

REGISTERED COMPANY NUMBER: 02171777 (England and Wales)
REGISTERED CHARITY NUMBER: 800614

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JULY 2025
FOR
FIRST RUNG LIMITED

Sproull & Co.
Chartered Accountants
Statutory Auditors
First Floor, Jebson House
53-61 High Street
Ruislip
Middlesex
HA4 7BD

FIRST RUNG LIMITED

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FOR THE YEAR ENDED 31ST JULY 2025

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FIRST RUNG LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31ST JULY 2025

TRUSTEES	O Ahmed H Ali J Carlaw (appointed 10.7.25) J R Eifion-Jones (Treasurer and Chair of FPC) J M Hinton E J Jones Chair (Chair) I J Lawrence M Mahajan C S Pike (Chair of QPRC) B M Ratcliffe (appointed 10.4.25) S Riley T M Young
COMPANY SECRETARY	B Tari Anavi
REGISTERED OFFICE	197-205 High Street Ponders End Enfield Middlesex EN3 4DZ
REGISTERED COMPANY NUMBER	02171777 (England and Wales)
REGISTERED CHARITY NUMBER	800614
AUDITORS	Sproull & Co. Chartered Accountants Statutory Auditors First Floor, Jebson House 53-61 High Street Ruislip Middlesex HA4 7BD
BANKERS	HSBC Bank plc 1 The Town Enfield EN2 6LD Barclays Bank plc 54 High Street Ruislip Middlesex HA4 7AT

FIRST RUNG LIMITED

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31ST JULY 2025**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st July 2025. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Company's objects ('Objects') are specifically restricted to:

- To advance education for the public benefit, particularly but not exclusively, by the provision of vocational training.
- For the relief of unemployment for the public benefit particularly, but not exclusively, by the provision of training, retraining and periods of work experience, through the programmes of the Department for Education, their successors or similar programmes funded by the Government and public agencies.

Public benefit

Trustees of a charity have a duty to report on their charity's public benefit. The Trustees of First Rung Limited have considered the guidance issued by the Charity Commission. The Trustees have concluded that:-

- The aims and activities of the organisation continue to be charitable;
- The aims and the work done give identifiable benefits in the charitable sector and both directly and indirectly to young people in need;
- The benefits are for the public, are not unreasonably restrictive in any way and certainly not by ability to pay;
- There is no detriment or harm arising from the aims and activities.

The trustees can confirm that they are complying with the Charity Commission's guidance on public benefit. First Rung is a registered charity; its only activity is the provision of learning, training and preparing young people for work. Prior to joining us many of our learners struggle to identify the next stage in their education or work. The charity, by providing tailor made courses combined with excellent pastoral care, nurtures the young people, enabling them to make the next step in their journey for the benefit of society, local employers and the economy.

Activities

Study Programme

First Rung continues to deliver the 16-19 years old Study programme, which offers bespoke learning and employability provision to young people based on their needs and prior attainment. The aim is to provide young people with the skills and qualifications to progress to an apprenticeship, employment or further education.

Learners have the opportunity to achieve a vocational qualification in either Accountancy, Business Administration, Customer Service or Health and Social Care. A level 3 qualification was offered in Accountancy for the first time. Learners develop their skills in English, Mathematics and ICT by undertaking the Functional Skills qualification at the appropriate level. First Rung continues to offer Functional Skills and GCSE English and Mathematics provision to learners who did not previously achieve at least a grade 4 in these subjects.

All learners on the programme attend preparation for life and work sessions to support them to develop the necessary skills and attributes to sustain employment and be a good citizen. All learners are also expected to undertake a work placement as part of the programme.

During 2024/25, the Study Programme met the company's objectives by continuing to expand the breadth of provision it offers in response to community need. It met the needs of young people with Special Educational Needs and Disabilities (SEND) by increasing, enhancing and individualising the high needs support it offers. At the same time, it catered for increasing number of higher ability learners through delivery of level 3 vocational qualifications.

FIRST RUNG LIMITED

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31ST JULY 2025**

OBJECTIVES AND ACTIVITIES

Apprenticeships

Apprenticeships offer employers the opportunity both to recruit new staff who will be trained to industry standard while they work, and to up-skill existing staff.

A levy is charged by the Government to larger employers. These funds are accessed through the Digital Apprenticeship Service (DAS) system. Apprenticeship standards provide a structure of industry relevant to both on and off the job training. Off the job training is delivered by First Rung either in centre or on-line. On the job training is delivered in work by the employer. Apprenticeships are both level 2 and 3 and are delivered in a range of vocational areas.

