

STEP DEVELOPMENT TRUST
(A company limited by guarantee with no share capital)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

Charity No: 1062058

Company No: 03339143 (England and Wales)

STEP DEVELOPMENT TRUST
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REFERENCE AND ADMINISTRATIVE INFORMATION

Trustees	G J Silverwood B M Horsman D S Patterson S G Tarff S C Abrahams
Secretary	J Corner
Key Management Personnel	J Corner K Hibberd R Hunt
Company Number	03339143
Charity Number	1062058
Registered Office	The Venue 650 Manchester Road Stocksbridge Sheffield S36 1DY
Bankers	Unity Trust Bank plc Nine Brindleyplace Birmingham BR1 2HB
Independent Examiner	H Jones ACA Hart Shaw LLP Europa Link Sheffield Business Park Sheffield S9 1XU

STEP DEVELOPMENT TRUST
(A company limited by guarantee with no share capital)

REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2021

The Trustees, who are also directors of the Charity for the purposes of the Companies Act 2006, submit their annual report and the financial statements for the year ended 31 March 2021.

The accounts comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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)".

Objective and activities

The principal objective of the Charity is the promotion, for the public benefit, of urban and rural regeneration in areas of social and economic deprivation (particularly Stocksbridge). STEP has developed a range of regeneration activities to meet this objective including:

- Childcare and early years support to families through a purpose built 52 place day nursery and childcare centre under the Sure Start programme.
- Learning and educational activities through its Community Development Unit.
- Provision of managed workspace at the Community Enterprise Centre and STEP Business Centre with access to local business support.
- Community engagement, health and arts activities at The Venue, a multi-purpose building for performing arts and related activities.
- Providing opportunities for young people to perform and develop their musical skills.
- Supporting local community groups and offering volunteering opportunities to local residents.

In setting plans and priorities for areas of work, the Trustees of STEP Development Trust have had regard to the guidance from the Charity Commission of the provision of public benefit. In particular, the Trustees consider how planned activities will contribute to meeting the objectives they have set. How STEP delivers its principal charitable objective; that of social and economic regeneration in Stocksbridge and surrounding areas, is demonstrated in the above summary of STEP's objectives and achievements against that plan. Examples of activities are set out in the Annual Report and Overview, which complements this report.

The public benefit arising from STEP's work is implicit in the services delivered and the access to these by the local and surrounding communities thus assisting them in their daily lives, providing opportunities for personal development as well as social and economic benefits to the area.

Achievements and performance

Since our last report, STEP, like many organisations throughout the world, has been coping and adapting to the daily challenges which Covid 19 has created.

When the first lockdown was announced, back in March 2020, due to no social gatherings being allowed and the organisation following government guidelines, throughout the whole of the pandemic period, The Venue closed its doors on 20th March 2020, with all staff then subsequently being placed on furlough until end of September 2021. Up to this point The Venue had seen a great increase in event bookings and social media presence from its refurbishment work, which was carried out throughout the whole building, giving it a new lease of life and interest from areas outside its usual catchment area.

The Venue, has therefore been closed for 18 months, reopening its doors from October 2021, but to the detriment of also having to lose a couple of long serving members of staff, due to a reduction in local community groups using the building throughout the week and losing our adult education programme, due to lack of funding being available to run these courses. The organisation sees this as a new challenge to look to gain new customers, restart its car

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REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT) (continued)
FOR THE YEAR ENDED 31 MARCH 2021

boots, to gain footfall and spread the news that its survived Covid to this point and is still fighting and pushing to move forward and survive for years to come.

November 2021 has seen the Venue accept a considerable number of bookings for late 2021 from various dance groups coming onboard, due to them appreciating the facilities it has to offer and the level of service being provided to them. These groups are travelling from outside our local community, with some attending from Chesterfield as well as Huddersfield.

Working closely with these groups has gained The Venue bookings well into 2022 for various dance competitions and dance presentation evenings. Additionally, there is also an ongoing relationship being formed with a new organisation to promote the arts locally and represent a number of other local arts-based organisations, which the organisation is looking to move forward with in the hope that these groups will use this local facility.

