

First Step Trust

Annual Report and Financial Statements

31 March 2025

Company Limited by Guarantee

Registration Number

03730562 (England and Wales)

Charity Registration Number

1077959

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Legal and administrative information

Chief Executive	R Wilson
Company secretary	Position currently vacant
Board of directors	R Barringer C E Jelf J G J Hryniewicz M M Khan A P Milnes
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 Audit LLP 130 Wood Street London EC2V 6DL
Bankers	Unity Trust Bank plc 4 The Square 111 Broad Street Birmingham B15 1AR
Solicitors	Burley Law Ltd Universities Centre Faraday Wharf Holt Street Birmingham B7 4BB

The directors present the statutory report and financial statements of First Step Trust ("FST") for the year ended 31 March 2025.

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 17 to 19 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

P Holbrook	Appointed 2 October 2023, resigned 2 September 2024
R Barringer	
S Cader	Resigned 25 November 2024
M M Khan	
C E Jelf	Appointed 18 October 2024
J G J Hryniewicz	Appointed 18 October 2024
A P Milnes	Appointed 21 October 2024
S Newcombe	Resigned 14 June 2024
S M Price	Resigned 2 September 2024

No director received any remuneration for services as a director (2024 - £nil). No director was reimbursed travelling expenses (2024 – £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

OBJECTIVES AND ACTIVITIES (continued)

Principal aims and activities (continued)

- ◆ To lay the foundations for the longer term growth of FST as a national charity.

Public benefit statement

Trustees have given careful consideration to the Charity Commission's public benefit guidance. The trustees consider how planned activities and their implementation will contribute to the charity's aims and objectives.

The objects for which the charity was established are: "To support or promote such charitable purposes as the trustees may in their absolute discretion determine but in particular to assist those in the community with mental health problems by the application of the Trust principles to the provision of services for such people".

What we do to achieve this purpose

First Step Trust (FST) seeks to enable socially excluded people experiencing enduring mental health problems and other disadvantages to have the opportunity to work and access paid employment. FST, in partnership with statutory agencies and other partners, sets up projects that assist people to gain work skills and qualifications while overcoming the barriers and difficulties to employment in their daily life.

Key activities and outputs

In this year, we have continued to deliver training to learners with mental health challenges and other disadvantages in a range of contexts.

In total, FST engaged with 458 people. 359 people attended short courses: 223 in our community training, 55 in secure mental health units in London and the North West of England and 81 in probation hubs in London. 99 people undertook workforce placements, which are voluntary work experience placements to help people prepare for employment. 52 workforce placements took place at our Woolwich hub, and 47 in secure units.

The charity continues to work with people furthest from the labour market. 100% of workforce have been unemployed for at least 12 months before joining FST, while 87% have not been employed for over five years and 45% have never worked. For trainees joining short courses, 100% had been unemployed for 2 years or more, 61.5% have been unemployed for over 10 years and 34% have never worked.

44% of workforce had no educational qualifications at all at the point of joining FST (compared to 11% of the UK population of working age), and 11% had qualifications below GCSE level.

The courses provided this year included:

- ◆ Driving Ambition®: helping people gain the learning to prepare for their driving theory test. In this year we also introduced a 'masterclass' element to provide additional test practice to help learners build confidence

OBJECTIVES AND ACTIVITIES (continued)

Key activities and outputs (continued)

- ◆ Food Hygiene: teaching food safety information to allow people to work in the catering and hospitality industry.
- ◆ 10 Module Garage Programme, an Institute of the Motor accredited training course using Virtual Reality (VR) to introduce learners to the core skills and competencies required to become a fully qualified Motor Vehicle Technician.

Of the 99 workforce placements completed this year, 47 took place within secure units across Merseyside and Greater Manchester. People did work experience in cafes, shops and car washing services serving patients, staff and visitors. Alongside the practical work experience, FST staff supported learners to study for qualifications including Food Safety and Hygiene, Manual Handling, Health and Safety.

