

STEP (UK) LTD

England & Wales · Charity number 1125183

Details

Other names STEP UK 2007 LTD

Status Registered

Legal form Charitable company

Company number [06285570](#)

Registered 2008-07-24

Register [View on the Charity Commission register](#)

Contact

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Activities

Objects: A) THE DEVELOP THE CAPACITY AND SKILLS OF DISADVANTAGED CHILDREN AND ADULTS IN SUCH WAY THAT THEY ARE BETTER ABLE TO IDENTIFY, AND HELP MEET, THEIR NEEDS AND TOPARTICIPATE MORE FULLY IN THEIR SOCIETY.B) THE RELIEF OF FINANCIAL HARDSHIP AMONGST DISADVANTAGED CHILDREN AND ADULTSC) TO ADVANCE THE EDUCATION AND TRAINING OF DISADVANTAGED CHILDREN AND ADULTS SO ASTO ADVANCE THEM IN LIFE AND ASSIST THEM TO ADAPT WITHIN THEIR EXISTING OR NEWCOMMUNITYD) TO PRESERVE AND PROTECT THE PHYSICAL AND MENTAL HEALTH OF DISADVANTAGED CHILDRENAAND ADULTSE) THE PROVISION OF FACILITIES FOR RECREATION OR OTHER LEISURE TIME OCCUPATION WITH THEOBJECT OF IMPROVING THE CONDITIONS OF LIFE OF THOSE PERSONS WHO HAVE NEED OF SUCHFACILITIES BY REASON OF THEIR YOUTH, AGE, INFIRMITY OR DISABLEMENT, FINANCIAL HARDSHIPOR SOCIAL AND ECONOMIC CIRCUMSTANCES.F) TO ADVANCE EDUCATION AND DEVELOP THE CAPACITY AND SKILLS, IN PARTICULAR BUT NOTEXCLUSIVELY BY THE PROVISION OF TRAINING, OF "CARERS" WITHIN PROFESSIONAL BODIES, LAYPEOPLE AND THOSE WORKING WITHIN GOVERNMENT STRUCTURES IN DEVELOPING COUNTRIES.G) TO ADVANCE THE EDUCATION OF THE PUBLIC IN THE UNITED KINGDOM IN GENERAL ABOUT THEISSUES RELATION TO SUCH DISADVANTAGED CHILDREN AND ADULTS.SUCH WORK AMONG DISADVANTAGED CHILDREN AND ADULTS MAYBE UNDERTAKEN WORLD-WIDE, BUT AFOCUS WILL REMAIN ON AREAS AFFECTED BY WAR AND INTERNAL CONFLICTS RESULTING IN INCREASEDPOVERTY AND DISPLACEMENT

Activities: Step (UK) Ltd is an international development charity, working to improve the lives of vulnerable children in the Kurdish region of Iraq. We sponsor front-line work such as a children's drop-in centre and more strategic work such as the implementation of the first foster care policy in the region. We have also sponsored child protection projects in camps for refugees and displaced Iraqi people.

Classification

- **How:** Provides Human Resources, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training, The Prevention Or Relief Of Poverty, Economic/community Development/employment
- **Who:** Children/young People, Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- **Area of benefit:** UNDEFINED. IN PRACTICE, NATION AND OVERSEAS
- Iraq

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£225,026	£310,358	-	-
2023-12-31	£279,529	£267,812	-	-
2023-03-31	£593,333	£643,134	£251,411	62
2022-03-31	£629,284	£654,285	£284,132	71
2021-03-31	£668,624	£650,314	£298,731	63

Trustees

Name	Role	Appointed
Kenneth Ian Wilson		2019-04-06
MEGAN DALTON		2014-11-29
Werner Nijman		2020-06-29

STEP (UK) LTD

England & Wales - Charity number 1125183

Accounts



STEP (UK)

**Annual Report and
Financial Statements**

**1st January 2024-
31st December 2024**

STEP (UK) is a child protection Charity
working to improve the lives of
vulnerable children and young people in
the Kurdish region of Iraq.

Registered Charity Number: 1125183. Principal Address: PO Box 801, Southsea, Hampshire, PO1 9EJ Company Registration Number: 6285570, incorporated in England and Wales Registered Address: Market House, 21 Lenten Street, Alton, Hants, GU34 1HG

MISSION

STEP's mission is to help the most vulnerable children in Iraq in a way that becomes locally sustainable.

VALUES

Integrity And Trustworthiness

STEP values honesty and openness therefore aims to work in ways that build trust and accountability and promote transparency.

Professionalism

STEP aims to do things with excellence and is committed to professional development, drawing on the evidence of 'what works' both from within the organisation and externally.

Human Dignity For All

STEP cares about and aims to validate the dignity in all people, especially children.

Diversity and Inclusion

STEP respects all people, irrespective of their nationality, ethnicity and religion, and works to create safe inclusive spaces.

Adaptability

STEP wants to always be open responsive, flexible and innovative in how it responds to the context it operates in. STEP is keen to always be developing and learning as an organisation.

Child Participation

The voice and opinion of children are central to everything we do. STEP ensures child consultation and participation, and ownership is embedded in every project.

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DESCRIPTION

STEP delivers safe spaces and child protection services for displaced and refugee children, including provision of **psychosocial, educational, and recreational services**. We focus on improving refugee children's **mental health and wellbeing**, by providing ways to process trauma and **psychosocial support**. Services for children with special needs are of special concern as these children and their families are often isolated without support. We treat every child as an individual, tailoring support to every unique case, mindful that out-of-school children are at greater risk of abuse and exploitation. **We work to tackle the root causes** e.g. discuss the benefits of education (of girls in particular) with parents, to work to gain permission for children to attend school. Through our work on establishing a **Foster Care System**, we also work closely with the Kurdish government to help influence systems and advocate for children's needs at a strategic level.

TRUSTEE DIRECTOR'S REPORT

The Trustees, who are also directors, present their report and accounts for the year ended 31 December 2024.

*The accounts have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the Charity's governing document, the Charities Act 2011, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS).

DIRECTORS/TRUSTEES

The trustees, who are also the directors for the purpose of company law, and who served during the period were:

Megan Dalton (Chair)
Ian Wilson (Treasurer)
Paul Susans
Werner Nijman

STRUCTURE, GOVERNANCE AND MANAGEMENT

STEP (UK) is a Charitable company, limited by guarantee. The company was incorporated in 2007 as 'STEP (UK) 2007 Ltd', and subsequently adopted its present name. It is referred to as STEP. The company memorandum and articles form the organisation's governing documents.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Recruitment of Trustees: STEP advertises within a network of supporters and contacts, considering the need to advertise widely in a cost-effective manner. Decisions are made on a consensus basis by the trustees/directors. Where training needs are identified, these are met either on a peer-to-peer basis utilising existing skills within the charity, or where appropriate, sourced externally.

Information Trustees Receive: The trustees/directors met regularly throughout the period to set and monitor the strategic direction of the organisation, review income and expenses and consider risks and mitigations. The directors received reports from the operating region at each meeting, providing assurance that funds are used appropriately and correctly for the benefit of children and young people in the Kurdish Region of Iraq. Reports were also received from visitors to the operating region, confirming the success of the work to which funds were applied. Day to day operations are delegated to the Projects Co-ordinator and Country Director.

There have been no significant organisational changes in the period.

The charity has taken advantage of the exemption from the audit requirement contained in section 477 of the Companies Act 2006. The statutory accounts are the subject of an independent examination rather than a full audit. In addition, our largest funders carry out their own reviews and examinations, and the results of these examinations are reviewed by the trustees and made available to the independent examiner. The Treasurer also performs additional controls to ensure the integrity of the financial data received from Iraq.

FINANCIAL REVIEW

The accounts for 2024 are for a 12 month period while the comparative results for 2023 were for a shortened 9 month period.

Total income for the 12 months was £225,000 (2023: £280,000), of which £166,000 (2023: £246,000) was restricted money for humanitarian projects. Putting the comparatives on an annualised basis, the real drop in income has been significant over the financial year. The bulk of the charity's restricted funding has been to support our programmes in the Arbat Refugee camp. An explanation of each restricted funding stream is included in note 15 in the accounts. Unrestricted income for the 12 months at £59,000 (2023: £33,000) which is a 34% increase in real terms. This is encouraging, our core donor base has continued to support the charity.

Operating expenditure for the 12 months at £310,000 (2023: £268,000).

This is a decline however is less than the decline in income over the reporting period. It has proved difficult to bring operating costs down in line with operating income given the staffing demands of our projects and the level of support costs required in Iraq. Staff in Iraq continue to work for the same salaries, and hours are being reduced going forward. The net movement in funds for 12 months is a deficit of £92,000. This is a substantial deficit and indicative of the challenges facing the charity going forward. This is discussed in the Outlook below.

Total funds as of 31 December 2024 stood at £178,000 of which £119,000 was restricted for humanitarian projects.

RESERVES POLICY

The charity has a policy of maintaining adequate unrestricted cash reserves in Iraq to permit an orderly exit of international staff and a settling of the charity's financial obligations, if for some reason the charity had to cease operations. The charity's obligations to local staff would in those circumstances be fulfilled by payments from the Staff Benevolent Fund, for which there is a separate cash reserve that mirrors the liability included in the balance sheet. There would be additional expenses in Iraq arising in the closure of operations in Iraq but a cash reserve of USD 20,000 should be more than adequate to cover these costs. The level of reserves required in the UK to permit an orderly wind up of the charity's affairs are estimated at no more than £15,000.

PUBLIC BENEFIT

The board has taken due regard of the guidance on public benefit published by the Charity Commission in exercising its powers and duties. It is confident that the aims of the organisation and allocation of resources fully satisfy the public benefit requirements.

OBJECTIVES AND ACTIVITIES

Agreed strategic objectives for the period:

1. Deliver child protection services and psychosocial support for refugees, internally displaced children and local children located in the Sulaymaniyah governorate in the Kurdish region of Iraq.
2. Continue the provision and support of education in the centres for vulnerable children.
3. Continue supporting the government in the development of a government implemented foster care system.

STAFFING IN 2024

10 full-time national staff
23 part-time staff
4 international staff
6 volunteers
2 part-time staff in the UK





CHILD WELFARE SERVICES AND SUSTAINABILITY PROGRAMMING

STEP continued to support families that fled due to conflict and are now in the Sulaymaniyah Governorate of Iraq. In the Arbat refugee camp for Syrian refugees STEP provides:

Direct services to children through our child friendly spaces for school aged children and pre-school children.

A Child Protection Unit (CPU)

Educational support

Tailored support of children with special needs

Psychosocial, peace-building and recreational activities

Our aim is to provide support tailored to the unique circumstances of each child, helping them to thrive.

STEP sees capacity building as a strategic priority for sustainable programming and has increased the training, mentoring and awareness raising of Child Protection issues across projects.

ARBAT REFUGEE CAMP (ARC)

1,534 different children (755 girls and 779 boys) and youths were provided age and gender appropriate community based psychosocial activities in the Arbat Refugee Camp, Sulaymaniyah.

THE CHILD FRIENDLY SPACES

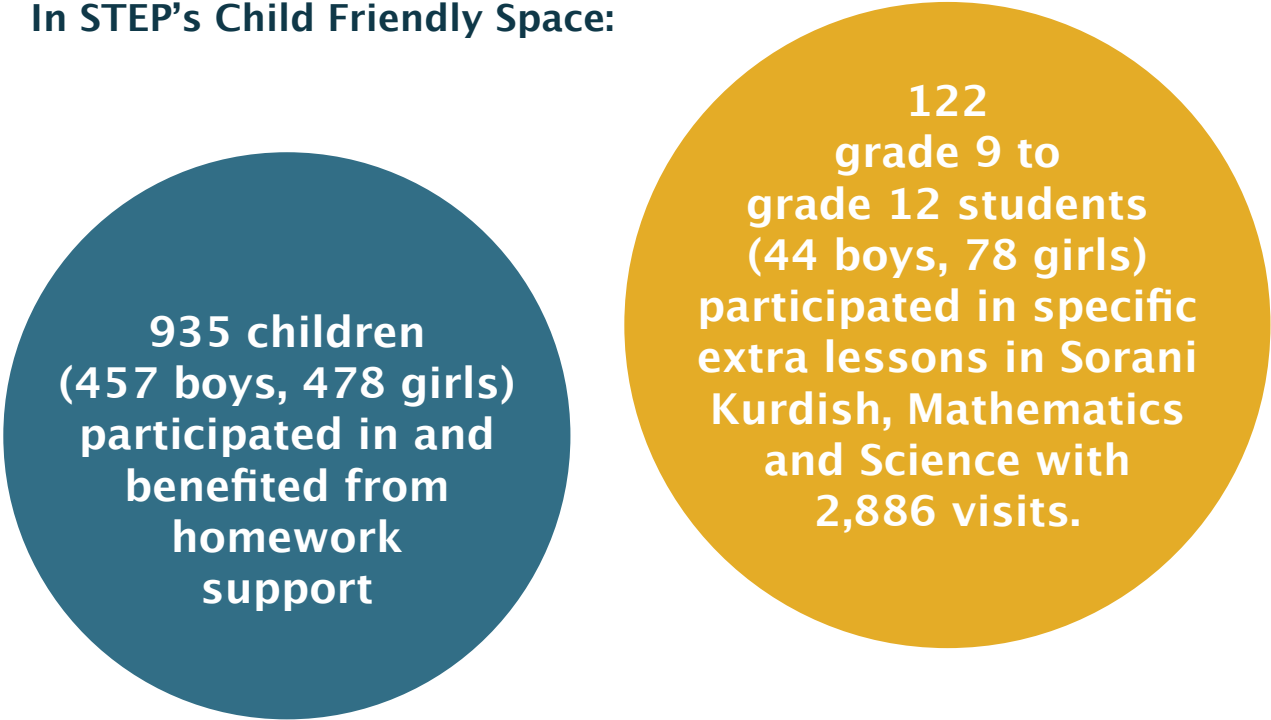
'My son stopped being stubborn and now loves going to school because he feels good at school after taking lessons in the STEP friendly space.'
Father – Arbat Refugee camp.

935 children benefitted from educational support through the Child Friendly Space.

A total of 32,248 visits were made to the child and youth friendly spaces.

A key part of the Child Friendly Spaces is to provide homework support and additional lessons to support and encourage children to stay in education. Specific extra lessons are given in key subjects requested by the children.

In STEP's Child Friendly Space:



**935 children
(457 boys, 478 girls)
participated in and
benefited from
homework
support**

**122
grade 9 to
grade 12 students
(44 boys, 78 girls)
participated in specific
extra lessons in Sorani
Kurdish, Mathematics
and Science with
2,886 visits.**

THE LITTLE FRIENDLY SPACE

The Little Friendly Space for children aged 3 up until primary school supported 734 children with early childhood development activities. Through structured play, routines, and early childhood development, children are better prepared for school and more likely to succeed long-term. By working closely with parents (many of whom have little education) the project helps families understand how to support their children's growth at home. This early intervention not only nurtures each child's development but also strengthens the role of caregivers, empowering families on their journey to greater independence. The inclusion of children with special needs ensures that no child is left behind.

In STEP's Little Friendly Space:

**"My children
always repeat the
letters and numbers
at home, and they try
to teach us too!"
PARENT – REFUGEE
CAMP**

**734 children
aged 4–6 participated
in early childhood
development activities
(337 girls and 397 boys)
with a combined
18,094 visits to the
Little Friendly Space
by these children.**

THE CHILD PROTECTION UNIT (CPU)

253 vulnerable and at-risk children were provided with case management. This included children who experienced displacement, conflict, violence, abuse, exploitation (including child survivors of Gender Based Violence (GBV), and children who need professional psychosocial support services).

677 cases (284 girls/ 393 boys) were followed up and provided support by the Child Protection Unit.

Awareness sessions were provided for adults. Topics included: child protection, child labour, domestic violence, education.

SPECIAL NEEDS UNIT (SNU)

STEP has a specific Special Needs Unit in the refugee camp, in cooperation with the Child Protection Unit, as there is a significant demand for support.

The difficulties that the children face include autism, global delay, speaking disorders, cerebral palsy, ADHD, Downs syndrome and post-traumatic stress disorder. Relevant training and treatments were provided, including breathing training for speaking disorder cases, cognitive skills development for global delay and autistic cases and training on how to pronounce letters and sounds for the children who have speaking difficulties. Home visits were made to provide services to children who cannot visit the space. Children that struggled with social skills were encouraged to participate in the Little Friendly Space, Child Friendly Space and Youth Friendly Space activities according to their ages with the goal of integrating them with their peers, to help them build friendships and to decrease their isolation. STEP promotes a mainstreaming approach in all our programming. **63 children and their families (45 boys and 18 girls) benefitted from targeted Special Needs interventions through the Special Needs Unit.** There remains a waiting list.

LAYLA'S STORY

Layla suffers from severe autism, as well as showing behavioural disorders, nervousness and speech disorders. She was supported by home visits she refused to move from her sitting position in a wooden box and would throw away any toy offered to her. But after repeated visits, she began asking us not to leave through gestures. Her communication has developed and she now chooses from the toys offered, pointing and making sounds. The wooden box was taken away, she now smiles at us when we visit her and hugs us. It is a wonderful feeling when you notice that she has begun to want the sessions and her attempts to prevent us from leaving. The parents are very thankful for the wonderful changes they see in their daughter and work with us to bring further steps in her learning, communication and physical development. The mother shared that her daughter had kissed her for the first time in her life since we began working with this family which was an emotional moment'

Special Needs staff member.

ADVENTURE THERAPY

Outdoor activities and climbing are used to build resilience, concentration and trust. 165 children took part in climbing activities in 2024 and 18 outdoor activities took place in different sites. For many this is the only time they can leave the confines of the camp. Sessions foster teamwork, trust and communication skills. Beyond the physical challenge outdoor activities provide proven mental health benefits, a space for personal growth, confidence and emotional well-being.



WOMEN'S LIVELIHOOD PROGRAMME

In 2024, 47 women participated in STEP's sewing and knitting training (2256 visits).

Many gained skills to make clothing for their families and some found employment. Awareness sessions on parenting and self-care provided additional support.

YOUTH EMPOWERMENT

Life skills training was provided for young people in Sulaymaniyah city, mostly university students. 254 students participated in 8 sessions.

The training covered the following topics:

LEADERSHIP

COMMUNICATION
SKILLS

TEAMBUILDING

TIME
MANAGEMENT

ADVOCACY AND
ACTIVITY PLANNING

CV WRITING

INTERVIEW
TECHNIQUES

BARIKA VILLAGE

for Iranian Refugees

STEP provided a safe place for Iranian refugee girls and women in Iraq to feel confident and free and to express themselves. There is an extremely high level of illiteracy in the village due to a lack of provision in the past. There is a strong desire to learn and project has a strong community basis, enabling women and girls to reduce vulnerability and seize new opportunities, for example opening a small home business.

The following services were provided:

Literacy classes: 59 different participants

English classes: 85 different participants

Awareness sessions: 122 different participants

Sewing and knitting sessions: 78 different participants

Girls football sessions : 67 different participants

Walking/ climbing activities: 40 different participants

This project promoted gender equality and empowered women to improve their own lives and the lives of their families and community.

GULZAR'S STORY

Many women in the Barika refugee village were illiterate. Our literacy classes taught: Maths, the Kurdish alphabet, and Latin script—essential for online communication. In 2024, 21 women advanced to grade two – a major achievement.

At their graduation ceremony, Gulzar (right) a graduate, shared how learning to read transformed her life. Once shy and reliant on others, she now confidently shops alone and texts friends, feeling truly empowered. The celebration was filled with pride and joy, highlighting the life-changing impact of education.



DROP IN CENTRE (DIC)

Our local partner STEP Iraq is now running the Child Friendly Space (CFS) in the heart of the Sulaymaniyah bazar called the Drop-in Centre (DIC), which opened its doors to working children on the 2nd January 2002. The centre provides psychosocial, educational, and medical support as well as recreational activities.

STEP UK implemented the literacy and education project in the Centre. The main objectives were to provide literacy and numeracy classes to the most vulnerable children who were not attending school at all, to support those children attending school but also coming to the market and to overcome barriers to education for children that wanted to enroll in school.

Literacy classes, 198 different children participated in literacy and numeracy sessions.

919 sessions of homework support sessions/ extra lessons were provided

196 different children participated in the extra lessons

22 children returned to school, and 25 visits were made to schools

85 home visits were made

School stationery was provided for 38 children and schoolbooks were provided for 26 children.

As a response to the needs identified, the centre staff distributed food packages to 15 vulnerable families.

This financial year 1049 different children benefited from the Drop in Centre with 14,075 visits to the DIC.

