



Drugs & Alcohol, Resettlement, Aftercare, Family Support

Steps2Recovery
(A Company Limited by Guarantee)

Company registration number: 07269361

Trustees Report and Financial Statements

for the year ended

31st March 2023

Wenn Townsend

Chartered Accountants

Oxford

The registered and principal office of Steps2Recovery is Lexham House, 28 St Charles Square, London W10 6EE, and you can visit our website at www.steps2recovery.org.uk

Steps2Recovery

Contents

	Page
Legal and administrative information	1
Report of the trustees	2 - 8
Independent examiner's report	9
Statement of financial activities	10
Balance sheet	11
Statement of cash flows	12
Notes to the financial statements	13 - 16

Steps2Recovery

Legal and Administrative Information

Steps2Recovery was registered with Companies House on 1st June 2010 as a private company limited by guarantee and with the Charity Commission. The charity registration number is 1138353, and our limited company number is 7269361.

STATUS

Registered as a company limited by guarantee on 1st June 2010
and granted charitable status on 11th October 2010

CHARITY NUMBER 1138353

COMPANY NUMBER 07269361

TRUSTEES

Tom Bolt
Lesley Hart – Chair of Trustees
Charles Clode
Sophie Molins
Gwendoline Young
James Ohene-Djan
Ed Frazer

PATRONS

Anna Chancellor
Matt Lucas
Ant McPartlin
Amzie McPartlin
David Morrissey

WEBSITE www.steps2recovery.org.uk

REGISTERED OFFICE

Lexham House
28 St Charles Square
London
W10 6EE

PRINCIPAL BANKERS

Charities Aid Foundation & Santander UK Plc

INDEPENDENT EXAMINER

Ajay Bahl FCA
Wenn Townsend
30 St Giles
Oxford OX1 3LE

Steps2Recovery

Report of the Trustees for the year ended 31st March 2023

The trustees (who are also directors of the charitable company) present their report and the financial statements for the year ended 31st March 2023. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities (FRS102) in preparing the annual report and financial statements of the charity.

PURPOSE OF THE CHARITY

Breaking the chain of addiction and re-offending in the community, creating a safer environment for all.

The trustees have had regard to the guidance issued by the Charity Commission on public benefit. Steps2Recovery delivers public benefit by supporting clients with a history of offending behaviour, fuelled by drug and alcohol addictions. We know that facilitating change with this vulnerable group helps to improve their own safety, the safety and happiness of their families, and ultimately the safety and well-being of the wider community.

We help to improve the lives of people in the criminal justice system affected by alcohol or drug dependency by providing high quality, abstinence-based treatment options, help with practical needs and end-to-end support through working with other agencies.

We provide a day programme in a safe and supported residential setting to enable and encourage clients to improve the quality of their lives and to fulfil their potential without recourse to alcohol, drugs and re-offending.

We enable clients to:

- Achieve long term freedom from drink, drugs and crime, helping them to identify and recognise triggers that lead back to relapse and how to avoid them. We encourage clients to see the positive benefits of making changes to their lives and recognise their part in living well.
- Engage and build positive relationships during the programme, with counsellors, mentors and their peers. We encourage them to develop sustainable and positive relations outside our structured programme by attending self-help/ mutual aid groups, giving them the best opportunity for long term recovery capital. We work closely with clients to begin repairing or rebuilding family ties, in order to establish positive family relationships; and
- Use our support to engage positively with our partners and other agencies to deal with practical problems they face, such as homelessness, unemployment, custody issues, skills, literacy and family issues.