In London, 52 workforce placements took place across our garage, reception and finance departments. Garage workforce worked alongside qualified mechanics to gain skills and confidence to progress into the automotive industry, and completed the practical elements of their 10 module garage training. Reception placements gave people experience in customer service and admin. In the finance department, workforce members supported our finance staff to complete tasks including bank reconciliation, processing invoices and expenses, and credit control.

Achievements and performance

Our work this year has contributed to people with significant barriers to learning and work making significant strides towards employment and independence.

Of our 99 workforce members, 52 are in the community and 47 participating in FST activities within secure units. Between them they gained 203 qualifications, including Food Safety and Hygiene certificates, IMI accredited garage mechanic certificates and Health and Safety qualifications.

Of the 52 community workforce placements, 17 have a Personal Development Plan (PDP) with an employment aim, and 4 are aiming to enrol in college as a route to employment. 6 are actively job searching, with 4 gaining interviews. In this year 4 workforce members progressed into paid employment outside FST, and 4 have moved into paid employment as trainers at FST.

A particular highlight of the year was our Lead Garage Trainer, Laura, being shortlisted for the IMI 30% Club Inspiring Women Award. Having joined the charity as a trainee, Laura has continued to build her skills and is now employed to train others to become Motor Vehicle Technicians.

OBJECTIVES AND ACTIVITIES (continued)

Achievements and performance (continued)

Virtual Reality continues to be a key part of the charity's work, providing an accessible way for people with a range of disadvantages and learning challenges to gain the practice skills. Several new courses were introduced in this year. With the support of funding from Ufi Voc Tech Trust, we started work on development of a new Virtual Reality module on Electric Vehicles. Level 1, focused on awareness and safety, was developed in this year and piloted with a group of learners. In the coming year, this will be rolled out more widely. Further modules for mechanics working on electric vehicles, will also be developed.

An immersive pre-CSCS course has also been completed, which takes learners through the health and safety knowledge to apply for a green card, a requirement to work on a construction site. This will now be rolled out with learners in secure units and community training, and in the coming year we will be working to build partnerships with organisations who can offer the formal green card test.

Future plans

In the coming year 25/26, the charity's key delivery priorities include:

- ◆ Expanding our range of accessible Virtual Reality training products, including developing more in-depth modules on working with electric and hybrid vehicles.
- ◆ Reviewing our existing training products based on feedback from learners and the latest developments in VR to ensure they continue to offer the best in class learning opportunities for disadvantaged learners.
- ◆ Supporting more learners in community and secure settings who participate in our garage training to gain IMI accredited qualifications to support their career development. We aim to increase the number of people gaining qualification through our unique VR only tyre change programme, which is available to learners in secure settings. We also aim to support more workforce members to complete the full 10 module garage training programme this year, which provides them with a solid basis to move into garage apprenticeships, employment or formal college courses.
- ◆ Building relationships with industry partners to create pathways for learners and workforce members to progress into external volunteering, work experience and employment. As well as the automotive industry, we will aim to work with construction industry partners and identify other sectors for future focus.
- ◆ Exploring opportunities to license our VR training to the wider industry, to support with upskilling workers as well as developing a sustainable income stream for the charity.
- ◆ Continuing to build our social enterprise garage to become more commercially sustainable and to provide increased work experience opportunities for workforce members.

OBJECTIVES AND ACTIVITIES (continued)

Volunteers

FST offers a number of volunteering opportunities to people with mental health issues and other barriers to employment, to support them in building employment skills and experience. These voluntary workforce placements include:

- ◆ Garage mechanic and receptionist placements within SMaRT garage services, a social enterprise garage operated by First Step Trust
- ◆ Finance placements within the First Step Trust finance department
- ◆ Cafe and retail opportunities within secure mental health units operated Merseyside NHS Trust and Greater Manchester Mental Health Trust.

In financial year 24/25, First Step Trust welcomed 99 people on voluntary workforce placements. We are grateful to their contribution to the Trust's activities and are proud of the skills and professional competencies they have built during their volunteering.