The Drop-in Centre remained a safe place for many of the most vulnerable children in the city and surrounding area. The centre is located in the middle of the Bazaar where most of the children work or beg. This has allowed the centre to provide specific rooms and activities for girls as well as more targeted therapeutic and psychosocial activities for the children. It has also become a place where children learn tolerance and acceptance of those who are different.

"I want to thank you for helping me with my lessons, I feel safe inside the DIC, and I loved the equality among everyone as there was no difference in treatment between nationalities within the DIC, I hope that you will continue your support for children."





FOSTER CARE

STEP has continued to work supporting the Kurdish Regional Government to establish and develop a foster care system. A government operated Foster Care Unit was established in 2016. Currently there are 22 foster families approved, and 23 children placed within 21 foster families. STEP provided technical support, training and mentoring to the Foster Family Section (FFS) social workers and staff.

Progress has been made on the delivery and implementation of this exciting, strategic change in the region. Nine procedural manuals were printed and presented to MOLSA.

In 2024 STEP provided:

IT support,
5 training sessions
for new social
workers, mentoring
and supported 117
home visits

24 sessions
with foster carers.
15 that modelled
different aspects of play
with the children in
their care. We also
established a toy
lending library.

At the
end of 2024,
21 foster families
were caring for
23 children.

The Governmental Department of Social Care and Development is implementing and running the foster family system.

RISK MANAGEMENT

The directors have considered the major risks to which the organisation is exposed and identified appropriate mitigating actions where possible. The largest risks relate to the security of staff and the funding of the charity's operations. The funding situation is discussed in the Outlook section below. On security, the directors have a security advisor to ensure that security in the region is monitored closely. A security update is given at every trustee meeting – a security plan and protocols are in place. All risks are reviewed at trustee meetings as well as intermittently when advised of any major change. The charity is also exposed to exchange rate risk. Iraq is effectively a 'dollar based' economy, and STEP (UK) now receives the majority of its funding in Sterling and Euros. In addition, there are regulatory issues (compliance with money laundering regulations and UN sanctions) when operating in Iraq. So far, the charity has successfully navigated these issues. It complies with all local and international regulations and provides transparent information to our banks in the UK and Iraq. Nevertheless, there is always a risk that STEP (UK)'s operations could be impacted by political and financial issues beyond its control. Other risks are reviewed periodically by directors and project leaders and in trustee meetings.

OUTLOOK

At the end of 2024 the charity had £178,000 in reserves, mainly held in cash. The current year (2025) is again proving very challenging, and a further deficit is anticipated. Nevertheless, the directors are confident there will be adequate reserves at the end of 2025 and are taking actions to ensure the charity continues its important work into the following year. Costs are being cut in Iraq particularly in staffing which is our highest expenditure. On the funding side, the charity is making several appeals through The Big Give. These have been successful in the past and the directors are reasonably confident that the seasonal appeals later this year will achieve similar amounts to previous years. The charity is actively pursuing other initiatives to raise funds including applying for grants from trusts and foundations, both from new donors and previous donors. While the outlook is uncertain, the directors believe sufficient of these initiatives should bear fruit to be able to continue our core objectives.

THANK YOU

STEP would like to thank the following trusts and foundations for their support and partnership over this reporting period.

Educational Opportunity Foundation

The Otto Per Mille Chiesa Valdese <https://www.ottopermillevaldese.org/>

The Big Give and their partner Trusts and Foundations

Allen and Nesta Ferguson Charitable Trust

GCR

SHA Post

Appreciation is also given to the many individual supporters of STEP who have:

Donated financially

Undertaken daring sponsored activities

Given of their time

Knitted trauma teddies and children's jumpers

Given in kind gifts to the project

FOR MORE INFORMATION

Please see our website at www.step-uk.org or contact us info@step-uk.org

The report was approved by the trustees on: 30th Aug 2025



**Megan Dalton - Chair of Trustees
For and on behalf of the Board**

STEP (UK)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2024

The trustees, who are also the directors of Step (UK) for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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.

STEP (UK)

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF STEP (UK)

I report to the trustees on my examination of the financial statements of Step (UK) (the charity) for the year ended 31 December 2024.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law), you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006.

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

Independent examiner's statement

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

- 1 accounting records were not kept in respect of the charity as required by section 386 of the Companies Act 2006;
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the Companies Act 2006 other than any requirement that the financial statements give a true and fair view, which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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



Frances Wilde FCCA DChA

Warner Wilde Limited

Chartered Certified Accountants

4 Marigold Drive

Bisley

Surrey

GU24 9SF

Date: 16 September 2025

STEP (UK)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

		Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
	Notes						
Income and endowments from:							
Donations and legacies	3	57,937	166,177	224,114	32,656	246,039	278,695
Other income	4	912	-	912	834	-	834
Total income		58,849	166,177	225,026	33,490	246,039	279,529
Expenditure on:							
Raising funds	5	6,969	-	6,969	6,892	-	6,892
Charitable activities	6	78,314	225,075	303,389	73,977	186,943	260,920
Total expenditure		85,283	225,075	310,358	80,869	186,943	267,812
Net income/(expenditure)		(26,434)	(58,898)	(85,332)	(47,379)	59,096	11,717
Other recognised gains and losses:							
Other gains/(losses)	12	(2,201)	(4,581)	(6,782)	3,682	3,364	7,046
Net movement in funds	7	(28,635)	(63,479)	(92,114)	(43,697)	62,460	18,763
Reconciliation of funds:							
Fund balances at 1 January 2024		87,695	182,479	270,174	131,392	120,019	251,411
Fund balances at 31 December 2024		59,060	119,000	178,060	87,695	182,479	270,174

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

STEP (UK)

BALANCE SHEET

AS AT 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Tangible assets	13		4,288		6,320
Current assets					
Debtors	14	15,075		50,114	
Cash at bank and in hand		227,768		293,674	
		242,843		343,788	
Creditors: amounts falling due within one year	15	(69,071)		(79,934)	
Net current assets			173,772		263,854
Total assets less current liabilities			178,060		270,174
The funds of the charity					
Restricted income funds	17	119,000		182,479	
Unrestricted funds	18	59,060		87,695	
		178,060		270,174	

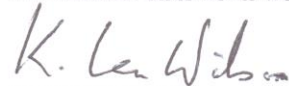
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2024.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the trustees on 30th August 2025



Ian Wilson (Treasurer)

Trustee

Company registration number 6285570 (England and Wales)

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

Charity information

Step (UK) is a private company limited by guarantee incorporated in England and Wales. The registered office is Market House, 21 Lenten Street, Alton, Hampshire, GU34 1HJ.

1.1 Reporting period

The reporting period ended 31 December 2023 is a nine month period, the comparative period is for the twelve months ended 31 March 2023 and therefore the figures for the two accounting periods are not completely comparable.

1.2 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.3 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.5 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.6 Expenditure

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

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

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

Overheads are apportioned to activities on a reasonable basis for example, hours engaged in different activities for staff costs or floor area for premises costs.

1.7 Tangible fixed assets

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

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

Plant and machinery	20% reducing balance
---------------------	----------------------

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.8 Impairment of fixed assets

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

1.9 Cash and cash equivalents

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

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Foreign exchange

Transactions denominated in foreign currencies are recorded at the average rate of exchange during the accounting period.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are included in net outgoing resources.

2 Critical accounting estimates and judgements

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

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

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

3 Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Donations and gifts	57,937	96,753	154,690	32,656	132,597	165,253
Project funding for humanitarian relief	-	69,424	69,424	-	113,442	113,442
	<u>57,937</u>	<u>166,177</u>	<u>224,114</u>	<u>32,656</u>	<u>246,039</u>	<u>278,695</u>

4 Other income

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Other income	912	834
	<u>912</u>	<u>834</u>

5 Expenditure on raising funds

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Fundraising and publicity		
Staff costs	6,969	6,892
	<u>6,969</u>	<u>6,892</u>

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

6 Expenditure on charitable activities

	Charitable activities 2024 £	Charitable activities 2023 £
Direct costs		
Staff costs	201,708	162,175
Depreciation and impairment	1,473	1,325
Drop-in Centre	2,782	1,612
Refugee children in camps	17,267	18,219
Foster Care	3,319	4,938
	<u>226,549</u>	<u>188,269</u>
Share of support and governance costs (see note 8)		
Support	69,325	65,436
Governance	7,515	7,215
	<u>303,389</u>	<u>260,920</u>
Analysis by fund		
Unrestricted funds	78,314	73,977
Restricted funds	225,075	186,943
	<u>303,389</u>	<u>260,920</u>

7 Net movement in funds

	2024 £	2023 £
The net movement in funds is stated after charging/(crediting):		
Fees payable for the independent examination of the charity's financial statements	3,179	3,680
Depreciation of owned tangible fixed assets	1,473	1,325
	<u>4,652</u>	<u>5,005</u>

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

8 Support costs

	Support costs £	Governance costs £	2024 £	Support costs £	Governance costs £	2023 £
Staff costs	47,796	-	47,796	40,909	-	40,909
Office, general administration and bank charges	21,529	-	21,529	24,527	-	24,527
Audit fees - Iraq	-	4,336	4,336	-	3,535	3,535
Independent Examination Fees	-	3,179	3,179	-	3,680	3,680
	<u>69,325</u>	<u>7,515</u>	<u>76,840</u>	<u>65,436</u>	<u>7,215</u>	<u>72,651</u>
Analysed between Charitable activities	<u>69,325</u>	<u>7,515</u>	<u>76,840</u>	<u>65,436</u>	<u>7,215</u>	<u>72,651</u>

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, or was reimbursed expenses.

10 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Office	9	9
Drop in Centre	2	2
Arbat Refugee Camp	18	21
Youth empowerment and child protection	1	1
Women empowerment	3	3
Total	<u>33</u>	<u>36</u>

Employment costs

	2024 £	2023 £
Wages and salaries	244,819	200,021
Social security costs	11,654	9,955
	<u>256,473</u>	<u>209,976</u>

Staff numbers include part time staff and some posts were not filled for the whole of the accounting period.

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

10 Employees

(Continued)

There were no employees whose annual remuneration was more than £60,000.

11 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

12 Other gains and losses

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Gains/(losses) upon:						
Foreign exchange	2,201	4,581	6,782	(3,682)	(3,364)	(7,046)

13 Tangible fixed assets

	Plant and machinery £
Cost	
At 1 January 2024	42,569
Exchange adjustments	(559)
At 31 December 2024	42,010
Depreciation and impairment	
At 1 January 2024	36,249
Depreciation charged in the year	1,473
At 31 December 2024	37,722
Carrying amount	
At 31 December 2024	4,288
At 31 December 2023	6,320

14 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Other debtors	14,842	47,053
Prepayments and accrued income	233	3,061
	15,075	50,114

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

15 Creditors: amounts falling due within one year

	Notes	2024 £	2023 £
Deferred income	16	19,658	41,688
Other creditors		40,568	31,211
Accruals		8,845	7,035
		<u>69,071</u>	<u>79,934</u>

16 Deferred income

	2024 £	2023 £
Arising from Project Funding	<u>19,658</u>	<u>41,688</u>

Deferred income is included in the financial statements as follows:

	2024 £	2023 £
Deferred income is included within:		
Current liabilities	<u>19,658</u>	<u>41,688</u>
Movements in the year:		
Deferred income at 1 January 2024	41,688	58,376
Released from previous periods	(41,688)	(58,376)
Resources deferred in the year	<u>19,658</u>	<u>41,688</u>
Deferred income at 31 December 2024	<u>19,658</u>	<u>41,688</u>

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

17 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 January 2024	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 December 2024
	£	£	£	£	£	£
BFSS - DIC	2,323	28,283	(27,925)	-	(99)	2,582
St James's Place Charitable Foundation	2,019	-	(2,019)	-	-	-
Other donors [Refugees]	101,312	132,194	(159,335)	-	(2,750)	71,421
Stanley Thomas Johnson Foundation	6,336	(947)	(5,389)	-	-	-
Other donors [Foster care]	6,437	4,489	(15,203)	6,000	-	1,723
Life Skills Training	64,052	2,158	(15,204)	(6,000)	(1,732)	43,274
	<u>182,479</u>	<u>166,177</u>	<u>(225,075)</u>	<u>-</u>	<u>(4,581)</u>	<u>119,000</u>

Previous 9 month period:	At 1 January 2023	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 December 2023
	£	£	£	£	£	£
BFSS - DIC	-	19,826	(17,546)	-	43	2,323
St James's Place Charitable Foundation	-	8,139	(6,157)	-	37	2,019
Other donors [Refugees]	82,842	95,247	(78,644)	-	1,867	101,312
Stanley Thomas Johnson Foundation	9,177	59,577	(62,535)	-	117	6,336
Other donors [Foster care]	-	11,391	(11,073)	6,000	119	6,437
Life Skills Training	28,000	51,859	(10,988)	(6,000)	1,181	64,052
	<u>120,019</u>	<u>246,039</u>	<u>(186,943)</u>	<u>-</u>	<u>3,364</u>	<u>182,479</u>

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

17 Restricted funds

(Continued)

St James's Place Charitable Foundation - child protection work in a Syrian refugee camp in Iraq.

The British and Foreign Schools Society (renamed The Educational Opportunity Foundation in May 2024) gave a grant to STEP (UK) to provide educational teaching in a Drop In Centre for vulnerable and working children in Sulimaniyah. The Drop In Centre is run by STEP (UK)'s sister charity STEP Iraq, with STP (UK) providing a support and advisory role.

Stanley Thomas Johnson Foundation - building resilience for Syrian refugee children in Iraq.

Life Skills Training - An individual donor has given funds for STEP to implement lifeskills training for young people.

Other Donors (Refugees) - these funds, which include the money raised in our annual appeal, are donations from individuals, trusts and other organisations (including The Otto Per Mille Chiesa Valdese) given to support the charity's work in a Syrian refugee camp in Iraq.

Other Donors (Foster Care) - donations from individuals to fund capacity building for a foster care program in Northern Iraq.

18 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2024	Incoming resources	Resources expended	Gains and losses	At 31 December 2024
	£	£	£	£	£
General funds	87,695	58,849	(85,283)	(2,201)	59,060

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

18 Unrestricted funds (Continued)

Previous 9 month period:	At 1 January 2023	Incoming resources	Resources expended	Gains and losses	At 31 December 2023
	£	£	£	£	£
General funds	131,392	33,490	(80,869)	3,682	87,695

19 Analysis of net assets between funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
At 31 December 2024:			
Tangible assets	4,288	-	4,288
Current assets/(liabilities)	173,772	-	173,772
	178,060	-	178,060

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
At 31 December 2023:			
Tangible assets	6,320	-	6,320
Current assets/(liabilities)	81,374	182,480	263,854
	87,694	182,480	270,174

20 Related party transactions

There were no disclosable related party transactions during the year (2023 - none).

STEP (UK) LTD

England & Wales - Charity number 1125183

Accounts



STEP (UK)

**Annual Report and
Financial Statements**

**1st April 2023-
31st December 2023**

Registered Charity Number: 1125183. Principal Address: PO Box 801, Southsea, Hampshire, PO1 9EJ Company Registration Number: 6285570, incorporated in England and Wales Registered Address: Market House, 21 Lenten Street, Alton, Hants, GU34 1HG

STEP (UK) is a child protection Charity working to improve the lives of vulnerable children and young people in the Kurdish region of Iraq.

We are working in:



Barika Refugee Camp



Foster Care



Arbat Refugee Camp



**In partnership with STEP Iraq:
A Drop-in Centre for Internally
Displaced Iraqi children**

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TRUSTEE DIRECTOR'S REPORT

The Trustees, who are also directors, present their report and accounts for the year ended 31 December 2023.*



STEP (UK) is a child protection Charity working to improve the lives of vulnerable children and young people in the Kurdish region of Iraq.

*The accounts have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the Charity's governing document, the Charities Act 2011, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS).

MISSION

STEP's mission is to help the most vulnerable children in Iraq in a way that becomes locally sustainable.

VALUES

Integrity And Trustworthiness

STEP values honesty and openness therefore aims to work in ways that build trust and accountability and promote transparency.

Professionalism

STEP aims to do things with excellence and is committed to professional development, drawing on the evidence of 'what works' both from within the organisation and externally.

Human Dignity For All

STEP cares about and aims to validate the dignity in all people, especially children.

Diversity and Inclusion

STEP respects all people, irrespective of their nationality, ethnicity and religion, and works to create safe inclusive spaces.

Adaptability

STEP wants to always be open responsive, flexible and innovative in how it responds to the context it operates in. STEP is keen to always be developing and learning as an organisation.

Child Participation

The voice and opinion of children are central to everything we do. STEP ensures child consultation and participation, and ownership is embedded in every project.

DESCRIPTION

STEP delivers safe spaces and child protection services for displaced and refugee children, including provision of psychosocial, educational, and recreational services. We focus on improving refugee children's **mental health** and **wellbeing**, by providing ways to process trauma and psychosocial support. Services for children with special needs are of special concern as these children and their families are often isolated without support. We treat every child as an individual, tailoring support to every unique case, mindful that out-of-school children are at greater risk of abuse and exploitation. We work to tackle the root causes e.g. discuss the benefits of education (of girls in particular) with parents, to work to gain permission for children to attend school. Through our work on establishing a Foster Care System, we also work closely with the Kurdish government to help influence systems and advocate for children's needs at a strategic level.

REPORTING PERIOD

This report covers the period from the 1st of April 2023 to the 31st of December 2023. This is a shortened 9-month period, rather than a full year. The change has been made to bring the UK accounts in line with the reporting cycle in Iraq, the country where the charity operates. The calendar year basis is mandatory in Iraq, and the trustees have determined that it is more efficient to have put the two reporting cycles in line. We are also updating our systems and processes for reporting to ensure we are relating the impact we have achieved against our priorities and strategic objectives and the investments we've made to achieve these.

DIRECTORS/TRUSTEES

The trustees, who are also the directors for the purpose of company law, and who served during the period were:

Megan Dalton (Chair)
Ian Wilson (Treasurer)
Paul Susans
Werner Nijman

STRUCTURE, GOVERNANCE AND MANAGEMENT

STEP (UK) is a Charitable company, limited by guarantee. The company was incorporated in 2007 as 'STEP (UK) 2007 Ltd', and subsequently adopted its present name. It is referred to as STEP. The company memorandum and articles form the organisation's governing documents.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Recruitment of Trustees: STEP advertises within a network of supporters and contacts, considering the need to advertise widely in a cost-effective manner. Decisions are made on a consensus basis by the trustees/directors. Where training needs are identified, these are met either on a peer-to-peer basis utilising existing skills within the charity, or where appropriate, sourced externally.

Information Trustees Receive: The trustees/directors met regularly throughout the period to set and monitor the strategic direction of the organisation, review income and expenses and consider risks and mitigations. The directors received reports from the operating region at each meeting, providing assurance that funds are used appropriately and correctly for the benefit of children and young people in the Kurdish Region of Iraq. Reports were also received from visitors to the operating region, confirming the success of the work to which funds were applied. Day to day operations are delegated to the Projects Co-ordinator and Country Director.

There have been no significant organisational changes in the period.

The charity has taken advantage of the exemption from the audit requirement contained in section 477 of the Companies Act 2006. The statutory accounts are the subject of an independent examination rather than a full audit. In addition, our largest funders carry out their own reviews and examinations, and the results of these examinations are reviewed by the trustees and made available to the independent examiner. The Treasurer also performs additional controls to ensure the integrity of the financial data received from Iraq.

FINANCIAL REVIEW

Total income for the 9 months was £280,000 (2022/23: £593,000), of which £246,000 (2022/23: £532,000) was restricted money for humanitarian projects.

Factors contributing to reduced income
(other than shortened reporting period):

Runoff of UNHCR contract (historically this accounted
for about half of the charity's income)

The transfer of the Drop-In Centre to our local 'sister' charity STEP Iraq. This transfer has worked well. The main funder of the project prefers the new arrangement. We continue to work with STEP Iraq on the delivery and have obtained some additional funding for the project.

The bulk of the charity's restricted funding has been to support our programmes in the Arbat Refugee camp. Funders have continued to be supportive of our work with the children and families in the camp. We received sufficient funding to support our work in foster care, although the position remains challenging. An explanation of each restricted funding stream is included in note 17 in the accounts. Unrestricted income for the 9 months at £33,000 (2022/23: £61,000) is disappointing especially given the level of support costs in Iraq and the UK. There has however been a significant uptick in unrestricted funding in the first part of 2024, and we are confident that this year will show an improvement.

Operating expenditure for the 9 months at £268,000 (2022/23: £644,000) has fallen in line with the decline in income. Although we are disappointed to have lost the UNHCR contract, the resultant change in the cost base has illustrated the flexibility of our 'business model'. Support costs have remained at previous levels, but we anticipate that these will reduce going forward. Staff in Iraq continue to work for the same salaries, but in the UK, we inevitably face inflationary pressures. The net movement in funds for 9 months is a surplus of £19,000. This is encouraging but it is attributable to significant receipts of restricted funds in late 2023, which is due to be spent in 2024. Total funds as of 31 December 2023 stood at £270,000 of which £182,000 was restricted for humanitarian projects.