Our nursery building has had to overcome many hurdles, main one being able to survive the Covid 19 pandemic and protecting staffs jobs, whilst also trying to see if it could stay open to offer key workers care for their children. However, due to being a private nursery and no further support being available for our organisation to offer childcare to our local key workers, this was a service we were unable to provide, as further financial burdens could not be placed on the whole organisation with keeping the nursery and children's centre open.

Pre-covid 19, our nursery was very well attended, with some rooms being fully occupied most days. Due to the lockdown in March 2020 and being unable to sustain keeping the building open, our nursery closed from April 2020 and all our staff working for this department being placed on furlough and flexible furlough until June 2021, when all our staff were back working full time again.

Nursery reopened in August 2020, with new working procedures in place, which were both difficult and challenging for our staff, parents and children to adapt to, but working this way saw parents gain confidence in the provision of childcare services being offered and them slowly returning their children into the safe keeping of our staff and nursery.

Occupancy at our nursery from August 2020, has been on a steady increase, but we are pleased to report that just over a year ago from reopening we are now back in a position where again some rooms are fully occupied and only a few spaces left on certain days in other rooms. This has been a great achievement by all our staff and management of the nursery throughout the last 18 months. Going forward, we are aiming to achieve full occupancy in all our rooms and to retain our Good Ofsted rating, whilst always striving to achieve and Outstanding!

The Business Centre, remaining open with one member of staff offering limited assistance and services to tenants attending site, had an overall occupancy of 94% throughout the whole of the pandemic period, with some months seeing a 100%. This again being a fantastic achievement by the staff and manager based at the site.

Keeping the business centre open throughout the pandemic, provided valuable income to the organisation during this difficult period, whilst awaiting grants to be received and funding support from the government.

During the pandemic the organisation took the opportunity to apply for all the assistance it could from government, applying to Sheffield City Council for hospitality grant - £25k, small nursery grant - £5k, small businesses grant - £10k, plus applying for council tax rebates for the sites it could, applying for rent rebate on the children's centre for 6 months, besides also obtaining a grant from Power to Change for £25k for the charity. Whilst nursery was closed, Sheffield City Council, also continued to pay the nursery its FEL funding. These pots of support gave the organisation some comfort in knowing that operating costs, to keep all the buildings running at minimum capacity, could be met until it was in a position to slowly start reopening sectors of the company.

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REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT) (continued)
FOR THE YEAR ENDED 31 MARCH 2021

After lengthy discussions with Funders regarding the debt burden on the Charity during the Pandemic the Board of Trustees took the decision to sell one of the organisations assets, this being the Community Enterprise Centre. This decision would then alleviate the financial pressures for the organisation once a sale had been made.

The sale of the Community Enterprise Centre was confirmed on 3rd September 2021, proceeds from the sale ensured that all the organisations outstanding debts (falling both within and over one year) to its funders were all fully repaid, leaving the organisation in a position of being completely debt free from this point onwards.

Looking at our financial statements you will be able to see that the organisation currently has a healthy bank balance, which we are aware is somewhat artificial and if great care is not taken at some point in the future difficulties could return. Therefore, on this note costs continue to be tightly controlled and where possible service contracts renegotiated.

Moving forward the organisation, with the support of all its staff and Trustees, will continue to navigate itself through ongoing pandemic issues, whilst still adhering to government guidelines, but constantly striving to gain a 100% occupancy within our nursery and business centre cost centres, gaining future bookings for The Venue in 2022 and 2023, whilst keeping a constant presence on social media, looking for funding and grants, opportunities to work with new community groups and businesses besides protecting the employment of all our staff and volunteers. With these goals and targets to achieve, we believe that this will enable the charity to survive the Covid pandemic and succeed well into the future.