MAIN ACTIVITIES OF THE CHARITY

Steps2Recovery is an independent charity now based in Ladbroke Grove, West London. The charity was established in 2010 with the initial objective of finding solutions to the problem of individuals repeatedly ending up in the prison system because of behaviour directly linked to an addiction, whether it be to alcohol or drugs. We work with people caught up in the Criminal Justice System who are motivated to deal with their addictions and associated criminal behaviours; our central purpose is to facilitate rehabilitative improvement in their lives. Steps2Recovery takes the position that effective addiction treatment is a significant part of the solution to a health-based problem; we stand alongside those in the Criminal Justice System and wider community who advocate for diversion rather than incarceration. Evidence clearly demonstrates that prison is an ineffective way of dealing with addiction and we know from our own outcomes that if people can be given help precisely at the point that they are motivated to make changes in their lives, the cycle of addiction, associated criminal offending and prison can be broken.

In November 2022, Steps2Recovery relocated from its original base in Stoke Newington in order to work with increased numbers of residential clients in an improved therapeutic environment. Our new property was formerly a private residential addiction treatment facility (part of the Gladstones Treatment Group) and is consequently arranged in a way that matches our clients' needs. The Steps2Recovery team which includes Operations, Counselling and Night Support Staff, delivers a 12-week residential addiction treatment programme to people caught up in the Criminal Justice System who would otherwise be homeless.

Steps2Recovery

Report of the Trustees (continued) for the year ended 31st March 2023

Operational activities are diverse and wide ranging and include fundraising, building and servicing strategic partnerships within the Criminal Justice System and forming relationships within the treatment sector and wider community. Referrals come from prison-based drug and alcohol teams, our clients are also referred to us via the probation services and we will, on occasion, consider 'self-referrals' from vulnerable people struggling to cope with addiction in the community.

Our counselling team is highly qualified - all our therapists are members of the British Association for Counselling and Psychotherapy. The counsellors have their own personal experience of addiction and the person-centred, trauma-informed treatment programme they deliver is informed not only by their high levels of qualification but by lived experience.

THE STEPS2RECOVERY TREATMENT PROGRAMME:

The programme includes:

- * 1:1 counselling and daily group therapy/psycho-educational workshops which focus on addiction/recovery, criminality, inter-personal patterns of relating, individual behaviour process and unconscious/conscious alignment.
- * Creative therapies and workshops which would include, yoga, art therapy, phototherapy, drama & movement therapy, music therapy.
- * Health & well-being activities and workshops aimed at providing holistic support, these include: nutrition/cooking classes, gym-membership for all residents, life-skills coaching, spiritual guidance workshops, homeopathy, reflexology, auricular acupuncture and regular bi-monthly client outings.
- * Education, Training and Employment support with direct links into volunteer/work experience schemes where appropriate and if the individual client's recovery foundations laid down at Steps2Recovery make this a safe and viable possibility.

In addition to the programme clients are:

- * Helped with making the correct benefits claims. Recovery can be negatively affected if issues around personal finance are not promptly and effectively dealt with.
- * Helped to re-connect with children in the care system -- where possible and appropriate we work to reunite parents and children and offer clients access to pro-bono legal support delivered by legal team who are connected to the charity.
- * Guaranteed 'move on' into abstinence-based housing via established relationships with community-based housing organisations, primarily Kairos Community Trust. We have, on occasion, also assisted clients in moving into private rented sector if/when appropriate via relationships built with housing agencies. In doing this we remove anxieties around homelessness following treatment completion. This component of our offering is an essential part of the client's individual journey.
- * In regular contact with S2R Graduates & Peer Mentors which increases hope, personal-motivation and sense of connection. We have a graduate client on site as a peer mentor who assists the counselling and support teams in matters of client care and guidance.
- * Offered comprehensive aftercare, with potential for weekly group therapy and 1:1 Counselling, tailored to individual need.

Personal responsibility lies at the core of our organisational culture. Our clients are helped and encouraged to make positive choices and to build healthy relationships and support networks outside of the therapeutic programme.

Steps2Recovery

Report of the Trustees (continued) for the year ended 31st March 2023

2022-23: KEY ACHIEVEMENTS

Having relocated in November, we now have residential capacity for 11 clients on our 12-week treatment programme and, over the course of 2022-2023 we worked with 30 clients. Given that we aim to admit our beneficiaries directly from prison, we are, on occasion, subject to circumstances beyond our control including change of release dates, parole hearings being moved and relapse before arrival. Consequently, we will offer places to people in the community who are entrenched in addiction and associated behaviours including those referred to us by probation services. We will, on occasion accept self-referrals from vulnerable people in the community. Our objective is that 80% of our capacity is guaranteed to those leaving prison who would otherwise be homeless.