RESERVES POLICY

The charity has a policy of maintaining adequate unrestricted cash reserves in Iraq to permit an orderly exit of international staff and a settling of the charity's financial obligations, if for some reason the charity had to cease operations. The charity's obligations to local staff would in those circumstances be fulfilled by payments from the Staff Benevolent Fund, for which there is a separate cash reserve that mirrors the liability included in the balance sheet. The level of reserves required in the UK to permit an orderly wind up of the charity's affairs is minimal

PUBLIC BENEFIT

The board has taken due regard of the guidance on public benefit published by the Charity Commission in exercising its powers and duties. It is confident that the aims of the organisation and allocation of resources fully satisfy the public benefit requirements.



OBJECTIVES AND ACTIVITIES

Agreed strategic objectives for the period:

1. Deliver child protection services and psychosocial support for refugees, internally displaced children and local children located in the Sulaymaniyah governorate in the Kurdish region of Iraq.
2. Continue the provision and support of education in the centres for vulnerable children
3. Continue supporting the government in the development of a government implemented foster care system





CHILD WELFARE SERVICES AND SUSTAINABILITY PROGRAMMING

STEP continued to support families that fled due to conflict and are now in the Sulaymaniyah Governorate of Iraq. In the Syrian refugee camp STEP provides:

Direct services to children through our child friendly spaces

A Child Protection Unit (CPU)

Educational support

Tailored support of children with special needs

Psychosocial, peacebuilding and recreational activities

Our aim is to provide support tailored to the unique circumstances of each child, helping them to thrive.

STEP sees capacity building as a strategic priority for sustainable programming and has increased the training, mentoring and awareness raising of Child Protection issues across projects.

ARBAT REFUGEE CAMP (ARC)

In the Arbat Refugee camp, STEP implemented child protection services and the provision of psychosocial and educational support for children.

STEP has been providing child protection services in the Arbat Refugee camp since 2013.



CHILD FRIENDLY SPACES

1,402 different children (737 girls and 721 boys) and youth were provided age and gender appropriate community based psychosocial activities in the Arbat Refugee Camp, Sulaymaniyah.

A total of 232,770 visits were made to the child and youth friendly spaces.

We are the only provider of activities and education for children aged 3–5 in the camp. Our Little Friendly Space (LFS) provides structured activities specifically designed for early years development.

‘Through STEP’s Little Friendly Space and Child–Friendly Space, we’ve prepared children for school, prevented children from leaving school, and changed how parents interact with their children in the home. We made sure we’ve worked to a Code of Conduct in each of those spaces and the code was drawn up with input from the children.’ Rachel Newton – Founder

CHILD PROTECTION UNIT (CPU)

Case management follow-up was provided for 113 different vulnerable and at-risk children. This included children who experienced displacement, conflict, violence, abuse, exploitation (including child survivors of Gender Based Violence (GBV), and children who need professional psychosocial support services).

753 children benefitted from educational support

1,015 children benefitted from awareness sessions.

Staff developed and produced 5 activity/information leaflets, which were distributed in the camp. A total of 700 children received and benefitted from the leaflets.

Some targeted sessions with small groups of children also took place; providing a therapeutic context where the children are invited to do free-style painting to facilitate free-expression in a safe and professional context. Our aim is to build on and develop this vital work as much as possible over the foreseeable future.





SPECIAL NEEDS UNIT (SNU)

STEP works with children with special needs in the refugee camp, in cooperation with the Child Protection Unit.

The difficulties that the children face include autism, global delay, speaking disorder, cerebral palsy, ADHD, Downs syndrome and post-traumatic stress disorder. Relevant training and treatments were provided, including breathing training for speaking disorder cases, cognitive skills development for global delay and autistic cases and training on how to pronounce letters and sounds for the children who have speaking difficulties. Home visits were made to provide services to children who cannot visit the space. Children that struggled with social skills were encouraged to participate in the LFS, CFS and YFS activities according to their ages with the goal of integrating them with their peers, to help them build friendships and to decrease their isolation. STEP promotes a mainstreaming approach in all our programming. Many sessions for children with special needs were provided and 40 different children and their families benefitted.

CLIMBING

Teaching the children rock climbing is one of the activities we use to empower the children and to build confidence. This has been made possible by a certified Mountain Climbing Instructor, volunteering for STEP, who is able to provide training and supervision. Taking children out of the camp for an outdoor activity has empowered children and youth to take responsibility, address fears and learn to trust other people who are not from their ethnic background. It also encourages vital life skills like communication, teamwork, builds the children's confidence and resilience, and outdoor environments have been shown to have significant benefits for mental health. Climbing activities were provided for 150 participants (90 female and 60 male).



YOUTH EMPOWERMENT

Life skills training was provided for young people, mostly university students. 910 students participated in 8 sessions.

The training covered the following topics:

LEADERSHIP

COMMUNICATION
SKILLS

TEAMBUILDING

TIME
MANAGEMENT

ADVOCACY AND
ACTIVITY PLANNING

CV WRITING

INTERVIEW
TECHNIQUES

COMMUNITY
PROJECTS



BARIKA REFUGEE CAMP (BRC)

WOMEN AND GIRL'S EMPOWERMENT

STEP provided a safe place for Iranian refugee girls and women to feel confident and free and to express themselves.

The following services were provided:

Literacy classes: 28 different participants

English classes : 45 different participants

Awareness sessions : 139 different participants

Art activities: 45 different participants

Sewing classes : 30 different participants

Girls football sessions : 48 different participants

Walking/ climbing activities: 83 different participants

This project promoted gender equality. Roughly 400 families live in the Barika refugee camp and initially every woman was illiterate. STEP empowered women through exercise and education, to not just improve their own life and wellbeing but also the lives of their families and wider community.

“What really stands out is how much more confident and happier she seems. It’s made a real difference for our family”. (Husband)

FOSTER CARE AND ADVOCACY

Foster Care is a new term for the Kurdish region and the literal translation in Sorani Kurdish is 'Substitute Family'. We refer to the Foster Family System and use the term foster families instead of Foster Carers.

STEP has continued to work with the Kurdish Regional Government to establish and develop a foster care system. As part of a pilot project, a government Foster Care Unit was established in 2016, this has now become a Foster Family Section (FFS). The Section is part of the Directorate of Social Care in Sulaimany, but has oversight from the High Committee of Foster Families at the Ministry of Labour and Social Affairs. STEP continues to provide technical support to the Ministry and Section; training and mentoring to the FFS social workers and staff to progress the delivery and implementation of this exciting, strategic change in the region.

The FFS has been functioning for six years and is staffed by a manager, seven social workers, and an administrator. Two experienced social workers moved on from the Section in May 2023 and were replaced by three new social workers. All staff are employed by the Kurdish Regional Government. During this reporting phase, social workers in Sulaimany were working reduced hours due to strike action resulting from Government salaries either not being paid at all or not being paid on time. The service was maintained. At the end of 2023 there were 22 approved foster families, 16 foster families have 17 children placed within them.

Two meetings with the Ministry took place and the Ministry approved seven procedural documents drafted by STEP and the FFS in Sulaimany. Seven training sessions were conducted with new social workers at the Section. There were also four training sessions for three newly approved foster families, in preparation for the placement of a child. Two practical trainings took place with six foster families who have children placed with them. The families came with their children and sessions were provided on the importance of different types of play in child development.

A session to raise awareness with judges was organised in August by the Ministry. STEP supported this by producing 5 short videos with the support of a UK High Court Judge and Clinical Psychologist. This is part of on-going work to raise awareness about the Foster Family System. STEP supported the social workers technically and financially, facilitating the social workers to conduct their home visits for three months. STEP continues to support the Section with IT support.

The Governmental Department of Social Care and Development is implementing and running the foster family system.



STATISTICS (IN TOTAL 2016–2023)

- 488 Enquirers to the Foster Family Unit.
- 141 People attended an awareness presentation
- 48 Families applied to become a foster family
- 22 Approved foster families
- 3 Foster Families Deregistered
- 147 children assessed for placement



Since 2016, 21 different children have been supported through the Foster Family System with 26 placements.

2 children returned to the care home after the placement broke down.
(For both children, the placement broke down twice. Both children were returned to the Care Home.

1 child is now in the Annexation process, and it has been arranged that the foster family who were deregistered, because of being unfit to foster are being given the child through Annexation. This raises serious child protection concerns.

2 children moved placements.

1 child came back into State Care after 45 days (about 1 and a half months) of being with their biological family and was placed back in the same foster family that they were previously with.

3 children have been reunified with their biological family.

Section staff in Suliemany delivered 9 training sessions to social workers in Erbil & Dohuk as part of the expansion of the Foster Family Service in 2023.

TRAINING

In cooperation with Blue Autism 3 training sessions were provided for 12 staff working in the Department of Social Care operated care home. Training topic was the ABC model of understanding and managing behaviour in children.

Three training sessions on the topic of “working with children” were provided for 7 volunteers, to prepare them for providing activities with the children in the care home.

With the help of volunteers help 4 activity sessions for children in the 5–12 years old care home for both boys and for girls were provided

CHILD PROTECTION AWARENESS RAISING

Awareness raising activities are run across all STEP projects. Different awareness activities are used to meet the needs of the audience, and they vary according to the message we aim to communicate. Specific topics covered in awareness sessions include neglect, sexual harassment, puberty, child labour, dropping out of school, difficult behaviour in children, child marriage, domestic violence against children, responses for child survivors of gender-based violence (GBV) and social education – resilient participatory discussions on health, safety and security, domestic violence and personal hygiene.



SUPPORTING INTERNALLY DISPLACED IRAQI CHILDREN IN PARTNERSHIP WITH STEP IRAQ

DROP IN CENTRE (DIC)

The Drop-in Centre remained a safe place for many of the most vulnerable children in the city and surrounding area. It is located in the middle of the Bazaar where most of the children work or beg and is very well established, having first opened its doors to working children on the 2nd January 2002. The centre provides psychosocial activities, medical support, a space to play and learn with both small-group and one-on-one education. It has also become a place where children learn tolerance and acceptance of those who are different.

This financial year there were **12,548** visits to the DIC by **1,010** different children.

As a response to the needs identified, the centre staff distributed food packages to 15 vulnerable families.

Education Provided:

776 sessions of homework support sessions/ extra lessons were provided and **312** different children participated in the extra lessons.

Literacy classes, with **2532** visits by children to participate in literacy classes by **504** different children

School stationery was also provided for **87** children, with school books provided for **17** children.

Case Study:

Sadya is 12 years old. She is internally displaced and visits the centre with four of her siblings. Their father is in jail, the children were very isolated and living in very poor conditions. Sadya's mother told our staff:

"My children's attitudes and behaviour at school have changed so much, and they are much better at forming friendships with other kids."

SPECIAL THANKS AND APPRECIATION

STEP would like to thank the following donors for their support and partnership over this reporting period.

Stanley Thomas Johnson Foundation

St. James's Place Foundation

Allan & Nesta Ferguson Charitable Trust

GCR

The Big Give

Appreciation is also given to the many individual supporters of STEP who have:

Donated financially

Given of their time

Knitted trauma teddies and children's jumpers

Given in kind gifts to the project



CASE STUDIES

ALI

Ali is an IDP, he is 6 years old and attended the DIC with some of his cousins. Sadly, Ali's father who worked in manual labour, fell from a tall building and he died. This was very traumatic for Ali. His family sent him out to work saying this was a part of his healing process.

STEP provided Ali with some sessions where he could talk about his concerns. He was interested in work and wanted to be with his cousins. We also visited his family to listen to his mother and to create a plan for helping Ali.



An action point was to register him in the regular schools but as he and his siblings had no official paperwork, their father was no longer able to follow up with this issue, and according to rules and regulations in Islam it is forbidden for a widow to see or to talk with strangers for four months and 10 days, we were unable to meet the time limit for registering the children in school.

STEP's staff pro-actively shared the family's circumstances with a head teacher, and thanks to our established relationship, succeeded in registering them in school provided:

1. The family follows up with official paperwork and this is prepared for next year
2. Ali is studying
3. STEP provides psychosocial support and educational support outside of school

We prepared Ali for the transition by encouraging him to participate in lessons in the DIC alongside activities to help build his self-confidence. Then we made a formal visit with Ali to Al-Rawwad Primary School, about three minutes away from the DIC, where his cousins' study. On Ali's first day of school, he visited the DIC. This photo shows him wearing the uniform that he was provided by the DIC and sitting to the school bag and stationery that he was also provided. He expressed his happiness and joy, as well as gratitude for how STEP staff treat him in the DIC. Ali continues to visit DIC with his cousins.



SAYA

Saya is 15 years old. She has four siblings: a 13-year-old sister, a 10-year-old brother, an 8-year-old brother, and a 4-year-old brother. A neighbour, concerned by the struggles of Saya's family and the prolonged absence of her mother notified STEP's child protection team that the family required immediate assistance.

Our team conducted a home visit, where the social worker was informed that Saya's mother had left due to numerous marital problems, stemming from challenging economic circumstances. Saya, as the eldest child, bore the weight of household responsibilities, including caring for her siblings, her father, and managing domestic chores in her mother's absence.

Saya expressed her profound sadness to the social worker, explaining that she was constantly in tears, and experiencing tension, anxiety, and extreme fatigue due to her mother's extended absence. She had resorted to intermittent work with a group of girls in nearby farms, labouring for 12 hours a day for meagre earnings of approximately \$15. This led to her discontinuing her education, with no inclination to go back to school due to the economic hardships her family faced.

In response, the social worker formulated goals to address and alleviate the family's challenges, particularly for Saya. Community leaders were engaged to mediate the family dispute. They facilitated her mother's return home and provided psychological and social support. Group activities were initiated to foster a healthy family atmosphere, connecting family members and raising awareness about positive parenting methods, with an emphasis on how to support a teenage girl. The focus extended to meeting Saya's basic needs: psychological, social, and educational. Additionally, efforts were made to underscore the importance of education, promote its pursuit, and educate Saya's parents on the adverse effects of child labour. Our staff emphasized the negative impact of long hours and the strenuous nature of such work.

Now, Saya's situation has improved: she lives with both parents, who are striving to offer her support. Their mother's return home has brought stability and safety to Saya and her siblings.

RISK MANAGEMENT AND OUTLOOK

The directors have considered the major risks to which the organisation is exposed and identified appropriate mitigating actions where possible. The directors have a security advisor to ensure that security in the region is monitored closely. A security update is given at every trustee meeting – a security plan and protocols are in place. All risks are reviewed at trustee meetings as well as intermittently when advised of any major change.

The largest risks relate to the security of staff and the funding of the charity's operations. In addition, there are financial risks arising from the charity's operations. Firstly, there are exchange rate risks. Iraq is effectively a 'dollar based' economy, and STEP (UK) now receives the majority of its funding in Sterling and Euros. There are also regulatory issues (compliance with money laundering regulations and UN sanctions) when operating in Iraq. So far, the charity has successfully navigated these issues.

It complies with all local and international regulations and provides transparent information to our banks in the UK and Iraq. Nevertheless, there is always a risk that STEP (UK)'s operations could be impacted by political and financial issues beyond its control. Other risks are reviewed periodically by directors and project leaders and in trustee meetings.

The charity's financial position at the end of 2023 is satisfactory with over £270,000 in reserves and cash balances in excess of £290,000. Nevertheless, the situation is challenging with a number of funding contracts running off. In particular, the deficit on unrestricted funds in the period under review is disturbing, although this is expected to improve in the coming year. The charity is adequately funded to meet its objectives for the coming year, but it needs to find new sources of funds to maintain its operations at planned levels in future years. We work closely with our local 'sister' NGO STEP Iraq, and this partnership is seen by the trustees as key to our future operations and the eventual exit of STEP (UK) from Iraq.

FOR MORE INFORMATION

Please contact: info@step-uk.org or visit our website www.step-uk.org

Please do not reproduce any of this report without contacting the UK office
UKADMIN@STEP-UK.ORG

The report was approved by the trustees on: 2nd Sept 2024



Megan Dalton – Chair of Trustees
For and on behalf of the Board

STEP (UK)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2023

The trustees, who are also the directors of Step (UK) for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that 9 month period.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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.

STEP (UK)

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF STEP (UK)

I report to the trustees on my examination of the financial statements of Step (UK) (the charity) for the 9 month period ended 31 December 2023.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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



Frances Wilde FCCA DChA

Warner Wilde
Chartered Certified Accountants
4 Marigold Drive
Bisley
Surrey
GU24 9SF

Dated: 20 September 2024

STEP (UK)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
	Notes						
Income and endowments from:							
Donations and legacies	3	32,656	246,039	278,695	59,272	532,594	591,866
Other income	4	834	-	834	1,467	-	1,467
Total income		33,490	246,039	279,529	60,739	532,594	593,333
Expenditure on:							
Raising funds	5	6,892	-	6,892	7,413	-	7,413
Charitable activities	6	73,977	186,943	260,920	98,620	537,101	635,721
Total expenditure		80,869	186,943	267,812	106,033	537,101	643,134
Net income/(expenditure)		(47,379)	59,096	11,717	(45,294)	(4,507)	(49,801)
Transfers between funds		-	-	-	(4,654)	4,654	-
Other recognised gains and losses:							
Other gains	12	3,682	3,364	7,046	8,972	8,108	17,080
Net movement in funds	7	(43,697)	62,460	18,763	(40,976)	8,255	(32,721)
Reconciliation of funds:							
Fund balances at 1 April 2023		131,392	120,019	251,411	172,368	111,764	284,132
Fund balances at 31 December 2023		87,695	182,479	270,174	131,392	120,019	251,411

The statement of financial activities includes all gains and losses recognised in the 9 month period. All income and expenditure derive from continuing activities.

STEP (UK)

BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023 £	£	2023 £	£
Fixed assets					
Tangible assets	13		6,320		8,972
Current assets					
Debtors	14	50,114		4,600	
Cash at bank and in hand		293,674		330,447	
		343,788		335,047	
Creditors: amounts falling due within one year	15	(79,934)		(92,608)	
Net current assets			263,854		242,439
Total assets less current liabilities			270,174		251,411
The funds of the charity					
Restricted income funds	17	182,479		120,019	
Unrestricted funds	18	87,695		131,392	
		270,174		251,411	

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the 9 month period ended 31 December 2023.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the 9 month period in question in accordance with section 476.

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

The financial statements were approved by the trustees on 2 September 2024



Ian Wilson (Treasurer)

Trustee

Company registration number 6285570 (England and Wales)

STEP (UK)

STATEMENT OF CASH FLOWS

FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2023

	Notes	2023 £	£	2023 £	£
Cash flows from operating activities					
Cash absorbed by operations	21		(36,773)		(121,258)
Net cash used in investing activities			-		-
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents			(36,773)		(121,258)
Cash and cash equivalents at beginning of 9 month period			330,447		451,705
Cash and cash equivalents at end of 9 month period			293,674		330,447

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2023

1 Accounting policies

Charity information

Step (UK) is a private company limited by guarantee incorporated in England and Wales. The registered office is Market House, 21 Lenten Street, Alton, Hampshire, GU34 1HJ.

1.1 Reporting period

The reporting period ended 31 December 2023 is a nine month period, the comparative period is for the twelve months ended 31 March 2023 and therefore the figures for the two accounting periods are not completely comparable.

1.2 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.3 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.5 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.6 Expenditure

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

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

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

Overheads are apportioned to activities on a reasonable basis for example, hours engaged in different activities for staff costs or floor area for premises costs.

1.7 Tangible fixed assets

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

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

Plant and machinery	20% reducing balance
---------------------	----------------------

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.8 Impairment of fixed assets

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

1.9 Cash and cash equivalents

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

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Foreign exchange

Transactions denominated in foreign currencies are recorded at the average rate of exchange during the accounting period.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are included in net outgoing resources.

