Company No: SC194542

Charity No: SC028891

FIRST STEP COMMUNITY PROJECT

(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

FIRST STEP COMMUNITY PROJECT
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

FIRST STEP COMMUNITY PROJECT
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE INFORMATION

Charity Name:	First Step Community Project
Registered Office and Operational Address:	37 Galt Avenue Musselburgh East Lothian EH21 8HU
Charity Registration No:	SC028891
Company Registration No:	SC194542
Trustees:	Mary Preston (appointed director 30.01.2026) Caitlin Rodgers (appointed director 29.01.2026) Rachel Wales (resigned 30.01.2026) Alana Nunn (appointed director 27.03.2025, resigned 30.01.2026)
Strategic Board:	Paule Tchamdjou (resigned 30.01.2026) Alana Nunn (resigned 30.01.2026) Rachel Wales (resigned 30.01.2026) Mary Preston (appointed 17.11.2023) Eileen Nicolson (appointed 29.08.2024, resigned 25.09.2025) Eden Blair (appointed 28.11.2024, resigned 28.08.2025) Scott Shearer (appointed 29.05.2025, resigned 31.01.2026) Stephen Ferguson (appointed 29.05.2025, resigned 02.04.2026) Nicola McIntosh (appointed 29.05.2025) Caitlin Rodgers (appointed 29.05.2025) Beth Galashan (appointed 30.04.2026) Rachael Melrose (appointed 30.04.2026)
Secretary:	Paule Tchamdjou (resigned 30.01.2026)
Manager:	Christina Pollock
Independent examiner:	Wbg Services LLP 168 Bath Street Glasgow G2 4TP
Bankers:	Bank of Scotland Business Banking PO Box 1984 Andover SP10 9GZ

FIRST STEP COMMUNITY PROJECT
(A company limited by guarantee)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2026

The Trustees present their annual report and financial statements of the charity for the year ended 31 March 2026.

The financial statements have been prepared in accordance with the accounting policies set out in note one to the accounts and comply with the charity's memorandum and articles of association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), 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.

The legal and administrative information on page one forms part of this report.

Directors and Trustees

The Directors of the charitable company (the charity) are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees, who served during the year and since the year end, unless otherwise stated, were as follows:

Mary Preston (appointed director 30.01.2026)
Caitlin Rodgers (appointed director 29.01.2026)
Rachel Wales (resigned 30.01.2026)
Alana Nunn (appointed director 27.03.2025, resigned 30.01.2026)

The Trustees delegate the responsibility for overseeing the management of the project to the Strategic Board. The members of the Strategic Board, who served during the year and since the year end, unless otherwise stated, were as follows:

Paule Tchamdjou (resigned 30.01.2026)
Alana Nunn (resigned 30.01.2026)
Rachel Wales (resigned 30.01.2026)
Mary Preston (appointed 17.11.2023)
Eileen Nicolson (appointed 29.08.2024, resigned 25.09.2025)
Eden Blair (appointed 28.11.2024, resigned 28.08.2025)
Scott Shearer (appointed 29.05.2025, resigned 31.01.2026)
Stephen Ferguson (appointed 29.05.2025, resigned 02.04.2026)
Nicola McIntosh (appointed 29.05.2025)
Caitlin Rodgers (appointed 29.05.2025)
Beth Galashan (appointed 30.04.2026)
Rachael Melrose (appointed 30.04.2026)

Structure, Governance and Management

- **Governing Document**

The organisation is a company limited by guarantee, incorporated 23rd March 1999. Our Memorandum of Association clearly defines the purposes of the charity as well as the duties and responsibilities of the directors. It also records procedures for Board and Annual General Meetings as well as requirements for winding up the charity, where members are required to contribute an amount not exceeding £1.

FIRST STEP COMMUNITY PROJECT
(A company limited by guarantee)

REPORT OF THE TRUSTEES FOR THE YEAR END 31 MARCH 2026

Structure, Governance and Management (continued)

- **Recruitment and Appointment of Trustees**

Trustees of the Strategic Board are recruited mainly from those using the service and are made up of Parent representatives and Community representatives. They are supported by non-voting professional advisors from a variety of disciplines. We have a clear policy in place regarding the recruitment and appointment of Trustees with regular skill analysis undertaken to identify gaps in skills within the Board members. Trustees are appointed throughout the year and a new Board is elected at our Annual General Meeting.