Volunteer support

STEP provides a range of services and activities that it could not viably deliver, financially or operationally, without the commitment, time and effort of our small band of dedicated volunteers. These volunteers continue to regularly turn out to help run our regular craft fairs, car boot sales, Christmas fair, and performances to provide help with catering, room setup and clearance alongside staff and Trustees. In addition, the decoration and upkeep of our buildings are maintained with the help of volunteers. Not only are they an asset to the Charity but the volunteering opportunities provided by STEP facilitates social action, community involvement and helps alleviate issues around social isolation and loneliness for more vulnerable members of the community. These activities include luncheon clubs, community education courses and family events. However, our current group of volunteers are ageing, and we need to be careful to not over commit anyone. Some of the work required such as moving tables and chairs is becoming too difficult for many. We have lost a few volunteers through ill health and age whilst others have limited ability to assist. We are increasingly aware that we will soon need new volunteers and need to embark on a program to attract some new, younger volunteers. This is now a high priority for the coming year.

Financial review

The consolidated Statement of Financial Activities reflects all incoming resources receivable in the year irrespective of when income is spent. During the year there have been significant challenges.

The high level of occupancy at the Business Centre is good news but we continue to need to ensure the level of service provided is of a good level to existing tenants and to this end there has been an ongoing programme of refurbishment and decoration where finance allows to ensure this.

As in recent years it is anticipated that external funding opportunities will continue to be scarce and competition for grants and charitable funds high. Therefore, in common with recent years where the Trustees have seen year-on-year decreases in charitable income, Trustees expect to see a continued decrease in charitable income.

STEP has net assets of £1,005,144 (2020 - £881,501) and will continue in its aim of achieving the levels of reserves as stated by the reserves policy below. The unrestricted funds held by STEP, after making allowance for any restricted funds and the revaluation reserve, are £1,005,144 (2020 - £881,501).

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REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT) (continued)
FOR THE YEAR ENDED 31 MARCH 2021

The designated fund represents the total of the Charity's tangible fixed assets less the amounts of outstanding loans in respect of those assets and the revaluation reserve as described in note 20.

Reserves policy

It is the policy of the Trustees that unrestricted funds which have not been designated for a specific use should aim to be maintained at a level equivalent to six months' expenditure. The Trustees consider that general reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Charity's current activities whilst consideration is given to ways in which additional funds may be raised. Reserves were not maintained at this required level during the year owing to supporting operating losses experienced within certain areas of the Charity. At the end of the year general reserves amounted to £105,828 as shown in note 20 to the financial statements. The Trustees have therefore looked at ways in which to secure additional funding to bring reserves back to this required level.

Plans for the future

Looking ahead, the targets for the coming year build on progress made as follows:

- To further develop and consolidate relationships made and established during recent months and to build and strengthen those relationships.
- To recommence operations at The Venue when restrictions are eased and build on the excellent level of community engagement achieved in the past few years through events, informal learning and social action. We have commenced low scale plans for community-based events to celebrate the reopening of the country and will be looking to work in partnership with the Town Council, People Keeping Well and other organisations.
- To continue to control costs and maximise project and income generation.
- To maintain the high level of occupancy, maximum occupancy where possible, at the STEP Business Centre over the year and produce a net 10% contribution to the Charity and ensure a high level of service to tenants.
- To continue to achieve a 'good' and 'excellent' above Ofsted Rating for the Nursery whilst attaining an average occupancy across all ages taking up places to 90%.
- To look at possibilities of extending the capacity of the Nursery to cater for the influx of new families into the area when large numbers of new houses are built.

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REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT) (continued)
FOR THE YEAR ENDED 31 MARCH 2021

Structure, governance and management

The Charity is a charitable company limited by guarantee, number 03339143. It is a registered charity number 1062058. It is governed by a Memorandum and Articles of Association.

The Trustees, who are also the directors for the purpose of company law, who served during the year (or have been appointed subsequently) were:

B M Horsman
D S Patterson
G J Silverwood
S Tarff
S Abraham

None of the Trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £10 in the event of a winding up.

