Registration No. 03164233 (England and Wales)**

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

# **EARLY YEARS WALES 2018**

## **T/A EARLY YEARS WALES**

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**TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)**  
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The trustees present their report and financial statements for the year ended 31 March 2020.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

**Objectives and activities**

The purposes of the charity as set out in the governing documents and articles are:

For the public benefit, alone or in conjunction with other organisations, the promotion and advancement of the education, development and care of preschool children in Wales by:

- a. Providing support and guidance including upon governance, regulation, planning, quality improvement and workforce development to organisations and individuals that provide for the education and care of preschool children; and
- b. Encouraging parents, carers and families of preschool children to understand their needs and to provide for their needs by engaging them in activities that promote their education, development and care.

Early Years Wales' main activity is to support all children, parents/ carers/ families and early years providers to give every child across Wales the best start in life. We believe that all families have the right to high-quality play, education and care opportunities to help their children reach their potential.

Since 1961, Early Years Wales has been the largest umbrella organisation in Wales, supporting a range of comprehensive membership services to the early years sector.

**Our strategic aim:** to support all pre-school children, their families and early years providers to give every child across Wales the best start in life.

**Our objectives**

1. Supporting the early years providers and the early years workforce
2. Supporting parents, carers and families to participate in play
3. Promoting the work of Early Years Wales widely
4. Contributing to policy implementation at National and local levels
5. Developing partnerships
6. Maintaining and developing the organisation's governance and management
7. Recruiting and developing staff and volunteers
8. Seeking and managing funding to maintain and expand our services

We aim to facilitate giving children the best start in life by providing services which promote child development and support families throughout Wales. This is achieved by supporting members to provide early intervention and family service programmes, providing high-quality support and representing our members, and offering our own accredited quality assurance scheme. The charity works collaboratively with other organisations, including other early years, childcare, education, playwork charities and statutory agencies to deliver our services. The charity promotes and delivers access to affordable, flexible and high-quality childcare provision.

# **EARLY YEARS WALES 2018**

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Early Years Wales has always promoted the value of parental participation in their child's development. This was a founding objective of the organisation and we continue to develop ways to ensure that families are supported from birth through their early years.

We see our role as providing our members with information, guidance, offering a listening ear and supporting them to achieve their goals. We measure our success in achieving these objectives by analysing the impact of our work through our reporting and monitoring and through case studies.

Through our work, Early Years Wales seeks to support its members by encouraging discussion about early years services. We keep them updated of changes to legal requirements and assist with planning to sustain their businesses. In addition, we provide targeted one to one support, news about the early years sector and signposting to qualifications and training opportunities. Early Years Wales' dedicated Foundation Phase support, Welsh Language support, promotion of our Quality for All quality assurance scheme, and the development of support publications and resources all serve to improve quality in the sector.

We recognise that many early years providers operate in a diverse range of environments which can be challenging. These include rural communities and areas of disadvantage. There are settings that are reliant on a mixed economy of funding e.g. Flying Start, Early Entitlement for 3 and 4-year old's and parent fees, and the Childcare Offer. These factors can challenge sustainability, as can local and national funding initiatives. Our aim is to inform, support and signpost so that these issues can be addressed, and capacity maintained.

The Trustees have paid due regard to guidance issued by the Charity Commission's public benefit guidance in deciding what activities the charity should undertake and in planning future activities. Consideration is given to how planned future activities will contribute to the strategic aim.

The charity offers grants through formal schemes such as a Local Authority referral scheme for ALN children which is governed by conditions of our funding grant.

#### **Achievements and performance**

Early Years Wales has continued its support to the early years sector in Wales, providing benefits to 644 members over the year in the following categories:

1. Central Support and Member Benefits
2. Cwlwm Partnership
3. Business Support
4. Quality for All
5. Foundation Phase Support
6. Welsh Language Support
7. Publications and Resources
8. Measures of success

#### **2.1 Central Support and Member Benefits**

The central support and member benefits have been strengthened to ensure that all members can access and receive services from head office and regional offices via phone, email, mail, website, social media, and videoconferencing. The support that we provide centrally enables providers to keep up-to-date with developments in childcare policy and regulation, especially in those Local Authorities that are not able to provide visits by a development worker. During 2019/20, more than 17,000 contacts were made with providers via a combination of visits, forums, events, email, social media, and conference calls.

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Early Years Wales' membership comprises organisations of different legal structures from private businesses e.g. sole-traders and limited companies to not-for-profit businesses (charities, CIOs). A breakdown is provided below:

<b>Setting Type</b>	<b>Number of member organisations</b>
Playgroup	235
Parent and Toddler	68
E-OoSC	17
Full-day Care	317
Creche	8
Combined provision	36
Corporate	6
Individual and student	11

We have held 40 member forums over the year focusing on areas such as CIW requirements, Welsh Language, Foundation Phase, Governance, ICO & GDPR, Food & Nutrition Guidelines, Autism Awareness, Curriculum 2022, QfA, Qualifications, WeCare campaign and support with funding applications giving members the opportunity to meet staff face to face. This number also includes 1:1 drop-in sessions to support members in completing the online return for the Self-Assessment of Service Statement (SASS) 2020 for Care Inspectorate Wales. The member forums are an important part of our member support and they often generate some interesting and productive discussions and help us to drive forward our representation of the sector at local and national meetings.

## **2.2 Cwllwm Partnership**

The contract of CFDG funding for the Cwllwm Partnership continued in 2019/20. Having successfully achieved the objectives set for the first three years and following the publication of 'Taking Wales Forward' and other announcements which set out the Welsh Government's priorities for Early Years, Childcare and Playwork. The following targets were agreed to address policies that interlink to influence the sector's work:

- The Childcare Offer (30 hours combining and Foundation Phase Nursery Offer with an additional 20 hours a week of funded childcare for working parents)
- Early Years Childcare and Play Workforce Plan and the development of a new suite of qualifications for the sector
- The 2050 strategy target of one million Welsh speakers by 2050
- Business Support for the early years, childcare and play work sector
- The Additional Needs Learning Bill
- The Abolition of Defence of Reasonable Punishment (Wales)

The Partnership continues to work effectively, and this work has enabled the partnership to represent and inform the sector as policy is developed. We look forward to continuing this work going forward.

In February and March 2020, the focus for Cwllwm was shifted rapidly towards supporting the sector. In February this was reactive support to settings impacted by localised flooding in Wales. By March, this was almost completely responding to Covid-19. This support increased towards 20 March and following the schools closure announcement on 20 March in Wales, the focus for Cwllwm has been providing support, guidance and business information to the sector. Many of the regular workstreams are adapted to account for social distancing and will continue to be operating under modified processes in to 2020/21.