Financial review

The charity's financial position remains strong, with income coming from a range of sources in this financial year, including service contracts, grant funding and trading income. Repeat funding was secured in this year from key funders including London Pathways Project, Merseyside NHS Health Trust, Greater Manchester Mental Health Trust, South London Partnership, and Ufi Voc Tech Trust.

Our overall income was slightly lower than last year at £1,370,300 (compared to £1,407,878 in FY 23/24), due to grant funding reducing with the end of our National Lottery grant. However, we have been successful in increasing the amount of unrestricted funding and trading income, contributing positively to the organisation's overall financial sustainability. Expenditure was higher than last year at £1,433,904 as we continued to invest in building staff resources and developing virtual reality training modules.

Efforts to broaden funding sources is ongoing, including grant funding applications for our projects in London, North West and for VR development, as well as investing in developing the garage to increase the sustainability of our social enterprise ventures.

Reserves policy

First Step Trust defines reserves as that part of the charity's unrestricted funds that are freely available to spend on any of the charity's purposes. It is the policy of the charity that reserves should be maintained at a level equivalent to nine month's core expenditure.

If reserves fall below the target level the Board will implement a plan to rebuild reserves within an agreed time frame. If reserves exceed the target level the Board will consider designating funding for future projects, investment or service expansion that will further FST's charitable purpose.

OBJECTIVES AND ACTIVITIES (continued)

Reserves policy (continued)

Reserves above this level in the financial year have been invested into 6-12 month investments to earn interest while plans are finalised to use the funds to invest in new buildings and social enterprise activities to further the Trust's charitable aims.

Structure and governing documents

First Step Trust is a Private Limited Company by guarantee without share capital, with use of 'Limited' exemption. The company incorporated and registered in England and Wales with company number 3730562, and is approved and registered with the Charity Commission with charity number 1077959. The registered office is Unit 9 Kingside Business Park, Ruston Road, London SE18 5BX. The governing documents (memorandum and articles of association) are available to view on the Companies House website.

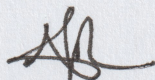
Trustees

At year end First Step Trust board of trustees consisted of five trustees. During the reporting period, five trustees resigned. Two new trustees were recruited to the board including a new chair. Trustee appointments are confirmed at a board meeting of trustees. The board membership includes trustees with lived experience and former service users of the charity.

Andrew Milnes took on the role of Chair of the Trustees this year, and we are grateful to him for his leadership of the board as the organisation continues to grow and evolve. In the coming year the organisation will focus on recruitment of new trustees to complement the existing skills on the board.

The Trustee Board meets quarterly. Agendas and minutes are circulated for discussion and when appropriate votes are taken. The trustee board is responsible for setting and guiding the overall strategic direction of the organisation, including approving the annual budget, recruiting senior leadership (CEO) and ensuring compliance with our legal and governance requirements. Responsibility for operational management decisions are delegated to the CEO, with accountability through quarterly board reports and meetings.

Signed on behalf of the Board of Directors



.....
Trustee:

Approved by the board on:

Andrew Milnes

3-11-25

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 2025 which comprise the statement of financial activities, the balance sheet, the 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 2025 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 Standards 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 other information comprises the information included in the annual report, including the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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)

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, 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 trustees'. 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 trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 3, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of trustees (continued)

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and
- ◆ 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 assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining and understanding of how fraud might occur, by:

- ◆ making enquiries of management and those responsible for legal and compliance procedures as to their knowledge of actual, suspected, and alleged fraud, and we corroborated our enquiries through our review of board minutes of the charitable company;
- ◆ considering the internal controls in place to mitigate the risks of fraud and non-compliance with laws and regulations;

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;

Statement of financial activities Year to 31 March 2025
(Including Income and Expenditure account)

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

- ◆ identified and tested journal entries, in particular adjustments made at the year-end for financial statement preparation.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ review of the minutes of meetings of those charged with governance' and
- ◆ enquiring with management as to actual and potential litigation and claims; and
- ◆ 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 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 is available 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.