Our clients come to Steps2Recovery because they have made a decision to deal with their addiction. This is the critical moment at which Steps2Recovery's help and support begins. We provide this support when our clients' motivation is at its height rather than after weeks of dispiriting community-based assessments. We offer our clients access to high quality addiction treatment customised to their needs as people who have been through the Criminal Justice System and provide them with the tools to move forward free from addiction. Our clients are not able to fund private treatment and are often unable to maintain motivation if help is delayed. We meet their need for treatment at the point when their potential for change is at its greatest. All our clients will have remained entirely abstinent from mood altering substances for the length of their treatment at Steps2Recovery. For some this will be the longest period of abstinence they have had since starting to drink and use drugs. They will also have support systems in place to ensure that they have the best possible opportunity to remain drug and alcohol free. They will have established, with the support of our counsellors, a network of peers in the community and will have ongoing access to Steps2Recovery's aftercare programme.

Clients also arrive at Steps2Recovery from prison determined to bring an end to the offending which is inextricably linked to their addiction issues. Steps2Recovery addresses the individual's need to address offending behaviours by factoring these issues into its treatment programme and by recognising that life skills are necessary components of it. There is a clear need for a very specific kind of help for ex-offenders caught in the cycle of short prison sentences, homelessness, drug-use and chaotic living. Steps2Recovery's clients are given the best possible chance to make positive choices and avoid what has generally been a regular transition from community to prison.

Good relationships are established with probation services and clients will have complied with any curfew and Home Detention Curfew (HDC) requirements and acquired improved organisational skills. Our clients' offending/prison history is made available to us at the point of referral and as a consequence we are aware of specific triggers or activities that might require particular attention. Personal responsibility and the choice to take it is central to our approach to treatment and this is emphasised from the point at which our client contract is signed.

As our clients come to us either from prison or are homeless following a prison sentence, we expect only a minority of them to have secure accommodation to return to on departure. We consider it vital that our clients do not leave Steps2Recovery unless they have suitable accommodation to move on to; we have a strategic alliance with a housing organisation, Kairos Community Trust, that means all our clients are able to move on to abstinence-based accommodation; in exceptional cases, and where appropriate, we will assist clients in finding somewhere to live in the private rented sector. Dealing with homelessness is an objective that feeds directly into our purpose of helping the addicted ex-offender break the cycle in which they are trapped.

Steps2Recovery provides immediate accommodation and a guarantee that when treatment is completed our clients have somewhere to live which is safe and supportive. We consider this a necessity. This focus on removing concern and anxiety for our clients around issues of homelessness contributes significantly to positive outcomes. We expect 100% of clients to be housed following treatment. This may on occasion mean a client returning to another part of the country, but no-one returns to homelessness (whether that means temporary accommodation, sofa surfing or the street). We know where every individual will live following departure from the charity (80% of graduated clients move to Kairos housing) and that, by definition, they will be in secure accommodation.

Steps2Recovery

Report of the Trustees (continued) for the year ended 31st March 2023

CHALLENGES

The move to Lexham House and a direct lease relationship offers significant opportunities (primarily improved therapeutic conditions, capacity for increased admissions and rental revenue) but it has brought with it a range of new operational considerations. In the past, all client rental revenue was directed without deduction to our landlord, St Mungo's who were also responsible for utilities and all maintenance related issues and could be called upon to carry out repairs where necessary. The relationship with St Mungo's had been in place since 2014 and the uniquely supportive landlord/tenant relationship it gave us allowed us to focus our energies on helping our client group and developing relationships with referral partners and funders.