## **2.3 Business Support**

We have previously identified a need for voluntary managed settings to be supported to choose an appropriate legal structure for their organisation that will offer compliance with the Charity Commission requirements and ensure that Trustees' liability is protected. In July 2017, Early Years Wales updated and agreed and registered model governing documents (a CIO and an unincorporated constitution) with the Charity Commission.

# **EARLY YEARS WALES 2018 T/A EARLY YEARS WALES TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2020**

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These will be due for review in 2020 to ensure that the voluntary sector is supported with appropriate governing documents which meet the needs of the aim of their businesses. We are currently working with almost 200 voluntary managed providers and supported almost 200 in undertaking the process to become Charitable Incorporated Organisations (CIOs).

This work will benefit providers and will also assist funders in having a clear understanding of the legal structure of these groups and ensuring accountability for funding. This work will continue, and Early Years Wales has appointed three Development Officers to support this work.

Business support has continued with Development Workers in nine local authority areas across Wales, working with their funding authority to provide business support and quality improvement for the sector. We have continued to support providers on a one-to-one basis in areas where we are funded for a local development worker. We have worked closely with Local Authorities and Welsh Government in delivering and assessing the impact of the Childcare Offer.

Since March 2020, Early Years Wales has attempted to provide up-to-date business support. This response to Covid-19 has been challenging as the information during March was rapidly changing and there were many tensions. These included policy decisions being made by UK and Welsh Government, complexities around the Job Retention Scheme and public funding, and the many different organisations that there are in the early years sector. In March, the funding and business support elevated genuine concerns for a sector that was already vulnerable and business support will continue into 2020/21 as a priority feature for Early Years Wales.

## **2.4 Quality for All**

With an emphasis on high quality childcare being at the forefront of initiatives to develop childcare, the Quality for All quality assurance scheme has remained popular with 400 participants now having participated since the scheme began in 2012. There are now 122 actively involved in the scheme. This figure will appear lower than in previous years as it reflects our implementation of a 2-year time limit for completion of the scheme from point of purchase and settings closures/amalgamations since purchasing QfA. Of these 122, 93 providers have completed the scheme with 29 now working towards their first accreditation. In 2019/20, 14 new participants joined the scheme. 17 providers are working towards their 6th accreditation, 8 providers are working towards their 7th accreditation and 4 providers are working towards their 8th Accreditation. The Quality for All scheme is being reviewed in 2020-21 as part of the response to Covid-19. The revised Quality for All guidance pack is available as a downloadable resource which will complement the electronic assessment process as well as help keep down costs to providers.

In March 2020, we took a decision to pause QfA assessments. This was taken in line with Estyn and CIW pausing their inspection processes. The timeline for recommencing the physical assessment process is unknown at present.

## **2.5 Foundation Phase Support**

The Early Years Coordinator, funded by Welsh Government's Foundation Phase team has met targets to provide support to 235 funded providers via face-to-face visits, virtual support, forums, SmallTalk articles and workshops. Early Years Wales has provided support to implement the delivery of the Foundation Phase Action Plan which aims to raise the quality of delivery across the whole of the Foundation Phase. Three Foundation Phase Excellence events in Powys, Denbighshire and Bridgend have been held in 2019/20 in collaboration with Arts Council of Wales, Outdoor learning Wales, University of South Wales, University of Wales Trinity St David, Bookstart Cymru and Kin Kindergarten. These events are unique in providing opportunities for teachers and practitioners from non-maintained settings to network and share best practice. Early Years Wales continues to support Welsh Government in the implementation of Curriculum 2022.

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FPEN events scheduled for the first quarter in 2020 have been paused due to the restrictions on social gatherings. The timeline on recommencing these activities is not known. There is a commitment to continuing to develop Curriculum 2022 in line with the planned timelines from Welsh Government, therefore our work with the sector and with Welsh Government continues to be a priority.

#### **2.6 Welsh Language Support**

The support provided for Welsh Language, funded by Welsh Government, has continued in partnership with Sbectrwm who hold the training and development tender with Welsh Government. The workforce demonstrates an appetite to learn and practice Welsh in their workplace and the support that we provide is tailored to meet their needs with each member accessing Camau courses receiving bespoke digital and peer to peer support sessions.

A specific, early years and play Welsh language training package was launched by National Centre for Learning Welsh and Early Years Wales was tasked with recruitment and follow on support. Welsh language support was provided to all settings that had accessed the new Camau training package and settings that had accessed the previous Welsh project 'Un, dau, tri – hwyl a sbri' if they still required support. 21 'new' members settings received Welsh language training and a total of 40 member settings received Welsh language support either digitally, through peer-to-peer support or both.

Internally, Early Years Wales has continued its commitment to developing the use of Welsh. A Welsh Language action plan is in place and used to inform work the organisation is involved with. Staff members have signed up to various Welsh courses and have increased their confidence to use the language incidentally in settings. Early Years Wales continues to develop a bilingual workforce to support the vision of Cymraeg 2050: a million Welsh speakers.

Modifications to the programme have been made from March 2020 to account for Covid-19 and restrictions for face-face training.

#### **2.7 Publication and resources**

Early Years Wales has continued to provide publications to support the sector and has been offering these for purchase through our online shop. In addition, Early Years Wales has developed a new website with enhanced functionality for the online shop. This creates the opportunity to develop more resources for the sector that can be hosted on the website. Our SmallTalk publication continues to be a member benefit and if produced four times a year.

Through the Healthy and Active Fund (HAF), Early Years Wales have been creating resources to promote the physical literacy journey from birth to five. The HAF project is a collaboration between the Healthy and Active Fund, Early Years Wales, and Welsh Gymnastics. Additional delivery support is provided by Pacey Cymru.

The work above continues during the March adjustments to the pandemic as there is no face to face component of the resource and publication development.

#### **2.8 Measures of Success**

Early Years Wales commits to report on its actions through agreed reporting measures in line with funding bids. In addition, Early Years Wales undertakes reviews of all aspects of business through the Trustee reporting processes. This practice ensures that operational targets are met, and that value is added to the sector from our charitable work. Budget management, ensuring value for money is maintained through formal monitoring of accounts monthly.

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**Financial review**

**Incoming Resources**

Incoming resources for the year ended 31 March 2020 was £1,003,506 (2019: £1,005,874). Income from charitable activities was £981,833 and has decreased from £990,541 this is due to an additional £150k being awarded by Welsh Government in 2018/19 compared to £45k during 2019/20.