- **Trustee Induction and Training**

Following the AGM, Trustees undergo an induction session and training on roles and responsibilities both as a Board member and as a Trustee. All new Trustees are given a welcome pack which provides further information as well as a copy of our Memorandum of Association. External training is also offered to Trustees on specific subjects throughout the year, which are identified through our strategic plan, risk register and ongoing governance reviews.

- **Risk Management**

Risk and the management of risk are applied at all levels within the organisation. Our risk policy sets out our approach to managing risk and a Risk Register, which the Board have ownership of, detailing the cause, impact, risk rating and steps to mitigate the risk. This covers governance & management, operational, financial, external environment (reputational) and compliance. We also have a Financial Risk policy in place that is a formal acknowledgement of First Step's commitment to risk management. This ensures that every effort is made to manage financial risk appropriately, to maximise potential opportunities and minimise unnecessary risk.

- **Organisational Structure**

The Trustees are responsible for ensuring good governance and overseeing the organisation in terms of:

- Ensuring that the organisation operates in full accordance with its governing documents.
- Setting a strategic direction for the future development of the organisation.
- Securing sustainable funding and operating with a reserves policy.
- Ensuring the services are provided to relevant standards or exceed these.

The Trustees delegate the responsibility for overseeing the operational management of the Project to the Project Manager.

- **Related Parties**

First Step is an independent charity.

- **Objectives and Activities**

First Step provides opportunities for local families with young children to make positive choices in their lives by providing supportive centre-based and outreach activities which encourage parents and children to develop self-esteem, confidence and skills.

- **Objectives and Activities (continued)**

We have adopted the following strapline as summarising our whole approach which is used on all promotional materials.

"WORKING TOGETHER TO SECURE A BETTER FUTURE FOR FAMILIES"

First Step's Strategic Aims are:

- We will encourage the participation of local families in the full range of opportunities and services available through First Step.
- We will deliver high quality services that address the needs of local families with children.
- We will contribute to the planning and development of effective local and national services and strategies which impact positively on the lives of local families.
- First Step will aim to be a well-managed project through community participation, user involvement and the commitment of a skilled and professional staff team.
- We will aim to ensure the financial stability of First Step through the obtainment of funding sources that reflect the current and future needs of the project.

First Step takes a holistic approach to working with local families by offering the following services:

Nursery Provision - We provide Early Learning and Childcare across 2 playrooms for children from 2 years to school age. We are in Partnership with East Lothian Council to offer up to 1140 hours of funded places for 3- & 4-year-olds and funded eligible 2-year-olds.

Family Opportunities Program - Offers a wide range of courses within three themes of parenting, health and wellbeing, and creativity. These provide opportunities for self development, to help parents increase their confidence, as well as their parenting and employability skills.

Outreach Service – This is a referral-based service which supports local families in the wider Musselburgh, Wallyford and Whitecraig communities. The aim of this service is to work with families that are going through a period of difficulty using a strength-based approach. Families are supported on a 1:1 basis either within the community or centre based.

Volunteering - This is a fundamental part of First Step and offers lots of volunteering opportunities from one-off volunteering to longer term strategic roles. Volunteer positions are matched to their skills, needs and interests.

- **Achievements and Performance**

During the year, 41 children accessed our Early Years and Childcare Provision. We are in Partnership with East Lothian Council to offer funded Early Learning and Childcare for 3- & 4-year-olds and eligible 2-year-olds. Wee Bears are offered a minimum of 4 sessions per week at a cost of £30 per session. Big Bears offer a minimum of 4 sessions per week at a cost of £30 per session. An additional £3 lunch charge is applicable for morning and full day sessions for non-funded children.

- ### Achievements and Performance (continued)

We had 24 referrals to our Outreach service during the year with the main source of referrals being Health Visitors as well as other third sector organisations and self-referrals.

The family group programme offered 96 group sessions plus weekly drop-ins of Book Bug, Breastfeeding support, Grans group and Stay and Play. Our focus continues to be supporting families with the cost of living through partnership work with other agencies, our pantry and clothes sales. As the areas in which our project serves continue to expand, we have run groups within the new Wallyford Community Centre. This enabled families to access our service within their own community and also allow us to build capacity with increased spaces available.

During the year we held holiday programmes in partnership with East Lothian Council (Easter 2025 and Summer 2025) attended by 352 adults and children across 22 activity days.

First Step currently has 175 family memberships costing £25 per year.

First Step continues to offer a flexible and responsive approach to our work with children and their families. We work with individuals and professionals to eliminate any barriers that may prevent engagement of families.

