

First Step Trust

Annual Report and Financial Statements

31 March 2021

Company Limited by Guarantee

Registration Number

03730562 (England and Wales)

Charity Registration Number

1077959

Contents

Reports

Legal and administrative information	1
Directors' report	2
Independent auditor's report	13

Financial statements

Statement of financial activities	17
Balance sheet	18
Statement of cash flows	19
Principal accounting policies	20
Notes to the financial statements	24

Legal and administrative information

Chief Executive	R Wilson
Company secretary	J Sibley
Board of directors	S Cader C Furnivall S Newcombe A Okill
Registered office	Unit 9 Kingside Business Park Ruston Road Woolwich London SE18 5BX
Telephone	020 8855 7386
Facsimile	020 8855 7386
Website	www.firststeptrust.org.uk
E-mail	fst@firststeptrust.org.uk
Company registration number	03730562 (England and Wales)
Charity registration number	1077959
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Unity Trust Bank plc 4 The Square 111 Broad Street Birmingham B15 1AR
Solicitors	Mark Eisenthal & Co 44 Wellington Street Covent Garden London WC2E 7BD

The directors present the statutory report and financial statements of First Step Trust ("FST") for the year ended 31 March 2021.

The report, which constitutes a directors' report for the purposes of company legislation, has been prepared in accordance with Part VIII of the Charities Act 2011.

The financial statements have been prepared in accordance with the accounting policies set out on pages 20 to 23 of the attached financial statements and comply with the charitable company's memorandum and articles of association, applicable laws and the requirements 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 United Kingdom and Republic of Ireland (FRS 102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

FST was incorporated on 10 March 1999 (and commenced activities on 1 January 2000) as a company limited by guarantee and not having share capital (registration number 03730562). It has also been registered as a charity since 1994 (registration number 1077959) prior to its incorporation, and is permitted to exclude the word "limited" from its name under Section 60 of the Companies Act 2006.

Organisational structure

Overall responsibility for the company lies with the directors who meet on a regular basis to decide upon policy and strategy. The day to day running of the company is delegated to the Chief Executive and his Deputy.

Current policies and procedures are easily accessible and are kept updated on the Trust's website.

Key management personnel

The board of directors, the Chief Executive, the Deputy Chief Executive and a further seven employees with management responsibilities for the company's operations, finance, catering and garages, are considered to comprise the key management personnel in charge of directing and controlling, running and operating the charity on a day to day basis.

The directors give their time freely and no director received remuneration in the year.

The pay of the key management personnel is reviewed annually by the board of directors and are aligned with average earnings of similar charities.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Directors

The directors of the charitable company constitute the trustees of the charity.

The following directors served during the year and up to the date of approval of this report:

Directors

S Cader
C Furnivall
S Newcombe
A Okill

No director received any remuneration for services as a director (2020 - £nil). No director was reimbursed travelling expenses (2020 – £nil)

Members' liability

In the event of the company being wound up, members and those who cease to be members within one year, are required to contribute an amount not exceeding £1 per person.

Statement of directors' responsibilities

The directors of First Step Trust are responsible for preparing the directors' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors 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 income and expenditure of the charitable company for that period.

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

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Statement of directors' responsibilities (continued)

The directors are responsible for keeping proper 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the directors confirms that:

- ◆ so far as the director is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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

The directors' report has been prepared in accordance with the special provisions of Part 16 of the Companies Act 2006 relating to small companies including the exemption from preparing a strategic report.

Directors' induction process

As an organisation FST wants to make sure that the directors, in addition to understanding the full range of their responsibilities and obligations, understand the underpinning values and commitment to service users.

In order to achieve these objectives the induction process for new or potential directors includes a period of voluntary work and an invitation to attend two or three Board Meetings before a formal decision is made.

OBJECTIVES AND ACTIVITIES

Principal aims and activities

FST aims to support or promote such charitable purposes as the directors may in their absolute discretion determine, but in particular to assist those in the community with mental health problems and other disabilities or disadvantages by the application of FST principles to the provision of services for such people.

Such activities include:

- ◆ To establish further employment projects for people with mental health problems and other disabilities throughout the UK;
- ◆ To test the capacity of the FST model as a means of providing work experience and employment opportunities in areas outside traditional 'blue collar' employment; and
- ◆ To lay the foundations for the longer term growth of FST as a national charity.

Public benefit statement

The directors confirm that they have complied with their duty under section 4 of the Charities Act 2011. They have considered the public benefit guidance published by the Charity Commission and believe that they have followed its guidance in this area. On pages 5 to 12, the annual report gives a detailed description of the activities undertaken by the charitable company during the year in furtherance of its charitable purposes, and the directors are satisfied that all such activities provide a public benefit.

ACHIEVEMENTS AND PERFORMANCE

Management of Covid-19 and lockdown

This has been a difficult year for all with the Covid-19 pandemic impacting on much that could be achieved. For most of the year FST has either been in lockdown or working within a framework necessary to minimise spread of the virus. This was managed by a clear risk management strategy, monitored at Board level and reviewed as required by any shifts in Government policy and changes in the progress of the pandemic.

