FIRST STEPS PLAYGROUP

Report and Financial Statements
for the year ended 31 March 2026

Charity no: SC024136

FIRST STEPS PLAYGROUP

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FIRST STEPS PLAYGROUP

Reference and Administrative Details
for the Year Ended 31 March 2026

REFERENCE AND ADMINISTRATIVE INFORMATION

Charity Name	First Steps Playgroup (Formerly First Steps Playgroup for Children With Special Needs)	
Charity Registration No.	SC024136	
Operational Address	Livingston Family Centre 5 Jackson Place Eliburn Livingston West Lothian EH54 6RH	
Management Committee	Michael Chitehwe	Chairperson
	Isla Bruce	Treasurer
	Jade Haddow	Secretary
	Sharon Radbourne	Playgroup Manager
	Sandra Seaton	
	Josie Cameron	Resigned 31 October 2025
	Angela Harman	
	Donna Rutherford	
	Aimee Church	
	Simone Binnie	

Management Committee members Sharon Radbourne, Sandra Seaton, Josie Cameron, Angela Harman, Donna Rutherford, Aimee Church and Simone Binnie do not have any voting rights.

Independent Examiners	G O Thomson & Co. Chartered Accountants 13 Hope Street Lanark ML11 7NL
Bankers	Bank of Scotland Almondvale South Livingston West Lothian EH54 6SN

Report of the Management Committee for the Year Ended 31 March 2026

The management committee presents its 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 1 to the accounts and comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) 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).

OBJECTIVES AND AIMS

Objectives

First Steps Playgroup aims to provide a safe, caring, stimulating environment where young children can learn through their play. We aim to provide the best start in their educational life and support them to become Successful Learners and Confident Individuals in their journey to becoming Responsible Citizens and Effective Contributors. First Steps Playgroup fully supports and works towards the inclusion of children with additional needs into mainstream nurseries and schools, where this provision is appropriate for the individual child. First Steps follows the principles of Realising the Ambition.

ACHIEVEMENTS AND PERFORMANCE

Achievements

We have supported our children through specialised playgroup care and helped with integration into mainstream or specialised nursery placements where appropriate.

Staff have completed the relevant training courses to keep up to date with changes and procedures for working with children with additional needs.

Performance

We have retained funding from West Lothian Council by meeting their requirements through completion of regular monitoring forms. We have obtained a very good report from SCSWIS and have had positive feedback from parents through our own self-evaluation procedures.

FINANCIAL REVIEW

Core Funding

After meeting the requirements set out by West Lothian Council we secured funding until March 2027. We will continue to work with them providing information to help secure future funding.

Additional Funding

We arrange fundraising events throughout the year and make applications to external funders.

PLANS FOR FUTURE PERIODS

As funding from West Lothian Council is secure for the next year, we will continue to provide a service to the parents and carers of children with additional learning needs in West Lothian and surrounding area.

Report of the Management Committee for the Year Ended 31 March 2026

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

First Steps Playgroup is a charitable organisation which was established in February 1992. The organisation is governed by its constitution which established its objects and powers. Under the requirements of the constitution, First Steps Playgroup is managed by a Management Committee made up of parents, carers, staff members and any other interested parties.

Recruitment and Appointment of Management Committee

The Management Committee shall consist of a minimum of 3 full members and shall be comprised of Chairperson, Treasurer and Secretary. The playroom manager is also on the Management Committee but does not have voting rights.

Committee Members shall be elected at the Annual General Meeting to serve for one year, but they can be re-elected as many times as they are prepared to serve.

Committee Members roles and duties are guided by policies and advice from Early Years Scotland.

Risk Management

Procedures are in place to ensure compliance with health and safety of staff, students, children and visitors to the playgroup.

Internal control risks are minimised by the implementation of procedures for authorisation for all transactions.

These procedures are periodically reviewed to ensure that they continue to meet the needs of the charity.

Related Parties

We are inspected regularly by Social Care and Social Work Improvement Scotland (SCSWIS - formerly the Care Commission) jointly with Education Scotland and are guided by any recommendations made. We have regular meetings with West Lothian Council and our procedures are reviewed by them on an annual basis. We are members of Early Years Scotland and all our policies on good practice are informed by them. We are insured through them and can contact them for advice.

RESPONSIBILITIES OF THE MANAGEMENT COMMITTEE

Charity law requires the Management Committee to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charity as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the Management Committee should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and the statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the organisation will continue on that basis.

Report of the Management Committee for the Year Ended 31 March 2026

RESPONSIBILITIES OF THE MANAGEMENT COMMITTEE

The Management Committee is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to insure that the financial statements comply with the Charities Accounts (Scotland) Regulations 2006. The Management Committee is 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.