Smaller employers who are not required to pay the apprenticeship levy can also employ and train apprentices. Due to a change in government policy, these apprenticeships are now fully funded for apprentices aged 16-21 or 22-24 if they have an EHCP and SME employers no longer have to contribute.

During the year ended 31 July 2025 First Rung delivered apprenticeships in the areas of Early Years, Teaching Assistant, Accountancy and Business Administration.

During 2024/25, the company increased its apprenticeship achievement rate to 75% putting it well ahead of the national Minimum Level of performance for this provision.

Back on Track Targeted NEET Greater London Authority

This NEET (Not in Employment, Education or Training) programme launched in April 2024, was designed to focus on young Londoners who are furthest from the labour market and experiencing multiple forms of disadvantage and/or have significant additional support needs including:

- Looked after children or care leavers.
- Those who are homeless or at risk of homelessness.
- Those involved in substance misuse and/or criminal activity.
- Young carers.
- Those with SEND (Special Educational Needs and Disabilities).

The GLA divided the programme into 4 areas of London. First Rung was awarded a grant for the Ponders End site in the North & East London area. All participants are supported on a one-to-one basis by an advisor.

Jobs and Skills for Londoners Greater London Authority

First Rung launched Health and Social Care programmes through a project called "Skills and Jobs for Londoners" for learners aged 19 and over study qualifications at levels 2 and 3.

High Needs Support

First Rung has become a specialist provider of support to learners aged 16-25 who have additional needs identified in an Education, Health and Care Plan (EHCP). First Rung supported 20 learners during the year, another increase on the previous year. The programme is funded jointly through the Department for Education and local authorities.

UK Shared Prosperity Fund UKSPF - Multiply Programme

First Rung delivered Government initiative a subcontractor to Harrow, Richmond and Uxbridge College. The programme provided numeracy training to young people aged 16-25.

FIRST RUNG LIMITED

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31ST JULY 2025**

ACHIEVEMENTS AND PERFORMANCE

Achievements

Delivery of Learning

First Rung supported 264 Study Programme and 102 apprentice learners during the year.

Quality of Provision

The Charity's aim is continuously to improve the quality of the learning that it provides. To achieve this aim, each year a critical self-assessment is undertaken, the findings from which are used to produce a Quality Improvement Plan (QIP) which identifies the areas requiring attention, the person tasked with the work and the deadline of completion.

Ofsted

The Apprenticeship, Study Programme and High Needs provision is subject to inspection by Ofsted. First Rung was inspected by Ofsted in December 2022 and was graded "Good" overall. This included a "Good" judgement in the new areas of Apprenticeships and High Needs support.

Fundraising activities

During this financial year, the Trustees decided that the environment and circumstances were still not conducive to active fundraising. In the future, we may return to active fundraising when the time is right and opportunities arise.

Audit

No external audits were undertaken during this financial year.

Articles of Association

The organisation updated its articles of association during the 24-25 financial year to bring clarity and improve Board governance. They are available on the Companies House website.

FINANCIAL REVIEW

Results for the Financial Year and Long Term Strategy

The financial health of the organisation has continued to improve resulting in a surplus of £135,596 for the year ended 31 July 2025 (2024 - £179,726 surplus). During the year the organisation continued to invest in staff development, including teacher training and purchased IT hardware for staff and learners.

Risks attached to achievement of objectives

First Rung faces risks from changes in Government priorities in employment and skills provision; to mitigate this risk the Charity is proactively looking to diversify into alternative income streams, so that there is less dependence on the Department for Education contract which at present constitutes the majority of our income. There has been some success in this area with the securing of UKSPF Fund and First Rung was awarded two Greater London Authority contracts over the past two years.

The risk appetite of the Board was reviewed this year and a risk framework, with revised risk register, was implemented. Risks are reviewed quarterly through the Finance & Premises committee.

The safety of our learners, many of whom are vulnerable, is of paramount importance to First Rung. To mitigate the risks, all staff and trustees are DBS (Disclosure and Barring Service) checked and have regular training in Safeguarding, 'Prevent' and bullying awareness. Safeguarding is included as a topic for discussion at every Board meeting.