Our Parental pathway continues to offer a coordinated route for families that access our service. This encourages them to engage with the service for longer and at an earlier stage in their parenting journey, with a clearer focus on antenatal to 8 years old.

We have a strong history of connecting with various partners in the area and continue to build on these, working innovatively to meet the needs of families. We are representatives in numerous forums and partnerships both at local and strategic levels. Local partners include Children's Wellbeing, Health Visitors, Speech and Language Therapy, Musselburgh Area Partnership, Community Learning and Development, Olivebank Children and Family Centre, Home Start East Lothian, Our Families, Citizens Advice, Social Security Scotland, East Lothian Works, East Lothian Council Early Years Team, Circle, Volunteer Centre East Lothian and Roots and Fruits.

We are continuing to look at alternative funding routes such as East Lothian Community Lottery, Friends of First Step and Easy Fundraising. We continue to generate a good response to receiving donations from various sources and individuals who have been raising money on our behalf.

- ### Financial Review

The Charity's income for the year amounted to £482,688 (2025: £515,256) and we reported a surplus for the year of £17,639 (2025: £39,508).

At March 2026 the charity had unrestricted funds of £183,220 (2025: £181,245) and restricted funds of £33,011 (2025: £17,347).

We actively promote our charity status through fundraising events and continue to receive generous donations from local businesses and individuals. Our funding strategy includes a mix of fundraising and grants from external funders. We are currently looking at strategies to diversify our funding strategy to include corporate sponsorship.

Our main funders include East Lothian Council, Henry Smith, The National Lottery, The Robertson Trust, Garfield Weston and smaller funds for specific projects.

- **Financial Review (continued)**

At both an operational and strategic level, we continually monitor our financial situation and risks. As we face a challenging year ahead, with inflation continually rising and reduced funding levels, we will continue to identify opportunities to generate income and align our business model to reflect this.

- **Principal Funding Sources**

The principal funding sources of the charity are an annual grant from East Lothian Council and several trust funds.

- **Reserves Policy**

The Charity will work towards building up sufficient reserves to enable it to meet its commitments should the Charity be required to close. At 31st March 2026, the total unrestricted reserves were £183,220. The Trustees have established a policy whereby the charity aims to have four to six months expenditure to be taken from reserves and based on current levels of unrestricted expenditure this would be between £109,228 and £163,842. In addition to this amount, we have a staffing contingency fund to cover long term absences and HR consultancy.

- **Plans for Future Periods**

First Step continues with its vision and aims which are to support local families with children under 8 years old. The landscape around the project is continuing to change with the expansion of new houses and increased demand for our services.

This year we received a further reduction of 52% in our funding from East Lothian Council for our core service, however, due to such a reduction in funding, it leaves us in a precarious position in terms of future stability. We have worked in partnership with East Lothian Council to look at making the Project more sustainable by looking at income maximisation and cost savings. This has resulted in being awarded a 3 year service level agreement.

We have been successful in obtaining 3 years funding for our Family Support Service, from the Robertson Trust which covers the period from 31st March 2025 to 31st March 2028. Two of our main funders (National Lottery and Henry Smith Charity) for this service will end in 2026, so we will be applying for further funding to continue this service.

Our Strategic priorities for the next 3 years will be aligning our model with our funding levels and identifying further opportunities for cost savings and income maximisation. The Strategic Board will be focusing on the identification of key challenges and risks, and prioritising actions to ensure we mitigate any risk.

We are continuing to develop a clear fundraising strategy with the emphasis on creating a sustainable funding mix to move away from sole reliance of external grant funding. We are constantly striving to identify new opportunities to create a model of sustainable income. This will be generated by in-house initiatives as well as maintaining an effective infrastructure to control our budgets, which is fundamental to the sustainability of the project.

FIRST STEP COMMUNITY PROJECT
(A company limited by guarantee)

REPORT OF THE TRUSTEES FOR THE YEAR END 31 MARCH 2026

Trustees' responsibilities in relation to the financial statements

The charity trustees (who are also the directors of First Step Community Project for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing the 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 business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to 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 taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

This report has been prepared in accordance with the Statement of Recommended Practice: applicable to charities preparing their accounts in accordance with the Financial Reporting Standard Applicable in the UK and republic of Ireland (FRS 102) (effective 1 January 2019) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the trustees and signed on their behalf by:

Signed by:
Mary Preston, First Step Chair
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Name: Mary Preston

