



Steps2Recovery
(A Company Limited by Guarantee)

Company registration number: 07269361

Trustees Report and Financial Statements

for the year ended

31st March 2024

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

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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

Amanda Copstick (appointed 01 March 2024)
Bradley Bilgore (appointed 16 September 2024)
Tom Bolt
Charles Clode
Edward Frazer
Lesley Hart – Chair of Trustees
Sophie Molins
James Ohene-Djan
Dean Steele (appointed 20 September 2024)
Gwendoline Young (deceased – resignation date 17 April 2024)

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 2024

The trustees (who are also directors of the charitable company) present their report and the financial statements for the year ended 31st March 2024. 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 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.

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 2024

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 Steps2Recovery primary treatment program is rooted in treating addiction as an illness rather than a moral failing or as a result of past trauma. The main thrust of the program is intended to teach people how to remain abstinent and work a program of recovery. Our therapeutic staff team are all themselves in recovery and provide much more than generic counselling. Our team can inspire, mentor and support clients through every stage of the program and expose their recovery potential. We introduce clients to the 12 step model of recovery and they attend five fellowship meetings per week in order that they can begin to build a strong support system.

The programme includes:

- 1:1 counselling and daily group therapy/psycho-educational workshops which focus on addiction/recovery, criminality, interpersonal patterns of relating, individual behaviour process and unconscious/conscious alignment.
- Creative therapies and workshops which include, yoga, art therapy, movement therapy, music therapy.
- Health & well-being activities and workshops aimed at providing holistic support, these include: Exercise, Meditation, Cooking, life-skills coaching, spiritual guidance workshops, regular 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 we:

- Support clients with making the correct benefits claims. Recovery can be negatively affected if issues around personal finance are not promptly and effectively dealt with.
- Help clients to re-build negatively affected family relationships with loved ones and children through family meetings and education sessions. There is much evidence that family involvement with the client's recovery journey drastically increases their chances of success.
- 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 the 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.
- Are in regular contact with S2R Graduates which increases hope, personal-motivation and sense of connection.
- Offer comprehensive aftercare, with weekly group therapy and 1:1 Counselling, tailored to individual needs.

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 2024

2023-24: KEY ACHIEVEMENTS

In our first full year in Lexham House, we supported fifty clients to start on their journey of recovery. For many of our clients this can often be the first time that they have been offered a therapeutic programme to help support them through the many traumatic events in their lives that have ended up with a history of addiction and offending behaviours. We do not expect every client to complete the full 12-week programme but to sow, at the very least, the seed of recovery and introduce clients to community support that is accessible at any point. It should be recognised that addiction and its roots are often deep and entrenched, and that challenging these deeply held beliefs and behaviours can be difficult for the client.

Our aim is to admit our beneficiaries directly from prison although the possibility of change of release dates, parole hearings being moved and relapse before arrival mean that we can be subject to unexpected unfilled places on occasions during the year. In these circumstances we hold a waiting list of potential clients referred to us by probation services or family members and occasional self-referrals. Our objective is that 80% of our capacity is guaranteed to those leaving prison who would otherwise be homeless.

We recognise that prisons are themselves overstretched and that safe, supported accommodation offered at no cost to the client, or the prison, is almost impossible to access nowadays. However, this has resulted in a number of inappropriate referrals during this year, where the needs of the potential client were more complex than admitted during the admission process and were therefore beyond the resources that Steps2Recovery is able to provide. This has led to a mixed set of results when we have evaluated the past twelve months. We have had remarkable results for clients with difficult personal circumstances and have, for example, provided support for women to move into recovery and reunite with children who had previously been taken into protective care by Social Services. In other cases, and because we are a self-funded small charity, there have been clients with more complex mental health issues that we neither had the staff, accommodation or capacity to manage.

Prison move-on teams are often desperate to find places for their charges who are unfunded and would otherwise be released homeless into the community. This has, at times resulted in inappropriate referrals, and insufficient information being passed on about the risks inherent in such clients. Wherever possible we have tried in these situations to support and manage their recovery journey or refer clients on to other accommodation or services that have greater medical support than we can offer.

Throughout the past twelve months we have continued to look for a CEO with sufficient skills and knowledge to manage a larger site with more complex responsibilities. Our original mission was to provide support to clients who churned through the Criminal Justice System, people who received multiple repeat short sentences for crimes related to addiction. A key difference since those early days has been the well-publicised state of prisons in the UK, the impact of novel, damaging and widely available illegal drugs during incarceration and the resultant increase in mental health problems in men and women leaving prison.

After a number of unsuccessful recruitment drives we were extremely fortunate to have a candidate for the CEO position referred to the charity who had a history of managing early-stage and established treatment centres and someone with a proven track record in managing charitable, statutory and private general healthcare and drug treatment environments. Sammy Manzaroli started with us towards the end of the financial year. He is already using his extensive experience to review all aspects of the Steps2Recovery programme and the organisation structure in place to support that.