Investment policy and objectives

It is the policy of the Trustees to invest surplus cash in short term cash deposits. From time to time the Trustees, via the Finance & Premises Committee, look at the overall resources of the organisation and its future needs in order to establish whether there is scope for extending the range of investments. The organisation's improving financial position now allows for over half of our reserves to be held in short term deposits.

FINANCIAL REVIEW

Reserves policy

The purpose of maintaining reserves is to ensure the charity's long term financial stability, safeguard its ability to deliver educational programmes and training to young people, and manage financial risks arising from fluctuations in income or unexpected costs.

Having considered such matters as predictability of income, expenditure levels, liquidity, planned commitments external and operational risks the Trustees have determined that, in the short term, free reserves (defined as net current assets) should be maintained at a minimum level of three months of operating costs, in order to provide cover in the event of any interruption of income and to enable opportunities to invest in the organisation as they arise.

The free reserves at 31 July 2025 were £510,421 (£401,474 as at 31 July 2024) which represents 3 months (2024 - 3 months) average operating costs.

The acquisition of a new learning centre during 2026 will reduce free reserves in the short-term but the Trustees are committed to restoring this to target levels as soon as practical and continuing to operate at a surplus will support this policy.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Day to day decisions regarding the charity are made by the senior management team, led by the CEO. There are two Board sub-committees covering Finance & Premises (FPC) and Quality, Personnel and Remuneration (QPRC).

FIRST RUNG LIMITED

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST JULY 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT

Board of Trustees

The following list includes all Trustees and Key Management who served during the financial year.

Chair	Elizabeth Joan Jones	
Treasurer	Jonathan Richard Eifion-Jones	
Other Trustees	Sonal Riley	
	Omar Ahmed	
	Emmamuella Emovon	Resigned 01.10.2024
	Mohit Mahajan	
	Iain James Lawrence	
	Calvin Sidney Pike	
	Hafiza Ali	
	Timothy Michael Young	Appointed 21.01.2025
	Jacqueline Mary Hinton	Appointed 21.01.2025
	Brona Mary Ratcliffe	Appointed 10.04.2025
	Janine Carlaw	Appointed 10.07.2025
Company Secretary	Hannah Julie Warwick	Resigned 05.02.2025
	Beril Tari Anavi	Appointed 05.02.2025
Senior Staff		
Chief Executive	Steve Woolcock	
Deputy CEO/Operations Manager	Denis Dillon	
Head of Centres and Inclusion	Francesca Muratori	
Finance and performance manager	Druvi Attygalle	

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

Under section 487(2) of the Companies Act 2006, Sproull & Co., Chartered Accountants and Statutory Auditors, are deemed to be reappointed as auditors.

Approved by order of the board of trustees on 5/2/2025 and signed on its behalf by:


.....
E J Jones Chair - Trustee

FIRST RUNG LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES **FOR THE YEAR ENDED 31ST JULY 2025**

The trustees (who are also the directors of First Rung Limited for the purposes of company law) are responsible for preparing the Report of the Trustees 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. Under that law, the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the trustees must not approve the financial statements unless they are satisfied that they 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 charitable company for that period. In preparing those 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
FIRST RUNG LIMITED**

Opinion

We have audited the financial statements of First Rung Limited (the 'charitable company') for the year ended 31st July 2025 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and 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 (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 31st July 2025 and of its incoming resources and application of resources, including its income and expenditure, 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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 Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FIRST RUNG LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes 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 charitable company'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.

Our responsibilities for the audit of the financial statements

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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the company and the sector in which it operates, we identified the principle risks of non-compliance with laws and regulations related to charitable companies and the application of charitable funds. We also considered those laws and regulations which have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities SORP (FRS 102).

Through enquiry of management we gained an understanding of their relevant laws and regulations; the entity's policies and procedures regarding compliance; and how they identify, evaluate and account for litigation claims. We understand that the company complies with the framework through having in place robust procedures and policies and by outsourcing and taking external professional legal, tax and accounting advice on relevant specialist functions and areas.

The senior statutory auditor led a discussion with all members of the engagement team regarding the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. The areas identified in this discussion were:

- Manipulation or error in the classification of income leading to the under or overstatement of unrestricted or restricted funds.
- Manipulation or error in the use of funds leading to expenditure which is not in accordance with the charitable company's objectives.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
FIRST RUNG LIMITED**

The procedures we carried out to gain sufficient appropriate audit evidence in the above areas included:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Identifying and testing journal entries.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Michelle Wickwar A.C.A., F.C.C.A. (Senior Statutory Auditor)

for and on behalf of Sproull & Co.