**Resources Expended**

Resources expended during the year ended 31 March 2020 were £1,093,262 (2019: £1,024,039).

**Results**

Net outgoing resources for the year were £172,774 (2019: £9,305) this consists of an unrestricted surplus before investment losses of £108 (2019: deficit of £103,631) and a £89,864 restricted deficit (2019 surplus: £85,466).

**Cash Flow**

Cash flow remains strong, holding £187,423 (2019: £218,494) in cash.

**Principle Risks and Activity**

The principal risk identified by the Trustees are that reliance on short-term funding, only confirmed for a year at a time, could result in the loss of valuable services to the sector at a time when Government initiatives need a stable sector to deliver its early years interventions and childcare providers need ongoing support. We are seeking to mitigate this by strengthening our central support team and moving towards strategies that can generate income streams.

**Cyber Security**

Cyber security is becoming more of a risk with reliance on online and digital services. In view of recent activity affecting large public organisations we have reviewed our cyber security to provide reassurance and to meet the requirements of funders, and now hold the Cyber Essentials certificate. This requires updating in 2020 following the Head Office move.

Succession planning has been identified as a risk in that member settings need to be encouraged to pass their businesses on rather than close when they retire or wish to pursue other careers. The loss of a high number of members would put the organisation at risk and this is at a time when the childcare offer and other initiatives have identified a need for increased childcare provision. We have recently highlighted this in our small talk magazine and will continue to encourage and support new providers, as well as the workforce who want to manage their own businesses, at our regional forums and events.

**Investment Powers and Policy**

The trustees, having regard to the liquidity requirements of the charity have previously operated a policy of keeping surplus cash balances as liquid as possible and any surplus balances will be invested in deposit accounts.

The invested funds achieved a rate of 1.3% during the year 2018/19 and were projecting further growth ahead of the Corona Virus pandemic. In March, the markets took a significant downturn and the year-end position was in a temporarily weak position. Early Years Wales will monitor the investment closely over the coming months.



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The trustees are aware that one of their responsibilities is to review the investment policy for reserves on a regular basis to ensure risk and return is balanced. On this basis, the trustees met with a number of investment companies over the Summer of 2017 and appointed CAF and Octopus Investments. The first portfolio (£500K) for Conservative Capital Growth with the objective of providing a higher investment than could be achieved by a high-quality bond investment over the medium to long term. The second portfolio (£500K) is Moderate Capital Growth with the objective to generate sustained capital growth over the medium to long term, by investing in global equity markets, while using other asset classes and strategies to reduce the volatility associated with equity investing. The investments were started in February 2018.

The investments will be subject to a quarterly review by the trustees who will monitor this with cash flow to ensure liquidity remains adequate to meet the operational needs of the organisation. In response to the situation with Covid-19 in March, the CEO and Finance Manager now monitor the investment monthly.

**Reserves Policy**

We have utilised some of our reserves over the past years to continue what we believe to be essential services. With increased opportunities for partnership working, the association needs to be in a strong and sound position to be confident in applying for funds.

The Charity receives external funding in the form of grants and contracts to support its very important activities in furtherance of charitable objects. Such funding sources are subject to change and cannot be guaranteed. In addition, the Charity undertakes project driven work for which restricted income is received.

In the past, the trustees considered that the level of reserves needed to be sufficient to cover 12 months running costs. As the organisation holds over this amount, the trustees are now looking to spend some of that money.

Three years ago, the trustees designated £250,000 for 3 years, for work in 3 areas;

- Strategic and Development staffing hours
- Project Development
- Events
- Governance

At the end of March 2020 there was a balance of £130,181 to be carried forward.

At the reporting date, free reserves were £957,596 (2019: £962,149) representing unrestricted funds less tangible fixed assets less designated reserves.

In the short-term response to Covid-19, it was agreed by Trustees that recruitment would be paused and a more cautious allocation of designated funds used during 2020/21. This will be kept under review.

**Plans for future periods**

In February, The Trustees held a review of the Strategic Plan. The aims and objectives of the plan have remained the same. Future areas of development were agreed which would lessen reliance on Welsh Government funding which now accounts for over half of the Association's income. The Training Department, which was previously closed, is being re-launched although as noted above, recruitment is currently paused due to the end of year impact of flood and Covid-19. In addition, further planned recruitment in 2020/21 has been paused and will be kept under review. This is to ensure that reliance on designated reserves is limited and that there is sufficient funding to manage should the grant funding be impacted post-Covid-19.

# **EARLY YEARS WALES 2018 T/A EARLY YEARS WALES TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2020**

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Funding bids will focus on areas of work that Early Years Wales wants to work with, for example 0-2 year olds and their families. We believe that this will enhance the work that we currently are funded for, although this is problematic with the distribution of funding being used to support in the immediate response to Covid-19. Publications development and website development will continue so that the membership can access immediate resources and support. Some alterations to plans to share publications and resources have been made to avoid physical distribution of resources during the pandemic.

Many programmes have been adapted in response to the social distancing including Foundation Phase, Cymraeg Welsh Language, Quality for All, and some Development Officer visits. Timelines for re-starting these programmes are unknown at this point. Initially, staff time was utilised to support the sector in March, although a return to focused projects is anticipated in 2020/21 in preparation for lockdown restrictions being lifted.

Business Support is a significant priority across the organisation, as many of our members are struggling with the complexity of funding support and vulnerabilities to staff. Policy guidance is also a priority, supporting the sector to implement new social distancing measures will continue in 2020/21.

Due to the rapidly changing and evolving nature of social interactions and Government policy, approaches to support members and to receive feedback have been adopted. In the immediate response to Covid-19 the CEO wrote at least once a week to all members on the database. Membership terms were altered in March, providing three-months free membership to existing members and delaying payment until the end of June. Regular bulletins and information sharing will continue in 2020/21.

Plans to source alternative funds have proven difficult as the majority of grant opportunities have shifted to provide support for organisations with cashflow challenges. Additionally, fledgling partnership developments and meetings scheduled for Spring 2020 have been paused while all organisations respond to Covid-19. The aspiration is to re-start these discussions and developments in the autumn.

## **Structure, governance and management**

### **Governing Document**

Early Years Wales is a charity and company limited by guarantee and is governed by memorandum and articles dated 12 July 2018.

### **Directors and Trustees**

The directors of the charitable company (the Charity) are its Trustees, for the purposes of charity law and throughout this report they are collectively referred to as the Trustees.