2 Critical accounting estimates and judgements

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

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

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2023

3 Income from donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Donations and gifts	32,656	132,597	165,253	40,507	107,528	148,035
Legacies	-	-	-	18,765	-	18,765
Project funding for humanitarian relief	-	113,442	113,442	-	425,066	425,066
	<u>32,656</u>	<u>246,039</u>	<u>278,695</u>	<u>59,272</u>	<u>532,594</u>	<u>591,866</u>

4 Other income

	Unrestricted funds 2023 £	Unrestricted funds 2023 £
Other income	834	1,467
	<u>834</u>	<u>1,467</u>

5 Expenditure on raising funds

	Unrestricted funds 2023 £	Unrestricted funds 2023 £
Fundraising and publicity		
Staff costs	6,892	7,413
	<u>6,892</u>	<u>7,413</u>

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2023

6 Expenditure on charitable activities

	Charitable activities 2023 £	Charitable activities 2023 £
Direct costs		
Staff costs	162,175	392,699
Depreciation and impairment	1,325	2,300
Drop-in Centre	1,612	6,954
Refugee children in camps	18,219	28,083
Foster Care	4,938	70,731
Mobile Teams - Internally Displaced Persons	-	2,042
	<u>188,269</u>	<u>502,809</u>
Share of support and governance costs (see note 8)		
Support	65,436	126,722
Governance	7,215	6,190
	<u>260,920</u>	<u>635,721</u>
Analysis by fund		
Unrestricted funds	73,977	98,620
Restricted funds	186,943	537,101
	<u>260,920</u>	<u>635,721</u>

7 Net movement in funds

	2023 £	2023 £
The net movement in funds is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	<u>1,325</u>	<u>2,300</u>

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2023

8 Support costs

	Support costs £	Governance costs £	2023 £	Support costs £	Governance costs £	2023 £
Staff costs	40,909	-	40,909	89,953	-	89,953
Office, general administration and bank charges	24,527	-	24,527	36,769	-	36,769
Audit fees - Iraq	-	3,535	3,535	-	3,369	3,369
Independent Examination Fees	-	3,680	3,680	-	2,821	2,821
	<u>65,436</u>	<u>7,215</u>	<u>72,651</u>	<u>126,722</u>	<u>6,190</u>	<u>132,912</u>
Analysed between Charitable activities	<u>65,436</u>	<u>7,215</u>	<u>72,651</u>	<u>126,722</u>	<u>6,190</u>	<u>132,912</u>

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the 9 month period, or was reimbursed expenses.

10 Employees

The average monthly number of employees during the 9 month period was:

	2023 Number	2023 Number
Office	9	11
Drop in Centre	2	4
Arbat Refugee Camp	21	21
Mobile Teams	-	25
Youth empowerment and child protection	1	1
Women empowerment	3	-
Total	<u>36</u>	<u>62</u>
Employment costs	2023 £	2023 £
Wages and salaries	200,021	465,658
Social security costs	9,955	24,407
	<u>209,976</u>	<u>490,065</u>

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2023

10 Employees

(Continued)

Staff numbers include part time staff and some posts were not filled for the whole of the accounting period.

There were no employees whose annual remuneration was more than £60,000.

11 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

12 Other gains and losses

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Gains/(losses) upon:						
Foreign exchange	(3,682)	(3,364)	(7,046)	(8,972)	(8,108)	(17,080)

13 Tangible fixed assets

	Plant and machinery £
Cost	
At 1 April 2023	43,875
Exchange adjustments	(1,306)
At 31 December 2023	42,569
Depreciation and impairment	
At 1 April 2023	34,903
Depreciation charged in the 9 month period	1,325
Exchange adjustments	21
At 31 December 2023	36,249
Carrying amount	
At 31 December 2023	6,320
At 31 March 2023	8,972

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2023

14 Debtors

	2023 £	2023 £
Amounts falling due within one year:		
Other debtors	47,053	-
Prepayments and accrued income	3,061	4,600
	<u>50,114</u>	<u>4,600</u>

15 Creditors: amounts falling due within one year

	Notes	2023 £	2023 £
Deferred income	16	41,688	58,376
Other creditors		31,211	30,538
Accruals		7,035	3,694
		<u>79,934</u>	<u>92,608</u>

16 Deferred income

	2023 £	2023 £
Arising from Project Funding	<u>41,688</u>	<u>58,376</u>

Deferred income is included in the financial statements as follows:

	2023 £	2023 £
Deferred income is included within:		
Current liabilities	<u>41,688</u>	<u>58,376</u>
Movements in the 9 month period:		
Deferred income at 1 April 2023	58,376	121,905
Released from previous periods	(58,376)	(121,905)
Resources deferred in the 9 month period	<u>41,688</u>	<u>58,376</u>
Deferred income at 31 December 2023	<u>41,688</u>	<u>58,376</u>

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2023

17 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 April 2023	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 December 2023
	£	£	£	£	£	£
BFSS - DIC	-	19,826	(17,546)	-	43	2,323
St James's Place Charitable Foundation	-	8,139	(6,157)	-	37	2,019
Other donors [Refugees]	82,842	95,247	(78,644)	-	1,867	101,312
Stanley Thomas Johnson Foundation	9,177	59,577	(62,535)	-	117	6,336
Other donors [Foster care]	-	11,391	(11,073)	6,000	119	6,437
Life Skills Training	28,000	51,859	(10,988)	(6,000)	1,181	64,052
	<u>120,019</u>	<u>246,039</u>	<u>(186,943)</u>	<u>-</u>	<u>3,364</u>	<u>182,479</u>
Previous year:	At 1 April 2022	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 March 2023
	£	£	£	£	£	£
UNHCR	-	296,718	(296,718)	-	-	-
St James's Place Charitable Foundation	358	32,953	(33,311)	-	-	-
Other donors [Refugees]	71,476	58,598	(52,237)	(2,294)	7,299	82,842
CARITAS Germany	26,294	40,592	(66,886)	-	-	-
Other donors [DIC]	1,038	955	(1,993)	-	-	-
Stanley Thomas Johnson Foundation	8,281	72,376	(72,289)	-	809	9,177
Tearfund Ireland	1,199	67	(1,266)	-	-	-
Other donors [Foster care]	3,118	2,335	(12,401)	6,948	-	-
Life Skills Training	-	28,000	-	-	-	28,000
	<u>111,764</u>	<u>532,594</u>	<u>537,101</u>	<u>4,654</u>	<u>8,108</u>	<u>120,019</u>

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2023

17 Restricted funds

(Continued)

UNHCR - child protection and promoting community cohesion through psychosocial support for children. Child protection and response service

St James's Place Charitable Foundation - child protection work in a Syrian refugee camp in Iraq.

Caritas Germany - child protection for vulnerable and working children.
This program is delivered by operating a Drop-In centre (DIC) in Sulimaniyah.

Stanley Thomas Johnson Foundation - building resilience for Syrian refugee children in Iraq.

TearFund Ireland - to fund capacity building for a foster care program in Northern Iraq.

Life Skills Training - An individual donor has given funds for STEP to implement lifeskills training for young people.

Other Donors (Refugees) - these funds, which include the money raised in our annual appeal, are donations from individuals, trusts and other organisations given to support the charity's work in a Syrian refugee camp in Iraq.

Other Donors (DIC) - donations from individuals to support the operation of the Drop-In Centre (DIC).

Other Donors (Foster Care) - donations from individuals to fund capacity building for a foster care program in Northern Iraq

18 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 April 2023	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 December 2023
	£	£	£	£	£	£
General funds	131,392	33,490	(80,869)	-	3,682	87,695
	<u>131,392</u>	<u>33,490</u>	<u>(80,869)</u>	<u>-</u>	<u>3,682</u>	<u>87,695</u>
Previous year:	At 1 April 2022	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 March 2023
	£	£	£	£	£	£
General funds	172,368	60,739	(106,033)	(4,654)	8,972	131,392
	<u>172,368</u>	<u>60,739</u>	<u>(106,033)</u>	<u>(4,654)</u>	<u>8,972</u>	<u>131,392</u>

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2023

19 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
At 31 December 2023:			
Tangible assets	6,320	-	6,320
Current assets/(liabilities)	81,374	182,480	263,854
	<u>87,694</u>	<u>182,480</u>	<u>270,174</u>

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
At 31 March 2023:			
Tangible assets	8,972	-	8,972
Current assets/(liabilities)	122,420	120,019	242,439
	<u>131,392</u>	<u>120,019</u>	<u>251,411</u>

20 Related party transactions

There were no disclosable related party transactions during the 9 month period (2023 - none).

21 Cash generated from operations

	2023 £	2023 £
Surplus/(deficit) for the 9 month period	11,717	(49,801)
Adjustments for:		
Foreign exchange differences	8,373	16,356
Depreciation and impairment of tangible fixed assets	1,325	2,300
Movements in working capital:		
(Increase)/decrease in debtors	(45,514)	10,740
Increase/(decrease) in creditors	4,014	(37,324)
(Decrease) in deferred income	(16,688)	(63,529)
Cash absorbed by operations	<u>(36,773)</u>	<u>(121,258)</u>

22 Analysis of changes in net funds

The charity had no material debt during the year.

STEP (UK) LTD

England & Wales - Charity number 1125183

Accounts



STEP (UK)

**Annual Report and
Financial Statements**

Period: 1st April 2022 – 31st March 2023



Registered Charity Number: 1125183. Principal Address: PO Box 801, Southsea, Hampshire, PO1 9EJ
Company Registration Number: 6285570, incorporated in England and Wales Registered Address:
Market House, 21 Lenten Street, Alton, Hants, GU34 1HG

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Introduction

The Trustees, who are also directors, present their report and accounts for the year ended 31 March 2023.

The accounts have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the Charity's governing document, the Charities Act 2011, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)".

Description

STEP (UK) Ltd is an international development Charity working to improve the lives of vulnerable children and young people in the Kurdish region of Iraq. STEP's mission is to help the most vulnerable children in the region in a way that becomes locally sustainable – through working in the areas of child protection, child rights and education. The organisation works in a major city in the Kurdish region of Iraq, implementing front line work, including a drop-in centre for working children and those excluded from school. It also implements strategic work, such as the development of Foster Care Instructions and supports the government in the implementation of a foster care project in the region. Additionally, STEP's work includes advocacy on Child Rights and a variety of training around the protection of children.

The organisation responds to the needs of displaced and refugee children – a response to the crisis in Syria and Iraq. STEP delivers safe spaces and child protection services for displaced and refugee children, including provision of psychosocial, educational, and recreational services.

Reporting Period

This report covers the period from the 1st of April 2022 to the 31st of March 2023

Directors/Trustees

The trustees, who are also the directors for the purpose of company law, and who served during the period were:

Megan Dalton (Chair)

Ian Wilson (Treasurer)

Paul Susans

Werner Nijman

Structure, Governance, and Management

STEP (UK) Ltd is a Charitable company, limited by guarantee. The company was incorporated in 2007 as 'STEP (UK) 2007 Ltd', and subsequently adopted its present name. It is referred to as STEP. The company memorandum and articles form the organisation's governing documents.

None of the trustees has any beneficial interest in the company. All the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The charity recruits new trustees by advertising among a network of supporters and contacts and gives due consideration to the need to advertise widely in a cost-effective manner. Decisions are made on a consensus basis by the trustees/directors. Where training needs are identified, these are met either on a peer-to-peer basis utilising existing skills within the charity, or where appropriate, sourced externally.

The trustees/directors met regularly through the period to set and monitor the strategic direction of the organisation, review income and expenses and consider risks and mitigations. The directors received reports from the operating region at each meeting, providing assurance that funds are used appropriately and correctly for the benefit of children and young people in the Kurdish Region of Iraq. Reports were also received from visitors to the operating region, confirming the success of the work to which funds were applied. Day to day operations are delegated to the Projects Co-ordinator and Country Director.

There have been no significant organisational changes in the period.

The charity has taken advantage of the exemption from the audit requirement contained in section 477 of the Companies Act 2006. The statutory accounts are the subject of an independent examination rather than a full audit. In addition, our largest funders carry out their own reviews and examinations, and the results of these examinations are reviewed by the trustees and made available to the independent examiner. The Treasurer also performs additional controls to ensure the integrity of the financial data received from Iraq.

Financial Review

Total income for the year was £593,000 (2022: £629,000), of which £532,000 (2022: £578,000) was restricted money for humanitarian projects. The reduction in income is attributable to changes in 2 contracts. The UNHCR, which in recent years accounted for about 50% of the charity's income, was completed at the end of December 2022. This had a limited impact on the charity's income in 2022/23 but will have a significant impact going forward. Another contract, the management of the Drop in Centre, was with the agreement of all parties (including the principal funder Caritas Germany), transferred to our local 'sister' charity STEP Iraq in September 2022. STEP (UK) continues to be involved in this project providing both support and funding on an ongoing basis. The other main sources of funding, mainly directed towards our programmes in the Arbat Refugee camp increased year on year in part because of more favourable exchange rates, but also because of a successful Big Give appeal in late 2022. The funding position for our work in foster care remains challenging. An explanation of each restricted funding stream is included in note 15 in the accounts. The inability to re-apply for the UNHCR contract as an international NGO will materially reduce the scope of the charity's operations in Iraq and will present some challenges in covering our core costs which were partly funded out of that contract. The transfer of the DIC to STEP Iraq is a welcome development as it fits with our longer-term plan for operations in Iraq. Unrestricted income at £61,000 (2022: £52,000) is up year on year, but still below the level required to cover our unrestricted expenditure resulting in cost cutting measures.

Operating expenditure for year at £643,000 (2022: £654,000) is marginally down year on year. With the changes in the contracts, expenditure is projected to fall markedly next year. The net movement in funds for the year is a deficit of £33,000. The scope of the charity's operations will be reduced in the coming year, but the charity is adapting to the new environment. Funding is in place to cover the activities for the year to 31 March 2024. Total funds as of 31 March 2023 stood at £251,000 of which £120,000 was restricted for humanitarian projects.

Reserves policy

The charity has a policy of maintaining adequate unrestricted cash reserves in Iraq to permit an orderly exit of international staff and a settling of the charity's financial obligations, if for some reason the charity had to cease operations. The charity's obligations to local staff would in those circumstances be fulfilled by payments from the Staff Benevolent Fund, for which there is a separate cash reserve that mirrors the liability included in the balance sheet. The level of reserves required in the UK to permit an orderly wind up of the charity's affairs is minimal.

Public Benefit

The board has taken due regard of the guidance on public benefit published by the Charity Commission in exercising its powers and duties. It is confident that the aims of the organisation and allocation of resources fully satisfy the public benefit requirements.

Objectives and Activities

Agreed strategic objectives for the period:

1. Continue the provision of the existing drop-in centres for children in the region
2. Continue supporting the government in the development of a government implemented foster care system
3. Deliver child protection services and psychosocial support for internally displaced persons (IDPs), refugees and local children located in the Sulaymaniyah governorate in the Kurdish region of Iraq
4. Continue to operate child and youth friendly spaces for refugees and local vulnerable children

Safe Spaces for Children

We continued to operate the Drop-in Centre for working children and those excluded from the formal education system. The centre provides a safe place for play, relaxation and informal small-group education. The centre provides psychosocial, educational, peacebuilding, recreational activities and medical support. The centre welcomes internally displaced (IDP), refugee and local children; the majority of the beneficiaries are IDP children.

More girls work in the bazaar now and access the services we provide in the drop-in centre. Operating from a building within the bazaar allows us to welcome and cater for the growing diversity and demand of the children wanting to use our facility.



Foster Care

STEP has continued to work with the Kurdish Regional Government to establish and develop a foster care system. Progress has been made on the delivery and implementation of this exciting, strategic change in the region.

As part of a pilot project, a government Foster Care Section was established in 2016. The Section is part of the Social Care Directorate structure. It has been functioning for six years and is staffed by a manager, seven social workers and an administrator. In total 27 foster families have been through the approval process, but some have left fostering. Since the start of the work there have been 24 placements, with some children moving placement and other children being reunified with their biological families. During this reporting period 16 children are placed within 15 foster families.

Child Welfare Services and Sustainability Programming

STEP continued to support families that fled due to conflict and are now in the Sulaymaniyah Governorate of Iraq. STEP has established a successful partnership with UNHCR, enabling us to meet the needs of non-camp vulnerable children and their families, Internally Displaced People (IDPs) and refugees. In the Syrian refugee camp STEP provides direct services to children through our child friendly spaces and a Child Protection Unit (CPU). The displaced people who live across the region (not in camps) are provided with STEP's support through four mobile child protection teams that bring a wide range of services to children and families in need. Each mobile team covers a specific area where displaced families live, they identify vulnerable children and families, then provide suitable support and advice. These activities have enabled STEP to deliver child protection procedures for children arriving in the area including regular psychosocial activities for children and professional trauma counselling provided by locally employed social workers with multi-lingual capabilities.

STEP sees capacity building as a strategic priority for sustainable programming and therefore over this reporting period has increased the training, mentoring and awareness raising of Child Protection issues across all projects.

Achievements by Programme

Drop in Centre

STEP's first project, a child-friendly space in the heart of the Sulaymaniyah bazaar called the Drop-in Centre (DIC), opened its doors to working children on the 2nd January 2002. The centre provides psychosocial, educational, and medical support as well as recreational activities.

This financial year there were 15,472 visits to the DIC by 1042 different children (193 girls and 849 boys). The staff reached out to the working children and talked with over 250 children on the streets, providing awareness as well as a listening ear.

As a response to the needs identified, STEP staff also distributed food packages to 68 vulnerable families.

The Drop-in Centre remained a safe place for many of the most vulnerable children in the city and surrounding area. The centre is located in the middle of the Bazaar where most of the children work or beg. This has allowed STEP to provide specific rooms and activities for girls as well as more targeted therapeutic and psychosocial activities for the children. It has also become a place where children learn tolerance and acceptance of those who are different.

The drop-in centre was open for 238 days during the period 1 April 2022 - 31 March 2023 and provided the following:

- 89 art sessions
- 1020 visits by children for homework support sessions/ extra lessons
- Literacy classes, with 5712 visits by children
- 117 children received first aid
- A paediatrician saw 557 children who came with medical issues.
- 80 children received case management due to child protection concerns or risks
- 111 home visits by social workers
- 35 group therapy sessions took place with 233 children participating
- 1,358 group activity sessions
- 28 peace building sessions were conducted, with 242 children participating
- Daily awareness raising sessions (including health awareness) were delivered to all children attending the centre
- Many children participated in 49 dance sessions
- 733 children received clothes and/or shoes and 133 children received trauma teddies



Supporting the Kurdish Regional Government in Establishing a Foster Care System.



Foster Care is a new term for the Kurdish region and the literal translation in Sorani Kurdish is 'Substitute Family'. We refer to the Foster Family System and use the term foster families instead of Foster Carers.

The development of a foster care system within the Kurdish region, in cooperation and partnership with the Ministry of Labour and Social Affairs (MOLSA) is ongoing. STEP provided technical support, training and mentoring to the Foster Family Section (FFS) social workers and staff. The FFS is part of the Department of Social Care & Development in Sulaymaniya.

There are 23 approved foster families – 15 families have children placed with them.

One training session for foster families took place.

Writing of procedural documents was ongoing. Several meetings took place reviewing documents and discussing the operational manual.

The Governmental Department of Social Care and Development is implementing and running the foster family system.

Child Welfare Services and Sustainability Programming

In the Syrian Refugee camp in Arbat, STEP implemented child protection services and the provision of psychosocial and educational support for children and youth. The Little Friendly Space (LFS) provides activities for children aged 3-5. STEP is the only agency providing structured activities specifically designed for this age group in the Arbat Refugee Camp. STEP has been providing child protection services in the Arbat Refugee camp since 2013.



The child protection mobile teams have also set up various Child Support Centres in response to the needs identified in areas where many IDPs and Refugees are living. These activities also enable all the social workers to find and support the most vulnerable children through a case-by-case approach, as well as provide a safe child friendly space where children are engaged in psychosocial, recreational and educational activities.

Rock climbing training and excursions are one of the ways we empower children and build their confidence, particularly the confidence to face their fears. This has been made possible by a certified Mountain Climbing Instructor, volunteering for STEP, who is able to provide training and supervision. STEP is in a unique position to be able to provide this activity, which has had a big impact in empowering youth to take responsibility, address fears and learn to trust other people who are not from their ethnic background.



Child Protection Awareness Raising

Awareness raising, training and mentoring participants – these include government workers, NGO child protection actors and key community stakeholders as well as parents and children themselves, in the Sulaymaniyah governorate.

Awareness raising activities are run across all STEP projects. Different awareness activities are used to meet the needs of the audience and they vary according to the message we aim to communicate. Specific topics covered in awareness sessions include neglect, sexual harassment, puberty, child labour, dropping out of school, difficult behaviour in children, child marriage, domestic violence against children, responses for child survivors of gender-based violence (GBV) and social education - resilient participatory discussions on health, safety and security, domestic violence and personal hygiene.

Training

Formal Training & Workshops: STEP provided 9 training sessions on Child Protection Approaches and Child protection concepts for government personnel, NGO staff and STEP staff. Training was provided for 176 professionals working with children on the following topics:

- Communicating with children
- Child labour
- Child marriage
- Child protection approaches and child protection concepts

Refugee Camp



1,472 different children and youths were provided age and gender appropriate community based psychosocial activities in the Arbat Refugee Camp, Sulaymaniyah. A total of 20,823 visits were made to the child and youth friendly spaces.