It is much sadness that we had to close down the Salford garage in October as it was no longer viable resulting in 2 redundancies and the early ending of an apprenticeship.

During the lockdown, despite challenges FST was successful in maintaining contact with workforce over the phone and zoom providing phones for those who didn't have them. We also provided food packages where required.

Online training was provided and with tablets supplied for those without means of accessing the Internet. Support was also provided to those struggling with access to food and other essentials. Thank you Good Things Foundation for donating 10 tablets.

Once out of lockdown, FST's projects (main office, Woolwich garage, Abbeilles, Lambeth gardening, Edenfield and Ashworth Hospital) remained available to workforce members. We sustained this for most of the year, albeit with small numbers attending in a controlled, socially distanced environment. This has allowed the administration to function at Main Office, some garage trading, grounds maintenance contracts and workforce training.

We are pleased to report that staff remained on full pay throughout the pandemic either working from home or furloughed.

The pandemic also provided a spur to some significant reorganisation that had been under consideration for some time but was brought forward either because of restrictions in capacity to bring in trading income or because of premises leasing issues. In addition to the closure of Salford garage, the lease for the Lambeth garage came to an end on 6th December 2020. We are still looking for new premises but it is proving quite difficult to secure suitable accommodation. In addition to the above closures we have had to review our operations at the Bexley garage following an increase in rent. We have however, managed to negotiate an early termination of the lease and we expect to be returning the premises to the landlord at the end of October 2021.

On a more positive note this year has also provided the opportunity to review Abbeilles and rebrand extending the menu to include fish and chips allowing us to reach out to new customers. The premises were refurbished with new equipment installed and the workforce retrained.

One further major change In November 2020, was the relocation of FST project in Merseyside from its long time base of Scott Clinic to the new MerseyCare Trust flagship MSU at Rowan View, Maghul (Ashworth site). FST runs a café, a modern and busy catering

venue that provides a freshly prepared menu to both the staff and service users on site. FST also runs an on-site shop, selling confectionary and toiletries

Development of SMaRT Pathways

Work has progressed well on this important development for FST. Using a range of technologies including Virtual Reality and video a virtual garage replicating FST's Woolwich garage has been created, with embedded video instruction and 'how to' guides, featuring FST workforce members. This familiar environment creates confidence in the learner to engage with the activities. This is the first in a 10 part programme for motor vehicle maintenance and involves training people to remove/replace a tyre and then balance the wheel. Once completed the aim is to meet the requirements for Institute of Motor Industry (IMI) recognition.

Having Beta tested the programme with FST workforce members, funding has now been secured to beta test the programme across 5 medium secure units in London to assess whether the programme is suitable for use in secure settings. To carry this work forward, two trainers, have been recruited, both ex workforce members: an Automotive Skills Trainer (AST) and a Basic Skills Trainer.

Workforce achievements

Numbers attending are understandably lower than the previous year, but despite the demands of negotiating Covid-19 restrictions, FST was successful in delivering almost 2,000 work experience sessions for over 130 people, working in the Main office and finance department, garage, grounds maintenance and restaurant.

89% of these are people with mental health problems, and those with a history of offending from 43% of the total workforce. 56% of the workforce are people from Black and ethnic minorities.

It is worth noting that the FST workforce overall continues to represent a relatively young population of people with long term mental health problems with 33% aged under 35 and 61% aged under 45.

These are all people very far removed from the labour market with 30% never having worked at all. Of those who have been employed at some point, 86% have been unemployed for 6 years and more.

Welfare benefits received also indicate the majority of the workforce is not yet work ready, (56% on PIP or ESA).

Training

44 new training places were taken up during the year alongside 25 continuing from previous year. 20 in-house courses were completed. 14 accredited qualifications attained in a range of subjects: Food Hygiene, admin, motor vehicle practical, driving ambition and health & safety. 3 people were successful in gaining paid employment while 4 people continued actively seeking work.

One workforce member is applying for her ADI (Advance Driving Instructor) trainee licence and continued studying for the theory element of the training while waiting for COVID-19 restrictions to be relaxed to proceed with course completion. We would like to thank the Milnes family for funding this piece of work and other elements of the Driving Ambition® programme.

Work contracts

Trading levels were inevitably reduced compared to the previous year but, nevertheless, FST's social enterprises were successful in generating £226,000 by delivering:

- 458 MOT's, 438 motor vehicle repairs/services and 44 car valeting
- 3 catering and event functions from Abbevilles
- 28 garden/facilities maintenance visits across contracts
- 61 rubbish clearances

Funders, partners and other supporters during the year include, in alphabetical order:

Funders:

Bracton Centre
Greater Manchester West Mental Health NHS Foundation Trust
London Borough of Lambeth
Mersey Care NHS Trust
National Lottery
NHS Lambeth CCG
Oxleas NHS Foundation Trust
Royal Borough of Greenwich
South London Mental Health and Community Partnership (SLP)
Shaftsbury Clinic – Springfield Hospital
UFI VocTech Trust

Supporters:

Austella Ltd
Beacon Group Limited
Bexley Accessible Transport Scheme
Bridgestone
BTD Electrical
Canary Wharf Ltd
Centaur Travel
Good Things Foundation
Halfords Auto Centres
Institute of the Motor Industry
Kam Kee Foods
London Borough of Lambeth
NHS England
Parsley & Time Ltd
R&B Star Ltd
Re-Ropes
Royal Borough of Greenwich

Small Business Saturday

Social Enterprise UK

South East London Chamber of Commerce

Southern Motor Factors

South London & Maudsley

Stone & Ceramic Ltd

Visit Greenwich

A special thank you to Andy and Alex of Bridgestone North Europe region for their assistance in helping us to devise and develop a new marketing strategy.