Our relocation to Lexham House has meant that there are new areas of operation relating to the move away from St Mungo's and the 'big organisation' structure they have provided over the last eight years. Our Head of Operations is now managing the relationship with the local council regarding Housing Benefits; having run operations at Kairos he is well-experienced in managing abstinence-based housing. Our relocation has also resulted in the improvement of systems/processes in order to provide us with a solid platform from which we can effectively help our clients, support our staff and manage new relationships within Kensington and Chelsea Borough Council.

PARTNERSHIPS

Steps2Recovery's work complements the activities carried out by a range of partner organisations. We work with prison-based drug and alcohol teams including closely coordinating our activities with the most significant of these, the Forward Trust. We also interact with organisations including CGL, Phoenix Futures, Women in Prison and liaise closely with probation services; we will, when required, attend court in order to assist in the diversion of clients to our service rather than back to short prison sentences (we accept clients assigned to Home Detention Curfew and regularly deliver reports to probation/courts).

We liaise with 'in borough' community-based addiction treatment provider Turning Point to offer them an abstinence-based option and have worked closely with the Integrated Offender Management (IOM) panel - a team of probation, police, housing, DIP and other services.

Our therapeutic programme is reviewed regularly by external consultants and our clients have a voice in our service delivery.

STRATEGIC OBJECTIVES

Steps2Recovery's strategy remained rooted in its three foundational 'pillars': **Consolidation, Fundraising and Creating Awareness.**

The charity entered a new planning phase having delivered on the key objectives of the previous year (our primary objective being to secure a larger, more therapeutically appropriate property).

In line with targets, funding was secured to cover three years' CEO salary in order to separate the trustee 'Chair/CEO' role and we continued to create awareness via involvement in various events and recovery-based initiatives. For example, in October we partnered with the All-Party Parliamentary Group on 12 Step Recovery and subsequently hosted an event at the House of Lords. We also worked with an alliance of organisations to promote Taking Action on Addiction week which culminated in a video message being made and distributed by the initiative's patron, HRH Princess of Wales.

Steps2Recovery

Report of the Trustees (continued) for the year ended 31st March 2023

Annex A – structure and governance

Lesley Hart continued as Chair and fulfilled the role of Chief Executive Officer whilst a new salaried CEO was being sought.

The Board remained unchanged:

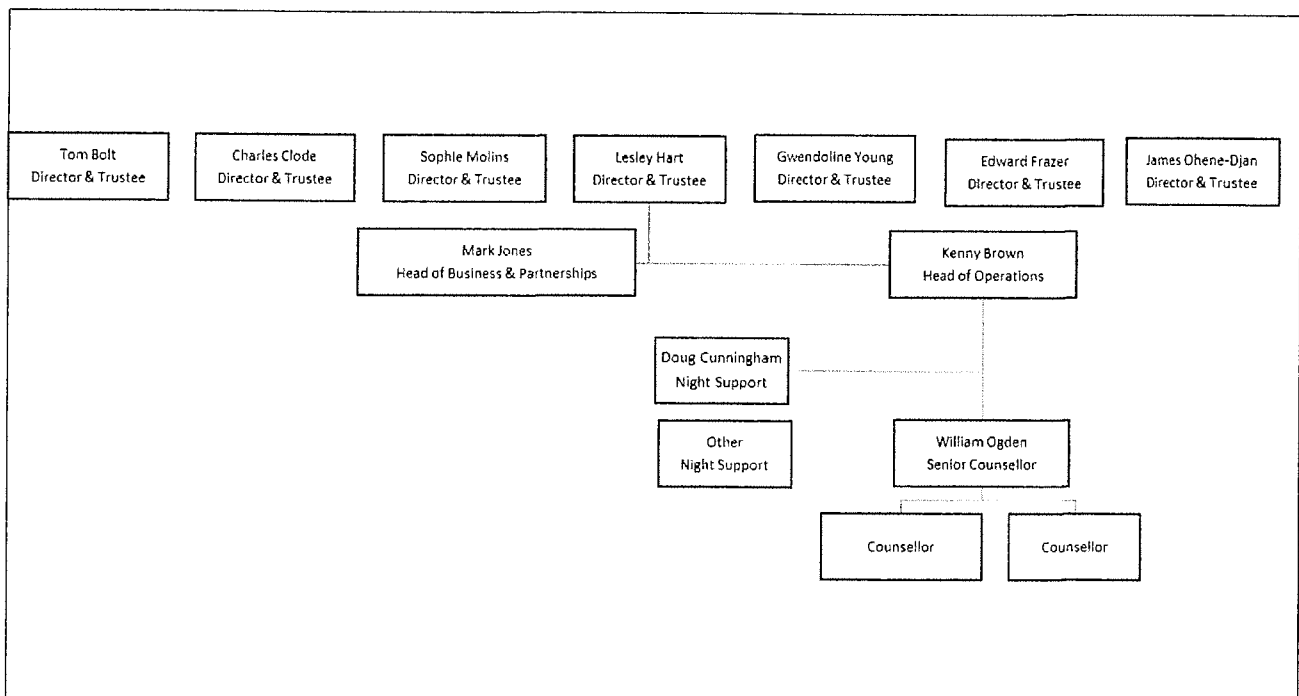
Tom Bolt
Charles Clode
Edward Frazer
Lesley Hart – Chair/CEO
Sophie Molins
James Ohene-Djan
Gwendoline Young