Buzzacott Audit LLP

Hugh Swainson (Senior Statutory Auditor)
For and on behalf of Buzzacott Audit LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

25 November 2025

Statement of financial activities Year to 31 March 2025
(Including Income and Expenditure account)

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2025 £	Unrestricted funds £	Restricted funds £	Total funds 2024 £
Income from:							
Donations and legacies		362	2,500	2,862	368	6,000	6,368
Charitable activities:							
. Grant funding	1	—	26,000	26,000	—	219,434	219,434
. Trading activities		1,261,625	—	1,261,625	1,121,514	—	1,121,514
Interest receivable		78,299	—	78,299	50,193	—	50,193
Other		1,514	—	1,514	10,369	—	10,369
Total income		1,341,800	28,500	1,370,300	1,182,444	225,434	1,407,878
Expenditure on:							
Charitable activities	2	1,376,756	57,148	1,433,904	1,083,555	194,782	1,278,337
Total expenditure		1,376,756	57,148	1,433,904	1,083,555	194,782	1,278,337
Net (expenditure) income for the year	3	(34,956)	(28,648)	(63,604)	98,889	30,652	129,541
Other recognised gains:							
Actuarial gain on defined benefit pension scheme	15	55,103	—	55,103	87,961	—	87,961
Net movement in funds for the year		20,147	(28,648)	(8,501)	186,850	30,652	217,502
Fund balances brought forward at 1 April 2024		4,430,148	54,198	4,484,346	4,243,298	23,546	4,266,844
Fund balances carried forward at 31 March 2025		4,450,295	25,550	4,475,845	4,430,148	54,198	4,484,346

All income and expenditure derive from continuing activities.

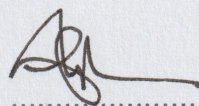
The statement of financial activities includes all gains and losses recognised in the year.

Balance sheet 31 March 2025

	Notes	2025 £	2025 £	2024 £	2024 £
Fixed assets					
Tangible assets	6		868,457		878,438
Current assets					
Debtors	7	32,217		325,672	
Short term deposits		2,039,671		—	
Cash at bank and in hand		1,727,144		3,491,687	
		<u>3,799,032</u>		<u>3,817,359</u>	
Current liabilities					
Creditors: amounts falling due within one year	8	(191,644)		(166,719)	
Net current assets			3,607,388		3,650,640
Total net assets excluding pension liability			<u>4,475,845</u>		<u>4,529,078</u>
Defined benefit pension scheme asset / (liability)	15		—		(44,732)
Total net assets			<u>4,475,845</u>		<u>4,484,346</u>
The funds of the charity:					
Restricted funds	10		25,550		54,198
Unrestricted funds					
. Designated funds	11	3,850,295		3,830,148	
. General funds		<u>600,000</u>		<u>600,000</u>	
			4,450,295		4,430,148
Total charity funds	12		<u>4,475,845</u>		<u>4,484,346</u>

Approved by the directors and signed on its behalf by:

Andrew Milnes



Approved on:

3-11-25

Company number 03730562

Statement of cash flows 31 March 2025

	Notes	2025 £	2024 £
Cash flows from operating activities:			
Net cash provided by/(used in) operating activities	A	216,225	(171,242)
Cash flows from investing activities:			
Investment income		78,299	50,193
Transfer of funds to deposit account		(2,039,671)	—
Purchase of tangible fixed assets		(19,396)	(24,927)
Net cash (used in)/provided by investing activities		(1,980,768)	25,266
Change in cash and cash equivalents in the year		(1,764,543)	(145,976)
Cash and cash equivalents at 1 April 2024	B	3,491,687	3,637,663
Cash and cash equivalents at 31 March 2025	B	1,727,144	3,491,687

Notes to the statement of cash flows for the year to 31 March 2025.