We appreciate the support from the Milnes family in sponsorship for driving ambition and Dr and Mrs Lelliott who also made a donation for our Driving Ambition © programme.

FINANCIAL REVIEW

Financial report for the period

A summary of the results for the year can be found on page 17 of the attached financial statements.

Total income was £1,331,001 (2020 - £1,603,230) of which £1,019,034 (2020 - £1,518,648) was income generated from the various activities outlined on pages 6 to 8.

Total expenditure amounted to £1,477,136 (2020 - £1,628,055). Staff costs, including agency costs, of £866,076 continue to be the largest single item of expenditure and represent 65% of total income (2020 – staff costs were £966,043 and 60% of total income).

The deficit for the year amounted to £146,135 before actuarial losses of £110,431 on the defined benefit pension scheme (2020 - deficit of £24,825 before actuarial gains of £143,624) which generated a negative net movement on funds of £256,566 (2020 positive net movement in funds of £118,699).

Reserves policy

The board of directors have examined the requirement for free reserves i.e. those unrestricted funds not invested in tangible fixed assets, which are represented by the general fund, and those designated for specific purposes or otherwise committed.

The directors aim to hold general funds equal to approximately six months' unrestricted fund expenditure (approximately £600,000) and the general fund balance at 31 March 2021 was set at £600,000, down from the £911,258 held in 2020.

It has been agreed by the board of directors that the charity should have sufficient general funds to enable the charity to meet statutory and moral obligations to funders, employees and people using the services of the FST in the event of losing grant funding. The "project support" designated fund balance has been retained at a level of £450,000 at 31 March 2021. The directors also recognise that there may be a call on reserves in future to purchase a building in Crayford or Lambeth and therefore the designated new building fund of £578,301 at 31 March 2020 has been increased to £756,668.

The directors have also considered applying surplus funds in to investments. However, after have taken advice and in view of the uncertainties around coronavirus and Brexit, it has been decided to delay any decision for the time being. This will be kept under review.

The directors have re-examined FST's requirements for reserves in light of the possible impact of coronavirus on the charity in the foreseeable future. They consider that the current reserves policy protects FST and its longer term charitable objectives by providing sufficient reserves to adjust to changing financial circumstances: to cover any temporary shortfalls in income, provide adequate working capital to cover core expenditure and respond to unforeseen events until specific mitigating action can be implemented.

FINANCIAL REVIEW (continued)

Financial position

The net current asset position at 31 March 2021 at £2.682m is consistent with the prior year of £2.755m and the charity continues to have a strong working capital base, with £2.8m being held in cash at 31 March 2021 (2020 - £2.8m).

The balance sheet shows total funds of £2,664,973 (2020 - £2,921,539) of which £93,645 is restricted funding (2020 - £45,912) and £2,571,328 is unrestricted which consists of £1,971,328 of designated funding for specific purposes as explained in the reserves policy above (2020 - £1,964,369), and a general fund reserve of £600,000 (£900,001). Included in general fund reserves is a defined benefit pension scheme liability of £931,427 (2020 - £770,487).

The designated funds include a fixed assets fund of £914,660 (being fixed assets not represented by restricted and general funds); a project support fund of £300,000 which has been set aside to ensure that FST is able to meet its obligations to its employees and funders in the event of a serious incident or long term absence; and a new building fund of £756,668, the aim of which is to reduce long term administrative costs through the purchase of its own premises.

General funds or free reserves of the charity at 31 March 2021 totalled £600,000. The directors are satisfied that the current level of free reserves is sufficient to meet the charity's immediate operational needs and meets the desired target as noted in the reserves policy above.

Risk management

The directors have assessed the major risks to which the charity is exposed, in particular those relating to the specific operational areas of the charity. The directors believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks.

POST BALANCE SHEET EVENTS

The impact of COVID-19 continued to present operational challenges in respect of Abbeville's. As a result of the restrictions on the hospitality industry the decision was made to provide a take-away service only during the first few months of the year.

Signed on behalf of the Board of Directors

Director

Approved by the board on:

Independent auditor's report to the members of First Step Trust

Opinion

We have audited the financial statements of First Step Trust (the 'charitable company') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of 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 auditor's 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Other information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the directors' report has been prepared in accordance with applicable legal requirements.