### **Appointment of Trustees**

As set out in the current Articles of Association, the Chair, Vice Chair and Treasurer are elected by the Trustees and members. The Company Secretary is appointed by the Trustees. The Trustees are recruited using a variety of methods ranging from general advertisements, direct approach where specific skills or experiences are sought, and referrals. Trustees are appointed for a period of three years and can be reappointed for a further three years before stepping down for at least 12 months. Trustees are mainly Early Years Wales members representing the early years sector and co-opted Trustees may also be appointed. An annual skills audit is used to ensure that Trustees can be chosen for the skills and experiences that they can bring to the association.

### **Trustee Induction and Training**

Trustees are inducted into Early Years Wales by the CEO and Chair. There is bespoke and generic Trustee training available. In 2017, the Trustees and Managers commissioned a workshop by Geldards and MHA Broomfield Alexander where roles and responsibilities were explained after discussion of processes.

# **EARLY YEARS WALES 2018 T/A EARLY YEARS WALES TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2020**

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## **Organisation**

The Board of Trustees, which can have up to 20 members, administers the Charity and sets the overall mission, direction and strategies of Early Years Wales. It scrutinizes performance to secure effective implementation of strategy as well as approving budgets and monitoring membership and the risk assessment register.

Details of Implementation and execution are the responsibility of the senior management team led by the Chief Executive Officer. This ensures that:

1. The organisation stays focused on its mission and strategy
2. Key strategic and policy decisions are made by the board, and
3. Support and constructive challenge is given by the Trustees to the senior management team and the Chief Executive

The board meets six times a year. The finance group meets in the interim months between board meetings.

## **Related Parties**

There are no related party transactions relating to the financial year 2019/20 (2019: nil). All interests are required to be declared and signed in the Trustees Declaration of Interests proforma as required under Early Years Wales' code of governance. A conflict of interest register is kept and updated annually or when appropriate. In addition, all Trustees are asked to declare any interest pertinent to the agenda at all Board Meetings.

## **Key Management Personnel**

The Trustees consider that key management personnel are the senior staff, consisting of:

Chief Executive – Dave Goodger  
National Development Manager – Maggie Kelly  
North Wales Manager – Moya Williams  
West Wales Manager – Elaine Jones  
South Wales Manager – Andrea Jones  
PA and Office Manager – Julie Besley  
Finance Manager – Lisa McMullen

## **Pay policy for staff**

Salaries for all staff are approved by the full Board and are set at market rate. Trustees approved a 2% pay rise for all staff excluding the new CEO in 2019/20 for the financial year 2020/21.

## **Employment Policies**

Early Years Wales' policy is to give full and fair consideration to applications for employment made by disabled persons, having regard to their aptitudes and abilities. Disabled employees receive appropriate training to promote their career development within the charity. Employees who become disabled are retrained in their existing posts where possible or retrained for suitable alternative posts. Regular meetings are held with all staff. Employees are kept well informed about the progress and position of the charity by regular departmental meetings.

## **Risk Management**

Early Years Wales considers itself to be a 'risk intelligent' organisation, taking appropriately managed risks in an increasingly difficult environment. Our risk register and risk management procedures are fully embedded within the organisation. The risk register is updated and reviewed by Trustees and Senior Managers at the Board Meetings.

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Of note is the impact of Covid-19 on the final month of 2019/20 and the implications for Early Years Wales into 2020/21. As an immediate mitigation, the Trustees are proposing to pause recruitment to new positions in 2020/21. The impact would be to limit commitments from designated reserves accounting for the volatility in the investment market. As the majority of staff have an element of public-sector funding and as the sector required significant support, guidance and signposting in March 2020, the decision was made to continue with all staff in post and not to utilise the Furlough scheme for the few members of staff this applied to.

Designated reserves are now being monitored monthly, alongside other account management. There has been a change in policy, to reduce Early Years Wales' planned spend against designated reserves to increase the organisations flexibility to respond to financial challenges in the coming year.

Alongside this, some consideration will be made to real estate that the charity uses to reduce costs and maximise efficiencies, e.g. assessing the storage facility that is used and provides a regular expense to the organisation.

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**TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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<b>Charity Name</b>	Early Years Wales 2018 T/A Early Years Wales
<b>Charity Number</b>	1056381
<b>Company Number</b>	03164233
<b>Principal and Registered Office</b>	Unit 1, The Coopers Yard Curran Road Cardiff CF10 5NB
<b>Chair</b>	Mike Thorne
<b>Treasurer</b>	Lisa Owen (until 26/9/19) Rejwan Ahmed (from 26/9/19)
<b>Trustees</b>	Alison Kitchen Rejwan Ahmed Louise Bell Sue Carter Rachel Davies Elizabeth Foley Dr Mark Griffiths Helen Hughes (resigned Nov 19) Sharon Mazzearella Lisa Owen
<b>Secretary</b>	Jane Alexander (resigned 24/2/20) David Goodger (appointed 24/2/20)
<b>Auditors</b>	Azets Audit Services Waters Lane Chambers 1-3 Waters Lane, Newport NP20 1LA
<b>Bankers</b>	Barclays Bank 51 Hope Street, Wrexham LL11 1BE
<b>Investment providers</b>	CAF bank 25 Kings Hill Avenue, Kings Hill, West Malling ME19 4JQ

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**Auditor**

Azets Audit Services were appointed as auditor to the company and a resolution proposing that they be re-appointed will be put at a General Meeting.

**Disclosure of information to auditor**

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees report was approved by the Board of Trustees.



**Mike Thorne**  
**Chair**

Dated: 17-8-20

**EARLY YEARS WALES 2018**  
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**STATEMENT OF TRUSTEES RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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The trustees, who are also the directors of Early Years Wales 2018 for the purpose of company law, are responsible for preparing the Trustees Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

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

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

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

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**INDEPENDENT AUDITOR'S REPORT**  
**TO THE TRUSTEES OF EARLY YEARS WALES 2018**

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**Opinion**

We have audited the financial statements of Early Years Wales 2018 (the 'charity') for the year ended 31 March 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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 charitable company's affairs as at 31 March 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

- the trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity'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 trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If 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.



**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**  
**TO THE TRUSTEES OF EARLY YEARS WALES 2018**

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**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the statement of trustees responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity'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.

**Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 an auditor's report 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**  
**TO THE TRUSTEES OF EARLY YEARS WALES 2018**

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**Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**Azets Audit Services**

16-9-2020

**Statutory Auditor**

Waters Lane Chambers  
1-3 Waters Lane  
Newport  
NP20 1LA

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**INCLUDING INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
<b>Income from:</b>							
Donations and legacies	3	931	2,530	3,461	106	2,210	2,316
Charitable activities	4	63,522	918,311	981,833	57,430	933,111	990,541
Investments	6	18,212	-	18,212	13,017	-	13,017
<b>Total income</b>		<b>82,665</b>	<b>920,841</b>	<b>1,003,506</b>	<b>70,553</b>	<b>935,321</b>	<b>1,005,874</b>
<b>Expenditure on:</b>							
Charitable activities	7	81,169	1,010,705	1,091,874	174,184	849,855	1,024,039
Other	10	1,388	-	1,388	-	-	-
<b>Total resources expended</b>		<b>82,557</b>	<b>1,010,705</b>	<b>1,093,262</b>	<b>174,184</b>	<b>849,855</b>	<b>1,024,039</b>
Net gains/(losses) on investments	14	(83,018)	-	(83,018)	8,860	-	8,860
<b>Net movement in funds</b>		<b>(82,910)</b>	<b>(89,864)</b>	<b>(172,774)</b>	<b>(94,771)</b>	<b>85,466</b>	<b>(9,305)</b>
Fund balances at 1 April 2019		1,201,383	155,291	1,356,674	1,296,154	69,825	1,365,979
<b>Fund balances at 31 March 2020</b>		<b>1,118,473</b>	<b>65,427</b>	<b>1,183,900</b>	<b>1,201,383</b>	<b>155,291</b>	<b>1,356,674</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**BALANCE SHEET**  
**AS AT 31 MARCH 2020**

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Intangible assets	15		24,750		-
Tangible assets	16		5,946		9,319
Investments	17		936,082		1,002,734
			<u>966,778</u>		<u>1,012,053</u>
<b>Current assets</b>					
Debtors	18	99,039		177,041	
Cash at bank and in hand		187,423		218,494	
		<u>286,462</u>		<u>395,535</u>	
<b>Creditors: amounts falling due within one year</b>	19	(69,340)		(50,914)	
Net current assets			<u>217,122</u>		<u>344,621</u>
<b>Total assets less current liabilities</b>			<u>1,183,900</u>		<u>1,356,674</u>
<b>Income funds</b>					
Restricted funds	21		65,427		155,291
<u>Unrestricted funds</u>					
Designated funds	22	130,181		229,915	
General unrestricted funds		988,292		971,468	
		<u>1,118,473</u>		<u>1,201,383</u>	
		<u>1,183,900</u>		<u>1,356,674</u>	

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**BALANCE SHEET (CONTINUED)**

**AS AT 31 MARCH 2020**

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The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2020, although an audit has been carried out under section 144 of the Charities Act 2011.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the 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 company.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on .....17-8-20

.....*M Thorne*.....

**Mike Thorne- Chair**

**Company Registration No. 03164233**

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	28		(21,976)		(142,992)
<b>Investing activities</b>					
Purchase of intangible assets		(24,750)		-	
Purchase of tangible fixed assets		(4,402)		(3,165)	
Purchase of investments		(90,375)		(183,454)	
Proceeds on disposal of investments		92,220		171,954	
Interest received		18,212		13,017	
<b>Net cash used in investing activities</b>			(9,095)		(1,648)
<b>Net cash used in financing activities</b>			-		-
<b>Net decrease in cash and cash equivalents</b>			(31,071)		(144,640)
Cash and cash equivalents at beginning of year			218,494		363,134
<b>Cash and cash equivalents at end of year</b>			187,423		218,494

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**1 Accounting policies**

**Charity information**

Early Years Wales 2018 is a private company limited by guarantee incorporated in England and Wales. The registered office is Unit 1, Coopers Yard, Curran Road, Cardiff CF10 5NB.

**1.1 Accounting convention**

The accounts have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

**1.2 Going concern**

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

**1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

**1.4 Incoming resources**

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Incoming resources from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions. This income is recognised as the related services are provided and there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Income is deferred when the amounts received are in advance of the performance of the service or event to which they relate.

Income from memberships is recognised in the period in which the membership covers. Any income received in advance is deferred.

Income from interest and dividends is included in the accounts when receipt is probable and the amount receivable can be measured reliably.

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**1 Accounting policies**

**(Continued)**

**1.5 Resources expended**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure on charitable activities includes all costs relating to the furtherance of the charity's objectives as stated in the trustees report and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Support costs have been allocated between governance costs and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources and the amount of time spent on activities for staff costs.

Where the charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SoFA once the recipient of the grant has provided the specified service or output.

Where there are no conditions attaching to the grant that enables the donor charity to realistically avoid the commitment, a liability for the full funding obligation must be recognised.

**1.6 Intangible fixed assets other than goodwill**

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Website	20% straight line
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**1.7 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following basis:

Property improvements	20% straight line
Office equipment	20% straight line
Computer equipment	33.3% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.



**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**1 Accounting policies**

**(Continued)**

**1.8 Fixed asset investments**

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

**1.9 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1.10 Financial instruments**

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

**Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

**Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**1 Accounting policies**

**(Continued)**

**1.11 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**1.12 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

**1.13 Taxation**

As a registered charity, the charity is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

**2 Critical accounting estimates and judgements**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**3 Donations and legacies**

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total</b>	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total</b>
	<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2019</b>	<b>2019</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Donations and gifts	931	2,530	3,461	106	2,210	2,316
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**4 Charitable activities**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Membership	44,182	39,183
Advertisement	-	1,045
Grants	918,311	933,111
Quality assurance	13,844	10,497
Sale of publications and promotional items	5,496	6,705
	<u>981,833</u>	<u>990,541</u>
Analysis by fund		
Unrestricted funds	63,522	57,430
Restricted funds	918,311	933,111
	<u>981,833</u>	<u>990,541</u>

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**5 Grants were received from the following sources:**

	2020 £	2019 £
Welsh Government - Children and Families Deliveries Grant (CFDG)	456,896	561,916
Welsh Government - DCELLS: Early Yrs Co-Ordinator	52,000	47,000
Welsh Government - Welsh Language Department	50,000	50,000
Cardiff County Council - Flying Start	-	8,955
Carmarthenshire County Council - Children's Services	10,000	10,000
Ceredigion County Council - Family Information Service	4,500	7,500
Conwy County Borough Council - Education Services	10,190	10,931
Denbighshire County Council - Flying Start	8,093	8,093
Flintshire County Council	77,039	66,658
Gwynedd County Council - Education Services	206	1,566
Isle of Anglesey County Council	10,840	10,840
Merthyr Tydfil County Borough Council - Childcare Contract	-	13,520
Monmouthshire County Council	6,000	5,500
Newport City Council - RSG	86,750	84,500
Newport City Council - Additional Needs Referral Scheme	9,000	1,000
Newport City Council - Education	-	5,000
Pembrokeshire County Council - Cymorth Funded Project	-	6,586
Powys County Council - Community Regeneration Development Fund (CRDF)	-	5,344
Swansea City Council - Early Intervention Service	14,527	12,525
Torfaen County Council - Welsh Language Support	-	12,997
Sport Wales - Healthy and Active Fund	116,845	-
Conwy County Borough Council - Governance	1,425	750
Mudiad Meithrin - EDI Project	-	1,900
SASS Support & Promotion/Partner Work	4,000	-
Early Years Tennis Training	-	30
	<u>918,311</u>	<u>933,111</u>