Chartered Accountants

Statutory Auditors

First Floor, Jebson House

53-61 High Street

Ruislip

Middlesex

HA4 7BD

Date: 13/02/2026

FIRST RUNG LIMITED**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST JULY 2025**

	Notes	Unrestricted fund £	Restricted fund £	2025 Total funds £	2024 Total funds £
INCOME AND ENDOWMENTS FROM					
Charitable activities					
Main charitable activities	4	2,262,383	-	2,262,383	2,004,710
Investment income	3	10,339	-	10,339	2,879
Total		2,272,722	-	2,272,722	2,007,589
EXPENDITURE ON					
Charitable activities					
Main charitable activities	5	1,598,347	-	1,598,347	1,336,564
Support costs		538,779	-	538,779	491,299
Total		2,137,126	-	2,137,126	1,827,863
NET INCOME		135,596	-	135,596	179,726
RECONCILIATION OF FUNDS					
Total funds brought forward		471,970	-	471,970	292,244
TOTAL FUNDS CARRIED FORWARD		607,566	-	607,566	471,970

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

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

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

The notes form part of these financial statements

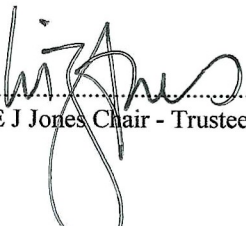
FIRST RUNG LIMITED

STATEMENT OF FINANCIAL POSITION
31ST JULY 2025

		2025	2024
	Notes	£	£
FIXED ASSETS			
Tangible assets	12	97,145	70,496
CURRENT ASSETS			
Debtors	13	203,248	382,380
Cash at bank and in hand		<u>684,862</u>	<u>342,745</u>
		888,110	725,125
CREDITORS			
Amounts falling due within one year	14	<u>(377,689)</u>	<u>(323,651)</u>
NET CURRENT ASSETS		<u>510,421</u>	<u>401,474</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>607,566</u>	<u>471,970</u>
NET ASSETS		<u>607,566</u>	<u>471,970</u>
FUNDS	17		
Unrestricted funds		<u>607,566</u>	<u>471,970</u>
TOTAL FUNDS		<u>607,566</u>	<u>471,970</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on and were signed on its behalf by:


.....
E J Jones Chair - Trustee

The notes form part of these financial statements

FIRST RUNG LIMITED**STATEMENT OF CASH FLOWS**
FOR THE YEAR ENDED 31ST JULY 2025

		2025	2024
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	395,653	139,944
Net cash provided by operating activities		<u>395,653</u>	<u>139,944</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(63,875)	(15,511)
Interest received		10,339	2,879
Net cash used in investing activities		<u>(53,536)</u>	<u>(12,632)</u>
Change in cash and cash equivalents in the reporting period			
		<u>342,117</u>	<u>127,312</u>
Cash and cash equivalents at the beginning of the reporting period			
		<u>342,745</u>	<u>215,433</u>
Cash and cash equivalents at the end of the reporting period			
		<u><u>684,862</u></u>	<u><u>342,745</u></u>

The notes form part of these financial statements

FIRST RUNG LIMITED**NOTES TO THE STATEMENT OF CASH FLOWS**
FOR THE YEAR ENDED 31ST JULY 2025

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES	2025	2024
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	135,596	179,726
Adjustments for:		
Depreciation charges	37,226	28,312
Interest received	(10,339)	(2,879)
Decrease/(increase) in debtors	179,132	(133,786)
Increase in creditors	54,038	68,571
Net cash provided by operations	395,653	139,944

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.8.24	Cash flow	At 31.7.25
	£	£	£
Net cash			
Cash at bank and in hand	342,745	342,117	684,862
	<u>342,745</u>	<u>342,117</u>	<u>684,862</u>
Total	342,745	342,117	684,862

The notes form part of these financial statements

1. GENERAL INFORMATION

First Rung Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 197 – 205 High Street, Ponders End, Enfield, EN3 4DZ. First Rung Limited is also a registered charity in England and Wales. Charity number is 800614.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Critical accounting judgements and key sources of estimation uncertainty

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. There were no critical accounting estimates and judgements made in preparing these financial statements.

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. This view has been reinforced by First Rung's ability to maintain a positive cash balance, without recourse to borrowing. This position is strengthened by the continuation of our existing DfE funding contract until July 2026.

Income

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

Expenditure

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

Government grants

The company recognises income arising from government grants using the performance model.