Case management follow-up was provided for 181 different vulnerable and at-risk children. This included children who experienced displacement, conflict, violence, abuse, exploitation (including child survivors of Gender Based Violence (GBV), and children who need professional psychosocial support services).



900 children benefitted from educational support

1,015 children benefitted from awareness sessions.

Staff developed and produced 8 activity/information leaflets, which were distributed in the camp. A total of 2,420 children received and benefitted from the leaflets.

Some targeted sessions with small groups of children also took place;

providing a therapeutic context where the children are invited to do free-style painting to facilitate free-expression in a safe and professional context. Our aim is to build on and develop this vital work as much as possible over the foreseeable future.

Special Needs Unit (SNU):

STEP works with children with special needs in the refugee camp, in cooperation with the Child Protection Unit.

The difficulties that the children face include autism, global delay, speaking disorder, cerebral palsy, ADHD, Downs syndrome and post-traumatic stress disorder. Relevant training and treatments were provided, including breathing training for speaking disorder cases, cognitive skills development for global delay and autistic cases and training on how to pronounce letters and sounds for the children who have speaking difficulties. Home visits were made to provide services to children who cannot visit the space.

Children that struggled with social skills were encouraged to participate in the LFS, CFS and YFS activities according to their ages with the goal of integrating them with their peers, to help them build friendships and to decrease their isolation. STEP promotes a mainstreaming approach in all our programming.

Many sessions for children with special needs were provided and 45 different children and their families benefitted.



Climbing:

Climbing activities were provided for children and youth. These activities help them build trust – getting them to work together promotes life skills such as teamwork and communication. Tackling the challenge of a steep uphill climb with a team will help them realise that they can achieve far more together than as individuals. Being in an outdoor environment has also been shown to have significant benefits for mental health. Children/youth were trained in rock climbing, and 4 outdoor activities were carried out in different sites of the Sulaymaniyah mountains. The activities were provided by a qualified instructor.



Child Protection Mobile Teams

In partnership with UNHCR, STEP operated four mobile child protection teams to identify and provide support and assistance to IDP and refugee children at risk. The mobile teams worked in 60 locations in the Sulaymaniyah governorate. The social workers identified and supported 298 vulnerable displaced children through case management.

As part of supporting families and in order to ensure that displaced children and refugee children have a safe and friendly space to spend time in, STEP continued to operate 5 child support centres (CSC). Through the five child support centres, 1000 refugee and internally displaced children received psychosocial support. Additionally, 550 children participated in peacebuilding activities.

Awareness sessions on core child protection issues were delivered to 153 parents and 19 parenting sessions were delivered to a total of 186 parents/ caregivers.

Four youth committees were established comprising of a mix of local, internally displaced and refugee youth. The youth were encouraged and supported to be involved in providing relevant activities for youth, such as sport and arts as well as facilitate youth led initiatives.

Thanks and Appreciation

STEP would like to thank the following donors for their support and partnership over this reporting period.

- UNCHR
- Caritas Germany
- Stanley Thomas Johnson Foundation
- St. James's Place Charitable Foundation
- The Big Give

Appreciation is also given to the **many individual supporters** of STEP who have:

- Donated financially
- Given of their time
- Knitted trauma teddies
- Given in kind gifts to the project

Risk Management and Outlook

The directors have considered the major risks to which the organisation is exposed and identified appropriate mitigating actions where possible. The directors have a security advisor on an advisory board to ensure that security in the region is monitored closely. A security update is given at every trustee meeting – a security plan and protocols are in place. All risks are reviewed at trustee meetings as well as intermittently when advised of any major change. The largest risks relate to the security of staff and the funding of the charity's operations. In addition, there are financial risks arising from the charity's operations. Firstly, there are exchange rate risks. Iraq is effectively a 'dollar based' economy, and STEP (UK) receives much of its funding in European currencies. There are also regulatory issues (compliance with money laundering regulations and UN sanctions) when operating in Iraq. So far, the charity has successfully navigated these issues. It complies with all local and international regulations and provides transparent information to our banks in the UK and Iraq. Nevertheless, there is always a risk that STEP (UK)'s operations could be impacted by political and financial issues beyond its control. Other risks are reviewed periodically by directors and project leaders and in trustee meetings.

The charity's operations will contract in 2023/24 because of the completion of the UNHCR contract and the transfer of the DIC contract to our sister NGO, STEP Iraq. The charity is adequately funded to meet its objectives for the coming year, but it needs to find new sources of funds to maintain its operations at planned levels in future years. The start of operations by the local NGO STEP Iraq, working in parallel with STEP (UK), in 2022/23 is a very significant development, and the transition of the Drop-In Centre to that charity has gone well. STEP (UK) will provide support to STEP Iraq as it develops its operations.

Case Studies

Ahmed

Ahmed is the middle child in a family of 5 children. He and two of his brothers have special needs which prevent them being accepted in the school in the camp. Ahmed first came to the STEP little friendly space (LFS) when he was 4 years old. He did not speak, was unable to focus during play and lacked social skills. At times he presented as an angry child, with a great deal of frustration that stemmed from his struggle to communicate.



The intervention plan: Alongside attending LFS activities, he had sessions with staff in the Special Needs Unit. With love, care and patience from staff as well as the support of his mother, Ahmed, amazingly began to engage in eye contact. Then after many months he began to speak.

Now: Ahmed was showing an interest in learning the alphabet, so our social worker in child protection started teaching him.

He is now able to draw shapes and write some letters. He then expressed a desire to join the computer course with his younger brother. The computer instructor agreed that we should let the boys join the group. Both sat quietly listening to the instructions and were gently shown how to use a laptop. The boys had huge smiles and remained focused throughout the session. This was the first time that children with special needs had attended the computer course and it all happened because Ahmed was able to express his desire to learn. The whole staff team shared the joy these two boys experienced through learning how to use a computer and they were able to share this with Ahmed's family.



Dela

Dela is 10 years old and internally displaced, she visits the child drop-in centre almost every day. The staff have created a safe space for her to talk, where the female youth worker listens to Dela. Initially this was just talking while Dela participated in creative activities. However, in her second session she started talking about her feelings. Dela mentioned that she felt ashamed, shy and disobedient. She felt that other children rejected her and blamed her for doing things wrong. When asked further questions like what kind of wrong things, she mentions that she smiles at strangers, paying more attention to certain shopkeepers. She did not want to say anymore.

After a few more sessions, she shared a little more. She told our youth worker that her family is very poor, and they have nothing at home – she has no toys. Dela really likes electronic games. One of the shopkeepers allows her to play games on his mobile phone. She mentioned that while playing the games, pornographic pictures keep showing on the screen. Dela shared that if she is alone in the shop with the shopkeeper, he takes her to a quiet corner of the shop. She did not want to say anymore or talk about what else happened. The staff explained the dangers of having these relationships and the risks.

The staff also informally talked with her friends and asked them to treat Dela normally and include her in their activities. After about 2 weeks the staff observed that Dela was more engaged with the other girls, and they were including her in their activities.

Her new friends mentioned that they noticed Dela now avoids the shop and even takes a different route to the centre to avoid the shop and shopkeeper.

Finally, Dela came and asked a staff member to talk. She expressed her appreciation for the help the staff had given to her. She was so happy about the changes that she has made, and really happy that her friends were not rejecting her anymore. She told the staff that now she feels positive and loved. The staff then did an activity with all the girls, which they really enjoyed. The staff will continue to work with Dela with listening sessions, providing a safe space where she can be heard.



For more information

Please contact: info@step-uk.org or visit our website www.step-uk.org

Please do not reproduce any of this report without contacting the UK office – UKADMIN@STEP-UK.ORG

The report was approved by the trustees on 21st November 2023



Megan Dalton – Chair of Trustees
For and on behalf of the Board of Trustees

STEP (UK)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2023

The trustees, who are also the directors of Step (UK) for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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.

STEP (UK)

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF STEP (UK)

I report to the trustees on my examination of the financial statements of Step (UK) (the charity) for the year ended 31 March 2023.

Responsibilities and basis of report

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

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

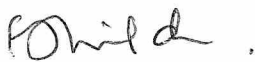
Independent examiner's statement

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

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

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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



Frances Wilde FCCA DChA

Warner Wilde
Chartered Certified Accountants
4 Marigold Drive
Bisley
Surrey
GU24 9SF

Dated: 24 November 2023

STEP (UK)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total Unrestricted funds 2023 £	Restricted funds 2022 £	Total 2022 £
Notes						
Income and endowments from:						
Donations	3	59,272	532,594	591,866	49,278	627,055
Other income	4	1,467	-	1,467	2,229	2,229
Total income		60,739	532,594	593,333	51,507	629,284
Expenditure on:						
Raising funds	5	7,413	-	7,413	5,552	5,552
Charitable activities	6	98,620	537,101	635,721	71,159	648,733
Total expenditure		106,033	537,101	643,134	76,711	654,285
Net outgoing resources before transfers		(45,294)	(4,507)	(49,801)	203	(25,001)
Gross transfers between funds		(4,654)	4,654	-	(25,899)	-
Net (expenditure)/income for the year/ Net (outgoing)/incoming resources		(49,948)	147	(49,801)	26,102	(25,001)
Other recognised gains and losses						
Other gains or losses	10	8,972	8,108	17,080	4,020	10,402
Net movement in funds		(40,976)	8,255	(32,721)	30,122	(14,599)
Fund balances at 1 April 2022		172,368	111,764	284,132	81,642	298,731
Fund balances at 31 March 2023		131,392	120,019	251,411	111,764	284,132

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

All income and expenditure derive from continuing activities.

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

STEP (UK)

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	11		8,972		10,548
Current assets					
Debtors	12	4,600		15,340	
Cash at bank and in hand		330,447		451,705	
		335,047		467,045	
Creditors: amounts falling due within one year	13	(92,608)		(193,461)	
Net current assets			242,439		273,584
Total assets less current liabilities			251,411		284,132
Income funds					
Restricted funds	15		120,019		111,764
Unrestricted funds			131,392		172,368
			251,411		284,132

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2023.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 21st November 2023

K. Ian Wilson

Ian Wilson (Treasurer)
Trustee

Company registration number 6285570

STEP (UK)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	18	(121,259)		53,856	
Net cash used in investing activities		-		-	
Net cash used in financing activities		-		-	
Net (decrease)/increase in cash and cash equivalents		(121,259)		53,856	
Cash and cash equivalents at beginning of year		451,705		397,850	
Cash and cash equivalents at end of year		330,447		451,705	

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

Step (UK) is a private company limited by guarantee incorporated in England and Wales. The registered office is Market House, 21 Lenten Street, Alton, Hampshire, GU34 1HJ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.5 Expenditure

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

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

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

Overheads are apportioned to activities on a reasonable basis for example, hours engaged in different activities for staff costs or floor area for premises costs.

1.6 Tangible fixed assets

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

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

Plant and machinery	20% reducing balance
---------------------	----------------------

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

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

1.8 Cash and cash equivalents

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

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Foreign exchange

Transactions denominated in foreign currencies are recorded at the average rate of exchange during the accounting period.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are included in net outgoing resources.

2 Critical accounting estimates and judgements

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

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

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

3 Donations

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023 £	2023 £	2023 £	2022 £	2022 £	2022 £
Donations and gifts	40,507	107,528	148,035	49,278	57,048	106,326
Legacies receivable	18,765	-	18,765	-	-	-
Project funding for humanitarian relief	-	425,066	425,066	-	520,729	520,729
	<u>59,272</u>	<u>532,594</u>	<u>591,866</u>	<u>49,278</u>	<u>577,777</u>	<u>627,055</u>

4 Other income

	Unrestricted funds	Unrestricted funds
	2023 £	2022 £
Other income	<u>1,467</u>	<u>2,229</u>

5 Raising funds

	Unrestricted funds	Unrestricted funds
	2023 £	2022 £
<u>Fundraising and publicity</u>		
Staff costs	<u>7,413</u>	<u>5,552</u>
	<u>7,413</u>	<u>5,552</u>

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

6 Charitable activities

	2023 £	2022 £
Staff costs	392,699	474,250
Depreciation and impairment	2,300	2,546
Drop in Centre	6,954	15,444
Refugee children in camps	28,083	21,559
Foster Care	70,731	1,000
Mobile Team Internally Displaced Persons	2,042	42,612
Distribution of Emergency Support	-	751
	<u>502,809</u>	<u>558,162</u>
Share of support costs (see note 7)	126,722	83,940
Share of governance costs (see note 7)	6,190	6,631
	<u>635,721</u>	<u>648,733</u>
Analysis by fund		
Unrestricted funds	98,620	71,159
Restricted funds	537,101	577,574
	<u>635,721</u>	<u>648,733</u>

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

7 Support costs

	Support costs £	Governance costs £	2023 £	Support costs £	Governance costs £	2022 £
Staff costs	89,953	-	89,953	57,122	-	57,122
Office, general administration and bank charges	36,769	-	36,769	26,818	-	26,818
Audit fees - Iraq	-	-	-	-	3,267	3,267
Accountancy	-	3,369	3,369	-	2,452	2,452
Independent Examination Fees	-	2,821	2,821	-	912	912
	<u>126,722</u>	<u>6,190</u>	<u>132,912</u>	<u>83,940</u>	<u>6,631</u>	<u>90,571</u>
Analysed between Charitable activities	<u>126,722</u>	<u>6,190</u>	<u>132,912</u>	<u>83,940</u>	<u>6,631</u>	<u>90,571</u>

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, or was reimbursed expenses.

9 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Office	11	10
Drop in Centre	4	9
Arbat Refugee Camp	21	14
Mobile Teams	25	38
Youth empowerment and child protection	1	-
Total	<u>62</u>	<u>71</u>

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

9 Employees (Continued)

Employment costs	2023 £	2022 £
Wages and salaries	465,658	517,414
Social security costs	24,407	19,510
	<u>490,065</u>	<u>536,924</u>

Staff numbers include part time staff and some posts were not filled for the whole of the accounting period.

There were no employees whose annual remuneration was more than £60,000.

10 Other gains or losses

	Unrestricted funds	Restricted funds	Unrestricted funds	Restricted funds	Total
	2023 £	2023 £	2022 £	2022 £	2022 £
Foreign exchange gains	<u>(8,972)</u>	<u>(8,108)</u>	<u>(6,382)</u>	<u>(4,020)</u>	<u>(10,402)</u>

11 Tangible fixed assets

	Plant and machinery £
Cost	
At 1 April 2022	41,266
Exchange adjustments	2,609
At 31 March 2023	<u>43,875</u>
Depreciation and impairment	
At 1 April 2022	30,718
Depreciation charged in the year	2,300
Exchange adjustments	1,885
At 31 March 2023	<u>34,903</u>
Carrying amount	
At 31 March 2023	<u>8,972</u>
At 31 March 2022	<u>10,548</u>

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

12 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Other debtors	-	8,480
Prepayments and accrued income	4,600	6,860
	<u>4,600</u>	<u>15,340</u>

13 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Deferred income	14	58,376	121,905
Other creditors		30,538	66,050
Accruals		3,694	5,506
		<u>92,608</u>	<u>193,461</u>

14 Deferred income

	2023 £	2022 £
Arising from Project Funding	<u>58,376</u>	<u>121,905</u>

Deferred income is included in the financial statements as follows:

	2023 £	2022 £
Deferred income is included within:		
Current liabilities	<u>58,376</u>	<u>121,905</u>
Movements in the year:		
Deferred income at 1 April 2022	121,905	44,796
Released from previous periods	(121,905)	(44,796)
Resources deferred in the year	<u>58,376</u>	<u>121,905</u>
Deferred income at 31 March 2023	<u>58,376</u>	<u>121,905</u>

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds					Movement in funds					
	Balance at 1 April 2021	Incoming Resources	Resources Expended	Transfers	Foreign exchange gains and losses	Balance at 1 April 2022	Incoming Resources	Resources Expended	Transfers	Foreign exchange gains and losses	Balance at 31 March 2023
	£	£	£	£	£	£	£	£	£	£	£
UNHCR	(300)	321,609	(347,208)	25,899	-	-	296,718	(296,718)	-	-	-
St James's Place Charitable Foundation	2,481	29,030	(31,166)	-	13	358	32,953	(33,311)	-	-	-
Other donors [Refugees]	47,445	50,385	(28,925)	-	2,571	71,476	58,598	(52,237)	(2,294)	7,299	82,842
CARITAS Germany	19,893	97,722	(92,267)	-	946	26,294	40,592	(66,886)	-	-	-
US Foundation	12,123	-	(12,123)	-	-	-	-	-	-	-	-
Other donors [DIC]	-	1,001	-	-	37	1,038	955	(1,993)	-	-	-
Stanley Thomas Johnson Foundation	-	64,901	(56,918)	-	298	8,281	72,376	(72,289)	-	809	9,177
Tearfund Ireland	-	7,470	(6,314)	-	43	1,199	67	(1,266)	-	-	-
Other donors [Foster care]	-	5,659	(2,653)	-	112	3,118	2,335	(12,401)	6,948	-	-
Life Skills Training	-	-	-	-	-	-	28,000	-	-	-	28,000
	<u>81,642</u>	<u>577,777</u>	<u>(577,574)</u>	<u>25,899</u>	<u>4,020</u>	<u>111,764</u>	<u>532,594</u>	<u>(537,101)</u>	<u>4,654</u>	<u>8,108</u>	<u>120,019</u>

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

15 Restricted funds

(Continued)

UNHCR – child protection and promoting community cohesion through psychosocial support for children. Child protection and response service to internally displaced children at risk in the Sulymaniyah Governate.

St James's Place Charitable Foundation - child protection work in a Syrian refugee camp in Iraq.

Caritas Germany – child protection for vulnerable and working children. This program is delivered by operating a Drop-in-centre (DIC) in Sulimaniyah.

Stanley Thomas Johnson Foundation – building resilience for Syrian refugee children in Iraq.

TearFund Ireland - to fund capacity building for a foster care program in Northern Iraq.

Life Skills Training - an individual donor has given funds for STEP to implement lifeskills training for young people.

Other Donors (refugees) - these funds, which include the money raised in our annual appeal, are donations from individuals, trusts and other organisations given to support the charity's work in a Syrian refugee camp in Iraq.

Other Donors (DIC) - donations from individuals to support the operation of a Drop-In Centre (DIC).

Other Donors (Foster Care) - donations from individuals to fund capacity building for a foster care program in Northern Iraq.

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

16 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted Funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted Funds 2022 £	Total 2022 £
Fund balances at 31 March 2023 are represented by:						
Tangible assets	8,972	-	8,972	10,548	-	10,548
Current assets/ (liabilities)	122,420	120,019	242,439	161,820	111,764	273,584
	<u>131,392</u>	<u>120,019</u>	<u>251,411</u>	<u>172,368</u>	<u>111,764</u>	<u>284,132</u>

17 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

18 Cash generated from operations

	2023 £	2022 £
Deficit for the year	(49,801)	(25,001)
Adjustments for:		
Foreign exchange differences	16,356	9,913
Depreciation and impairment of tangible fixed assets	2,300	2,546
Movements in working capital:		
Decrease in debtors	10,740	320
(Decrease) in creditors	(37,324)	(11,031)
(Decrease)/increase in deferred income	(63,529)	77,109
Cash (absorbed by)/generated from operations	<u>(121,258)</u>	<u>53,856</u>

19 Analysis of changes in net funds

The charity had no debt during the year.

STEP (UK) LTD

England & Wales - Charity number 1125183

Accounts



STEP (UK)

**Annual Report and
Financial Statements**

Period: 1st April 2021 – 31st March 2022



Registered Charity Number: 1125183. Principal Address: PO Box 801, Southsea, Hampshire, PO1 9EJ
Company Registration Number: 6285570, incorporated in England and Wales Registered Address:
Market House, 21 Lenten Street, Alton, Hants, GU34 1HG

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Introduction

The Trustees, who are also directors, present their report and accounts for the year ended 31 March 2022.

The accounts have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)(effective 1 January 2019)".

Description

STEP (UK) is an international development Charity working to improve the lives of vulnerable children and young people in the Kurdish region of Iraq. STEP's mission is to help the most vulnerable children in the region in a way that becomes locally sustainable – through working in the areas of child protection, child rights and education. The organisation is based in Sulaymaniyah in the Kurdish region of Iraq, implementing front line work, including a drop-in centre for working children and those excluded from school. It also implements strategic work, such as the development of Foster Care Instructions and supports the government in the implementation of a foster care project in the region. Additionally, STEP's work includes advocacy on Child Rights and a variety of training around the protection of children.

The organisation responds to the needs of displaced and refugee children – a response to the crisis in Syria and Iraq. STEP delivers safe spaces and child protection services for displaced and refugee children, including provision of psychosocial, educational, and recreational services.