**6 Investments**

	Unrestricted funds  2020 £	Unrestricted funds  2019 £
Interest receivable	<u>18,212</u>	<u>13,017</u>

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**7 Charitable activities**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Staff costs	640,565	621,702
Depreciation and impairment	3,525	4,927
Advertising	600	15,272
Computer, internet costs and telephone	32,995	23,579
Heat and light	1,846	-
Insurance	9,906	12,107
Other costs	(204)	1,667
Other staff costs	7,237	7,146
Events	16,641	18,374
Printing, post and stationery	30,258	28,951
Professional fees	13,741	3,884
Publications, training and subscriptions	26,547	2,167
Quality assurance	8,562	8,569
Premises costs	57,045	25,232
Travel and subsistence	36,245	40,775
	<u>885,509</u>	<u>814,352</u>
Grant funding of activities (see note 9)	92,044	88,954
Share of support costs (see note 8)	104,948	111,263
Share of governance costs (see note 8)	9,373	9,470
	<u>1,091,874</u>	<u>1,024,039</u>
<b>Analysis by fund</b>		
Unrestricted funds	81,169	174,184
Restricted funds	1,010,705	849,855
	<u>1,091,874</u>	<u>1,024,039</u>

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**8 Support costs**

	Support costs	Governance costs	2020	Support costs	Governance costs	2019
	£	£	£	£	£	£
Staff costs	22,946	-	22,946	36,033	-	36,033
Depreciation	2,862	-	2,862	-	-	-
Bank and other charges	1,284	-	1,284	1,087	-	1,087
IT and telephone	11,196	-	11,196	12,499	-	12,499
Premises costs	1,343	-	1,343	16,886	-	16,886
Irrecoverable VAT	39,461	-	39,461	20,465	-	20,465
Professional fees	10,769	-	10,769	10,870	-	10,870
Publications, training and subscriptions	721	-	721	1,343	-	1,343
Travel and subsistence	1,496	-	1,496	1,675	-	1,675
Other staff costs	4,954	-	4,954	1,559	-	1,559
Printing, post and stationery	7,916	-	7,916	8,846	-	8,846
Audit fees	-	5,500	5,500	-	5,500	5,500
Accountancy	-	2,100	2,100	-	2,015	2,015
Meeting costs	-	1,773	1,773	-	1,773	1,773
Occupational Health	-	-	-	-	182	182
	<u>104,948</u>	<u>9,373</u>	<u>114,321</u>	<u>111,263</u>	<u>9,470</u>	<u>120,733</u>
Analysed between Charitable activities	<u>104,948</u>	<u>9,373</u>	<u>114,321</u>	<u>111,263</u>	<u>9,470</u>	<u>120,733</u>

**9 Grants payable**

	2020	2019
	£	£
North East Wales	22,682	21,349
South East Wales	69,362	67,605
	<u>92,044</u>	<u>88,954</u>

During the year the charity awarded £92,044 (2019: £88,954) in grants to organisations and £nil (2019: £nil) to individuals. £27,454 was awarded as part of the Healthy and Active Fund to Welsh Gymnastics with the remaining being paid to member organisations.

The number of grants awarded to member organisations during the year totalled 44 (2019: 44), the smallest grant given was £23 (2019: £16) and the largest £5,522 (2019: £5,522).

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**10 Other**

	Unrestricted funds	Total
	2020	£ 2019
Net loss on disposal of tangible fixed assets	1,388	-
	<u>          </u>	<u>          </u>

**11 Trustees**

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the current or prior year.

9 trustees were reimbursed for travel and subsistence expenses totaling £1,773 (2019: 7 trustees totaling £1,738).

**12 Key management personnel**

The key management personnel received remuneration totalling £274,727(2019: £271,331).

The key management personnel of the charity during 2020 and 2019 were the National Development Manager, West Wales Manager, North Wales Manager, South Wales Manager, PA and Office Manager, Powys Manager, Rebranding Manager, the CEO and the Finance Manager.

**EARLY YEARS WALES 2018**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**13 Employees**

**Number of employees**

The average monthly number of employees during the year was:

	<b>2020</b>	<b>2019</b>
	<b>Number</b>	<b>Number</b>
Functional	20	22
Support	12	12
	<u>32</u>	<u>34</u>

**Employment costs**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Wages and salaries	598,296	598,321
Social security costs	43,456	37,786
Other pension costs	21,759	21,628
	<u>663,511</u>	<u>657,735</u>

The full time equivalent number of staff employed throughout the year was 26 (2019: 26).

Statutory redundancy payments were paid to 2 employees (2019: 2) in the year, totalling £3,160 (2019: £1,654). There were no amounts outstanding at the current or prior year end.

There were no employees whose annual remuneration was £60,000 or more.

**14 Net gains/(losses) on investments**

	<b>Unrestricted funds</b>	<b>Unrestricted funds</b>
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Revaluation of investments	<u>(83,018)</u>	<u>8,860</u>



**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**15 Intangible fixed assets**

	Website £
<b>Cost</b>	
At 1 April 2019	-
Additions - separately acquired	24,750
	<u>24,750</u>
At 31 March 2020	<u>24,750</u>
<b>Amortisation and impairment</b>	
At 1 April 2019 and 31 March 2020	-
<b>Carrying amount</b>	
At 31 March 2020	24,750
	<u><u>24,750</u></u>
At 31 March 2019	-
	<u><u>-</u></u>