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 directors' report. We have nothing to report in respect of the following matters in relation to which 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 directors' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors 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 directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of directors (continued)

In preparing the financial statements, the directors 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 directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the charitable company and management.

- We obtained an understanding of the legal and regularity frameworks that are applicable to the charitable company and determined that the most significant are Companies Act 2006, Health & Safety and Minimum Wage regulations.
- We understood how the charitable company is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes of the charitable company.

We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:

- ◆ Identifying and assessing the design and implementation of controls in place to prevent and detect fraud;
- ◆ Identifying and testing journal entries, in particular adjustments made at the year-end for financial statement preparation; and

Assessing the extent of compliance with relevant laws and regulations by reviewing correspondence with regulators and legal advisors There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and

Auditor's responsibilities for the audit of the financial statements (continued)

regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 auditor's report.

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 auditor's 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.

Hugh Swainson, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Statement of financial activities Year to 31 March 2021
(Including Income and Expenditure account)

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Unrestricted funds £	Restricted funds £	Total funds 2020 £
Income from:							
Donations and legacies		250	3,000	3,250	1,477	—	1,477
Charitable activities:							
. Grant funding	1	—	219,517	219,517	—	73,125	73,125
. Trading activities		1,019,034	—	1,019,034	1,518,648	—	1,518,648
Interest receivable		1,027	—	1,027	7,500	—	7,500
Other		88,173	—	88,173	2,480	—	2,480
Total income		1,108,484	222,517	1,331,001	1,530,105	73,125	1,603,230
Expenditure on:							
Charitable activities	2	1,309,852	167,284	1,477,136	1,600,842	27,213	1,628,055
Total expenditure		1,309,852	167,284	1,477,136	1,600,842	27,213	1,628,055
Net (expenditure)/income for the year	3	(201,368)	55,233	(146,135)	(70,737)	45,912	(24,825)
Transfers	10	7,500	(7,500)	—	—	—	—
Other recognised gains/(losses):							
Actuarial (loss) gain on defined benefit pension scheme	16	(110,431)	—	(110,431)	143,524	—	143,524
Net movement in funds for the year		(304,299)	47,733	(256,566)	72,787	45,912	118,699
Fund balances brought forward at 1 April 2020		2,875,627	45,912	2,921,539	2,802,840	—	2,802,840
Fund balances carried forward at 31 March 2021		2,571,328	93,645	2,664,973	2,875,627	45,912	2,921,539

All income and expenditure derive from continuing activities.

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

Balance sheet 31 March 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	6		914,660		936,068
Current assets					
Debtors	7	79,923		110,423	
Short term deposits		1,875,716		1,874,689	
Cash at bank and in hand		936,490		921,484	
		2,892,129		2,906,596	
Current liabilities					
Creditors: amounts falling due within one year	8	(210,389)		(150,638)	
Net current assets			2,681,740		2,755,958
Total net assets excluding pension liability			3,596,400		3,692,026
Defined benefit pension scheme liability	16		(931,427)		(770,487)
Total net assets			2,664,973		2,921,539
The funds of the charity:					
Restricted funds	10		93,645		45,912
Unrestricted funds					
. Designated funds	11	1,971,328		1,964,369	
. General funds		600,000		911,258	
			2,571,328		2,875,627
Total charity funds	12		2,664,973		2,921,539

Approved by the directors and signed on its behalf by:

Director of First Step Trust
Company registration number
03730562 (England and Wales)

Approved on:

Statement of cash flows 31 March 2021

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Net cash provided by operating activities	A	19,496	126,381
Cash flows from investing activities:			
Investment income		1,027	7,500
Purchase of tangible fixed assets		(4,490)	(16,571)
Net cash used in investing activities		(3,463)	(9,071)
Change in cash and cash equivalents in the year		16,033	117,310
Cash and cash equivalents at 1 April 2020	B	2,796,173	2,678,863
Cash and cash equivalents at 31 March 2021	B	2,812,206	2,796,173

Notes to the statement of cash flows for the year to 31 March 2021.

A Reconciliation of net movement in funds to net cash provided by operating activities

	2021 £	2020 £
Net movement in funds (as per the statement of financial activities)	(256,566)	118,699
Adjustments for:		
Depreciation charge	25,898	27,041
Actuarial loss (gain) on defined benefit pension scheme	110,431	(143,524)
Difference between pension charge and cash contributions	31,393	87,251
Defined pension scheme finance cost	19,116	20,480
Interest receivable	(1,027)	(7,500)
Decrease in debtors	30,500	50,715
Increase in creditors	59,751	(26,781)
Net cash provided by operating activities	19,496	126,381

B Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	936,490	921,484
Short term deposits	1,875,716	1,874,689
Total cash and cash equivalents	2,812,206	2,796,173

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 March 2021.

The financial statements have been prepared in accordance with 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 United Kingdom and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared under the historical cost convention except for the modification to a fair value basis as specified in the accounting policies below.

The charity constitutes a public benefit entity as defined by FRS 102.

All financial information is presented in British Pounds Sterling (£), the charity's functional currency, and has been rounded to the nearest pound (£).