Steps2Recovery adheres to the 2020 Charity Governance Code and its seven guiding principles. This is monitored on an ongoing basis by trustee Gwendoline Young. GDPR is also monitored in accordance with current guidelines/regulations.

Operations are headed by Kenny Brown with Mark Jones taking responsibility for Business and Partnerships and William Ogden managing the clinical team.

We remain committed to equity, diversity and inclusion and our Board reflects this commitment.

Our organisation chart –



The rights and responsibilities of the Trustee/ Directors are set out in our Memorandum of Association. They do not receive funding or benefit from Steps2Recovery.

Steps2Recovery

Report of the Trustees (continued) for the year ended 31st March 2023

Income

Total income was £379,571 (2022: £221,802) an increase of £157,769. Income received from grants and contracts accounted for 58% of all income received and was £218,575 (2022: £142,000) an increase of £76,575 from the previous year.

Expenditure

Total expenditure was £310,418 (2022: £216,778), an increase of £93,640.

Balances

Restricted balances carried forward for use in 2023-24 have decreased from £51,065 to £49,836. Unrestricted balances carried forward for use in 2023-24 have increased from £70,861 to £141,243.

Reserves policy

The Steps2Recovery Reserves policy describes the rationale for holding and calculating its Operating Reserve. The minimum level of the Operating Reserve is determined by key expenses to the organisation to ensure Trustees can meet all liabilities in the event that key funded services need to be wound down. These cover:

- Contractual wage costs due during wind down of services
- Statutory redundancy costs for employed staff.
- A reserve to cover rent payments and meet lease agreements.
- Cashflow reserves to cover other running costs during wind down of services.

The calculation to meet these conditions has resulted in an Operating Reserve of £142,000. The Board are content that they meet their Reserve ambition and will review this in 2024 alongside a review of their strategic priorities for the next three years.

Going concern

Steps2Recovery's service delivery model means that statutory/government funding is not available to us. Our ethos is based upon being able to offer ex-offenders treatment for addiction issues at the point at which they are motivated to make changes in their lives. Our treatment programme is delivered entirely free of charge and allows our client group to circumvent the lengthy community-based funding assessments that see so many of them lose hope and motivation and return to the cycle of addiction, crime, and prison.

Funding to date has been generated by:

- Application to trusts and foundations (57%)
- Corporate fundraising events (15%)
- Enhanced Housing Benefit (16%)
- Individual giving (9%)
- Corporate donations (3%).