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

	2025 £	2024 £
Net movement in funds (as per the statement of financial activities)	(8,501)	217,502
Adjustments for:		
Depreciation charge	29,377	34,106
Actuarial (gain) loss on defined benefit pension scheme	(55,103)	(87,961)
Difference between pension charge and cash contributions	6,817	10,551
Defined pension scheme finance cost	3,554	6,335
Interest receivable	(78,299)	(50,193)
Decrease (increase) in debtors	293,455	(297,077)
Increase (decrease) in creditors	24,925	(4,500)
Net cash provided by (used in) operating activities	216,225	(171,242)

B Analysis of cash and cash equivalents

	2025 £	2024 £
Cash at bank and in hand	1,727,144	3,491,687
Total cash and cash equivalents	1,727,144	3,491,687

Principal accounting policies 31 March 2025

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 2025.

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. The significant estimates and judgments are:

Defined benefit pension scheme

The charity has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. The directors estimates of these factors determine the net pension obligation in the balance sheet and the directors obtain professional valuations from qualified actuaries to provide assumptions that reflect historical experience and current trends. For details of assumptions adopted, see note 15.

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 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.

Redundancy and termination costs are recognised as an expense in the Statement of Financial Activities and a liability on the Balance Sheet immediately at the point where the charity is committed to either (i) terminate the employment of an employee before normal retirement date; or (ii) provide termination benefits as a result of an offer made in order to encourage voluntary redundancy

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. 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. 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

Defined benefit pension scheme

The charity operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of the plan assets at the reporting date.

The defined benefit obligation is calculated using the projected unit credit method. Annually the charity engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the SORP FRS 102 fair value hierarchy. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- ◆ the increase in pension benefit liability arising from employee service during the period; and
- ◆ the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as 'finance expense'.

Pension costs (continued)

Defined contribution pension plans

The charity operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the charity pays fixed contributions into a separate entity. Once the contributions have been paid the charity has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the charity in independently administered funds.

1 Grant funding for specific activities

	Unrestricted funds £	Restricted funds £	Total funds 2025 £
UK Government grants			
The National Lottery Community Fund	—	—	—
UFi VocTech Trust	—	25,000	25,000
First Give Grant	—	1,000	1,000
2025 Total funds	—	26,000	26,000
	Unrestricted funds £	Restricted funds £	Total funds 2024 £
<i>UK Government grants</i>			
<i>The National Lottery Community Fund</i>	—	144,434	144,434
<i>UFi VocTech Trust</i>	—	75,000	75,000
2024 Total funds	—	219,434	219,434

2 Charitable activities

	Unrestricted funds £	Restricted funds £	Total funds 2025 £
Staff costs (note 4)	740,762	48,258	789,020
Interest on defined benefit pension liability	3,554	—	3,554
Direct materials	194,105	6,387	200,492
Travel expenses	34,351	425	34,776
Premises costs	53,555	—	53,555
Printing, postage and stationery	1,459	—	1,459
Events and publicity	4,789	—	4,789
Telephone	7,202	—	7,202
Recruitment	13,261	—	13,261
Insurance	17,411	—	17,411
Consultancy, legal fees, subscriptions and bank charges	231,884	—	231,884
Depreciation	29,377	—	29,377
Training and development	27,919	2,078	29,997
Other expenses including bad debt recoveries	2,627	—	2,627
	1,362,256	57,148	1,419,404
Governance costs	14,500	—	14,500
2025 Total funds	1,376,756	57,148	1,433,904
Governance costs include:			
Audit fees	14,500	—	14,500
2025 Total governance costs	14,500	—	14,500

2 Charitable activities (continued)

Comparative year

	Unrestricted funds £	Restricted funds £	Total funds 2024 £
Staff costs (note 4)	593,486	153,084	746,570
Interest on defined benefit pension liability	6,335	—	6,335
Direct materials	153,310	7,195	160,505
Travel expenses	38,247	2,281	40,528
Premises costs	24,718	25,425	50,143
Printing, postage and stationery	2,556	—	2,556
Events and publicity	10,446	—	10,446
Telephone	6,290	—	6,290
Recruitment	6,762	1,089	7,851
Insurance	14,896	—	14,896
Consultancy, legal fees, subscriptions and bank charges	147,267	—	147,267
Depreciation	34,106	—	34,106
Training and development	23,963	8,708	32,671
Other expenses including bad debt recoveries	3,672	—	3,672
	<u>1,066,055</u>	<u>197,782</u>	<u>1,263,837</u>
Governance costs	14,500	—	14,500
2024 Total funds	<u>1,080,555</u>	<u>197,782</u>	<u>1,278,337</u>
Governance costs include:			
Audit fees	14,500	14,500	14,500
2024 Total governance costs	<u>14,500</u>	<u>14,500</u>	<u>14,500</u>