Critical accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates and judgements. It also requires the directors' to exercise judgement in the process of applying accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including an expectation of future events that are believed to be reasonable under the circumstances. Although these estimates are based on the directors' best knowledge of the amount, event or actions, actual results may differ from those estimates.

There are no areas requiring the use of estimates and critical judgements that may significantly impact on the charity's financial activities and financial position.

Assessment of going concern

The directors have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The directors have made this assessment in respect to a period of one year from the date of approval of these accounts.

The directors have considered the continuing impact of the Covid-19 pandemic on the charity and have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern and that the charity will have sufficient resources to meet its liabilities as they fall due. The directors are of the opinion that it is appropriate for the charity to continue to prepare its accounts on the going concern basis.

Income

Income is recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Grants from Government and other agencies have been included as income from charitable activities where these relate to delivering specific projects, but as voluntary income where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding.

Income from trading activities represents the sale of goods and services and includes income receivable under service agreements with public health bodies. Income from goods is recognised when the risks and rewards of ownership have passed to the buyer. Income from services is recognised when the services are provided to the buyer.

Interest income from cash at bank is recognised when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. It includes VAT which cannot be recovered.

Expenditure on charitable activities:

The costs of charitable activities comprises direct expenditure on the provision of the charity's services, i.e. carrying out of projects consistent with the charity's primary charitable objectives, and includes support costs and governance costs.

Support and governance costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include administration, personnel and governance costs and also include support in the form of personnel development, financial procedures, the provision of office services and equipment and a suitable working environment.

Governance costs are the costs associated with the governance of the charitable company and its assets. Included within this category are costs associated with the strategic, as opposed to the day to day, management of the charitable company's activities.

Tangible fixed assets

All tangible fixed assets are stated at cost less depreciation. All assets costing more than £500 and with an expected useful life exceeding one year are capitalised.

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

♦ Freehold buildings	2% on cost
♦ Long leasehold buildings	2% on cost
♦ Plant, machinery and other equipment	50% on cost
♦ Motor vehicles	25% on cost

Freehold land is not depreciated.

Debtors

Trade and other debtors are initially recognised at their settlement amount and subsequently at amortised cost or their recoverable amount. Impairment provisions are recognised when there is objective evidence, such as significant financial difficulties on the part of the counterparty or default or a significant delay in payment, that the charity will be unable to collect all of the amounts due.

Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand represents cash that is available on demand or has a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year are disclosed as short term deposits.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be measured or estimated reliably.

Creditors and provisions are initially recognised at fair value, being the amount the charity anticipates it will pay to settle the debt, and subsequently at amortised cost.

Financial instruments

The company only holds basic financial instruments as defined in FRS102. The financial assets and financial liabilities of the company and their measurement basis is as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 7. Prepayments are not financial instruments.

Cash and cash equivalents – is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments and are measured at amortised cost as detailed in note 8. Taxation and social security are not included in the financial instrument disclosure definition. Deferred income is not deemed to be a financial liability, as cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Fund accounting

The general fund comprises those monies which may be used towards meeting the charitable objectives of the charity at the discretion of the directors.

The designated funds are monies set aside out of general funds and designated for specific purposes by the directors.

The restricted funds were monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions.

Pension costs

The charity is a member of a defined benefit pension scheme. Pension scheme assets are measured at fair value at each balance sheet date. Liabilities are measured on an actuarial basis using the projected unit method. The net of these two figures is recognised as an asset or liability on the balance sheet.

Any change in the asset or liability between balance sheet dates is reflected on the statement of financial activities.

1 Grant funding for specific activities

	Unrestricted funds £	Restricted funds £	Total funds 2021 £
UK Government grants			
UFI Technology	—	50,000	50,000
The National Lottery Community Fund	—	114,375	114,375
Covid furlough income	—	55,142	55,142
2020 Total funds	—	219,517	219,517
	Unrestricted funds £	Restricted funds £	Total funds 2020 £
<i>UK Government grants</i>			
<i>UFI Technology</i>	<i>—</i>	<i>20,000</i>	<i>20,000</i>
<i>The National Lottery Community Fund</i>	<i>—</i>	<i>53,125</i>	<i>53,125</i>
<i>2020 Total funds</i>	<i>—</i>	<i>73,125</i>	<i>73,125</i>

2 Charitable activities

	Unrestricted funds £	Restricted funds £	Total funds 2021 £
Staff costs (note 4)	745,739	120,337	866,076
Interest on defined benefit pension liability	19,116	—	19,116
Direct materials	161,694	—	161,694
Travel expenses	19,338	—	19,338
Premises costs	274,311	22,200	296,511
Printing, postage and stationery	2,098	—	2,098
Events and publicity	494	—	494
Telephone	9,863	100	9,963
Recruitment	798	395	1,193
Insurance	16,928	—	16,928
Consultancy, legal fees, subscriptions and bank charges	19,158	24,240	43,398
Depreciation	25,898	—	25,898
Training and development	1,235	12	1,247
Other expenses	182	—	182
	1,296,852	167,284	1,464,136
Governance costs	13,000	—	13,000
2021 Total funds	1,309,852	167,284	1,477,136
Governance costs include:			
Audit fees	13,000	—	13,000
Actuarial fees	—	—	—
2021 Total governance costs	13,000	—	13,000