Several of Steps2Recovery's Trust and Foundation grant making supporters have committed to donate across multiple years and the key fundraising events are long established and have broadly delivered consistent levels of funding over recent years. The charity has several high net worth individual supporters who have also been a constant in terms of annual donation. The larger property we relocated to at the end of 2022 is leased directly and we are now responsible for collecting clients' Housing Benefit in order to cover the costs of the lease and our additional costs incurred in supporting this vulnerable client group. This represents a new revenue stream and also results in an increase in annual costs; however, these costs are securely covered.

Steps2Recovery

Report of the Trustees (continued) for the year ended 31st March 2023

Annex B

The Charity's Objects are:-

1. Promotion of the Law, Police and Crime Prevention

To promote for the benefit of the public in London and the southeast the provision of services to those victims, and ex-offenders affected by addiction, and crime, with a view to the preservation of public order, and for the protection of the well-being of such victims and the rehabilitation of such offenders.

2. Advice and counselling

The relief of the physical and mental sickness of persons in need by reason of addiction to substances, in particular by the provision of counselling and support.

3. Promotion of Social Inclusion

To promote social inclusion for the public benefit by a revolutionary Rehabilitation approach to reduce re-offending, working with people in (London and the south east) who are socially excluded on the grounds of their substance abuse, and dependency, including alcohol and drugs; (in particular, victims of crime, ex-offenders and their families) to relieve the needs of such people and assist them to integrate into society, in particular by rehabilitation and education.

TRUSTEES RESPONSIBILITIES

Law applicable to incorporated charities in England and Wales requires the trustees of the charity and the directors of the company to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charity and of its financial activities for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards and the Charities SORP, disclosing and explaining any departure in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with charity law.

They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

This report has been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities (FRS102) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

APPROVAL

Approved and authorised for issue by the Board of Trustees on 9th November 2023 and signed on their behalf by:



Lesley Hart
Chair of the Board

Independent Examiner's Report to the Trustees

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 March 2023 which are set out on pages 10 to 16.

Responsibilities and basis of report

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

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

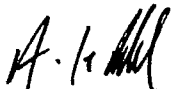
Independent examiner's statement

Since the company'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 ICAEW which is one of the listed bodies.

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

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts 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 accounts 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 accounts to be reached.



Ajay Bahl BA BFP FCA
Wenn Townsend
30 St Giles
Oxford
OX1 3LE

9th November 2023

Steps2Recovery

Statement of Financial Activities for the year ended 31st March 2023

Notes	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
INCOME AND EXPENDITURE				
Income and endowments from:				
Donations, legacies and grants	159,710	121,325	281,035	168,514
Other trading activities:				
Fundraising events	37,885	-	37,885	53,287
Local Government (Housing Benefit)	60,519	-	60,519	-
Investment income: bank interest	132	-	132	1
Total income	<u>258,246</u>	<u>121,325</u>	<u>379,571</u>	<u>221,802</u>
Expenditure on:				
Charitable activities	2 173,125	122,554	295,679	205,153
Raising funds	3 9,823	-	9,823	6,848
Governance costs	4 4,916	-	4,916	4,777
Total expenditure	<u>187,864</u>	<u>122,554</u>	<u>310,418</u>	<u>216,778</u>
Net income/(expenditure) before taxation	<u>70,382</u>	<u>(1,229)</u>	<u>69,153</u>	<u>5,024</u>
Net movement in funds	<u>70,382</u>	<u>(1,229)</u>	<u>69,153</u>	<u>5,024</u>
Fund balances at 1st April 2022	<u>70,861</u>	<u>51,065</u>	<u>121,926</u>	<u>116,902</u>
Fund balances at 31st March 2023	<u><u>141,243</u></u>	<u><u>49,836</u></u>	<u><u>191,079</u></u>	<u><u>121,926</u></u>

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above.