3. Net income for the year

This is stated after charging:

	2025 £	2024 £
Staff costs (note 4)	789,020	746,570
Auditor's remuneration		
. Statutory audit services	14,500	14,500
Depreciation (note 6)	29,377	34,106
Operating leases – land and buildings	23,032	21,748
Operating leases – plant and equipment	1,865	108,262

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

	2025 £	2024 £
Staff costs during the period were as follows:		
Wages and salaries	686,389	638,651
Social security costs	59,785	56,249
Other pension costs	42,846	51,490
	789,020	746,570

Included in wages and salaries is £20,650 of statutory contractual redundancy payment made to one employee (2024 – one employee of £14,820).

The number of employees who earned £80,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the year was as follows:

	2025 Number	2024 Number
£80,001 - £90,000	—	1
£90,001 - £100,000	1	1
	1	2

The above employee 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 employee totalled £23,063 (2024 - £33,191).

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

	2025 Number	2024 Number
Charitable activities	23	21

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.

One director, R Barringer received remuneration of £3,324 (2024: none).

The number of key management personnel receiving remuneration was 6 (2024: 7). The total remuneration (including employers national insurance and pension contributions) paid to the key management personnel was £360,348 (2024 - £421,872).

Directors' expenses

No expenses were reimbursed to directors or incurred on their behalf during the year (2024 – 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 2024	721,354	407,998	16,888	13,826	1,160,066
Additions	13,475	—	5,921	—	19,396
Disposals	—	—	(4,223)	(325)	(4,548)
At 31 March 2025	<u>734,829</u>	<u>407,998</u>	<u>18,586</u>	<u>13,501</u>	1,174,914
Depreciation					
At 1 April 2024	208,763	56,551	5,944	10,370	281,628
Charge for period	14,801	8,160	2,960	3,456	29,377
On disposals	—	—	(4,223)	(325)	(4,548)
At 31 March 2025	<u>223,564</u>	<u>64,711</u>	<u>4,681</u>	<u>13,501</u>	306,457
Net book values					
At 31 March 2025	<u>511,265</u>	<u>343,287</u>	<u>13,905</u>	<u>—</u>	868,457
At 31 March 2024	<u>512,591</u>	<u>351,447</u>	<u>10,944</u>	<u>3,456</u>	878,438

7. Debtors

	2025 £	2024 £
Trade debtors	10,561	312,534
Prepayments	21,656	13,138
	32,217	325,672

8. Creditors: amounts falling due within one year

	2025 £	2024 £
Trade creditors	37,759	10,895
Other creditors	23,314	8,453
Social security and other taxes	82,041	80,817
Accruals and deferred income	48,530	66,554
	191,644	166,719

Included in creditors is £30,000 of deferred income relating to funding for services to be delivered in 2025/26 (2024 - £30,000).

9. Financial instruments and financial risk management

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

	2025 £	2024 £
Financial assets measured at amortised cost	3,777,376	3,777,378
Financial liabilities measured at amortised cost	79,602	55,902

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 2024/25, restricted funds consisted of:

	At 1 April 2024 £	Income £	Expenditure £	Transfers £	At 31 March 2025 £
The National Lottery (i)	7,800	—	—	—	7,800
The National Lottery (ii)	29,648	—	(29,648)	—	—
Walcott Foundation	13,750	—	—	—	13,750
Driving Ambition Donations	—	2,500	(2,500)	—	—
First Give Grant	—	1,000	—	—	1,000
UFI VocTech Fund	—	25,000	(25,000)	—	—
Andy Palmer Foundation	3,000	—	—	—	3,000
	54,198	28,500	(57,148)	—	25,550