2 Charitable activities (continued)

Comparative year

	Unrestricted funds £	Restricted funds £	Total funds 2020 £
Staff costs (note 4)	936,580	23,477	960,057
Agency costs (note 4)	5,986	—	5,986
Interest on defined benefit pension liability	20,480	—	20,480
Direct materials	302,449	—	302,449
Travel expenses	38,513	1,134	39,647
Premises costs	192,425	—	192,425
Printing, postage and stationery	2,297	—	2,297
Events and publicity	1,130	—	1,130
Telephone	10,435	—	10,435
Recruitment	1,451	849	2,300
Insurance	28,190	—	28,190
Consultancy, legal fees, subscriptions and bank charges	13,000	1,375	14,375
Depreciation	27,041	—	27,041
Training and development	2,426	—	2,426
Other expenses	5,180	378	5,558
	1,587,583	27,213	1,614,796
Governance costs	13,259	—	13,259
2020 Total funds	1,600,842	27,213	1,628,055
Governance costs include:			
Audit fees	13,000	—	13,000
Actuarial fees	259	—	259
2020 Total governance costs	13,259	—	13,259

3 Net expenditure for the year

This is stated after charging:

	2021 £	2020 £
Staff costs (note 4)	866,076	966,043
Auditor's remuneration		
. Statutory audit services	13,000	13,000
. Taxation services	—	1,300
Depreciation (note 6)	25,898	27,041
Operating leases – land and buildings	108,262	111,076

4 Staff costs including key management personnel and directors' remuneration and expenses

	2021 £	2020 £
Staff costs during the period were as follows:		
Wages and salaries	723,082	756,810
Social security costs	65,648	72,009
Other pension costs	77,346	131,238
	866,076	960,057
Agency staff costs	—	5,986
	866,076	966,043

Included in wages and salaries is £21,814 of statutory contractual redundancy payments made to three employees.

The number of employees who earned £60,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the year was as follows:

	2021 Number	2020 Number
£80,001 - £90,000	1	—
£90,001 - £100,000	1	2
	2	2

Both of the above employees had benefits accruing to them under the charitable company's defined benefit pension scheme and employer contributions paid to the scheme during the year for the two employees totalled £31,627 (2020 - £27,866).

The average number of employees during the year involved in charitable activities was:

	2021 Number	2020 Number
Charitable activities	27	33

4 Staff costs including key management personnel and directors' remuneration and expenses (continued)

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the charity and comprise the directors, the Chief Executive, the Deputy Chief Executive and six individuals with management responsibilities over key areas of the company's operations.

The number of key management personnel was 8 (2020: 9). The total remuneration (including employers national insurance and pension contributions) paid to the key management personnel was £447,231 (2020 - £392,804).

The directors received no remuneration.

Directors' expenses

No expenses were reimbursed to directors or incurred on their behalf during the year. (2020 – None).

5 Taxation

First Step Trust is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

6 Tangible fixed assets

	Freehold land and buildings £	Long leasehold buildings £	Plant machinery and equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2020	698,325	405,798	13,695	2,429	1,120,247
Additions	—	2,200	2,290	—	4,490
Disposals	—	—	(4,263)	(800)	(5,063)
At 31 March 2021	<u>698,325</u>	<u>407,998</u>	<u>11,723</u>	<u>1,629</u>	<u>1,119,675</u>
Depreciation					
At 1 April 2020	152,170	23,911	6,484	1,614	184,179
Charge for period	14,071	8,160	3,261	407	25,898
On disposals	—	—	(4,263)	(800)	(5,063)
At 31 March 2021	<u>166,241</u>	<u>32,071</u>	<u>5,482</u>	<u>1,221</u>	<u>205,015</u>
Net book values					
At 31 March 2021	<u>537,084</u>	<u>375,927</u>	<u>6,241</u>	<u>408</u>	<u>914,660</u>
At 31 March 2020	<u>546,155</u>	<u>381,888</u>	<u>2,116</u>	<u>814</u>	<u>936,068</u>

7 Debtors

	2021 £	2020 £
Trade debtors	40,010	64,030
Prepayments	26,729	46,393
Sundry Debtors	13,184	-
	79,923	110,423

8 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	22,023	34,215
Other creditors	7,046	6,836
Social security and other taxes	60,107	69,039
Accruals and deferred income	121,213	40,548
	210,389	150,638

9 Financial instruments and financial risk management

The charity only holds basic financial instruments, all measured at amortised cost as follows:

	2021 £	2020 £
Financial assets measured at amortised cost	2,865,400	2,860,203
Financial liabilities measured at amortised cost	150,282	57,635

The charity has exposure to one main area of risk, liquidity risk.

Liquidity risk

The objective of the charity in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The charity seeks to meet its financial obligations through cash flows from its charitable activities. In the event that the cash flows would not cover all the financial liabilities, the charity has sufficient cash reserves available to meet any shortfall.