Approved by the Management Committee on 9 October 2026 and signed on its behalf by:

Mr M Chitehwe (Chairperson)

Report of the Independent Examiner to the Management Committee of
FIRST STEPS PLAYGROUP

I report on the Report of the Management Committee, the charity's accounting records, the Balance Sheet and the Statement of Financial Activities (including Income and Expenditure Account) for the year ended 31st March 2026 that are attached as part of this document.

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 is 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 respect, 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.

Mark Cowan C.A.
Independent Examiner

on behalf of
G O Thomson & Co
Chartered Accountants
13 Hope Street
Lanark
ML11 7NL

Date: 9 October 2026

FIRST STEPS PLAYGROUP

Statement of Financial Activities (including Income and Expenditure Account)
for the Year Ended 31 March 2026

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2026 £	Total Funds 2025 £
INCOME AND ENDOWMENTS FROM					
Donation and legacies:					
- Donations		3,095	-	3,095	721
Charitable activities:					
- Grants receivable	2	130,049	7,600	137,649	110,685
- Other income	2	35,379	-	35,379	12,321
Other trading activities:					
- Fundraising		1,504	-	1,504	3,408
Investment income:					
- Bank interest		1,331	-	1,331	1,628
Total		171,358	7,600	178,958	128,763
EXPENDITURE ON					
Charitable activities:					
Playgroup activities	3	101,318	22,306	123,624	115,312
Total		101,318	22,306	123,624	115,312
NET INCOME/(EXPENDITURE)		70,040	(14,706)	55,334	13,451
Transfers between funds		(15,371)	15,371	-	-
Net movement in funds		54,669	665	55,334	13,451
RECONCILIATION OF FUNDS					
Total funds brought forward		99,235	4,802	104,037	90,585
Balances carried forward at 31 March 2026		153,904	5,467	159,371	104,036

All incoming resources and resources expended derive from continuing activities.

The notes form part of these financial statements

FIRST STEPS PLAYGROUP

Balance Sheet
31 March 2026

	Notes	2026 £	2026 £	2025 £	2025 £
Fixed assets:					
Tangible assets	9		4,087		3,275
Current assets:					
Debtors	10	-		1,190	
Cash at bank and in hand		158,644		101,853	
		158,644		103,043	
Creditors: Amounts falling due within one year	11	3,360		2,282	
Net current assets			155,284		100,761
Net assets			159,371		104,036
THE FUNDS OF THE CHARITY:					
Unrestricted Funds					
General Funds			102,640		47,970
Designated funds	13		51,264		51,264
			153,904		99,234
Restricted funds	13		5,467		4,802
			159,371		104,036

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Approved by the Management Committee on 9 October 2026 and signed on its behalf by:

Mr M Chitehwe - Chairperson

Ms I Bruce - Treasurer

The notes form part of these financial statements

Notes to the Financial Statements for the Year Ended 31 March 2026

1. **Accounting Policies**

Basis of preparing the financial statements
The financial statements have been prepared under the historical cost convention and 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), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

Income
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure
Liabilities are recognised as expenditure as soon as there is legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Office Equipment	- 20% on reducing balance
Play Equipment	- 20% on reducing balance
Furniture and Fittings	- 20% on reducing balance
Kitchen Equipment	- 20% on reducing balance

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular purposes.

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

2. **Charitable activities**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2026 £	Total Funds 2025 £
Grants receivable:				
- West Lothian Council	108,630	-	108,630	108,630
- Councillors Disbursement	-	1,430	1,430	750
- Milk & Healthy Snacks	1,469	-	1,469	1,305
- National Lottery	19,950	-	19,950	-
- The Baily Thomas	-	5,000	5,000	-
- Hugh Fraser Foundation	-	1,170	1,170	-
Other income:				
- Fees and snacks receipts	35,379	-	35,379	12,321
	165,428	7,600	173,028	123,006

3. **Expenditure on charitable activities**

	Playgroup Activities £	Total 2026 £	Total 2025 £
Staff costs	104,737	104,737	96,090
Snacks and foodstuff	215	215	178
Milk and healthy snacks	896	896	1,013
Outings, parties and gifts	2,256	2,256	1,001
Premises costs	2,256	2,256	2,098
Support costs (note 4)	8,005	8,005	8,100
Governance costs (note 4)	4,237	4,237	6,007
Depreciation	1,022	1,022	825
	123,624	123,624	115,312

Expenditure on charitable activities was £123,624 (2025 - £115,312) of which £101,318 was unrestricted (2025 - £114,401) and £22,306 was restricted (2025 - £911).