On appointment new Trustees are provided with induction training in relation to their duties and responsibilities for the Charity. Trustees are also provided with additional training if required and take part in a range of activities to enable them to update and improve their skills and knowledge.

The Trustees have delegated day to day management of the Charity's activities to a Trust General Manager. The Key Management Personnel Team meets on a regular basis and the Board of Trustees meets on a monthly basis to provide oversight and strategic direction. The Board considers monthly financial reports, quarterly performance assessments and conducts a half year review of budgets set against key performance indicators.

The Trustees regularly assess the risks to which the Charity is exposed, in particular major operational and financial risks, and are satisfied that systems are in place to mitigate exposure to the major risks.

The remuneration of the key management personnel identified within the financial statements will be determined, monitored and reviewed by the Board of Trustees. Factors taken into account will include level of responsibility, context and complexity of the role, benchmarking from similar providers as well as current and potential business requirements.

Details of the charity's transactions with its related parties are included in note 21.

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REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT) (continued)
FOR THE YEAR ENDED 31 MARCH 2021

Reference and administrative details

Reference and administrative details for the Charity are set out separately on page 1.

Trustees' responsibilities

The Trustees (who are also directors of STEP Development Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the 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 these financial statements, the Trustees are required to:

- select suitable accounting policies and 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

This report was approved by the Board on 8 March 2022



G J Silverwood
Chairman

STEP DEVELOPMENT TRUST
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INDEPENDENT EXAMINER'S REPORT
TO THE MEMBERS AND TRUSTEES OF STEP DEVELOPMENT TRUST
FOR THE YEAR ENDED 31 MARCH 2021

I report to the trustees on my examination of the consolidated accounts of the group comprising STEP Development Trust (the charity) and its subsidiary undertaking for the year ended 31 March 2021.

Responsibilities and basis of report

As the charity's trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the consolidated accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the consolidated accounts of the group are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's consolidated accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the accounts. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently I express no opinion as to whether the consolidated accounts present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

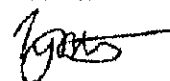
Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the ICAEW, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect

1. accounting records were not kept in respect of the charity and its subsidiary as required by section 386 of the Companies Act 2006; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. The accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities.

I have no other concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



H Jones ACA
Hart Shaw LLP
The Hart Shaw Building
Europa Link
Sheffield Business Park
Sheffield
S9 1XU

Dated: 22 March 2022

STEP DEVELOPMENT TRUST
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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 Unrestricted funds £	2020 Unrestricted funds £
INCOME AND ENDOWMENTS FROM:			
Charitable activities	3	415,701	397,892
Other trading activities	4	253,644	271,914
Investments		-	-
Total		<u>669,345</u>	<u>669,806</u>
EXPENDITURE ON:			
Raising funds	5	136,939	232,258
Charitable activities	6	397,463	452,208
Other		11,300	7,473
Total		<u>545,702</u>	<u>691,939</u>
Net income/(expenditure) for the year before transfers	7	123,643	(22,133)
Transfers between funds		-	-
		<u>123,643</u>	<u>(22,133)</u>
Other recognised losses:			
Losses on revaluation of fixed assets	11	-	90,000
Net movement in funds		123,643	(112,133)
Balance brought forward at 1 April 2020		881,501	993,634
Balance carried forward at 31 March 2021		<u>1,005,144</u>	<u>881,501</u>

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CHARITY STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 Unrestricted funds £	2020 Unrestricted funds £
INCOMING AND ENDOWMENTS FROM:			
Charitable activities	3	532,175	514,366
Investments		-	-
Total		<u>532,175</u>	<u>514,366</u>
EXPENDITURE ON:			
Charitable activities	6	430,925	485,672
Other		11,300	7,473
Total		<u>442,225</u>	<u>493,145</u>
Net income for the year before transfers	7	89,950	21,221
Transfers between funds		-	-
		89,950	21,221
Other recognised losses:			
Losses on revaluation of fixed assets	11	-	90,000
Net movement in funds		89,950	(68,779)
Balance brought forward at 1 April 2020		1,219,610	1,288,389
Balance carried forward at 31 March 2021		<u>1,309,560</u>	<u>1,219,610</u>