10 Restricted funds

In the year 2020/21, restricted funds consisted of:

	At 1 April 2020 £	Income £	Expenditure £	Transfers £	At 31 March 2021 £
Ufi Charitable Trust	—	50,000	(50,000)	—	—
The National Lottery	10,000	—	(2,200)	—	7,800
The National Lottery	35,912	114,375	(59,942)	(7,500)	82,845
Covid furlough income	—	55,142	(55,142)	—	—
Driving Ambition Donations	—	3,000	—	—	3,000
	45,912	222,517	(167,284)	(7,500)	93,645

	At 1 April 2019 £	Income £	Expenditure £	At 31 March 2020 £
<i>Ufi Charitable Trust</i>	—	20,000	(20,000)	—
<i>The National Lottery</i>	—	10,000	—	10,000
<i>The National Lottery</i>	—	43,125	(7,213)	35,912
	—	73,125	27,213	45,912

The specific purposes for which the funds are to be applied are as follows:

- ◆ *Ufi Charitable Trust*
This fund was received to explore the feasibility of using digital technologies in the provision of adult learning
- ◆ *The National Lottery*
The funding was provided by the Community Fund to improve the delivery of Abbeville services to the local community by funding double glazing for the premises.
- ◆ *The National Lottery*
This represents funding received from the Community Fund for the SMaRT Pathways project to enable people with no formal educational qualifications and are long term unemployed to progress towards a career in the automotive industry. The total funding is £0.5m over a three year period.
- ◆ *Covid furlough income*
This fund represented monies from received under the covid furlough scheme.
- ◆ *Driving Ambition*
These funds represented donations received towards our Driving ambition programme,

11 Designated funds

The funds of the charity includes the following designated funds which have been set aside out of unrestricted funds by the directors for specific purposes:

	At 1 April 2020 £	New designations and transfers	Utilised/ realised £	At 31 March 2021 £
Fixed assets fund	936,068	4,490	(25,898)	914,660
New building fund	578,301	178,367	—	756,668
Project support fund	450,000	(150,000)	—	300,000
	1,964,369	32,857	(25,898)	1,971,328

♦ *Fixed asset fund*

This fund represents the net book value of the charity's fixed assets. The funds have been set aside to demonstrate the importance of those assets to the charity's continuing work, and to highlight that the funds do not represent monies available for future operational expenditure.

♦ *New building fund*

The Trust is seeking opportunities to acquire new premises to support the development of its core activities. This fund has been set aside for the purchase of new properties.

♦ *Project support fund*

The fund has been set aside to ensure that the trust is able to meet its obligations to employees and funders in the event of a serious incident or long-term absence.

Comparatives

	At 1 April 2019 £	New designations and transfers	Utilised/ realised £	At 31 March 2020 £
Fixed assets fund	946,538	16,571	(27,041)	936,068
New building fund	506,301	72,000	—	578,301
Project support fund	450,000	—	—	450,000
	1,902,839	88,571	(27,041)	1,964,369

12 Analysis of net assets between funds

	General fund £	Designated funds £	Restricted funds £	Total 2021 £
Fund balances at 31 March 2021 are represented by:				
Tangible fixed assets	—	914,660	—	914,660
Current assets	1,741,816	1,056,668	93,645	2,892,129
Current liabilities	(210,389)	—	—	(210,389)
Total net assets before non-current liabilities and pension liability	1,531,428	1,963,827	93,645	3,596,400
Pension liability	(931,427)	—	—	(931,427)
Total net assets	600,000	1,971,328	93,645	2,664,973
 <i>Comparatives:</i>				
	General fund £	Designated funds £	Restricted funds £	Total 2020 £
<i>Fund balances at 31 March 2020 are represented by:</i>				
<i>Tangible fixed assets</i>	<i>—</i>	<i>936,068</i>	<i>—</i>	<i>936,068</i>
<i>Current assets</i>	<i>1,832,383</i>	<i>1,028,301</i>	<i>45,912</i>	<i>2,906,596</i>
<i>Current liabilities</i>	<i>(150,638)</i>	<i>—</i>	<i>—</i>	<i>(150,638)</i>
<i>Total net assets before non-current liabilities and pension liability</i>	<i>1,681,745</i>	<i>1,964,369</i>	<i>45,912</i>	<i>3,692,026</i>
<i>Pension liability</i>	<i>(770,487)</i>	<i>—</i>	<i>—</i>	<i>(770,487)</i>
<i>Total net assets</i>	<i>911,258</i>	<i>1,964,369</i>	<i>45,912</i>	<i>2,921,539</i>

13 Related party transactions

Carole Furnivall, a director of the charitable company, charged consultancy fees and expenses of £nil (2020: £3,640) in connection with welfare monitoring undertaken during the year.