Date: 28 August 2026

INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS OF FIRST STEP COMMUNITY PROJECT FOR THE YEAR ENDED 31 MARCH 2026

I report on the accounts of the charity for the year ended 31 March 2026, which are set out on pages 9 to 24.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

The charity trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In the course of my examination, no matter has come to my attention

1. which gives me reasonable cause to believe that in any material respects the requirements:

    - to keep accounting records in accordance with Section 44 (1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
    - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations

    have not been met, or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed by:

Jenna Fair

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Jenna Fair BA (Hons) ACCA
Wbg Services LLP
168 Bath Street
Glasgow
G2 4TP

Date: 28 August 2026

FIRST STEP COMMUNITY PROJECT
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 MARCH 2026
(Including an Income and Expenditure account)

	Notes	Unrestricted Funds 2026 £	Restricted Funds 2026 £	Total Funds 2026 £	*Unrestricted Funds 2025 £*	*Restricted Funds 2025 £*	*Total Funds 2025 £*
Income and endowments from:							
Donations and legacies	**4**	268,971	153,030	**422,001**	323,194	147,598	**470,792**
Charitable activities	**5**	55,296	-	**55,296**	35,815	-	**35,815**
Other trading activities	**6**	4,593	-	**4,593**	7,729	-	**7,729**
Investments	**7**	798	-	**798**	920	-	**920**
Total Income		329,658	153,030	**482,688**	367,658	147,598	**515,256**
Expenditure on:							
Raising funds	**8**	125	-	**125**	-	-	**-**
Charitable activities	**10**	327,558	137,366	**464,924**	325,641	150,107	**475,748**
Total Expenditure		327,683	137,366	**465,049**	325,641	150,107	**475,748**
Net income/(expenditure) for the year		1,975	15,664	**17,639**	42,017	(2,509)	**39,508**
Transfers between funds		-	-	**-**	(850)	850	**-**
Net movement in funds		1,975	15,664	**17,639**	41,167	(1,659)	**39,508**
Funds reconciliation							
Total funds brought forward	**16**	181,245	17,347	**198,592**	140,078	19,006	**159,084**
Total Funds carried forward	**16**	183,220	33,011	**216,231**	181,245	17,347	**198,592**

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

FIRST STEP COMMUNITY PROJECT
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BALANCE SHEET AS AT 31 MARCH 2026

	Note	Total Funds 2026 £	Total Funds 2025 £
***Fixed assets*:**			
Tangible assets	**13**	2,918	1,463
Total Fixed Assets		2,918	1,463
Current assets:			
Cash at bank and in hand		250,790	213,515
Total Current Assets		250,790	213,515
***Liabilities*:**			
Creditors falling due within one year	**14**	(37,477)	(16,386)
Net Current Assets		213,313	197,129
Net Assets		216,231	198,592
The funds of the charity:			
Restricted income funds	**16**	33,011	17,347
Unrestricted funds	**16**	183,220	181,245
Total charity funds		216,231	198,592

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to the members of the company.

For the year ended 31 March 2026 the company was entitled to exemption under section 477 of the Companies Act 2006. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements under the requirements of the Companies Act 2006.

The trustees acknowledge their responsibilities for ensuring that the company 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 period and of its profit or loss for the financial period in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

Approved by the trustees and signed on their behalf by:

Signed by:
Mary Preston, First Step Chair
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Name: Mary Preston

Date:28 August 2026

Company No: SC194542

FIRST STEP COMMUNITY PROJECT
(A company limited by guarantee)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2026

1. Accounting Policies

(a) **Basis of preparation and assessment of going concern**
The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The charity constitutes 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 £.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

(b) **Funds structure**
Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objectives. Unrestricted funds include designated funds where the trustees, at their discretion, have created funds for specific purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed, or through the terms of an appeal.

Further details of each fund are disclosed in note 16.

(c) **Income recognition**
Income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Income from government and other grants, whether 'capital' or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met (see Note 15).

1. Accounting Policies (continued)

(d) **Expenditure recognition**
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to note (e) below.

- Costs of raising funds comprise the costs incurred in relation to the project activities and associated support costs;

- Expenditure on charitable activities includes expenditure on activities undertaken to further the purposes of the charity and their associated support costs.

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

(e) **Allocation of support and governance costs**
Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory independent examination and legal fees together with an apportionment of overhead and support costs.

Governance costs and support costs relating to charitable activities have been apportioned based on staff time spent. The allocation of support and governance costs is analysed in note 9.