The notes on pages 13 to 16 form part of these financial statements

Steps2Recovery

Balance Sheet
as at 31st March 2023

	Notes	£	2023 £	2022 £
CURRENT ASSETS				
Debtors	7	4,050		1,836
Cash at bank and on deposit		197,439		126,144
		<u>201,489</u>		<u>127,980</u>
CURRENT LIABILITIES				
Amounts falling due within one year	8	(10,410)		(6,054)
		<u></u>		<u></u>
NET CURRENT ASSETS			191,079	121,926
NET ASSETS			<u>191,079</u>	<u>121,926</u>
FUNDS				
Unrestricted funds			141,243	70,861
Restricted funds	9		49,836	51,065
			<u>191,079</u>	<u>121,926</u>

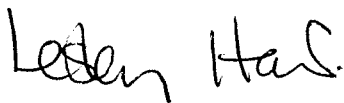
The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st March 2023.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st March 2023 in accordance with Section 476 of the Companies Act 2006.

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

Approval

The financial statements were approved and authorised for issue by the Board of Trustees on 9th November 2023 and signed on their behalf by:



Lesley Hart
Chair of the Board

The notes on pages 13 to 16 form part of these financial statements

Steps2Recovery

Statement of Cash Flows for the year ended 31st March 2023

	2023 £	2022 £
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net cash provided by/(used in) operating activities	71,295	3,821
Change in cash and cash equivalents in the reporting period	71,295	3,821
Cash and cash equivalents at 1st April 2022	126,144	122,323
Cash and cash equivalents at 31st March 2023	197,439	126,144

RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net (expenditure)/income for the year as per the Statement of Financial Activities	69,153	5,024
Adjusted for:		
(Increase)/decrease in debtors	(2,214)	(1,836)
Increase/(decrease) in creditors	4,356	633
Other non cash adjustments	-	-
Net cash (used in)/provided by operating activities	71,295	3,821

ANALYSIS OF CASH AND CASH EQUIVALENTS

	2023 £	2022 £
Cash at bank and in hand	197,439	126,144
	197,439	126,144

The charity has no borrowings or obligations under finance leases; therefore a reconciliation of net debt has not been provided.

The notes on pages 13 to 16 form part of these financial statements

Steps2Recovery

Notes to the Financial Statements for the year ended 31st March 2023

1. ACCOUNTING POLICIES

- a) The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (issued in October 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, UK Generally Accepted Practice and the Companies Act 2006. The financial statements have been prepared on the going concern basis and the functional currency is sterling rounded to the nearest £1.
- b) The charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.
- c) Voluntary income received by way of donations and gifts is included in full in the Statement of Financial Activities when received unless they relate to a specific period, in which case they are recognised as income in the period to which they relate.
- d) Revenue grants are shown in the Statement of Financial Activities in the year to which they relate and when the conditions for receipt have been complied with. Where the grant has to be matched to a different period the deferred element is deducted from incoming resources and carried forward in liabilities.
- e) Restricted funds represent grants and donations which are allocated by the donor for specific purposes.
- f) Designated funds are unrestricted funds earmarked by the trustees for particular purposes.
- g) Rentals payable under operating leases are taken to the profit and loss account on a straight line basis over the lease term.

2. EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Staff costs (note 6)	109,891	101,438	211,329	178,967
Staff travel and subsistence	453	-	453	312
Staff training and development	1,058	866	1,924	451
Other staff costs	3,170	2,593	5,763	2,344
Rent	41,666	-	41,666	10,000
Telephone and IT	2,158	1,765	3,923	1,427
Postage and stationery	208	-	208	42
Client travel and subsistence	2,414	1,975	4,389	3,788
Client skills and education	-	2,075	2,075	-
Operations	1,391	1,138	2,529	4,012
Volunteer expenses	1,139	931	2,070	195
Albion Road running costs	1,054	1,581	2,635	3,615
Lexham House running costs	1,699	2,118	3,817	-
Light, power and heating	4,487	4,161	8,648	-
External - support workers	2,337	1,913	4,250	-
	<u>173,125</u>	<u>122,554</u>	<u>295,679</u>	<u>205,153</u>

The 2022 comparatives of £205,153, include restricted charitable activities expenditure of £94,939 and unrestricted expenditure of £110,214.