Reporting Period

This report covers the period from the 1st April 2021 to 31st March 2022

Directors/Trustees

The trustees, who are also the directors for the purpose of company law, and who served during the period were:

Megan Dalton (Chair)
Ian Wilson (Treasurer)
Andy Elliott
Paul Susans
Werner Nijman

Structure, Governance, and Management

STEP (UK) is a Charitable company, limited by guarantee. The company was incorporated in 2007 as 'STEP (UK) 2007 Ltd', and subsequently adopted its present name. It is referred to as STEP. The company memorandum and articles form the organisation's governing documents.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The charity recruits new trustees by advertising among a network of supporters and contacts and gives due consideration to the need to advertise widely in a cost-effective manner. Decisions are made on a consensus basis by the trustees/directors. Where training needs are identified, these are met either on a peer-to-peer basis utilising existing skills within the charity, or where appropriate, sourced externally.

The trustees/directors met regularly through the period to set and monitor the strategic direction of the organisation, review income and expenses and consider risks and mitigations. The directors received reports from the operating region at each meeting, providing assurance that funds are used appropriately and correctly for the benefit of children and young people in the Kurdish Region of Iraq. Reports were also received from visitors to the operating region, confirming the success of the work to which funds were applied. Day to day operations are delegated to the Projects Co-ordinator and Country Director.

There have been no significant organisational changes in the period.

The charity has taken advantage of the exemption from the audit requirement contained in section 477 of the Companies Act 2006. The statutory accounts are the subject of an independent examination rather than a full audit. In addition, our largest funders carry out their own reviews and examinations, and the results of these examinations are reviewed by the trustees and made available to the independent examiner. The Treasurer also performs additional controls to ensure the integrity of the financial data received from Iraq.

Financial Review

Total income for the year was £629,000 (2021: £669,000), of which £578,000 (2021: £608,000) was restricted money for humanitarian projects. The reduction in income is attributable to lower funding in the year for the programme in the Arbat Refugee Camp. This has led to a reduction in this programme. Going forward, thanks to a new grant from the Stanley Thomas Johnson Trust, the continuing support from the Saint James's Place Charitable Foundation and the commitment of smaller trusts and private donors, we should be able to maintain this programme at current levels. The annual grant from UNHCR to support the Mobile Child Protection teams remains at about the same level. This grant now makes up more than 50% of the charity's income (and expenditure). Caritas Germany have continued to support the Drop In Centre, again at around the same level as previous years. The funding position for our work in foster care remains challenging. Fortunately, we have secured a small grant for the next year which along with the balance carried forward should enable us to meet our objectives in the coming year. An explanation of each restricted funding stream is included in note 15 in the accounts. The restricted and unrestricted funds raised from the general public were similar year on year, with a successful annual appeal run through the Big Give.

Operating expenditure for year at £654,000 (2021: £650,000) was similar year on year. The net movement in funds

for the year is a deficit of £15,000, up marginally from the previous years. The charity's management has adapted well to the lower level of funding in the last couple of years compared to previous periods. Provided the main key funding streams remain in place, the charity's operations look sustainable going forward. Total funds as at 31 March 2022 stood at £284,000 of which £112,000 was restricted for humanitarian projects.

Reserves policy

The charity has a policy of maintaining adequate unrestricted cash reserves in Iraq to permit an orderly exit of international staff and a settling of the charity's financial obligations, if for some reason the charity had to cease operations. The charity's obligations to local staff would in those circumstances be fulfilled by payments from the Staff Benevolent Fund, for which there is a separate cash reserve that mirrors the liability included in the balance sheet. The level of reserves required in the UK to permit an orderly wind up of the charity's affairs is minimal.

Public Benefit

The board has taken due regard of the guidance on public benefit published by the Charity Commission in exercising its powers and duties. It is confident that the aims of the organisation and allocation of resources fully satisfy the public benefit requirements.

Objectives and Activities

Agreed strategic objectives for the period:

1. Continue the provision of the existing drop-in centres for children in the region
2. Continue supporting the government in the development of a government implemented foster care system
3. Deliver child protection services and psychosocial support for internally displaced persons (IDPs), refugees and local children located in the Sulaymaniyah governorate in the Kurdish region of Iraq
4. Continue to operate child and youth friendly spaces for refugees and local vulnerable children

Safe Spaces for Children

We continued to operate the Drop-in Centre for working children and those excluded from the formal education system. The centre provides a safe place for play, relaxation and informal small-group education. The centre provides psychosocial, educational, peacebuilding, recreational activities and medical support. The centre welcomes internally displaced (IDP), refugee and local children; the majority of the beneficiaries are IDP children. During the Covid pandemic the centre needed to adapt and provide outreach support to children.

More girls are now working in the bazaar and accessing services provided in the drop-in centre. The building within the bazaar allows us to cater for the growing diversity and demand of the children wanting to use our facility.



Foster Care

STEP has continued to work with the Kurdish Regional Government to establish and develop a foster care system. Progress has been made on the delivery and implementation of this exciting, strategic change in the region.

As part of a pilot project, a government Foster Care Unit was established in 2016. The Unit is part of the Social Care Directorate structure. It has been functioning for six years and is staffed by a manager, six social workers, an administrator and lawyer. Currently there are 21 foster families approved, and 18 children placed within 16 foster families.

Child Welfare Services and Sustainability Programming

STEP continued to support families that fled due to conflict and are now in the Sulaymaniyah Governorate of Iraq. STEP has established a successful partnership with UNHCR, enabling us to meet the needs of non-camp vulnerable children and their families, Internally Displaced People (IDPs) and refugees. In the Syrian refugee camp STEP provides direct services to children through our child friendly spaces and a Child Protection Unit (CPU). The displaced people who live across the region (not in camps) are provided with STEP's support through four mobile child protection teams that bring a wide range of services to children and families in need. Each mobile team covers a specific area where displaced families live, they identify vulnerable children and families, then provide suitable support and advice. These activities have enabled STEP to deliver child protection procedures for children arriving in the area including regular psychosocial activities for children and professional trauma counselling provided by locally employed social workers with multi-lingual capabilities.

STEP sees capacity building as a strategic priority for sustainable programming and therefore over this reporting period has increased the training, mentoring and awareness raising of Child Protection issues across all projects.

Achievements by Programme

Drop in Centre

STEP's first project, a Child Friendly Space (CFS) in the heart of the Sulaymaniyah bazaar called the Drop-in Centre (DIC), opened its doors to working children on the 2nd January 2002. The centre provides psychosocial, educational, and medical support as well as recreational activities. This continued during the COVID pandemic and restrictions, but with limitations; support was provided via telephone calls, via the internet, and on the streets.

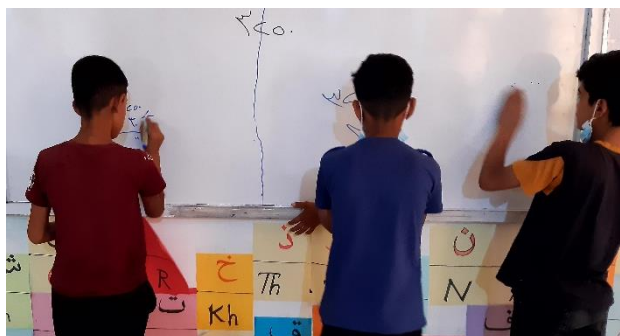
As a response to the needs identified, STEP staff distributed food packages to 57 vulnerable families.

This financial year there were 12,477 visits to the DIC by 996 different children (136 girls and 860 boys). Due to covid restrictions, only small groups of children were allowed to visit at one time until early 2022. This reduced the number of visits in comparison with other years. The staff reached out to the working children and talked with over 300 children on the streets, providing awareness as well as a listening ear.

The Drop-in Centre remained a safe place for many of the most vulnerable children in the city and surrounding area. The centre is located in the middle of the Bazaar where most of the children work or beg. This has allowed STEP to provide specific rooms and activities for girls as well as more targeted therapeutic and psychosocial activities for the children. It has also become a place where children learn tolerance and acceptance of those who are different.

The drop-in centre was open for 233 days during the period 1 April 2021 - 31 March 2022 and provided the following:

- 123 art sessions.
- 634 children attended homework support sessions
- Literacy classes, with 7,582 visits by children to participate in literacy classes



- 104 children received first aid
- 101 children received case management due to child protection concerns or risks
- 94 home visits by social workers
- 28 group therapy sessions took place with 200 children participating
- 1,856 group activity sessions
- 32 peace building sessions were conducted, with 259 children participating
- daily (health) awareness raising sessions were delivered to all children attending the centre
- many children participated in 312 dance sessions
- 446 children received clothes and/or shoes

Supporting the Kurdish Regional Government in Establishing a Foster Care System.



Foster Care is a new term for the Kurdish region and the literal translation in Sorani Kurdish is 'Substitute Family'. We refer to the Foster Family System and use the term foster families instead of Foster Carers.

The development of a foster care system within the Kurdish region, in cooperation and partnership with the Ministry of Labour and Social Affairs (MOLSA) is ongoing. STEP provided technical support, training and mentoring to the Foster Family Section (FFS) social workers and staff. The FFS is part of the department of Social Care & Development in Sulaymaniyah.

2 training sessions were delivered to the social workers

11 practice support sessions were delivered to the social workers

There are 21 approved foster families – 16 families have children placed with them.

Writing of procedural documents was ongoing.

The Governmental Department of Social Care and Development is implementing and running the foster family system

Child Welfare Services and Sustainability Programme

In the Syrian Refugee camp in Arbat, STEP implemented child protection services and the provision of psychosocial and educational support for children and youth. STEP operated a Little Friendly Space (LFS) for children aged 3-5. The LFS provides structured activities specifically designed for this age group. STEP has been providing child protection services in the Arbat Refugee camp since 2013.

The child protection mobile teams have also set up various Child Support Centres in response to the needs identified in areas where many IDPs and Refugees are living. These activities also enable all the social workers to find and support the most vulnerable children through a case-by-case approach, as well as provide a safe child friendly space where children are engaged in psychosocial, recreational and educational activities.

Teaching the children rock climbing is one of the activities we use to empower the children and to build confidence. This has been made possible by a certified Mountain Climbing Instructor, volunteering for STEP, who is able to provide training and supervision. STEP is in a unique position to be able to provide this activity, which has had a big impact in empowering youth to take responsibility, address fears and learn to trust other people who are not from their ethnic background.



Child Protection Awareness Raising

Awareness raising, training and mentoring participants- – these include government workers, NGO child protection actors and key community stakeholders as well as parents and children themselves, in the Sulaymaniyah governorate.

Awareness raising activities are run across all STEP projects. Different awareness activities are used to meet the needs of the audience and they vary according to the message we aim to communicate. Specific topics covered in awareness sessions include neglect, sexual harassment, puberty, child labour, dropping out of school, difficult behaviour in children, child marriage, domestic violence against children, responses for child survivors of gender-based violence (GBV) and social education - resilient participatory discussions on health, safety and security, domestic violence and personal hygiene.

Training

Formal Training & Workshops: STEP provided 12 training sessions/workshops for government staff, Department of Education (DOE) social workers, juvenile police, residency department, NGO staff and STEP staff. Training was provided for 139 professionals working with children on the following topics:

- Communicating with children
- Child labour
 - Child marriage
 - Child protection approaches and child protection concepts

Refugee Camp

1,739 different children and youths were provided age and gender appropriate community based psychosocial activities in the Arbat Refugee Camp, Sulaymaniyah. A total of 23,568 visits were made to the child and youth friendly spaces.

Case management follow-up was provided for 233 different vulnerable and at-risk children, as well as follow up case management for 867 children. This included children who experienced displacement, conflict, violence, abuse, exploitation (including child survivors of Gender Based Violence (GBV), and children who need professional psychosocial support services).

242 literacy sessions took place with 1394 visits of children

45 children benefitted from homework support

Staff developed and produced 8 activity/information leaflets, which were distributed in the camp. A total of 2,420 children received and benefitted from the leaflets.

Art Therapy & Art Hive:

Our aim is to provide a space where the beneficiaries can relax and enjoy each other's company, whilst engaging in therapeutic creative projects. The objective of the Art-Hive is to help meet the psychological and social needs of all who participate; to facilitate the restorative and healing processes involved in building the capacity and resilience needed to promote good mental health, as well as to rekindle and rebuild the joy of working together; of being a community.

There was a total of 1,262 attendances (706 girls/ 556 boys) at 232 art therapy sessions.

Some targeted sessions with small groups of children also took place; providing a therapeutic context where the children are invited to do free-style painting to facilitate free-expression in a safe and professional context. Our aim is to build on and develop this vital work as much as possible over the foreseeable future.



Special Needs Unit (SNU):

STEP works with children with special needs in the refugee camp, in cooperation with the Child Protection Unit.



The difficulties that the children face include autism, global delay, speaking disorder, cerebral palsy, ADHD, Downs syndrome and post-traumatic stress disorder. Relevant training and treatments were provided, including breathing training for speaking disorder cases, cognitive skills development for global delay and autistic cases and training on how to pronounce letters and sounds for the children who have speaking difficulties. Home visits were made to provide services

to children who cannot visit the space. Children that struggled with social skills were encouraged to participate in the LFS, CFS and YFS activities according to their ages with the goal of integrating them with their peers, to help them build friendships and to decrease their isolation. STEP promotes a mainstreaming approach in all our programming. 88 sessions for children with special needs were provided and 18 different children and their families benefitted.

Climbing:

Climbing was an important activity, provided for children and youth; it helps them build trust – getting them to work together promotes life skills such as teamwork and communication. Tackling the challenge of a steep uphill climb with a team will help them realise that they can achieve far more together than as individuals. Being in an outdoor environment has also been shown to have significant benefits for mental health. 144 children/youth were trained in rock climbing, and 5 outdoor activities were carried out in different sites of the Sulaymaniyah mountains. The activities were provided by a qualified instructor.

Child Protection Mobile Teams

In partnership with UNHCR, STEP operated four mobile child protection teams to identify and provide support and assistance to IDP and refugee children at risk. The mobile teams worked in 60 locations in the Sulaymaniyah governorate. The social workers identified and supported 264 vulnerable displaced children through case management.

As part of supporting families and in order to ensure that displaced children and refugee children have a safe and



friendly space to spend time in, STEP continued to operate 5 child support centres (CSC). Through the five child support centres, 900 refugee and internally displaced children received psychosocial support. Additionally, thirty children participated in peacebuilding activities.

Four youth committees were established comprising of a mix of local, internally displaced and refugee youth. The youth were encouraged and supported to be involved in providing relevant activities for youth, such as sport and arts as well as facilitate youth led initiatives.

Thanks and Appreciation

STEP would like to thank the following donors for their support and partnership over this reporting period.

- UNCHR
- Caritas Germany
- Stanley Thomas Johnson Foundation
- St. James's Place Charitable Foundation
- The Big Give (and their Champion Funders)

Appreciation is also given to the **many individual supporters** of STEP who have:

- Donated financially
- Given of their time
- Knitted trauma teddies
- Given in kind gifts to the project

Risk Management and Outlook

The directors have considered the major risks to which the organisation is exposed and identified appropriate mitigating actions where possible. The directors have a security advisor on an advisory board to ensure that security in the region is monitored closely. A security update is given at every trustee meeting – a security plan and protocols are in place. All risks are reviewed at trustee meetings as well as intermittently when advised of any major change. The largest risks relate to security of staff and protection of cash assets in the project. There is a risk of difficulties of liquidity for banks in the project. We have bank accounts locally with different banks to spread the risk of the impact of bank failure. We retain a proportion of funds in the UK, and payments are made through the UK where possible. Other risks are reviewed periodically by directors and project leaders and in trustee meetings.

The charity's finances have been quite stable over the last two years and funding in the current year remains at a similar level. Nevertheless, the charity is experiencing a considerable challenge as a result of exchange rate changes. A significant portion of the charity's income is in European currencies, while its expenses are either in U S dollars or Iraqi dinars (which is linked to the U S dollar).

Another significant development for the charity is that in the coming financial year, one of its funding streams will be moving to a partner charity - STEP Iraq. STEP Iraq has been set up as a local NGO working in parallel with STEP (UK). STEP Iraq will receive the Caritas Germany funding for the Drop-In Centre, and the staff on that project will be transferred to STEP Iraq. STEP (UK) will provide support to STEP Iraq as it develops its operations.

Case Studies

Abbas

Abbas is a 12-year-old boy who was internally displaced from Yathrib. His father has 3 wives, and he left with 2 of his wives and their children to live in Erbil. Abbas, his mother and his 6 siblings are living in Sulaimany. The father is not supporting them in any way. There is little or no contact with their father. Abbas and his brother (age 13) are providing for the family. Two older brothers work as cleaners and pay for the rent for their house (approx. GBP 175).

Abbas works long hours to help provide for his family. He told the staff that if he does not bring home enough money his three brothers and/or mother will beat him. In the last 2 months Abbas' behaviour has changed. He stays out late into the night. His mother and older brother's response was more physical violence, sometimes they chain him to the house. As a result, Abbas has become violent with his younger siblings. He does not want to go home and continues to stay out until very late at night.

Abbas told the staff he feels bad, hates himself and hates his family and does not want to go home.

The staff conducted a home visit and talked with Abbas's mother. The mother told the staff that she has a bad feeling about the situation. She said we are in such a terrible financial situation, and we have nobody that supports us. *"I am obliged to send the children to work, including Abbas"*. Her youngest child is a girl, who is 2 years old. This girl has a heart problem and needs an operation which would cost around USD 20,000. The family does not have this money.

During the visit, the information that that the staff received from the mother was in line with what they heard from Abbas. His mother mentioned that Abbas' s behaviour had always been very good, and he was an easy child. But recently he became bad. According to his mother this is because Abbas has now friends who are older than him and are having a bad influence. They encouraged him to start smoking, which according to the mother is unacceptable in their family and for a child. He spends the money he earns, so he does not bring much money home anymore, which really worries the mother. She explained that was the cause for family members starting to beat him and treat him badly and it was only

after that Abbas started to stay out until very late at night.

After a discussion with Abbas and his mother, he promised not to repeat these things. The mother promised also not to treat him like before and not to beat him anymore. There was more of an understanding between them. The centre provided some food packages for the family and the staff continues to provide follow up and support for Abbas. But the situation is much better now.

Ary

Ary is a Syrian refugee. He fled the war in Syria with his family (7 people) to the Kurdish region of Iraq in 2013. His family lives in the Arbat Refugee camp. The STEP child protection social worker has been involved with this family and has provided psychosocial support to the children since 2013.

In 2017, Ary, who was 10 at that time, was diagnosed with cancer. He has a tumour in his spine, which resulted in him becoming paralysed. There is no treatment for him that is available in Iraq. His family is trying for repatriation to another country where he can receive treatment. The tumour is growing, and this means that Ary's disability is increasing, and functional activities continue to decrease.

Aryhe became very isolated due to his paralysis. STEP staff worked with him and his family to get him involved in activities in the child friendly space. He really liked learning English and participated in English lessons, as well as other educational activities for small groups of children.

With the support and encouragement of the STEP social worker, his family also became more involved in the community. There is a lot of support from the camp community for Ary and his family.

Ary is 15 now and because of his disability it is very difficult for him to come to the centre now. The staff provide support via home visits, video calls and occasionally he comes in for certain activities that he really likes.

The social workers continue to support the family in trying to be re-patriated, so that they can access medical services for Ary.



For more information

Please contact: info@step-uk.org or visit our website www.step-uk.org

Please do **not** reproduce any of this report without contacting the UK office – UKADMIN@STEP-UK.ORG

The report was approved by the trustees on 22 September 2022

A handwritten signature in black ink that reads "MDalton". The letters are cursive and connected.

Megan Dalton – Chair of Trustees
For and on behalf of the Board of Trustees

STEP (UK)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2022

The trustees, who are also the directors of Step (UK) for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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.

STEP (UK)

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF STEP (UK)

I report to the trustees on my examination of the financial statements of Step (UK) (the charity) for the year ended 31 March 2022.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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



Frances Wilde FCCA DChA

Warner Wilde
Chartered Certified Accountants
4 Marigold Drive
Bisley
Surrey
GU24 9SF

Dated: 25 September 2022

STEP (UK)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Income and endowments from:							
Donations	3	49,278	577,777	627,055	56,859	607,944	664,803
Other income	4	2,229	-	2,229	3,821	-	3,821
Total income		51,507	577,777	629,284	60,680	607,944	668,624
Expenditure on:							
Raising funds	5	5,552	-	5,552	5,539	-	5,539
Charitable activities	6	71,159	577,574	648,733	65,269	579,506	644,775
Total expenditure		76,711	577,574	654,285	70,808	579,506	650,314
Net (outgoing)/incoming resources before transfers		(25,204)	203	(25,001)	(10,128)	28,438	18,310
Gross transfers between funds		(25,899)	25,899	-	-	-	-
Net (expenditure)/income for the year/ Net (outgoing)/incoming resources		(51,103)	26,102	(25,001)	(10,128)	28,438	18,310
Other recognised gains and losses							
Other gains or losses	10	6,382	4,020	10,402	(3,233)	(26,142)	(29,375)
Net movement in funds		(44,721)	30,122	(14,599)	(13,361)	2,296	(11,065)
Fund balances at 1 April 2021		217,089	81,642	298,731	230,450	79,346	309,796
Fund balances at 31 March 2022		172,368	111,764	284,132	217,089	81,642	298,731

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

All income and expenditure derive from continuing activities.