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BALANCE SHEETS
FOR THE YEAR ENDED 31 MARCH 2021

	Note	Group		Charity	
		2021 £	2020 £	2021 £	2020 £
Fixed assets					
Tangible assets	10	840,155	877,238	840,155	877,238
Investments	11	250,000	250,000	250,001	250,001
		<u>1,090,155</u>	<u>1,127,238</u>	<u>1,090,156</u>	<u>1,127,239</u>
Current assets					
Stocks	14	677	2,282	-	-
Debtors	15	50,039	65,305	468,718	384,975
Cash at bank and in hand		246,710	80,139	99,201	49,449
		<u>297,426</u>	<u>147,726</u>	<u>567,919</u>	<u>434,424</u>
Creditors: amounts falling due within one year	16	212,815	233,434	178,893	182,024
Net current assets/(liabilities)		<u>84,611</u>	<u>(85,708)</u>	<u>389,026</u>	<u>252,400</u>
Total assets less current liabilities		<u>1,174,766</u>	<u>1,041,530</u>	<u>1,479,182</u>	<u>1,379,639</u>
Creditors: amounts falling due after more than one year	17	169,622	160,029	169,622	160,029
Net assets		<u>1,005,144</u>	<u>881,501</u>	<u>1,309,560</u>	<u>1,219,610</u>
Funds					
Restricted funds	19	-	-	-	-
Designated funds					
Capital fund		899,316	940,590	899,316	940,590
Revaluation reserve		-	-	-	-
		<u>899,316</u>	<u>940,590</u>	<u>899,316</u>	<u>940,590</u>
General reserves		105,828	(59,089)	410,244	279,020
Unrestricted funds	20	1,005,144	881,501	1,309,560	1,219,610
		<u>1,005,144</u>	<u>881,501</u>	<u>1,309,560</u>	<u>1,219,610</u>

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BALANCE SHEETS
FOR THE YEAR ENDED 31 MARCH 2021

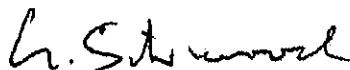
These accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the charity to obtain an audit in accordance with section 476 of the Companies Act 2006.

The Trustees acknowledge their responsibility for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

Approved by the Board on 8 March 2022 and signed on its behalf by:



G J Silverwood

Company Registration Number: 03339143

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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	22		180,929		62,389
Investing activities					
Purchase of tangible fixed assets		(4,558)		(15,272)	
Interest received		-		-	
Net cash used in investing activities			(4,558)		(15,272)
Financing activities					
Interest paid		(5,944)		(12,641)	
Repayment of loans		(3,856)		(87,031)	
Net cash used in financing activities			(9,800)		(99,672)
Net Increase/(decrease) in cash and cash equivalents			166,571		(52,555)
Cash and cash equivalents at beginning of year			80,139		132,694
Cash and cash equivalents at end of year			<u>246,710</u>		<u>80,139</u>

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting policies

Charity Information

STEP Development Trust is a private company limited by guarantee incorporated in England and Wales. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity. The registered office is 650 Manchester Road, Stocksbridge, Sheffield, S36 1DY.

The Group consists of STEP Development Trust and its subsidiary, STEP Business Enterprises Limited.

Accounting convention

The accounts have been prepared in accordance with the Companies Act 2006; the Charities Act 2011; FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"); 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) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings. The principal accounting policies adopted are set out below.

Basis of consolidation

The consolidated financial statements incorporate those of STEP Development Trust and its subsidiary (i.e. the entity that the Group controls through its power to govern the financial and operating policies to obtain economic benefits). All financial statements are made up to 31 March 2021.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. On this basis, the Trustees consider it appropriate to prepare the financial statements on the going concern basis.

Fund accounting

General reserves are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes. Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund.