	At 1 April 2023 £	Income £	Expenditure £	Transfers £	At 31 March 2024 £
<i>The National Lottery (i)</i>	7,800	—	—	—	7,800
<i>The National Lottery (ii)</i>	50,293	144,434	(165,079)	—	29,648
<i>Walcott Foundation</i>	13,750	—	—	—	13,750
<i>Driving Ambition Donations</i>	2,703	6,000	(8,703)	—	—
<i>The National Lottery (iii)</i>	5,425	—	(5,425)	—	—
<i>UFI VocTech Fund</i>	(59,425)	75,000	(15,575)	—	—
<i>Andy Palmer Foundation</i>	3,000	—	—	—	3,000
	23,546	225,434	(194,782)	—	54,198

10 Restricted funds (continued)

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

♦ **The National Lottery**

Three separate funds are hold for the following projects:

- i) Funding provided by the Community Fund to improve the delivery of Abbeville services to the local community by funding double glazing for the premises.
- ii) 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.
- iii) Funding received to assist with cost of living crisis, specifically utility bills.

♦ **Walcott Foundation**

Funding was provided for residents of Lambeth who are employed by the charity.

♦ **Driving Ambition**

These funds represented donations received towards our Driving ambition programme.

♦ **UFI VocTech Fund**

This fund was received to develop a garage training programme utilising digital technologies in the provision of adult learning

♦ **Andy Palmer Foundation**

Funding for one workforce member to undertake their Motor Vehicle Technician Level 2 college course.

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 2024 £	New designations and transfers	Utilised/ realised £	At 31 March 2025 £
Fixed assets fund	878,440	19,396	(29,377)	868,457
New building fund	2,651,707	30,129	—	2,681,838
Project support fund	300,000	—	—	300,000
	3,830,147	49,525	(29,377)	3,850,295

♦ **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.

11. Designated funds (continued)♦ **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 2023 £	New designations and transfers	Utilised/ realised £	At 31 March 2024 £
Fixed assets fund	887,617	24,929	(34,106)	878,440
New building fund	2,455,681	196,026	—	2,651,707
Project support fund	300,000	—	—	300,000
	<u>3,643,298</u>	<u>220,955</u>	<u>(34,106)</u>	<u>3,830,147</u>

12. Analysis of net assets between funds

	General fund £	Designated funds £	Restricted funds £	Total 2025 £
Fund balances at 31 March 2025 are represented by:				
Tangible fixed assets	—	868,457	—	868,457
Current assets	791,644	2,981,838	25,550	3,799,032
Current liabilities	(191,644)	—	—	(191,644)
Total net assets before non-current liabilities and pension liabilities	600,000	3,850,295	25,550	4,475,845
Pension liability	—	—	—	—
Total net assets	600,000	3,850,295	25,550	4,475,845

Comparatives

	General fund £	Designated funds £	Restricted funds £	Total 2024 £
Fund balances at 31 March 2024 are represented by:				
Tangible fixed assets	—	878,438	—	878,438
Current assets	811,451	2,951,710	54,198	3,817,359
Current liabilities	(166,719)	—	—	(166,719)
Total net assets before non-current liabilities and pension liabilities	644,732	3,830,148	54,198	4,529,078
Pension liability	(44,732)	—	—	(44,732)
Total net assets	600,000	3,830,148	54,198	4,484,346

13 Related party transactions

Other than those disclosed in note 4, there were no related party transactions undertaken during the year (2024: £nil).

14 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 £5,000,000 (2024 - £5,000,000) and the total premium paid in respect of such insurance was £1002 (2024 - £963).

15 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 £23,063 (2024 - £33,191). The best estimate of contributions to be paid by the employer for the year beginning 1 April 2025 is £23,063.

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 last comprehensive actuarial valuation was at 31 March 2022.