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

STEP (UK)

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	11		10,548		12,604
Current assets					
Debtors	12	15,340		15,660	
Cash at bank and in hand		451,705		397,850	
		<u>467,045</u>		<u>413,510</u>	
Creditors: amounts falling due within one year	13	<u>(193,461)</u>		<u>(127,383)</u>	
Net current assets			273,584		286,127
Total assets less current liabilities			<u>284,132</u>		<u>298,731</u>
Income funds					
Restricted funds	15		111,764		81,642
Unrestricted funds			172,368		217,089
			<u>284,132</u>		<u>298,731</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2022.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 22 September 2022

K.L. Wilson

Ian Wilson (Treasurer)
Trustee

Company registration number 6285570

STEP (UK)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	18		53,855		16,658
Net cash used in investing activities			-		-
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			<u>53,855</u>		<u>16,658</u>
Cash and cash equivalents at beginning of year			397,850		381,192
Cash and cash equivalents at end of year			<u><u>451,705</u></u>		<u><u>397,850</u></u>

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Charity information

Step (UK) is a private company limited by guarantee incorporated in England and Wales. The registered office is Market House, 21 Lenten Street, Alton, Hampshire, GU34 1HJ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.5 Expenditure

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

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

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

Overheads are apportioned to activities on a reasonable basis for example, hours engaged in different activities for staff costs or floor area for premises costs.

1.6 Tangible fixed assets

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

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

Plant and machinery	20% reducing balance
---------------------	----------------------

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

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

1.8 Cash and cash equivalents

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

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Foreign exchange

Transactions denominated in foreign currencies are recorded at the average rate of exchange during the accounting period.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are included in net outgoing resources.

2 Critical accounting estimates and judgements

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

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

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

3 Donations

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £
Donations and gifts	49,278	57,048	106,326	56,859	63,893	120,752
Project funding for humanitarian relief	-	520,729	520,729	-	544,051	544,051
	<u>49,278</u>	<u>577,777</u>	<u>627,055</u>	<u>56,859</u>	<u>607,944</u>	<u>664,803</u>

4 Other income

	Unrestricted funds	Unrestricted funds
	2022 £	2021 £
Other income	<u>2,229</u>	<u>3,821</u>

5 Raising funds

	Unrestricted funds	Unrestricted funds
	2022 £	2021 £
<u>Fundraising and publicity</u>		
Staff costs	<u>5,552</u>	<u>5,539</u>
	<u>5,552</u>	<u>5,539</u>

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

6 Charitable activities

	2022 £	2021 £
Staff costs	474,250	456,714
Depreciation and impairment	2,546	3,297
Drop in Centre	15,444	15,547
Refugee children in camps	21,559	16,394
Foster Care	1,000	1,043
Mobile Team Internally Displaced Persons	42,612	59,525
Distribution of Emergency Support	751	-
	<u>558,162</u>	<u>552,520</u>
Share of support costs (see note 7)	83,940	86,821
Share of governance costs (see note 7)	6,631	5,434
	<u>648,733</u>	<u>644,775</u>
Analysis by fund		
Unrestricted funds	71,159	65,269
Restricted funds	577,574	579,506
	<u>648,733</u>	<u>644,775</u>

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

7 Support costs

	Support costs £	Governance costs £	2022 £	Support costs £	Governance costs £	2021 £
Staff costs	57,122	-	57,122	72,314	-	72,314
Office, general administration and bank charges	26,818	-	26,818	14,507	-	14,507
Audit fees - Iraq	-	3,267	3,267	-	2,374	2,374
Accountancy	-	2,452	2,452	-	2,305	2,305
Independent Examination Fees	-	912	912	-	755	755
	<u>83,940</u>	<u>6,631</u>	<u>90,571</u>	<u>86,821</u>	<u>5,434</u>	<u>92,255</u>
Analysed between Charitable activities	<u>83,940</u>	<u>6,631</u>	<u>90,571</u>	<u>86,821</u>	<u>5,434</u>	<u>92,255</u>

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, or was reimbursed expenses.

9 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Office	10	11
Drop in Centre	9	6
Arbat Refugee Camp	14	13
Mobile Teams	38	33
Total	<u>71</u>	<u>63</u>

Employment costs

	2022 £	2021 £
Wages and salaries	517,414	534,567
Social security costs	19,510	-
	<u>536,924</u>	<u>534,567</u>

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

9 Employees (Continued)

Staff numbers include part time staff and some posts were not filled for the whole of the accounting period.

There were no employees whose annual remuneration was more than £60,000.

10 Other gains or losses

	Unrestricted funds	Restricted funds	Unrestricted funds	Restricted funds	Total
	2022 £	2022 £	2021 £	2021 £	2021 £
Foreign exchange gains	(6,382)	(4,020)	3,233	26,142	29,375

11 Tangible fixed assets

	Plant and machinery £
Cost	
At 1 April 2021	39,416
Exchange adjustments	1,850
At 31 March 2022	41,266
Depreciation and impairment	
At 1 April 2021	26,811
Depreciation charged in the year	2,546
Exchange adjustments	1,361
At 31 March 2022	30,718
Carrying amount	
At 31 March 2022	10,548
At 31 March 2021	12,604

12 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Other debtors	8,480	8,231
Prepayments and accrued income	6,860	7,429
	15,340	15,660

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

13 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Other taxation and social security		-	1,138
Deferred income	14	121,905	44,796
Other creditors		66,050	74,975
Accruals		5,506	6,474
		<u>193,461</u>	<u>127,383</u>

14 Deferred income

	2022 £	2021 £
Arising from Project Funding	<u>121,905</u>	<u>44,796</u>

Deferred income is included in the financial statements as follows:

	2022 £	2021 £
Deferred income is included within:		
Current liabilities	<u>121,905</u>	<u>44,796</u>
Movements in the year:		
Deferred income at 1 April 2021	44,796	34,977
Released from previous periods	(44,796)	(34,977)
Resources deferred in the year	<u>121,905</u>	<u>44,796</u>
Deferred income at 31 March 2022	<u>121,905</u>	<u>44,796</u>

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds					Balance at 31 March 2022
	Balance at 1 April 2021	Incoming Resources	Resources Expended	Transfers	Foreign exchange gains and losses	
	£	£	£	£	£	£
UNHCR	(300)	321,609	347,208	25,899	-	-
St James's Place Charitable Foundation	2,481	29,030	31,166	-	13	358
Other donors [Refugees]	47,445	50,385	28,925	-	2,571	71,476
CARITAS Germany	19,893	97,722	92,267	-	946	26,294
US Foundation	12,123	-	12,123	-	-	-
Other donors [DIC]	-	1,001	-	-	37	1,038
Stanley Thomas Johnson Foundation	-	64,901	56,918	-	298	8,281
Tearfund Ireland	-	7,470	6,314	-	43	1,199
Other donors [Foster care]	-	5,659	2,653	-	112	3,118
	<u>81,642</u>	<u>577,777</u>	<u>(577,574)</u>	<u>25,899</u>	<u>4,020</u>	<u>111,764</u>

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

15 Restricted funds

(Continued)

	Balance at 1 April 2020	Incoming Resources	Movement in funds			Balance at 31 March 2021
	£	£	Resources Expended	Transfers	Foreign exchange gains and losses	£
			£	£	£	
UNDP	6,823	-	(6,823)	-	-	-
PLC	-	49,500	(62,251)	15,593	(2,842)	-
UNHCR	8,878	370,061	(362,683)	-	(16,556)	(300)
St James's Place Charitable Foundation	-	19,293	(16,078)	-	(734)	2,481
UK Refugee Appeal	-	-	-	-	-	-
Other donors [Refugees]	35,474	63,251	(34,326)	(15,387)	(1,567)	47,445
CARITAS Germany	-	105,839	(82,194)	-	(3,752)	19,893
US Foundation	28,171	-	(15,151)	(206)	(691)	12,123
	<u>79,346</u>	<u>607,944</u>	<u>(579,506)</u>	<u>-</u>	<u>(26,142)</u>	<u>81,642</u>

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

15 Restricted funds

(Continued)

UNHCR – child protection and promoting community cohesion through psychosocial support for children. Child protection and response service to internally displaced children at risk in the Sulymaniyah Governate.

St James's Place Charitable Foundation - child protection work in a Syrian refugee camp in Iraq.

CARITAS Germany – child protection for vulnerable and working children. This program is delivered by operating a Drop-in-centre (DIC) in Sulimaniyah.

Stanley Thomas Johnson Foundation – building resilience for Syrian refugee children in Iraq.

TearFund Ireland - to fund capacity building for a foster care program in Northern Iraq.

US Foundation - to fund capacity building for a foster program in Northern Iraq.

Other Donors (refugees) - these funds, which include the money raised in our annual appeal, are donations from individuals, trusts and other organisations given to support the charity's work in a Syrian refugee camp in Iraq.

Other Donors (DIC) - donations from individuals to support the operation of a Drop-In Centre (DIC).

Other Donors (Foster Care) - donations from individuals to fund capacity building for a foster care program in Northern Iraq.

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

16 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted Funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted Funds 2021 £	Total 2021 £
Fund balances at 31 March 2022 are represented by:						
Tangible assets	10,548	-	10,548	12,604	-	12,604
Current assets/ (liabilities)	161,820	111,764	273,584	204,485	81,642	286,127
	<u>172,368</u>	<u>111,764</u>	<u>284,132</u>	<u>217,089</u>	<u>81,642</u>	<u>298,731</u>

17 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).

18 Cash generated from operations

	2022 £	2021 £
Deficit for the year	(25,001)	18,310
Adjustments for:		
Foreign exchange differences	9,913	(27,797)
Depreciation and impairment of tangible fixed assets	2,546	3,297
Movements in working capital:		
Decrease/(increase) in debtors	320	(4,206)
(Decrease)/increase in creditors	(11,031)	17,235
Increase in deferred income	77,109	9,819
Cash generated from operations	<u>53,856</u>	<u>16,658</u>

19 Analysis of changes in net funds

The charity had no debt during the year.

STEP (UK) LTD

England & Wales - Charity number 1125183

Accounts



STEP (UK)

Annual Report and Financial Statements

Period: 1st April 2020 – 31st March 2021



Registered Charity Number: 1125183. Principal Address: PO Box 801, Southsea, Hampshire, PO1 9EJ
Company Registration Number: 6285570, incorporated in England and Wales Registered Address:
Market House, 21 Lenten Street, Alton, Hants, GU34 1HG

STEP (UK)

FOR THE YEAR ENDED 31 MARCH 2021

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Introduction

The Trustees, who are also directors, present their report and accounts for the year ended 31 March 2021.

The accounts have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)(effective 1 January 2019)".

Description

STEP (UK) Ltd is an international development charity, working to improve the lives of vulnerable children and young people in the Kurdish region of Iraq. STEP's mission is to help the most vulnerable children in the region in a way that becomes locally sustainable through working in the areas of child protection, child rights and education. The organisation implements front line work, including a drop-in centre for working children and those excluded from school in a major city in the Kurdish region of Iraq. It also implements strategic work, such as the development of Foster Care Instructions and supports the government in the implementation of a foster care project in the region. STEP's work includes advocacy on Child Rights and various training around the protection of children.

The organisation responds to the needs of displaced and refugee children, in response to the crisis in Syria and Iraq. STEP delivers child protection services and safe spaces for displaced and refugee children, including provision of psychosocial, educational and recreational services.

Reporting Period

This report covers the period from the 1st April 2020 to 31st March 2021

Directors/Trustees

The trustees, who are also the directors for the purpose of company law, and who served during the period were:

Megan Dalton (Chair)

Ian Wilson (Treasurer)

Andy Elliott

Paul Susans

Werner Nijman

Structure, Governance, and Management

STEP (UK) Ltd is a charitable company, limited by guarantee. The company was incorporated in 2007 as 'STEP (UK) 2007 Ltd', and subsequently adopted its present name and is referred to as STEP. The company memorandum and articles form the organisation's governing documents.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The charity recruits new trustees by advertising among a network of supporters and contacts and gives due consideration to the need to advertise widely in a cost-effective manner. Decisions are made on a consensus basis by the trustees/directors. Where training needs are identified, these are met either on a peer-to-peer basis utilising existing skills within the charity, or where appropriate, sourced externally.

The trustees/directors met regularly through the period to set and monitor the strategic direction of the organisation, review income and expenses and consider risks and mitigations. The directors received reports from the operating region at each meeting, providing assurance that funds are used appropriately and correctly for the benefit of children and young people in the Kurdish Region of Iraq. Day to day operations are delegated to the Projects Co-ordinator and Country Director.

There have been no significant organisational changes in the period.

Covid 19 Pandemic

The Covid 19 pandemic has had a significant impact on the operations of the charity. Local restrictions necessitated closing the child friendly spaces during the various local lockdown periods. The work adapted to providing online and remote support, outreach to children to ensure they were educated about corona virus and the need for hand hygiene, and outreach and support to families.

The charity has taken advantage of the exemption from the audit requirement contained in section 477 of the Companies Act 2006. The charity has been entitled to this exemption for a number of years, but the trustees have preferred to have an audit carried out to provide additional reassurance. A field audit was not practical this year due to global and local travel restrictions, so the accounts have been the subject of an independent examination. Our largest funders carry out their own reviews and examinations, and these have continued. In addition, the Treasurer has performed a number of additional controls to ensure the integrity of the financial data received from Iraq.

Financial Review

Total income for the year was £669,000 (2020: £771,000), of which £608,000 (2020: £701,000) was restricted money for humanitarian projects. The reduction in income is attributable to lower funding in the year for the program in the Arbat Refugee Camp. This has led to a reduction in this program. Going forward, thanks to a new grant from the Stanley T Johnson Trust, the continuing support from the Saint James's Place Charitable Foundation and the commitment of smaller trusts and private donors, we should be able to maintain this program at current levels. The annual grant from UNHCR to support the Mobile Child Protection teams remains at about the same level. This

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

project is the most significant grant of the charity's income (and expenditure). Caritas Germany have continued to support the Drop In Centre, again at around the same level as previous years. The funding position for our work in foster care remains challenging. Fortunately, we have secured a small grant for the next year which along with the balance carried forward should enable us to meet our objectives in the coming year. An explanation of each restricted funding stream is included in note 15 in the accounts. Unrestricted donations were £57,000 up from £46,000 in the previous year.

Operating expenditure for year at £650,000 (2020: £813,000) fell in line with the reduction in income. The net movement in funds for the year is a deficit of £11,000, a reduction from prior years. The charity's management has adapted well to the lower level of funding compared to previous years. Provided the main key funding streams remain in place, the charity's operations are sustainable going forward. Total funds at 31 March 2021 stood at £299,000 of which £82,000 was restricted for humanitarian projects.

Reserves policy

The charity has a policy of maintaining adequate unrestricted cash reserves in Iraq to permit an orderly exit of international staff and a settling of the charity's financial obligations, if for some reason the charity had to cease operations. The charity's obligations to local staff would in those circumstances be fulfilled by payments from the Staff Benevolent Fund, for which there is a separate cash reserve that mirrors the liability included in the balance sheet. The level of reserves required in the UK to permit an orderly wind up of the charity's affairs is minimal.

Public Benefit

The board has taken due regard of the guidance on public benefit published by the charity commission in exercising its powers and duties. It is confident that the aims of the organisation and allocation of resources fully satisfy the public benefit requirements.



The child centre in the refugee camp

Objectives and Activities

Agreed strategic objectives for the period:

1. Continue the provision of the existing drop-in centres for children in the region
2. Continue supporting the government in the piloting of a government implemented foster care system
3. Deliver child protection services and psychosocial support for internally displaced persons (IDPs) and refugees located in the Sulaymaniyah governorate in the Kurdish region of Iraq
4. Continue to operate child and youth friendly spaces for refugees and local vulnerable children

Safe Spaces for Children

We continued to operate the Drop-in Centre for working children and those excluded from the formal education system. The centre provides a safe place for play, relaxation and informal small-group education. The centre provides psychosocial, educational, peacebuilding, recreational activities and medical support. The centre welcomes internally displaced (IDP), refugee and local children; the majority of the beneficiaries are IDP children. During the Covid pandemic the centre needed to adapt and provide outreach support to children.

More girls are now working in the bazaar and accessing services provided in the drop-in centre. The building within the bazaar allows us to cater for the growing diversity and demand of the children wanting to use our facility.

Foster Care

STEP has continued to work with the Kurdish Regional Government to develop and pilot a foster care system. Progress has been made on the delivery and implementation of this exciting, strategic change in the region.

As part of a pilot project, a government Foster Care Unit was established in 2016. The Unit is part of the Social Care Directorate structure. It has been functioning for six years and is staffed by a manager, six social workers, an administrator and lawyer. Currently there are 23 foster families approved, and 17 children placed within 15 foster families.

Child Welfare Services and Sustainability Programming

STEP continued to support families that fled due to conflict and are now in the Sulaymaniyah Governorate of Iraq. STEP has established a successful partnership with UNHCR, enabling us to meet the needs of non-camp vulnerable children and their families, Internally Displaced People (IDPs) and refugees. In the Syrian refugee camp STEP provides direct services to children through our child friendly spaces and a Child Protection Unit (CPU). The displaced people who live across the region (not in camps) are provided with STEP's support through four mobile child protection teams that bring a wide range of services to children and families in need. Each mobile team covers a specific area where displaced families live, they identify vulnerable children and families, then provide suitable support and advice. These activities have enabled STEP to deliver child protection procedures for children arriving in the area including regular psychosocial activities for children and professional trauma counselling provided by locally employed social workers with multi-lingual capabilities.

STEP sees capacity building as a strategic priority for sustainable programming and therefore over this reporting period has increased the training, mentoring and awareness raising of Child Protection issues across all projects.

Achievements by Program

Drop in Centre

STEP's first project, a Child Friendly Space (CFS) in the heart of the Sulaymaniyah bazar called the Drop-in Centre (DIC), opened its doors to working children on the 2nd January 2002. The centre provides psychosocial, educational, and medical support as well as recreational activities. This continued during the COVID pandemic and restrictions, but with limitations; support was provided via telephone calls, via the internet, and on the streets.

As a response to the needs identified, STEP staff distributed food packages to 55 vulnerable families.

This financial year there were 2,919 visits to the DIC by 467 different children (58 girls and 409 boys). Due to covid restrictions, only small groups of children were allowed to visit at one time. This reduced the number of visits in comparison with other years. The staff reached out to the working children and talked with 1,523 children on the streets, providing awareness as well as a listening ear.

The Drop in Centre remained a safe place for many of the most vulnerable children in the city and surrounding area. The centre is located in the middle of the Bazaar where most of the children work or beg. This has allowed STEP to provide specific rooms and activities for girls as well as more targeted therapeutic and psychosocial activities for the children. It has also become a place where children learn tolerance and acceptance of those who are different.

Teaching the children rock climbing is one of the activities we use to empower the children and to build confidence. This has been made possible by a certified Mountain Climbing Instructor, volunteering for STEP, who is able to provide training and supervision. STEP is in a unique position to be able to provide this activity, which has had a big impact in empowering youth to take responsibility, address fears and learn to trust other people who are not from their ethnic background.

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

The drop-in centre was open for 120 days during the period 1 April 2020 - 31 March 2021 (the centre was closed due to COVID -19 during April, May, July, August and part of September) and provided the following:

- 73 art sessions.
- 28 children attended homework support sessions
- Literacy classes, with 2610 visits by children to participate in literacy classes
- 35 children received first aid
- 97 children received case management due to child protection concerns or risks
- 486 group activity sessions, 2,712 children visited these sessions
- 4 peace building sessions, with 53 children
- 410 (health) awareness raising sessions
- many children participated in 328 dance sessions

Supporting the Kurdish Regional Government in Establishing a Foster Care System.



Foster Care is a new term for the Kurdish region and the literal translation in Sorani Kurdish is 'Substitute Family'. We refer to the Foster Family System and use foster families instead of Foster Carers.

The development of a foster care system within the Kurdish region, in cooperation and partnership with the Ministry of Labour and Social Affairs (MOLSA) is ongoing. STEP provided technical support, training and mentoring to the Foster Family Unit (FFU) social workers and staff. The FFU is part of the department of Social Care & Development in Sulaimany.