(f) **Tangible fixed assets and depreciation**
All assets costing more than £1,000 are capitalised and valued at historical cost. Depreciation is charged as follows:

	Basis
Furniture, Fittings and Equipment	33% Straight Line

(g) **Debtors**
Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

(h) **Cash at bank and in hand**
Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1. Accounting Policies (continued)

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

(j) **Employee Benefits**
The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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.

(k) **Pensions**
The charity's employees are entitled to become members of a defined contribution pension scheme. There are also employees who are members of a defined benefit pension scheme. The contributions payable by the charity, as employer, and of the relevant staff, are prescribed by the managers of the fund under the statutory provisions under which the scheme operates.

As permitted by FRS 102, the company has no discretion to vary the rates of its contributions for employees in the defined benefit pension scheme and therefore the scheme is treated as a defined benefit scheme. For employees in the defined contribution pension scheme, the company has discretion to vary the rates of its contributions, therefore the pension scheme is treated as a defined contribution scheme.

The pension costs charged in the financial statements in respect of this scheme represent the contributions payable by the company during the year.

(l) **Operating leases**
The charity classifies the lease of property and equipment as operating leases. The title to the property and equipment remains with the lessor.

(m) **Taxation**
The company is a charitable company within the meaning of Section 467 of the Corporation Tax Act 2010. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied for charitable purposes only.

(n) **Financial instruments**
The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

(o) **Judgements and key sources of estimation uncertainty**
In the application of the company'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, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The trustees are satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied as follows;

Estimate	Basis of estimation
Depreciation of fixed assets	Fixed assets are depreciated and amortised over the useful life of the asset. The useful lives of fixed assets are based on the knowledge of the operations team, with reference to assets expected life cycle.

2. Legal status of the charity

The charity is a registered Scottish charity and a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

3. Related party transactions and trustees' expenses and remuneration

No Trustee received any remuneration or was reimbursed any expenses during the year (2025: £Nil). No expenses were waived by trustees (2025: £Nil).

No Trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity in the year (2025: £Nil).

During the year there was a £47 donation made to the charity by one Trustee (2025: £Nil).

4. Income from donations and legacies

	2026	**2025**
	£	**£**
Grants	414,467	465,321
Donations	7,534	5,471
	422,001	470,792

5. Income from charitable activities

	2026	**2025**
	£	**£**
Community projects	55,296	35,815
	55,296	35,815

6. Income from other trading activities

	2026 £	2025 £
Fundraising events	4,593	7,729
	4,593	7,729

7. Income from investments

	2026 £	2025 £
Bank interest	798	920
	798	920

8. Raising Funds

	2026 £	2025 £
Fundraising costs	125	-
	125	-

9. Allocation of governance and support costs

The breakdown of support costs and how these were allocated between governance and other support costs is shown in the table below:

Cost type	2026 Total allocated £	2026 Governance related £	2026 Other support costs £	Basis of apportionment
Staff costs	35,447	5,317	30,130	*Staff time*
Total	35,447	5,317	30,130	

Cost type	2025 Total allocated £	2025 Governance related £	2025 Other support costs £	Basis of apportionment
Staff costs	24,647	3,697	20,950	*Staff time*
Total	24,647	3,697	20,950	

Governance costs:	2026 £	2025 £
Audit fee	-	8,400
Independent examiners remuneration	2,135	-
Support costs (see above)	5,317	3,697
	7,452	12,097

Allocation of governance and other support costs:	2026 Support costs £	2026 Governance £	2026 Total £
Community projects	30,130	7,452	37,582
Total allocated	30,130	7,452	37,582

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2026

9. Allocation of governance and support costs (continued)

Allocation of governance and other support costs:	2025 Support costs £	2025 Governance £	2025 Total £
Community projects	20,950	12,097	33,074
Total allocated	20,950	12,097	33,047

10. Analysis of expenditure on charitable activities

	2026 Community Projects £	2026 Total £	2025 Community Projects £	2025 Total £
Staff costs	356,446	356,446	364,992	364,992
Training and recruitment	1,343	1,343	320	320
Travel costs	399	399	370	370
Sessional costs	21,948	21,948	13,715	13,715
Equipment	95	95	635	635
Rent and rates	2,629	2,629	29,490	29,490
Insurance	2,379	2,379	2,413	2,413
Heat and light	4,979	4,979	5,836	5,836
IT resources	1,092	1,092	1,244	1,244
Café resources	275	275	1,851	1,851
Playroom resources	13,854	13,854	7,944	7,944
Cleaning	2,660	2,660	3,160	3,160
BACS charges	1,317	1,317	1,288	1,288
Bank charges	340	340	284	284
Subscriptions	696	696	364	364
Telephone and postage	1,796	1,796	1,691	1,691
Consultancy	11,098	11,098	-	-
Sundry expenses	2,945	2,945	6,933	6,933
Repairs and maintenance	-	-	71	71
Publicity costs	6	6	-	-
Depreciation	1,045	1,045	100	100
Governance costs (note 9)	7,452	7,452	12,097	12,097
Support costs (note 9)	30,130	30,130	20,950	20,950
	464,924	464,924	475,748	475,748