Incoming resources

Incoming resources are accounted for when the Charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied:

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Grants and awards comprise amounts receivable in the UK. Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate. Grants for specific projects and charitable activities are included in incoming resources from charitable activities. General grants are shown as voluntary income in the statement of financial activities. Capital grants receivable are recognised immediately in the statement of financial activities unless they are restricted to future accounting periods.

Gifts in kind, donated for distribution are included at valuation and recognised as income when distributed to the projects. Donated facilities are included at the value to the Charity where this can be quantified, and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Investment income represents bank interest received on the Charity's cash deposits.

Resources expended

Expenditure is charged to the Statement of Financial Activities on an accruals basis, exclusive of VAT where recoverable.

Charitable expenditure comprises those costs incurred in the delivery of its activities and services for its beneficiaries, including both direct and support costs.

Governance costs include those costs associated with meeting constitutional and statutory requirements.

In the opinion of the Trustees, all support costs relate to charitable expenditure.

Cost apportionment

A proportion of costs are allocated to costs of generating funds and costs of charitable activities on the following bases:

- Staff costs – staff time spent on each activity;
- Premises costs – floor area occupied by each activity;
- Other office costs – staff time spent on each activity.

Taxation

STEP Development Trust is a registered charity, and its activities are not currently subject to taxation.

Tangible fixed assets and depreciation

Tangible fixed assets are initially measured at cost or valuation and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Depreciation is provided at rates to write off the cost or valuation of each asset over its expected useful life as follows:

Freehold property	over 50 years
Leasehold property	over life of lease
Office equipment	over 3 years

Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years. Although this accounting policy is in accordance with the applicable accounting standards, it is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the Trustees compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

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

Fixed asset investments

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

Impairment of fixed assets

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).

Stock

Trading stock is valued at the lower of cost and net realisable value.

Cash and cash equivalents

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

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

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

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

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

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Derecognition of financial liabilities

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

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.

Retirement benefits

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

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight-line basis over the term of the relevant lease.

Going concern

The Trustees are confident that the measures that they have undertaken during and subsequent to the year end has enabled the charitable group to return to overall surplus in future years. On this basis, the Trustees consider it appropriate to prepare the financial statements on the going concern basis.

2. Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

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3. Income from charitable activities

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Education and training	1,919	3,508	1,919	3,508
Nursery and other charitable activities	413,782	394,384	530,256	510,858
	<u>415,701</u>	<u>397,892</u>	<u>532,175</u>	<u>514,366</u>

4. Income from other trading activities

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Provision of managed workspace	169,140	172,769	-	-
Operation of community centre	84,504	99,145	-	-
	<u>253,644</u>	<u>271,914</u>	<u>-</u>	<u>-</u>

5. Expenditure on raising funds

Group (2021)

	Staff costs	Depreciation costs	Other costs	Total
	£	£	£	£
Provision of managed workspace	20,942	-	53,435	74,377
Operation of community centre	4,521	-	58,041	62,562
	<u>25,463</u>	<u>-</u>	<u>111,476</u>	<u>136,939</u>

Group (2020)

	Staff costs	Depreciation costs	Other costs	Total
	£	£	£	£
Provision of managed workspace	25,301	-	78,562	103,863
Operation of community centre	35,806	-	92,589	128,395
	<u>61,107</u>	<u>-</u>	<u>171,151</u>	<u>232,258</u>

The charity does not have any expenditure on raising funds.