In order to assess the actuarial value of the charity's assets and liabilities at 31 March 2025, the actuaries have rolled forward the actuarial value of the assets and liabilities at 31 March 2024. The major assumptions used by the actuary were (in nominal terms):

	2025 % per annum	2024 % per annum
CPI increases	2.90%	3.00%
Rate of increase in salaries	3.90%	4.00%
Rate of increase for pensions	2.90%	3.00%
Discount rate for liabilities	5.70%	4.85%

The mortality assumptions adopted at 31 March 2025 have been provided by the actuary and assume the following life expectancies:

- ◆ Male retiring at age 65 today 19.2 years (2024 – 19.3)
- ◆ Females retiring at age 65 today 22.7 years (2024 – 22.7)
- ◆ Male retiring at age 65 in 20 years 20.6 years (2024 – 20.6)
- ◆ Females retiring at age 65 in 20 years 24.2 years (2024 – 24.2).

15 Pension scheme (continued)

The estimated asset allocation of the whole fund as at 31 March 2025 is as follows:

	31 March 2025		31 March 2024	
	£'000	%	£'000	%
UK equities	1,199	55%	1,151	54%
Other bonds	679	31%	491	23%
Property	231	11%	207	10%
Cash	67	3%	45	2%
UK and overseas unit trusts	—	—	253	12%
	2,176	100%	2,147	100%

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

	31 March 2025 £'000	31 March 2024 £'000	31 March 2023 £'000	31 March 2022 £'000	31 March 2021 £'000	31 March 2020 £'000
Fair value of scheme assets	2,176	2,146	1,974	2,113	1,934	1,525
Present value of scheme liabilities	(2,009)	(2,191)	(2,090)	(2,916)	(2,865)	(2,295)
Adjustments recognised to cap the net scheme surplus*	(167)	—	—	—	—	—
Gain (Deficit) in scheme	—	(45)	(116)	(803)	(931)	(770)

*As the net surplus in the scheme is considered to be irrecoverable, the recognition of the surplus on the balance sheet has been restricted to £nil. An adjustment of £167k has been offset against the overall actuarial gain for the year.

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

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Movement in surplus during the year		
Gain (Deficit) in scheme at 1 April	(45)	(116)
<i>Movement in year:</i>		
. Current service cost	(30)	(44)
. Employer contributions	23	33
. Net finance charge and administration costs	(3)	(6)
. Actuarial gain	222	88
Adjustments recognised to cap the net scheme surplus	(167)	—
Surplus in scheme at 31 March	—	(45)

15 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 2025 £'000	Year ended 31 March 2024 £'000
Scheme liabilities at start of period	2,191	2,090
Current service cost	30	44
Interest cost	104	100
Contributions by scheme participants	12	18
Estimated benefits paid	(98)	(29)
Change in actuarial assumptions	(229)	(32)
Scheme liabilities at end of period	2,009	2,191

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 2025 £'000	Year ended 31 March 2024 £'000
Fair value of scheme assets at start of period	2,147	1,974
Interest on assets	103	95
Return on assets less interest	(8)	58
Administration expenses	(2)	(2)
Estimated benefits paid	(98)	(29)
Contributions by employer	23	33
Contributions by scheme participants	12	18
Fair value of scheme assets at end of period	2,176	2,147

15 Pension scheme (continued)

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

	2025 £'000	2024 £'000
Analysis of the amount charged to the statement of financial activities (SOFA)		
Current service cost	30	44
Total operating charge	30	44
Analysis of other finance charge		
Interest on pension liabilities	2	5
Administrative expenses	2	2
Net finance cost	4	7
Net revenue account cost	34	51
Amounts recognised as other gains and losses		
Return on fund assets in excess of interest	8	58
Change in actuarial assumptions	(229)	30
Adjustments recognised to cap the net scheme surplus	167	—
	(55)	88

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	+£44,000/-£42,000
Salaries	Decrease/increase by 0.1% pa	+£43,000/-£43,000
Pension	Decrease/increase by 0.1% pa	+£44,000/-£42,000
Rate of mortality	1 year increase/decrease in life expectancy	+£45,000/-£42,000