11. Analysis of staff costs and remuneration of key management personnel

	2026 £	2025 £
Salaries and wages	312,601	316,472
Social security costs	25,701	17,411
Pension costs	53,591	55,756
Total staff costs	391,893	389,639
Key Management Personnel Remuneration	58,465	54,703

11. Analysis of staff costs and remuneration of key management personnel (continued)

No employees had employee benefits in excess of £60,000 (2025: None).

	2026 No.	2025 No.
Average number of employees, based on head count:		
Charity staff	13	13
	13	13

12. Net income/(expenditure) for the year

This is stated after charging:	2026 £	2025 £
Audit Fees	-	8,400
Independent Examiners' Fees	2,135	-
Depreciation	1,045	100

13. Tangible Fixed Assets

	Fixtures, Fittings & Equipment £	Total £
Cost or valuation		
At 1 April 2025	3,168	3,168
Additions	2,500	2,500
Disposals	-	-
At 31 March 2026	5,668	5,668
Depreciation		
At 1 April 2025	1,705	1,705
Charge for the year	1,045	1,045
Eliminated on disposal	-	-
At 31 March 2026	2,750	2,750
Netbook Value		
At 31 March 2025	1,463	1,463
At 31 March 2026	2,918	2,918

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2026

14. Creditors: amounts falling due within one year

	2026	2025
	£	£
Trade creditors	1,211	2,418
Deferred income (Note 15)	28,000	-
Other creditors and accruals	8,266	13,968
	37,477	16,386

15. Deferred income

	2026	2025
	£	£
Balance as at 1 April 2025	-	-
Amount released to income earned from charitable activities	-	-
Amount deferred in year	28,000	-
Balance as at 31 March 2026	28,000	-

Deferred income comprises grant income which relates to 2026/27, therefore deferred.

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2026

16. Analysis of charitable funds

2026 Analysis of Fund movements	Balance b/fwd £	Income £	Expenditure £	Transfers £	Fund c/fwd £
Unrestricted funds					
Staffing contingency fund	30,000	-	(20,056)	(5,000)	14,944
Development fund	39,548	-	(240)	-	39,308
Fixed assets	1,463	2,500	(1,045)	-	2,918
Total designated funds	71,011	2,500	(21,341)	-	57,170
General funds	110,234	327,158	(306,342)	(5,000)	126,050
Total unrestricted funds	181,245	329,658	(327,683)	-	183,220
Restricted funds					
Big Lottery Fund	-	37,759	(37,759)	-	-
Cash for Kids - Holiday Hunger	-	870	(625)	-	245
Connected Communities - Summer Food Programme	-	870	(870)	-	-
Co-op Community Café	223	-	(128)	-	95
Dundas Estates	734	-	(42)	-	692
ELC Period Poverty Funding	523	-	(337)	-	186
ELC Area Partnership – Wellbeing Hub	720	-	-	-	720
ELC Area Partnership - Xmas Essentials	1,231	-	(1,231)	-	-
ELC ASN Support	-	1,281	-	-	1,281
Garfield Weston Foundation	-	20,000	(10,000)	-	10,000
Henry Smith Charity	12,001	60,000	(55,173)	-	16,828
Inspiring Scotland – Clothing Fund	746	-	-	-	746
Musselburgh Area Partnership - Summer Childcare	-	3,000	(2,816)	-	184
The Robertson Trust	-	28,000	(28,000)	-	-
Taylor Wimpey	1,169	1,250	(385)	-	2,034
Total restricted funds	17,347	153,030	(137,366)	-	33,011
TOTAL FUNDS	198,592	482,688	(465,049)	-	216,231