4. **Analysis of support and governance costs**

	General Support £	Governance Costs £	Total 2026 £	Total 2025 £
Staff costs	-	3,069	3,069	4,973
Accountancy fees	1,167	1,167	2,334	2,068
Stationery, printing & postages	604	-	604	289
Equipment	1,396	-	1,396	2,491
General expenses	4,718	-	4,718	4,232
PPE Fund	121	-	121	54
	8,006	4,236	12,242	14,107

5. **Net income/(expenditure) for the year**

This is stated after charging:

	2026	2025
	£	£
Depreciation – owned assets	1,022	745
Independent examiner's fee	2,334	2,067

6. **Staff costs and numbers**

Staff costs were as follows:

	2026	2025
	£	£
Salaries and wages	105,490	98,584
Social security costs	319	167
Pension contributions	1,804	1,486

No employee received emoluments of more than £60,000.

The average weekly number of employees during the year, calculated on the basis of full-time equivalents, was 6 (2025 - 5).

7. **Taxation**

The organisation is a registered charity and is exempt from taxation on its charitable activities.

8. **Trustees Remuneration and Related Party Transactions**

No trustees received any remuneration in the performance of their duties as trustees during the year (2025 - £Nil) and there were no other related party transactions during the year (2025 - £Nil).

9. **Tangible Fixed Assets**

	Office Equipment	Play Equipment	Furniture and Fittings	Kitchen Equipment	Totals
	£	£	£	£	£
COST:					
At 1 April 2025	10,956	30,570	11,761	5,450	58,737
Additions	-	-	1,834	-	1,834
At 31 March 2026	10,956	30,570	13,595	5,450	60,571
DEPRECIATION:					
At 1 April 2025	8,509	30,236	11,642	5,075	55,462
Eliminated on disposal	-	-	-	-	-
Charge for year	489	67	391	75	1,022
At 31 March 2026	8,998	30,303	12,033	5,150	56,483
NET BOOK VALUE:					
At 31 March 2026	1,958	267	1,562	300	4,087
At 31 March 2025	2,447	334	119	375	3,275

Notes to the Financial Statements
for the Year Ended 31 March 2026

10. **Debtors**

	2026	2025
	£	£
Prepayments	-	1,190
	-	1,190

11. **Creditors: amounts falling due within one year**

	2026	2025
	£	£
Accrued expenses	2,510	2,413
Social security & other taxes	850	(131)
	3,360	2,282

12. **Analysis of net assets between funds**

	General Funds	Designated Funds	Restricted Funds	Total Funds 2026
	£	£	£	£
Tangible fixed assets	3,416	-	671	4,087
Current assets	102,584	51,264	4,796	158,644
Current liabilities	(3,360)	-	-	(3,360)
	102,640	51,264	5,467	159,371

Notes to the Financial Statements
for the Year Ended 31 March 2026

13. **Movements in funds**

	Balance at 01/04/2025 £	Movement in resources Incoming £	Outgoing £	Transfers £	Balance at 31/03/2026 £
Restricted funds					
Computer fund	488	-	(99)	-	389
Play equipment fund	-	-	(58)	58	-
Kitchen fund	375	-	(75)	-	300
Furniture/Play Area Fund	3,373	-	-	-	3,373
Music Therapy Fund	-	2,600	(1,640)	-	960
PPE Fund	232	-	(121)	-	111
Inclusion Fund	334	-	-	-	334
Tacpac	-	5,000	(20,313)	15,313	-
	4,802	7,600	(22,306)	15,371	5,467
Unrestricted funds					
General fund	46,842	169,889	(100,387)	(15,371)	100,973
Milk and healthy snacks fund	1,129	1,469	(931)	-	1,667
Designated staff fund	26,000	-	-	-	26,000
Designated staff training fund	5,000	-	-	-	5,000
Designated equipment contingency fund	7,852	-	-	-	7,852
Designated Pension Fund	12,412	-	-	-	12,412
	99,235	171,358	(101,318)	(15,581)	153,904
Total funds	104,037	178,958	(123,624)	-	159,371

Purpose of restricted funds

Computer fund	This fund is for the purchase of computer equipment for children with learning disabilities.
Play Equipment fund	This fund is for the purchase of play equipment.
Kitchen fund	This fund is for the refurbishment of the kitchen.
Furniture/Play Area Fund	This fund is for the refurbishment of the play area.
Music Therapy Fund	This fund is to provide music therapy to children with special needs.
PPE Fund	This fund is for the purchase of PPE equipment.
Inclusion Fund	This fund is for the purchase of educational equipment for children with learning disabilities.

14. **Future funding**

Funding from West Lothian Council has been reduced to £68,000 in the year ended 31 March 2027 and the Management Committee have been trying to source funding from other sources, most notably increased fees, but will utilise some of the unrestricted funds to cover any shortfall in that year. The management Committee are confident that they have sufficient funding in place to continue trading for the foreseeable future.