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6. Expenditure on charitable activities

Group (2021)

	Staff costs £	Depreciation costs £	Other costs £	Total £
Education and training	-	-	1,490	1,490
Nursery and other charitable activities	287,151	41,641	67,181	395,973
	<u>287,151</u>	<u>41,641</u>	<u>68,671</u>	<u>397,463</u>

Charity (2021)

	Staff costs £	Depreciation costs £	Other costs £	Total £
Education and training	-	-	1,490	1,490
Nursery and other charitable activities	320,615	41,641	67,179	429,435
	<u>320,615</u>	<u>41,641</u>	<u>68,669</u>	<u>430,925</u>

Group (2020)

	Staff costs £	Depreciation costs £	Other costs £	Total £
Education and training	-	-	3,434	3,434
Nursery and other charitable activities	294,908	50,571	103,295	448,774
	<u>294,908</u>	<u>50,571</u>	<u>106,729</u>	<u>452,208</u>

Charity (2020)

	Staff costs £	Depreciation costs £	Other costs £	Total £
Education and training	-	-	3,434	3,434
Nursery and other charitable activities	328,372	50,571	103,295	482,238
	<u>328,372</u>	<u>50,571</u>	<u>106,729</u>	<u>485,672</u>

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7. Net income/(expenditure) for the year

This is stated after charging:

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Depreciation	41,641	50,571	41,641	50,571
Interest payable on bank loans	2,105	2,661	2,105	2,661
Interest payable on loans from other organisations	11,165	9,980	11,165	9,980
Independent examiner's remuneration	11,300	3,750	11,300	3,750
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
And after crediting:				
	£	£	£	£
Bank interest received	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

8. Trustees' remuneration

No Trustees received or waived any emoluments during the year. During the year, no Trustees were reimbursed any travel expenses (2020 - none).

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9. Staff costs and numbers	2021	2020
	£	£
Salaries and wages	313,619	310,478
Social security costs	16,787	17,250
Defined contribution pension schemes	2,121	1,984
Other staff costs	-	28,574
	332,527	358,286

No employees received emoluments of more than £60,000 (2020: £60,000).

The average number of employees on the payroll was as follows:

	2021	2020
	No	No
Management and financial	2	2
Trading activities	4	4
Charitable activities	12	12
	18	18

Administrative staff, directly supporting projects and paid from project funds, have been included within charitable activities.

10. Tangible fixed assets	Freehold land and buildings	Leasehold land and buildings	Office equipment	Total
Group and Charity	£	£	£	£
<u>Cost</u>				
At 1 April 2020	1,152,033	3,392,918	330,957	4,875,908
Additions	-	-	4,568	4,558
At 31 March 2021	1,152,033	3,392,918	335,515	4,880,466
<u>Depreciation</u>				
At 1 April 2020	473,577	3,197,335	327,758	3,998,670
Charge for the year	22,739	14,931	3,971	41,641
At 31 March 2021	496,316	3,212,266	331,729	4,040,311
<u>Net book value</u>				
At 31 March 2021	655,717	180,652	3,786	840,155
At 31 March 2020	678,456	195,583	3,199	877,238

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11. Investments

Group	Investment property £	Subsidiary undertaking £	Total £
<u>Valuation</u>			
At 1 April 2020	250,000	-	250,000
At 31 March 2021	<u>250,000</u>	<u>-</u>	<u>250,000</u>
 Charity	 Investment property £	 Subsidiary undertaking £	 Total £
<u>Valuation</u>			
At 1 April 2020	250,000	1	250,001
At 31 March 2021	<u>250,000</u>	<u>1</u>	<u>250,001</u>

The company has negotiated the sale of its investment property. The sale of the property completed on 24 August 2021. The property is valued in these accounts at the agreed sale price.

Comparable historical cost for the land and buildings included at valuation:

	2021 £	2020 £
Cost	411,758	411,758
Accumulated depreciation	195,331	187,096
	<u>216,427</u>	<u>224,662</u>

12. Subsidiary

STEP Business Enterprises Limited (company number 05079143) is the Charity's wholly owned subsidiary. It operates the STEP Business Centre in Deepcar and The Venue In Stocksbridge. Its trading results are:

	2021 £	2020 £
Turnover	253,644	271,912
Cost of sales	(2,005)	(24,780)
Gross profit	<u>251,639</u>	<u>247,042</u>
Administrative expenses	(217,947)	(290,399)
Interest payable and similar expenses	-	-
Net profit/(loss) for the year	<u>33,692</u>	<u>(43,357)</u>
Net liabilities	<u>(304,417)</u>	<u>(338,109)</u>