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2026

16. Analysis of charitable funds (continued)

2025 Analysis of Fund movements	Balance b/fwd £	Income £	Expenditure £	Transfers £	Fund c/fwd £
Unrestricted funds					
Staffing contingency fund	5,000	25,000	-	-	30,000
Development fund	39,548	-	-	-	39,548
Fixed assets	15	1,548	(100)	-	1,463
Total designated funds	44,563	26,548	(100)	-	71,011
General funds	95,515	341,110	(325,541)	(850)	110,234
Total unrestricted funds	140,078	367,658	(325,641)	(850)	181,245
Restricted funds					
Big Lottery Fund	-	33,865	(33,865)	-	-
Co-op Community Café	1,510	-	(1,637)	350	223
Dundas Estates	734	-	-	-	734
ELC Period Poverty Funding	523	-	-	-	523
ELC - Targeted holiday, childcare, food & activities	135	-	(135)	-	-
ELC Transitional Fund	1,267	-	(1,267)	-	-
ELC Area Partnership – Wellbeing Hub	-	6,383	(6,163)	500	720
ELC Common Good Fund	-	3,500	(3,500)	-	-
ELC Area Partnership - Xmas Essentials	2,067	-	(836)	-	1,231
ELC Area Partnership – Your Voice, Your Choice	476	-	(476)	-	-
Garfield Weston Foundation	-	20,000	(20,000)	-	-
Henry Smith Charity	8,117	60,000	(56,116)	-	12,001
Inspiring Scotland – Clothing Fund	746	-	-	-	746
Supporting from the start - Counselling	446	-	(446)	-	-
Supporting from the start – Parent's Drop-in Group	512	-	(512)	-	-
The Robertson Trust	-	23,000	(23,000)	-	-
Taylor Wimpey	925	850	(606)	-	1,169
VCEL Mental Health Pathway	1,048	-	(1,048)	-	-
Walk with Scott Foundation	500	-	(500)	-	-
Total restricted funds	19,006	147,598	(150,107)	850	17,347
TOTAL FUNDS	159,084	515,256	(475,748)	-	198,592

16. Analysis of charitable funds (continued)

a) The unrestricted funds are available to be spent for any of the purposes of the charity.

The Trustees have created the following designated funds:

Staffing Contingency Fund – Funds set aside from time to time to pay for long term absences (e.g. sickness and maternity) and HR consultancy.

Development Fund – Funds set aside by the trustees for expenditure relating to the development of the project.

Fixed Assets – Relates to net book value of assets held by the charity.

b) Restricted funds comprise:

Funder	Purpose of Funding	Period of Funding
Big Lottery Fund	To support the costs of our Family Support Service	3 years from 1 April 2023
Cash for Kids - Holiday Hunger	To be used towards lunches for summer childcare	No time restriction
Connected Communities - Summer Food Programme	To be used towards summer programme food provision	To be used by 31 August 2025
Co-op Local Community Fund	To be used for our Community Café	No time restriction
Dundas Estates Community Fund	To be used to provide 'Winter Warmer Packs' to vulnerable families	No time restriction
ELC - Period Poverty Funding	To be used to assist with ELC's period poverty priorities	No time restriction
ELC - Transitional Fund	To be used to help meet the extra childcare costs incurred to comply with public health guidance in response to Covid 19	No time restriction
ELC - Targeted holiday, childcare, food & activities	To be used for family trips & activities across East Lothian for priority families	No time restriction
ELC Area Partnership - Wellbeing Hub	To be used towards wellbeing groups	No time restriction

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2026

16. Analysis of charitable funds (continued)

ELC Common Good Fund	To be used for the outdoor rubber matting	To be used by March 2025
ELC Area Partnership Your Voice, Your Choice	To be used to run our Community Café	No time restriction
ELC Area Partnership Xmas Essentials	To be used to provide families in need with Xmas essentials	No time restriction
ELC ASN Support	To be used for staffing, supports or resources for children with additional support needs	No time restriction
Garfield Weston Foundation	To be used towards the costs involved in running our Early Learning & Childcare family support	1 year from 2 October 2025
Henry Smith Charity	To support the costs of our Family Support Service	1 year from 1 July 2025 to 30 June 2026
Inspiring Scotland - Clothing Fund	To be used to help vulnerable families who are in need of clothing	No time restriction
Musselburgh Area Partnership - Summer Childcare	To be used towards childcare costs and resources of priority children	No time restriction
The Robertson Trust	To support the costs of our Family Support Service	3 Years from 1st April 2025
Taylor Wimpey	To be used towards decorating front room and the nursery garden	No time restriction
Support from the Start - Counselling Services	To be used towards our Counselling Service costs	No time restriction
Supporting from the start – Parent’s Drop-in Group	To be used for the parent's drop-in group	No time restriction
Volunteer Centre East Lothian Mental Health Pathway	To be used towards our Counselling Service costs	No time restriction
Walk with Scott Foundation	To be used towards the outdoor play matting	No time restriction

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2026

17. Government Grants

Income from government grants comprises:

Big Lottery Fund - £nil (2025: £nil) was brought forward from the prior year. £37,759 (2025: £33,865) was received during the year. The grant was fully expended during the year (2025: fully spent).