24 training sessions, mostly online, were delivered to the social workers

28 online practice support sessions were delivered to the social workers

11 (online) training sessions with foster families took place

There are 21 approved foster families, and 15 families have children placed with them.

The Governmental Department of Social Care and Development is implementing and running the foster family programme.

Child Welfare Services and Sustainability Programming

In the Syrian Refugee camp in Arbat, STEP operated a Little Friendly Space (LFS) for children aged 3-5, a Child Friendly Space (CFS) for the age group 6-13 and Youth friendly space (YFS) for the age group 14-17. STEP has been providing child protection services in the Arbat Refugee camp since 2013. During this reporting period STEP has implemented the activities and services in partnership with PLC (Pre-emptive Love Coalition) and St. James's Place Charitable Foundation, as well as individual donations. The LFS, CFS & YFS run structured activities specifically designed for the age range of children.

The child protection mobile teams have also set up various Child Support Centres in response to the needs identified in areas where many IDPs and Refugees are living in informal settlements. These activities also enable all the social workers to find and support the most vulnerable children through a case by case approach, as well as provide a safe child friendly space where children are engaged in psychosocial, recreational and educational activities.



Child Protection Awareness Raising

Awareness raising, training and mentoring participants - these include government workers, NGO child protection actors and key community stakeholders including parents and children themselves, in Sulaymaniyah governorate.

Awareness raising activities are run across all STEP projects. Different awareness activities are used to meet the needs of the audience and they vary according to the message we aim to communicate. Specific topics covered in awareness sessions include: neglect, sexual harassment, puberty, child labour, dropping out of school, difficult behaviour in children, child marriage, domestic violence against children, responses for child survivors of gender based violence (GBV) and social education - resilient participatory discussions on health, safety and security, domestic violence and personal hygiene.

Training

Formal Training & Workshops: STEP provided 13 training sessions / workshops government staff, Department of Education (DOE) social workers, juvenile police, residency department, NGO staff and STEP staff. Training was provided for 178 professionals working with children on the following topics:

- Communicating with children,
- Child marriage,
- Child protection approaches and child protection concepts.

More specific training and mentoring has been delivered as part of the Foster Care Project and details of awareness raising, training and mentoring will be covered as part of the achievements stated below per project.

Refugee Camp

1,112 different children and youths were provided age and gender appropriate community based psychosocial activities in the Arbat Refugee Camp, Sulaymaniyah. A total of 11,615 visits (were made to the child and youth friendly spaces. The centres consist of the Little Friendly Space (LFS – ages 4-6), Child Friendly Space (CFS – ages 7-13) and Youth Friendly Space (YFS – ages 14-18).

Case management follow-up was provided for 378 different vulnerable and at-risk children. There were 91 new cases. This included children who experienced displacement, conflict, violence, abuse, exploitation (including child survivors of Gender Based Violence (GBV), and children who need professional psychosocial support services).

Staff developed and produced 15 activity/information leaflets, which were distributed in the camp. A total of 4864 children received and benefitted from the leaflets.



Art Therapy & Art Hive:

Our aim is to provide a space where the beneficiaries can relax and enjoy each other's company, whilst engaging in therapeutic creative projects. The objective of the Art-Hive is to help meet the psychological and social needs of all who participate; to facilitate the restorative and healing processes involved in building the capacity and resilience needed to promote good mental health, as well as to rekindle and rebuild the joy of working together; of being a community.

Working in liaison with STEP's Child Protection Unit (CPU), our Psychosocial Consultant and Art-Therapist has continued regular art therapy sessions 518 children have participated in the activities and have come to the art therapy sessions. Some targeted sessions with small groups of children also have taken place; providing a therapeutic context where the children are invited to do free-style painting to facilitate free-expression in a safe and professional context. This is pioneering mental-health work within STEP's CFS and the Art-therapist, alongside the CPU team leader is planning a structure that can facilitate this on an ongoing basis.



Our aim is to build on and develop this vital work as much as possible over the foreseeable future.

Special Needs Unit (SNU):

STEP works with children with special needs in the refugee camp, in cooperation with the Child Protection Unit.

The difficulties that the children face include autism, global delay, speaking disorder, cerebral palsy, ADHD, Downs syndrome and post-traumatic stress disorder. Relevant training and treatments were provided, including breathing training for speaking disorder cases, cognitive skills development for global delay and autistic cases and training on how to pronounce letters and sounds for the children who have speaking difficulties. Home visits were made to provide services to children who cannot visit the space. Children that struggled with social skills were encouraged to participate in the LFS, CFS and YFS activities according to their ages with the goal of integrating them with their peers, to help them build friendships and to decrease their isolation. STEP promotes a mainstreaming approach in all our programming.

Child Protection Mobile Teams

In partnership with UNHCR, STEP operated four mobile child protection teams to identify and provide support and assistance to IDP or refugee children at risk. The mobile teams worked in 61 locations in the Sulaymaniyah governorate. The social workers identified and supported 203 vulnerable displaced children through case management, 51 separated children were supported.

As part of supporting families and in order to ensure that displaced children and refugee children have a safe and friendly space to spend time in, STEP continued to operate 5 child support centres (CSC). Through the five child support centres, 630 refugee and internally displaced children received psychosocial support., mostly remotely. The staff of the child support centres provided 200 awareness sessions on child protection related issues. A total of 104 children and 133 parents participated. They covered 68 different topics.

335 children participated in online English lessons and 366 children participated in other online educational lessons and activities.

4 youth committees were established comprising of a mix of local, internally displaced and refugee youth. The youth were encouraged and supported to be involved in providing relevant activities for youth, such as sport and arts as well as facilitate youth led initiatives.

Thanks and Appreciation

STEP would like to thank the following donors for their support and partnership over this reporting period.

- UNCHR
- Caritas Germany
- Pre-emptive Love Coalition (PLC)
- St. James's Place Charitable Foundation
- The Big Give

Appreciation is also given to the **many individual supporters** of STEP who have:

- Donated financially
- Given of their time
- Knitted trauma teddies
- Given in kind gifts to the project

Risk Management

The directors have considered the major risks to which the organisation is exposed and identified appropriate mitigating actions where possible. The directors have a security advisor on an advisory board in order to ensure that security in the region and that local events are being monitored closely. A security update is given at every trustee meeting and a security plan and protocols are in place. All risks are reviewed at trustees meetings as well as intermittently when advised of any major change. Covid has been a significant risk to health and we have tried to mitigate the impact through introducing processes to minimise the risk of contracting or spreading the virus. The largest risks relate to security of staff and protection of cash assets in the project. There is a risk of difficulties of liquidity for banks in the project. We have bank accounts locally with different banks to spread the risk of the impact

of bank failure and retain a proportion of funds in the UK, making a larger number of payments through the UK where possible. Other risks are reviewed periodically by directors and project leaders and in trustee meetings.

Case Studies

Hawre

Hawre is 12 years old. His family came to Sulaimaniyah from Mosul in 2010. Four years ago, his father passed away from cancer and since then his family has been in an extremely difficult situation with no income.

His mother spends her time begging and Hawre is trying to earn some money by working in the bazar. STEP's staff noticed that he was not looked after well, his clothes were dirty and old, and he didn't look after himself. He told the staff that things at home were out of control, and he was sad all the time. He earns 2000-3000 IQD per day (1-2 USD) which is only enough to buy bread for his family.

He lives with his mother, one older sister (15), a brother aged 10, and a sister and brother both aged 5. Hawre is a quiet boy with good behaviour, all he thinks about or cares about is providing and caring for his family. Most of the times that Hawre visited the DIC, he brought his brothers. His mother tells him to look after the boys, while she is begging. Hawre finds it a big responsibility and stressful.

He told our staff: *"I do not know what to do with them and I am quite unhappy about the situation."*



They live in a tent at the outskirts of the city, the tent is leaking and very cold in the winter. Hawre's mother told our staff that the tent is not legal or safe; the owner of the tent told them to move out. They had been allowed to stay there for free, and they have nowhere else to go. They have hardly any household materials, and with three of them working/begging they usually only make around 4000 Iraqi dinar per day (less than 3USD) which is used for food.

During the Covid-19 pandemic STEP provided a food package for the family as they were so vulnerable, and we also decided to do a home visit to look at other ways to support them and understand their situation.

During the home visit, they learnt that none of the members of the family have been in school; education is not a priority. Hawre's mother stated that she cannot cover any expenses related to school.

Tears were streaming down Hawre's mother's face when she told our staff that in order to work in the market, Hawre walks at least 1.5 hours each way to the bazar and back every day. It is a long walk, but he has no money for the bus. She has a kidney problem, but no money for treatment. Her 5-year-old son has a heart problem and needs surgery, but

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

they do not have money for medication or surgery. They have poor relationships with the rest of their family. The grandfather, on the father's side, is apparently quite wealthy, but after the death of their father, he does not care about them and has never visited or provided any financial help. Both Hawre's mother's parents have died. Her siblings live abroad and told her she could join them but without any of the children. They are willing to help her, but not the children.

STEP staff provided clothes and new shoes for the children, as well as the food package. They also were able to advocate for the family and convince the owner of the tent to let the family stay while they look for better accommodation.

They encouraged Hawre to continue to come the drop-in centre, as there he can get support for himself and his siblings, relax, access learning, play and talk with somebody he trusts.

Staff will continue to follow up and monitor the situation, providing as much support as possible going forward.

Rosa



Rosa is 7, and her family has lived in the refugee camp since 2016. Rosa was referred to the child protection unit by the primary care health centre in the camp, due to mental health problems. The mother tells the staff that Rosa was not able to walk until she was 3, and only recently started talking. Her mother shared that Rosa is always very angry and has a sleeping disorder. Rosa started having one-to-one sessions with the special needs social worker, as well as participating in activities in the child friendly space, and she benefitted a lot. Rosa's mother says: *"thank you God, my daughter is now communicating with other children, and playing with them. Her attention and comprehension has improved, she is not angry all the time anymore. If it wasn't for the lock down because of the corona virus, my daughter would be even better now. We do not want to return to Syria, there is nothing there for us. Here my daughter is happy now, she has friends and is learning and improving and she really likes to come to the centre."*

For more information

Please contact – UKADMIN@STEP-UK.ORG

Please do **not** reproduce any of this report without contacting the UK office – UKADMIN@STEP-UK.ORG

The report was approved by the trustees on 20th November 2021



Megan Dalton – Chair of Trustees
For and on behalf of the Board of Trustees

STEP (UK)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2021

The trustees, who are also the directors of Step (UK) for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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.

STEP (UK)

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF STEP (UK)

I report to the trustees on my examination of the financial statements of Step (UK) (the charity) for the year ended 31 March 2021.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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



Frances Wilde FCCA DChA

Warner Wilde
Chartered Certified Accountants
4 Marigold Drive
Bisley
Surrey
GU24 9SF

Dated: 21 November 2021

STEP (UK)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes						
Income and endowments from:							
Donations	3	56,859	607,944	664,803	45,877	701,446	747,323
Other income	4	3,821	-	3,821	23,344	-	23,344
Total income		60,680	607,944	668,624	69,221	701,446	770,667
Expenditure on:							
Raising funds	5	5,539	-	5,539	4,338	-	4,338
Charitable activities	6	65,269	579,506	644,775	38,529	770,022	808,551
Total resources expended		70,808	579,506	650,314	42,867	770,022	812,889
Gross transfers between funds		-	-	-	(6,861)	6,861	-
Net (expenditure)/income for the year/ Net (outgoing)/incoming resources		(10,128)	28,438	18,310	19,493	(61,715)	(42,222)
Other recognised gains and losses							
Other gains or losses	10	(3,233)	(26,142)	(29,375)	(256)	-	(256)
Net movement in funds		(13,361)	2,296	(11,065)	19,237	(61,715)	(42,478)
Fund balances at 1 April 2020		230,450	79,346	309,796	211,213	141,061	352,274
Fund balances at 31 March 2021		217,089	81,642	298,731	230,450	79,346	309,796

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

All income and expenditure derive from continuing activities.

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

STEP (UK)

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	11		12,604		17,479
Current assets					
Debtors	12	15,660		11,454	
Cash at bank and in hand		397,850		381,192	
		<u>413,510</u>		<u>392,646</u>	
Creditors: amounts falling due within one year	13	<u>(127,383)</u>		<u>(100,329)</u>	
Net current assets			286,127		292,317
Total assets less current liabilities			<u>298,731</u>		<u>309,796</u>
Income funds					
Restricted funds	15		81,642		79,346
Unrestricted funds			217,089		230,450
			<u>298,731</u>		<u>309,796</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2021.

The trustees acknowledges his responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 20th November 2021

K. Ian Wilson

Ian Wilson (Treasurer)

Trustee

Company Registration No. 6285570

STEP (UK)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	18		16,658		(43,164)
Investing activities					
Purchase of tangible fixed assets		-		(9,927)	
Proceeds on disposal of tangible fixed assets		-		4,096	
Net cash used in investing activities			-		(5,831)
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			16,658		(48,995)
Cash and cash equivalents at beginning of year			381,192		430,185
Cash and cash equivalents at end of year			397,850		381,192

STEP (UK)

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

1 Accounting policies

Charity information

Step (UK) is a private company limited by guarantee incorporated in England and Wales. The registered office is Market House, 21 Lenten Street, Alton, Hampshire, GU34 1HJ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.5 Expenditure

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

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

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

Overheads are apportioned to activities on a reasonable basis for example, hours engaged in different activities for staff costs or floor area for premises costs.

1.6 Tangible fixed assets

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

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

Plant and machinery	20% reducing balance
---------------------	----------------------

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

1.7 Impairment of fixed assets

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

1.8 Cash and cash equivalents

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

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Foreign exchange

Transactions denominated in foreign currencies are recorded at the average rate of exchange during the accounting period.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are included in net outgoing resources.

2 Critical accounting estimates and judgements

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

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

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

3 Donations

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £
Donations and gifts	56,859	63,893	120,752	45,877	35,474	81,351
Project funding for humanitarian relief	-	544,051	544,051	-	665,972	665,972
	<u>56,859</u>	<u>607,944</u>	<u>664,803</u>	<u>45,877</u>	<u>701,446</u>	<u>747,323</u>

4 Other income

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Other income	<u>3,821</u>	<u>23,344</u>

5 Raising funds

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
<u>Fundraising and publicity</u>		
Staff costs	<u>5,539</u>	<u>4,338</u>
	<u>5,539</u>	<u>4,338</u>

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

6 Charitable activities

	2021 £	2020 £
Staff costs	456,714	646,318
Depreciation and impairment	3,297	4,272
Drop in Centre	15,547	17,069
Refugee children in camps	16,394	32,790
Foster Care	1,043	3,372
Mobile Team Internally Displaced Persons	59,525	43,581
Distribution of Emergency Support	-	687
	552,520	748,089
Share of support costs (see note 7)	86,821	57,522
Share of governance costs (see note 7)	5,434	2,940
	644,775	808,551
Analysis by fund		
Unrestricted funds	65,269	38,529
Restricted funds	579,506	770,022
	644,775	808,551

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

7 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Staff costs	72,314	-	72,314	-	-	-
Office, general administration and bank charges	14,507	-	14,507	57,522	-	57,522
Audit fees - Iraq	-	2,374	2,374	-	-	-
Accountancy	-	2,305	2,305	-	2,200	2,200
Independent Examination Fees	-	755	755	-	740	740
	<u>86,821</u>	<u>5,434</u>	<u>92,255</u>	<u>57,522</u>	<u>2,940</u>	<u>60,462</u>
Analysed between Charitable activities	<u>86,821</u>	<u>5,434</u>	<u>92,255</u>	<u>57,522</u>	<u>2,940</u>	<u>60,462</u>

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, or was reimbursed expenses.

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Office	11	12
Drop in Centre	6	10
Arbat Refugee Camp	13	22
Mobile Teams	33	39
	<u>63</u>	<u>83</u>

Employment costs

	2021 £	2020 £
Wages and salaries	534,567	646,903
Social security costs	-	3,753
	<u>534,567</u>	<u>650,656</u>

Staff numbers include part time staff and some posts were not filled for the whole of the accounting period.

There were no employees whose annual remuneration was £60,000 or more.

10 Other gains or losses

	Unrestricted funds	Restricted funds	Unrestricted funds
	2021 £	2021 £	2020 £
Foreign exchange gains	<u>3,233</u>	<u>26,142</u>	<u>256</u>

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

11 Tangible fixed assets

	Plant and machinery £
Cost	
At 1 April 2020	43,738
Exchange adjustments	(4,322)
At 31 March 2021	39,416
Depreciation and impairment	
At 1 April 2020	26,259
Depreciation charged in the year	3,297
Exchange adjustments	(2,744)
At 31 March 2021	26,812
Carrying amount	
At 31 March 2021	12,604
At 31 March 2020	17,479

12 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Other debtors	8,231	8,148
Prepayments and accrued income	7,429	3,306
	15,660	11,454

13 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Other taxation and social security		1,138	871
Deferred income	14	44,796	34,977
Other creditors		74,975	53,041
Accruals		6,474	11,440
		127,383	100,329

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) *FOR THE YEAR ENDED 31 MARCH 2021*

14 Deferred income

	2021 £	2020 £
Arising from Project Funding	44,796	34,977

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Movement in funds					
	Balance at 1 April 2019	Incoming Resources	Resources Expended	Transfers	Balance at 1 April 2020	Incoming Resources	Resources Expended	Transfers	Foreign exchange gains and losses	Balance at 31 March 2021
	£	£	£	£	£	£	£	£	£	£
UNDP	6,823	-	-	-	6,823	-	(6,823)	-	-	-
PLC	115	115,670	(115,785)	-	-	49,500	(62,251)	15,593	(2,842)	-
Stanley Thomas Johnson Foundation	11,347	57,752	(69,099)	-	-	-	-	-	-	-
UNHCR	13,217	365,502	(369,841)	-	8,878	370,061	(362,683)	-	(16,556)	(300)
UNICEF	14,948	-	(14,948)	-	-	-	-	-	-	-
Step KRI	94,611	-	(94,611)	-	-	-	-	-	-	-
St James's Place Charitable Foundation	-	-	-	-	-	19,293	(16,078)	-	(734)	2,481
Other donors	-	35,474	-	-	35,474	63,251	(34,326)	(15,387)	(1,567)	47,445
CARITAS Germany	-	96,119	(102,980)	6,861	-	105,839	(82,194)	-	(3,752)	19,893
US Foundation	-	30,929	(2,758)	-	28,171	-	(15,151)	(206)	(691)	12,123
	<u>141,061</u>	<u>701,446</u>	<u>(770,022)</u>	<u>6,861</u>	<u>79,346</u>	<u>607,944</u>	<u>(579,506)</u>	<u>-</u>	<u>(26,142)</u>	<u>81,642</u>

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

15 Restricted funds

(Continued)

UNDP – equipping diverse communities for peace through mediation and alternatives to violence programs.

PLC – supporting displaced Syrian refugee children in a refugee camp.

Stanley Thomas Johnson Foundation – building resilience for Syrian refugee children in Iraq.

UNHCR – child protection and promoting community cohesion through psychosocial support for children. Child protection and response service to internally displaced children at risk in the Sulymaniyah Governate.

UNICEF – to support program of cooperation with the government of Iraq to improve the lives of women and children.

Step KRI – the balance of the activities in KRI before transfer to STEP (UK), restricted to KRI (rather than UK) expenditure.

St James's Place Charitable Foundation - child protection work in a Syrian refugee camp in Iraq.

CARITAS Germany – emergency child protection for Syrian refugee children and youth in non-camp areas. Set up of comprehensive and inclusive child protection system in Northern Iraq.

US Foundation - to fund capacity building for a foster program in Northern Iraq.

Other Donors - these funds are donations from individuals, trusts and other donations that are given to support one particular program or in response to a specific appeal to support one of our programs.

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

16 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted Funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted Funds 2020 £	Total 2020 £
Fund balances at 31 March 2021 are represented by:						
Tangible assets	12,604	-	12,604	17,479	-	17,479
Current assets/ (liabilities)	204,485	81,642	286,127	212,971	79,346	292,317
	<u>217,089</u>	<u>81,642</u>	<u>298,731</u>	<u>230,450</u>	<u>79,346</u>	<u>309,796</u>

17 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).

STEP (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

18	Cash generated from operations	2021 £	2020 £
	Deficit for the year	18,310	(42,222)
	Adjustments for:		
	Foreign exchange differences	(27,797)	(1,367)
	Depreciation and impairment of tangible fixed assets	3,297	4,272
	Movements in working capital:		
	(Increase)/decrease in debtors	(4,206)	345
	Increase in creditors	17,235	10,435
	Increase/(decrease) in deferred income	9,819	(14,627)
	Cash generated from/(absorbed by) operations	<u>16,658</u>	<u>(43,164)</u>
19	Analysis of changes in net funds		
	The charity had no debt during the year.		