**16 Tangible fixed assets**

	Property improvements £	Office equipment £	Computer equipment £	Total £
<b>Cost</b>				
At 1 April 2019	18,229	82,599	14,993	115,821
Additions	-	441	3,961	4,402
Disposals	(18,229)	(2,450)	-	(20,679)
	<u>-</u>	<u>80,590</u>	<u>18,954</u>	<u>99,544</u>
At 31 March 2020	<u>-</u>	<u>80,590</u>	<u>18,954</u>	<u>99,544</u>
<b>Depreciation and impairment</b>				
At 1 April 2019	18,229	80,721	7,552	106,502
Depreciation charged in the year	-	931	5,456	6,387
Eliminated in respect of disposals	(18,229)	(1,062)	-	(19,291)
	<u>-</u>	<u>80,590</u>	<u>13,008</u>	<u>93,598</u>
At 31 March 2020	<u>-</u>	<u>80,590</u>	<u>13,008</u>	<u>93,598</u>
<b>Carrying amount</b>				
At 31 March 2020	<u>-</u>	<u>-</u>	<u>5,946</u>	<u>5,946</u>
	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>5,946</u></u>	<u><u>5,946</u></u>
At 31 March 2019	<u>-</u>	<u>1,878</u>	<u>7,441</u>	<u>9,319</u>
	<u><u>-</u></u>	<u><u>1,878</u></u>	<u><u>7,441</u></u>	<u><u>9,319</u></u>

**EARLY YEARS WALES 2018**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**17 Fixed asset investments**

	<b>Listed Investments £</b>
<b>Cost or valuation</b>	
At 1 April 2019	1,002,734
Additions	90,375
Valuation changes	(64,807)
Disposals	(92,220)
	<u>936,082</u>
At 31 March 2020	<u>936,082</u>
<b>Carrying amount</b>	
At 31 March 2020	<u>936,082</u>
At 31 March 2019	<u>1,002,734</u>

**18 Debtors**

	<b>2020 £</b>	<b>2019 £</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	79,102	160,350
Prepayments and accrued income	19,937	16,691
	<u>99,039</u>	<u>177,041</u>

**19 Creditors: amounts falling due within one year**

	<b>2020 £</b>	<b>2019 £</b>
	<b>Notes</b>	
Other taxation and social security	-	2,091
Deferred income	<b>20</b>	21,302
Trade creditors	31,425	15,209
Other creditors	1,864	1,684
Accruals and deferred income	10,263	10,628
	<u>69,340</u>	<u>50,914</u>

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**20 Deferred income**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Arising from government grants	20,000	-
Arising from membership income	5,788	21,302
	<u>25,788</u>	<u>21,302</u>

Deferred income is included in the financial statements as follows:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Balance brought forward	21,302	42,374
Income received	48,668	18,111
Income released	(44,182)	(39,183)
	<u>25,788</u>	<u>21,302</u>
Balance carried forward	<u>25,788</u>	<u>21,302</u>

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**21 Restricted funds**

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			
	Balance at 1 April 2018 £	Incoming resources £	Resources expended £	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Balance at 31 March 2020 £
Welsh							
Government	55,276	658,916	(564,192)	150,000	558,896	(663,896)	45,000
County funds	14,549	274,195	(283,453)	5,291	359,415	(344,279)	20,427
Donations	-	2,210	(2,210)	-	2,530	(2,530)	-
	<u>69,825</u>	<u>935,321</u>	<u>(849,855)</u>	<u>155,291</u>	<u>920,841</u>	<u>(1,010,705)</u>	<u>65,427</u>

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**21 Restricted funds**

**(Continued)**

**Welsh Government – CFDG.** Awarded to the Cwllwm Partnership of Wales PPA, Clybiau Plant Cymru Kids' Clubs, NDNA, Mudiad Meithrin and PACEY Cymru..Cwllwm's brief is to support Welsh Government's aim to ensure that families across Wales can access affordable, quality childcare providing innovative solutions to create flexible childcare and play opportunities to meet the needs of parents and their families.

**Welsh Government – DCELLS. Early Years Project Co-ordinator.** To provide expert support to members delivering the Foundation Phase in the non-maintained early years sector, through a programme of face-to-face visits, email support and signposting.

**Ceredigion County Council – Family Information Services.** To support members with termly visits to registered settings, support with CSSIW requirements grant applications and business health checks.

**Carmarthenshire County Council – Children's Service.** To support members to deliver quality provision by termly contact telephone/email business support and visits, CSSIW requirements support start-up/ expansion of places, representation at local meetings, promoting Quality for All scheme.

**Pembrokeshire County Council.** To support member childcare providers by contact through face to face and e-mail contact, raising the standard of settings and promoting Quality for All award, to promote uptake of workforce training.

**Swansea City Council – Early Intervention Service.** Support includes, attending meetings, support to conduct CSA refresh, conducting feasibility study on expansion of childcare services, support to register and comply with CSSIW NMS. Promotion of Healthy Snack Award and Healthy and Sustainable pre-school schemes

**Isle of Anglesey County Council.** To support committees and staff in member settings in Ynys Mon via visits, email or telephone; to attend meetings to support the local authority and Ynys Mon referral scheme.

**Gwynedd County Council.** To support members all areas of need of running their business via visits, email or telephone and attend relevant meetings if required.

**Conwy County Borough Council – Education Services.** To develop and improve the use of the Welsh Language and to provide business support to providers in Conwy.

**Gwynt Y Mor.** To support toddler groups within designated Conwy areas providing sustainability and new provisions as and where required.

**Flintshire County Council.** To provide support to early year's providers to be sustainable businesses via visits, email, phone or office support.

**Flintshire County Council – Flying Start.** To support the delivery of Flying Start services via visits, email telephone.

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**21 Restricted funds**

**(Continued)**

**Flintshire County Council – Family Information Service.** Assisted Places funding for families on low income living in Flintshire, providing 2 sessions per week.

**Flintshire County Council – Family Information Service.** Funding for referral scheme towards 1:1 support workers - children with additional needs.

**Flintshire County Council – Family Information Service.** Funding for toddler group host to run The Holway parent & toddler setting in Holywell, Flintshire.

**Flintshire County Council – Family Information Service.** Revenue Support Grant (RSG) for business support for member settings in Flintshire provided via development worker visits, email or telephone support. Additional needs co-ordinator supporting settings, children, families and the local authority with all aspects of the referral scheme.

**Flintshire County Council – Family Information Service.** Special Education funding for referral scheme children providing 1:1 support workers, only for children with educational needs as agreed with the Local Authority.

**Denbighshire County Council - Flying Start.** Funding to support the delivery of Flying Start services via visits to settings, email or telephone.

**Welsh Government – DCELLS. Welsh Language Support** To support the Welsh Government 's Welsh medium education strategy to ensure a sufficient number of childcare practitioners with high quality Welsh language skills and confidence in using those skills in the work-place. The Welsh Language co-ordinators promoting take up of Welsh training, Un Dau Tri and provide follow up support to no Education funded settings.

**Welsh Government – DCELLS. Welsh Language Bursaries** .Administering Bursaries for workforce who complete the Un Dau Tri training course.