Connected Communities – Summer Food Programme Fund – £870 (2025: £nil) was received during the year. £870 (2025: £nil) was expended in the year therefore, £nil (2025: £nil) will be carried forward to 2026/27.

ELC Core Funding – £70,000 (2025: £135,000) was received during the year as a contribution to the charity's core costs.

ELC – Targeted holiday, childcare, food & activities – £nil (2025: £135) was brought forward from the previous year. £nil (2025: £nil) was received during the year, £nil (2025: £135) was spent in the year therefore, £nil (2025: £nil) will be carried forward to 2026/27.

ELC – Transitional Fund (Core) - £28,000 (2025: £60,860) was received during the year towards implementing changes to our model to become more sustainable.

ELC Transitional Fund – £nil (2025: £1,267) was brought forward from the previous year. £nil (2025: £nil) was received during the year and £nil (2025: £1,267) was spent during the year therefore £nil (2025: £nil) will be carried forward to 2026/27.

ELC Period Poverty Funding – £523 (2025: £523) was brought forward from the previous year. £337 (2025: £nil) was spent during the year therefore £186 (2025: £523) will be carried forward to 2026/27.

ELC Area Partnership – Your Voice, Your Choice – £nil (2025: £476) was brought forward from the previous year. £nil (2025: £476) was spent during the year therefore, £nil (2025: £nil) will be carried forward to 2026/27.

ELC Area Partnership – Xmas Essentials – £1,231 (2025: £2,067) was brought forward from the previous year. £nil (2025: £nil) was received during the year. £1,231 (2025: £836) was expended during the year therefore £nil (2025: £1,231) will be carried forward to 2026/27.

ELC Area Partnership – Wellbeing Hub – £nil was received during the year (2025: £6,383). £nil was spent during the year (2025: £5,663). The remaining £720 (2025: £720) will be carried forward to 2026/27.

ELC ASN Support – £1,281 was received during the year (2025: £nil). £nil was spent during the year (2025: £nil) therefore, £1,281 (2025: £nil) will be carried forward to 2026/27.

ELC Common Good Fund – £nil (2025: £3,500) was received during the year. £nil (2025: £3,500) was spent during the year therefore, £nil (2025: £nil) will be carried forward to 2026/27.

17. Government Grants (continued)

Inspiring Scotland – Clothing Fund – £746 (2025: £746) was brought forward from the previous year. £nil (2025: £nil) was expended in the year therefore £746 (2025: £746) will be carried forward to 2026/27.

Musselburgh Area Partnership – Summer Childcare Fund – £3,000 (2025: £nil) was received during the year. £2,816 (2025: £nil) was expended in the year therefore, £184 (2025: £nil) will be carried forward to 2026/27.

Support from the Start – Counselling – £nil (2025: £446) was brought forward from the previous year. £nil (2025: £446) was spent during the year therefore, £nil (2025: £nil) will be carried forward to 2026/27.

Supporting from the Start – Parent's Drop-in Group – £nil (2025: £512) was brought forward from the previous year. £nil (2025: £nil) was received during the year. £nil (2025: £512) was spent during the year therefore, £nil (2025: £nil) will be carried forward to 2026/27.

17. Net assets over funds

	Unrestricted Funds £	**Restricted Funds £**	**Total 2026 £**
Tangible Fixed Assets	2,918	-	2,918
Bank & Cash	189,779	61,011	250,790
Current liabilities	(9,477)	(28,000)	(37,477)
	183,220	33,011	216,231

	Unrestricted Funds £	**Restricted Funds £**	**Total 2025 £**
Tangible Fixed Assets	1,463	-	1,463
Bank & Cash	196,168	17,347	213,515
Current liabilities	(16,386)	-	(16,386)
	181,245	17,347	198,592

18. Donated Goods and Services

The charity received a donated printer during the year. An amount of £2,500 (2025: £nil) has been included in the accounts in respect of these donated goods and services.