Tangible fixed assets and impairment of fixed assets

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

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

2. ACCOUNTING POLICIES - continued

Tangible fixed assets and impairment of fixed assets

Leasehold improvements	Over the term of the lease
Plant and machinery	33.33% Straight line
Fixtures, fittings and equipment	20% Straight line

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

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

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

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

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Payments in respect of other post-retirement benefits are charged to the Statement of Financial Activities in the period to which they relate.

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.

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.

Basic financial liabilities

2. ACCOUNTING POLICIES - continued**Financial instruments**

Basic financial liabilities, including creditors are initially recognized 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 recognized initially at transaction price and subsequently measured at amortised cost using the effective interest method.

3. INVESTMENT INCOME

	2025	2024
	£	£
Interest receivable	<u>10,339</u>	<u>2,879</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	2025	2024
Activity	£	£
DfE Study programme and traineeships	1,459,834	1,224,046
Apprenticeships	327,613	291,082
Other	474,936	489,582
	<u>2,262,383</u>	<u>2,004,710</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 6)	Support costs (see note 7)	Totals
	£	£	£
Main charitable activities	1,598,347	-	1,598,347
Support costs	-	538,779	538,779
	<u>1,598,347</u>	<u>538,779</u>	<u>2,137,126</u>

FIRST RUNG LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST JULY 2025****6. DIRECT COSTS OF CHARITABLE ACTIVITIES**

	2025	2024
	£	£
Staff costs	1,485,068	1,234,426
Learner support costs	4,961	5,555
Training costs and materials	9,837	24,676
Registration fees	98,481	71,907
	<u>1,598,347</u>	<u>1,336,564</u>

7. SUPPORT COSTS

	Management	Governance	Totals
	£	costs	£
	£	£	£
Support costs	<u>526,479</u>	<u>12,300</u>	<u>538,779</u>

Support costs, included in the above, are as follows:

	2025	2024
	Support	Total
	costs	activities
	£	£
Sundries	234	-
Premises costs	315,423	336,755
Office costs	83,561	63,197
Legal and professional	24,256	9,202
Bank charges	481	336
Staff expenses	65,298	42,085
Depreciation of tangible and heritage assets	37,226	28,312
Auditors' remuneration	12,300	10,500
Auditors' remuneration for non audit work	-	912
	<u>538,779</u>	<u>491,299</u>

8. NET INCOME/(EXPENDITURE)

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

	2025	2024
	£	£
Auditors' remuneration	12,300	10,500
Auditors' remuneration for non audit work	-	912
Depreciation - owned assets	<u>37,226</u>	<u>28,312</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st July 2025 nor for the year ended 31st July 2024.

Trustees' expenses

During the year two trustees were reimbursed travel expenses totalling £110 (2024 - one trustee was reimbursed travelling expenses of £81).

10. STAFF COSTS

	2025	2024
	£	£
Wages and salaries	1,350,281	1,131,739
Social security costs	107,237	80,246
Other pension costs	27,550	22,441
	<u>1,485,068</u>	<u>1,234,426</u>

The average monthly number of employees during the year was as follows:

	2025	2024
Direct charitable services	<u>37</u>	<u>30</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2025	2024
£60,001 - £70,000	1	1
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
	<u>2</u>	<u>2</u>

Of the employees whose emoluments exceed £60,000, two (2024: one) have retirement benefits accruing under a defined benefit scheme of £529 (2024: £529). Pension contributions relating to those staff earning over £60,000 totalled £6,377 in the current year (2024: £6,196).

The senior management team (consisting of Senior Staff Chief Executive, Deputy CEO and Operational Manager and Head of Centres and Inclusion) received total remuneration of £204,693 (2024: £200,770).

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Charitable activities			
Main charitable activities	2,004,710	-	2,004,710
Investment income	2,879	-	2,879
Total	<u>2,007,589</u>	<u>-</u>	<u>2,007,589</u>
EXPENDITURE ON			
Charitable activities			
Main charitable activities	1,336,564	-	1,336,564
Support costs	491,299	-	491,299
Total	<u>1,827,863</u>	<u>-</u>	<u>1,827,863</u>
NET INCOME	179,726	-	179,726
RECONCILIATION OF FUNDS			
Total funds brought forward	292,244	-	292,244
TOTAL FUNDS CARRIED FORWARD	<u><u>471,970</u></u>	<u><u>-</u></u>	<u><u>471,970</u></u>

12. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1st August 2024	236,190	192,279	42,228	470,697
Additions	-	63,629	246	63,875
At 31st July 2025	<u>236,190</u>	<u>255,908</u>	<u>42,474</u>	<u>534,572</u>
DEPRECIATION				
At 1st August 2024	178,922	180,999	40,280	400,201
Charge for year	24,886	11,793	547	37,226
At 31st July 2025	<u>203,808</u>	<u>192,792</u>	<u>40,827</u>	<u>437,427</u>
NET BOOK VALUE				
At 31st July 2025	<u><u>32,382</u></u>	<u><u>63,116</u></u>	<u><u>1,647</u></u>	<u><u>97,145</u></u>
At 31st July 2024	<u><u>57,268</u></u>	<u><u>11,280</u></u>	<u><u>1,948</u></u>	<u><u>70,496</u></u>

FIRST RUNG LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 31ST JULY 2025**13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2025	2024
	£	£
Trade debtors	18,943	21,030
Other debtors	123,558	258,377
Prepayments and accrued income	60,747	102,973
	<u>203,248</u>	<u>382,380</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024
	£	£
Trade creditors	49,017	42,129
Social security and other taxes	29,336	24,039
Other creditors	215,961	180,982
Accrued expenses	83,375	76,501
	<u>377,689</u>	<u>323,651</u>

15. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2025	2024
	£	£
Within one year	134,906	137,645
Between one and five years	85,380	220,286
	<u>220,286</u>	<u>357,931</u>

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted	Restricted	2025	2024
	fund	fund	Total	Total
	£	£	funds	funds
	£	£	£	£
Fixed assets	97,145	-	97,145	70,496
Current assets	888,110	-	888,110	725,125
Current liabilities	(377,689)	-	(377,689)	(323,651)
	<u>607,566</u>	<u>-</u>	<u>607,566</u>	<u>471,970</u>

17. MOVEMENT IN FUNDS

	At 1.8.24 £	Net movement in funds £	At 31.7.25 £
Unrestricted funds			
General fund	471,970	135,596	607,566
TOTAL FUNDS	<u>471,970</u>	<u>135,596</u>	<u>607,566</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,272,722	(2,137,126)	135,596
TOTAL FUNDS	<u>2,272,722</u>	<u>(2,137,126)</u>	<u>135,596</u>

Comparatives for movement in funds

	At 1.8.23 £	Net movement in funds £	At 31.7.24 £
Unrestricted funds			
General fund	292,244	179,726	471,970
TOTAL FUNDS	<u>292,244</u>	<u>179,726</u>	<u>471,970</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,007,589	(1,827,863)	179,726
TOTAL FUNDS	<u>2,007,589</u>	<u>(1,827,863)</u>	<u>179,726</u>

18. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31st July 2025.

FIRST RUNG LIMITED**DETAILED STATEMENT OF FINANCIAL ACTIVITIES**
FOR THE YEAR ENDED 31ST JULY 2025

	2025	2024
	£	£
INCOME AND ENDOWMENTS		
Investment income		
Interest receivable	10,339	2,879
Charitable activities		
DfE Study programme and traineeships	1,459,834	1,224,046
Apprenticeships	327,613	291,082
Other	474,936	489,582
	<u>2,262,383</u>	<u>2,004,710</u>
Total incoming resources	<u>2,272,722</u>	<u>2,007,589</u>
EXPENDITURE		
Charitable activities		
Wages	1,350,281	1,131,739
Social security	107,237	80,246
Pensions	27,550	22,441
Learner support costs	4,961	5,555
Training costs and materials	9,837	24,676
Registration fees	98,481	71,907
	<u>1,598,347</u>	<u>1,336,564</u>
Support costs		
Management		
Sundries	234	-
Premises costs	315,423	336,755
Office costs	83,561	63,197
Legal and professional	24,256	9,202
Bank charges	481	336
Staff expenses	65,298	42,085
Depn of leasehold improvements	24,886	24,887
Plant and machinery	11,793	2,455
Fixtures and fittings	547	970
	<u>526,479</u>	<u>479,887</u>
Governance costs		
Auditors' remuneration	12,300	10,500
Auditors' remuneration for non audit work	-	912
	<u>12,300</u>	<u>11,412</u>
Total resources expended	<u>2,137,126</u>	<u>1,827,863</u>
Net income	<u>135,596</u>	<u>179,726</u>

This page does not form part of the statutory financial statements