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13. Financial Instruments

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Carrying amount of financial assets				
Debt instruments measured at amortised cost	8,654	27,734	445,493	365,578
Equity instruments measured at cost less impairment	-	-	1	1
Carrying amount of financial liabilities				
Measured at amortised cost	322,776	315,335	295,719	290,208

14. Stocks

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Finished goods	677	2,282	-	-

15. Debtors

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	8,654	27,734	1,510	5,767
Amounts owed by subsidiary company	-	-	443,983	359,811
Prepayments	41,385	37,571	23,225	19,397
	50,039	65,305	468,718	384,975

16. Creditors: amounts falling due within one year

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	51,165	51,842	41,250	40,718
Tax and social security	19,035	14,686	14,079	8,931
Accruals and deferred income	41,958	63,442	38,718	42,914
Loans	81,518	87,641	81,518	87,641
Other creditors	19,139	15,823	3,328	1,820
	212,815	233,434	178,893	182,024

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17. Creditors: amounts falling after more than one year

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Loans	169,622	160,029	169,622	160,029
Aggregate amounts repayable by instalments falling due after more than five years included above	-	-	-	-

The Group and Charity have secured loans totalling £190,840 (2020 - £186,648). The loans are secured by charges on the Group's and the Charity's freehold and investment properties.

18. Analysis of Group net assets between funds

	Fixed assets	Net current assets	Long-term liabilities	Total
	£	£	£	£
Designated funds	1,090,155	(68,111)	(122,728)	899,316
General reserves	-	152,722	(46,894)	105,828
Total	1,090,155	(84,611)	(169,622)	1,005,144

19. Restricted funds

There were no restricted funds during the current or comparative year.

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20. Unrestricted funds

Group	Balance 1 April 2020 £	Movement in resources		Revaluation of property £	Transfers between funds £	Balance 31 March 2021 £
		Incoming £	Outgoing £			
General reserves	(59,089)	669,345	(545,702)	-	41,274	105,828
<i>Designated funds</i>						
Capital fund	940,590	-	-	-	(41,274)	899,316
Revaluation reserve	-	-	-	-	-	-
	<u>881,501</u>	<u>669,345</u>	<u>(545,702)</u>	<u>-</u>	<u>-</u>	<u>1,005,144</u>
Charity	Balance 1 April 2020 £	Movement in resources		Revaluation of property £	Transfers between funds £	Balance 31 March 2021 £
		Incoming £	Outgoing £			
General reserves	279,020	532,175	(442,225)	-	41,274	410,244
<i>Designated funds</i>						
Capital fund	940,590	-	-	-	(41,274)	899,316
Revaluation reserve	-	-	-	-	-	-
	<u>1,219,610</u>	<u>532,175</u>	<u>(442,225)</u>	<u>-</u>	<u>-</u>	<u>1,309,560</u>

Capital fund

The capital designated fund represents that part of the Charity's funds invested in property and related assets and thus unavailable for current programme costs or future development. Each year a transfer is made between the fixed asset fund and general reserves equal to the net movement on fixed assets after allowing for any grant and loan finance used for capital expenditure.

21. Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows:

	2021 £	2020 £
Aggregate compensation	<u>104,910</u>	<u>104,891</u>

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22. Cash generated from operations

	2021 £	2020 £
Net Income/(expenditure) for the year	123,643	(22,133)
Adjustments for:		
Interest payable	13,270	12,641
Depreciation of tangible fixed assets	41,641	50,571
Movements in working capital:		
Decrease in stocks	1,605	412
Decrease/(increase) in debtors	28,108	(5,219)
(Decrease)/increase in creditors	(27,338)	26,117
Cash generated from operations	<u>180,929</u>	<u>62,389</u>

23. Events after the reporting date

The company has negotiated the sale of its investment property. The sale of the property completed on 24 August 2021. The property is valued in these accounts at the agreed sale price.