Steps2Recovery

Notes to the Financial Statements for the year ended 31st March 2023

3. EXPENDITURE ON RAISING FUNDS

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Fundraising	4,342	-	4,342	6,848
Information, publicity and website	5,481	-	5,481	-
	<u>9,823</u>	<u>-</u>	<u>9,823</u>	<u>6,848</u>

All of the 2022 expenditure is unrestricted.

4. GOVERNANCE COSTS

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Independent examiner's fees	1,800	-	1,800	1,800
Legal and financial	3,116	-	3,116	2,977
	<u>4,916</u>	<u>-</u>	<u>4,916</u>	<u>4,777</u>

All of the 2022 expenditure is unrestricted.

5. TAX ON ACTIVITIES

Steps2Recovery is a registered charity and as such is not liable for taxation on any surplus.

6. STAFF COSTS

	2023 £	2022 £
Salaries	188,704	162,960
Annual leave accrual 2023	3,227	-
Employers national insurance	12,405	9,549
Pension contributions	6,993	6,458
	<u>211,329</u>	<u>178,967</u>

The average number of employees during the year was 7 (2022: 7). No employee earned over £60,000 per annum. None of the trustees received any emoluments or travelling expenses during the year (2022: £Nil).

Steps2Recovery

Notes to the Financial Statements (continued) for the year ended 31st March 2023

7. DEBTORS

	2023 £	2022 £
Other debtors	4,050	1,836
	<u>4,050</u>	<u>1,836</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Accruals	5,027	1,800
Tax and social security	5,383	4,254
	<u>10,410</u>	<u>6,054</u>

9. RESTRICTED FUNDS – CURRENT YEAR

	At 01.04.22 £	Received in year £	Expenditure in year £	At 31.03.23 £
The Christopher Needler Charitable Trust	19,160	-	-	19,160
The Henry Smith Charity	15,787	20,000	(35,787)	-
Lloyds Bank Foundation for England and Wales	2,142	-	(2,142)	-
John Coates Charitable Trust	3,976	-	(2,075)	1,901
National Lottery Community Fund	10,000	60,000	(55,000)	15,000
City Bridge Trust	-	26,325	(17,550)	8,775
Welland Trust	-	15,000	(10,000)	5,000
	<u>51,065</u>	<u>121,325</u>	<u>(122,554)</u>	<u>49,836</u>

RESTRICTED FUNDS – PRIOR YEAR

	At 01.04.21 £	Received in year £	Expenditure in year £	At 31.03.22 £
The Christopher Needler Charitable Trust	19,160	-	-	19,160
The Henry Smith Charity	22,561	40,000	(46,774)	15,787
Lloyds Bank Foundation for England and Wales	5,307	25,000	(28,165)	2,142
John Coates Charitable Trust	3,976	-	-	3,976
National Lottery Community Fund	-	30,000	(20,000)	10,000
	<u>51,004</u>	<u>95,000</u>	<u>(94,939)</u>	<u>51,065</u>

Steps2Recovery

Notes to the Financial Statements (continued) for the year ended 31st March 2023

9. RESTRICTED FUNDS – (CONTINUED)

The Christopher Needler Charitable Trust: A grant to support the promotion of Steps2Recovery and its activities.

The Henry Smith Charity: A grant to support the running costs of the Steps2Recovery charity.

Lloyds Bank Foundation for England and Wales: A grant to support the running costs of the Steps2Recovery charity.

John Coates Charitable Trust: A grant to be used for the purposes of education, employment and training.

National Lottery Community Fund: A grant to support the running costs of the Steps2Recovery charity.

City Bridge Trust: A grant to support the employment of a Chief Executive Officer.

Welland Trust: A grant to support care experienced people.

10. Related party transactions

During the period, three £10,000 short term loans were provided by trustees and subsequently repaid before year end. These were related to short term problems associated with transitioning to a new bank account.

At the balance sheet date £Nil of loans provided to the Charity by the trustees (2022: £Nil) remains outstanding.