14 Leasing commitment***Operating leases***

At 31 March 2021 the charity's future minimum payments under non-cancellable operating leases was as follows:

	Land and buildings	
	2021 £	2020 £
Within one year	18,750	85,375
In two to five years	—	159,167
	18,750	244,542

15 Indemnity insurance

The charity has purchased insurance to protect the charity from loss arising from any wrongful or dishonest act of any director, officer of the charitable company, or employee and to indemnify any director, officer of the company, or employee against the consequence of any wrongful act on their part. The total cover provided by such insurance is £1,000,000 (2020 - £1,000,000) and the total premium paid in respect of such insurance was £442 (2020 - £476).

16 Pension scheme

First Step Trust is one of the employing bodies included within the London Borough of Greenwich Pension Fund.

The total employer contribution in respect of the funded defined benefit scheme for the year was £36,998 (2020 - £32,656). The best estimate of contributions to be paid by the employer for the year beginning 1 April 2020 is £37,000.

The assets of the scheme are held independently of the charity's finances. Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The pensions cost is assessed every three years in accordance with the advice of a qualified independent actuary. The next comprehensive actuarial valuation will be at 31 March 2022.

In order to assess the actuarial value of the charity's assets and liabilities at 31 March 2021; the actuaries have rolled forward the actuarial value of the assets and liabilities at 31 March 2020. The major assumptions used by the actuary were (in nominal terms):

	2021 % per annum	2020 % per annum
RPI increases	3.35%	2.95%
CPI increases	2.85%	1.95%
Rate of increase in salaries	3.85%	2.95%
Rate of increase for pensions	2.85%	1.95%
Discount rate for liabilities	1.95%	2.35%

The mortality assumptions adopted at 31 March 2021 have been provided by the actuary and assume the following life expectancies:

- ◆ Male retiring at age 65 today 20.5 years (2020 – 20.8)
- ◆ Females retiring at age 65 today 23.3 years (2020 – 23.5)
- ◆ Male retiring at age 65 in 20 years 21.9 years (2020 – 22.3)
- ◆ Females retiring at age 65 in 20 years 24.9 years (2020 – 25.1)

16. Pension scheme (continued)

The estimated asset allocation of the whole fund as at 31 March 2021 is as follows:

	31 March 2021		31 March 2020	
	£'000	%	£'000	%
UK equities	179	9%	140	9%
Other bonds	324	17%	289	19%
Property	171	9%	171	11%
Cash	24	1%	25	2%
Unitised insurance policies	755	39%	567	37%
UK and overseas unit trusts	481	25%	333	22%
	1,934	100%	1,525	100%

The value of First Step Trust's share in the pension scheme's assets and liabilities at 31 March were:

	31 March 2021 £'000	31 March 2020 £'000	31 March 2019 £'000	31 March 2018 £'000	31 March 2017 £'000	31 March 2016 £'000
Fair value of charity's estimated share of scheme assets*	1,934	1,525	1,710	1,551	1,490	1,241
Present value of scheme liabilities	(2,865)	(2,295)	(2,516)	(2,282)	(2,184)	(1,797)
Deficit in scheme	(931)	(770)	(806)	(731)	(694)	(556)

The overall movement in First Step Trust's share of the deficit during the year was as follows:

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Movement in deficit during the year		
Deficit in scheme at 1 April	(770)	(806)
<i>Movement in year:</i>		
. Current service cost	(68)	(120)
. Employer contributions	37	33
. Net finance charge	(19)	(20)
. Actuarial (loss) gain	(111)	143
Deficit in scheme at 31 March	(931)	(770)

17 16 Pension scheme (continued)

Changes in First Step Trust's share of the present value of the scheme liabilities are as follows:

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Scheme liabilities at start of period	2,295	2,516
Current service cost	68	85
Interest cost	54	59
Past service costs, including curtailments	—	35
Contributions by scheme participants	19	19
Estimated benefits paid	(17)	(16)
Change in actuarial assumptions	446	(403)
Scheme liabilities at end of period	2,865	2,295

Changes in First Step Trust's share in the fair value of the present value of the scheme assets are as follows:

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Fair value of scheme assets at start of period	1,525	1,710
Interest on assets	36	41
Return on assets less interest	335	(260)
Administration expenses	(1)	(2)
Estimated benefits paid	(17)	(16)
Contributions by employer	37	33
Contributions by scheme participants	19	19
Fair value of scheme assets at end of period	1,934	1,525

16 Pension scheme (continued)

The pension charge for the year calculated under FRS 102 assumptions is reflected in the financial statements as follows:

	2021 £'000	2020 £'000
Analysis of the amount charged to the statement of financial activities (SOFA)		
Current service cost	68	120
Total operating charge	68	120
Analysis of other finance charge		
Interest on pension liabilities	18	18
Administrative expenses	1	2
Net finance cost	19	20
Net revenue account cost	87	140
Amounts recognised as other gains and losses		
Return on fund assets in excess of interest	336	(260)
Change in actuarial assumptions	(447)	403
	111	143

Analysis of the sensitivity to the principal assumptions of the value of the scheme liabilities

Assumption	Change in assumption	Approximate impact on scheme liabilities
Discount rate	Decrease/increase by 0.1% pa	+£43,000/-£43,000
Rate of mortality	1 year increase/decrease in life expectancy	+£137,000/-£137,000