**Powys County Council – Community Rural Development Fund (CRDF).** To support providers via face to face visits, phone/emails to members; compliance to new/existing legal requirements and w forthcoming national/local initiatives. Promote training Quality for All scheme

**Powys County Council – Healthy Pre-Schools Project.** To provide support and guidance and assessment to providers enrolled on the Healthy Preschool award, monitoring and assessing throughout the scheme.

**Newport City Council.** RSG funded partnership project led by Wales PPA with CPCKC, MM and PACEY to provide business support to all providers as well as legal compliance via visits, email/hone, Business Health Checks. Wales PPA administers the Early Years Additional Needs Referral scheme

**Newport City Council - Education Services.** Additional Needs Referral scheme coordinator administers funding for 1-1 support for children with ALN who access education through the non-maintained sector.

**Newport City Council – Social Services.** Funded Additional Needs Referral scheme coordinator and 1-1 support for children whose families receive support from Social Service. This funding ceased Dec 2016.

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**21 Restricted funds**

**(Continued)**

**Monmouthshire County Council.** To provide support to member settings in Monmouthshire. Support for business skills, legal compliance and promotion of quality is provided via email, telephone and face to face visits when completing Business Health Check.

**Cardiff City Council – Flying Start.** Funding for two Flying Start playgroups in Cardiff. The funding covers all aspects of running a childcare setting.

**Merthyr Tydfil County Borough Council.** Clybiau Plant Cymru Kids' Clubs (CPCKC) is the lead partner in this partnership. To support to Day Nurseries, Playgroups, Parent and toddler Groups and childminders. via visits, email, telephone and Business Assessment Toolkit and promote Quality for All and Healthy Snack Award

**Merthyr Tydfil County Borough Council - Improvement Incentive Grant.** Grants paid to providers in Merthyr approved via a partnership panel. Support provided to complete grant application and c monitoring once grant has been awarded.

**Torfaen County Council - Welsh Language Support.** Wales PPA is lead partner to provide Welsh Language training and support to all childcare providers with Mudiad Meithrin, PACEY, Clybiau Plant Cymru Kids' Clubs and NDNA.

**Mudiad Meithrin - EDI Project**

**Sport Wales - Healthy and Active Fund -** Aiming to improve mental and physical health by enabling the adoption of healthy and active lifestyles across Wales regarding children and young people.

**EARLY YEARS WALES 2018  
T/A EARLY YEARS WALES  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2020**

**22 Designated funds**

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2018 £	Movement in funds					Balance at 1 April 2019 £	Resources expended £	Transfers £	Resources expended £	Transfers £	Balance at 31 March 2020 £
		Incoming resources £	Resources expended £	Transfers £	Balance at 1 April 2019 £	Resources expended £						
Strategic and development staffing hours	59,129	-	(56,017)	-	3,112	(70,413)			67,301			-
Project development	39,953	-	(7,658)	-	32,295	(17,615)			-			14,680
Events	13,000	-	-	-	13,000	(9,803)			-			3,197
Governance	205,241	-	(65,351)	-	139,890	(44,651)			-			95,239
Premises costs	-	-	-	40,000	40,000	(22,935)			-			17,065
Welsh project	-	17,163	(15,545)	-	1,618	(16,086)			14,468			-
	317,323	17,163	(144,571)	40,000	229,915	(181,503)			81,769			130,181



**EARLY YEARS WALES 2018  
T/A EARLY YEARS WALES  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2020**

**22 Designated funds**

**(Continued)**

**Strategic and development staffing hours**

To provide funded posts to develop a project to engage with parents and families in the 'Journey through Play' project and; to provide staffing hours for central support to members.

**Project development**

To develop and explore new areas of funding for the organisation.

**Events**

An amount of £13K was designated by the Board to hold events around Wales, promoting and celebrating the work that the organisation undertakes and celebrating our name change to Early Years Wales. Going forward the organisation would like to hold similar events throughout the year around Wales.

**Governance**

Fund two FTE Governance Officer posts until March 2021 to support members to review the governance and legal structure of their business and choose the most appropriate charitable structure, support settings with Charity commission and CIW registration changes where necessary and provide ongoing support to not for profit members to be compliant with legal requirements.

**Premises costs**

Fund designated to fund costs regarding potential property purchase in future periods.

**Welsh project**

Fund a part time 3 year funded post to develop and promote Welsh Language within Wales PPA which will aid to improve support to all staff and members. This will promote the Welsh Government's initiative, Cymraeg 2050 to achieve 1 million Welsh speakers in Wales by 2050.

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**23 Analysis of net assets between funds**

	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £	Unrestricted 2019 £	Restricted 2019 £	Total 2019 £
Fund balances at 31 March 2020 are represented by:						
Intangible fixed assets	24,750	-	24,750	-	-	-
Tangible assets	5,946	-	5,946	9,319	-	9,319
Investments	936,082	-	936,082	1,002,734	-	1,002,734
Current assets/ (liabilities)	151,695	65,427	217,122	189,330	155,291	344,621
	<u>1,118,473</u>	<u>65,427</u>	<u>1,183,900</u>	<u>1,201,383</u>	<u>155,291</u>	<u>1,356,674</u>

**24 Events after the reporting date**

**COVID-19**

The impact of the pandemic during 2020/21 (as described in the Trustees Report) will disrupt the charity's operations and income in 2020/21. The trustees believe that the charity's reserves are sufficient to meet the demands of this exceptional situation.

**25 Related party transactions**

There were no disclosable related party transactions during the year (2019 - none).

**26 Operating lease commitments**

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	35,931	3,481
Between two and five years	133,388	4,095
	<u>169,319</u>	<u>7,576</u>

**27 Pension commitments**

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £21,759 (2019 - £21,628). There were no amounts outstanding at the year end in the current or previous year.

**EARLY YEARS WALES 2018**  
**T/A EARLY YEARS WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

<b>28</b>	<b>Cash generated from operations</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
	Deficit for the year	(172,774)	(9,305)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(18,212)	(13,017)
	Loss on disposal of tangible fixed assets	1,388	-
	Fair value gains and losses on investments	64,806	(8,860)
	Depreciation and impairment of tangible fixed assets	6,387	4,927
	Movements in working capital:		
	Decrease/(increase) in debtors	78,003	(97,042)
	Increase in creditors	13,940	1,377
	Increase/(decrease) in deferred income	4,486	(21,072)
	<b>Cash absorbed by operations</b>	<b>(21,976)</b>	<b>(142,992)</b>
<b>29</b>	<b>Analysis of changes in net funds</b>		

The charity had no debt during the year.