In addition, the charity has also benefited from a new intake of trustees. Amanda Copstick joined the Board after working with us in a number of complementary and advisory situations during the year. Amanda too has a long history of working as a therapist and senior leader in CQC registered organisations has provided invaluable advice and support for further developing our risk management programme, organisational policies and procedures. She has also helped with interpreting the Code of Conduct applied by professional bodies to those practising in a therapeutic environment to ensure compliance. This was a challenging but ultimately rewarding year.

Steps2Recovery

Report of the Trustees (continued) for the year ended 31st March 2024

CHALLENGES

Whilst many of the challenges raised by moving into Lexham House and having a direct lease relationship with a landlord have been understood and managed during the year there is still more to do. We are grateful for our relationship with the Royal Borough of Kensington and Chelsea and the support they offer to clients with Housing Benefits. This has been a year of building new relationships with suppliers and managing a more extensive operational environment and budget, than when the charity was supported by the managerial environment of a St Mungo's property, which provided overarching business support.

Additionally, whilst we hope for 100% success for all our clients we recognise that this is unrealistic; but at its most basic, we hope to start every client on a road to recovery by introducing them to new concepts and support. A significant challenge to this has been the procedures for dealing with addiction-based offending in prison, which has resulted in more clients being referred to us with psychoactive medication and complex mental health issues. This led to an increase in self-discharges, often followed by clients coming back to ask for a second chance or seek advice on other options for them. Thorough analysis led the executive team to implement a more robust application process and this has positively impacted our self-discharge rate.

Further challenges this year have been extensive. Whilst new relationships with prisons outside London complemented our existing referral partners, these have introduced new challenges in terms of travel arrangements for clients leaving prison and then making a long journey in an often vulnerable state. We did trial out of London gate collections during the year, but this led to the loss of a whole day for a staff member and, given our limited resources, became too much of a resource to carry. We work with many prisons who can provide travel warrants, where our staff can then provide a meet and greet service when clients arrive at London mainline stations. We do occasionally have a private transport journey, provided by probation or the client's family.

PARTNERSHIPS

Steps2Recovery continues to establish long-term partnerships in a variety of sectors as our work complements the activities carried out by a vast 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 are a partner in the Taking Action on Addiction initiative.

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 services rather than go back to short prison sentences. We also accept clients assigned to Home Detention Curfew and regularly deliver reports to probation/courts and have worked closely with the Integrated Offender Management (IOM) panel - a team of probation, police, housing, DIP and other services. Furthermore, we also liaise with 'In-Borough' community-based addiction treatment provider Turning Point to offer them an abstinence-based option. With regards to our therapeutic programme, this is reviewed regularly by external consultants and our clients have a voice in our service delivery.

STRATEGIC OBJECTIVES

Steps2Recovery's strategy remains rooted in its three foundational pillars: **Consolidation, Fundraising and Creating Awareness**, with our objectives to help in the fight against dependence, offending and homelessness.

Whilst we are now more secure in our larger property in Ladbroke Grove, we continue to review improvements in management of the property and consolidate our work through our Housing sub-committee, which reviews issues and is developing our strategic plan for accommodation, as well as prioritising for short-term essential works. This also feeds into the work of our Finance and Fundraising sub-committee, which is exploring new ways to engage Corporate and Individual donors as well as maintaining our relationships with our amazing existing funders. This sub-committee is also reviewing our organisational structure and making

Steps2Recovery

Report of the Trustees (continued) for the year ended 31st March 2024

recommendations to our Board on the longer term plans for developing the Steps2Recovery programme. Both sub-committees have members drawn from our trustee board, executive team and operations team. Our CEO and our Business Manager are both key drivers of this work.

Our staff team continues to build on our relationships with referral partners, ensuring admissions are in the best interests of all involved and especially the individual hoping to start a new way of life. As a partner of the Taking Action on Addiction alliance we are grateful for the work their communications team does to promote the need for safe routes out of addiction and into recovery. Our own communications and learning platform are being developed with the strategic lead coming from the Board.

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Report of the Trustees (continued) for the year ended 31st March 2024

Annex A – structure and governance

Lesley Hart continued as Chair and now supports the Chief Executive Officer in leading the charity.

The Board has recruited new members and sadly lost one of our key trustees, Gwendoline Young, after a short illness. She is sadly missed. Our Board members are now:

Bradley Bilgore
Tom Bolt
Charles Clode
Amanda Copstick
Edward Frazer
Lesley Hart – Chair
Sophie Molins
James Ohene-Djan
Dean Steele

Steps2Recovery adheres to the 2020 Charity Governance Code and its seven guiding principles. New monitoring arrangements are being developed for all our governance processes following the loss of trustee Gwendoline Young. GDPR is also monitored in accordance with current guidelines/regulations.

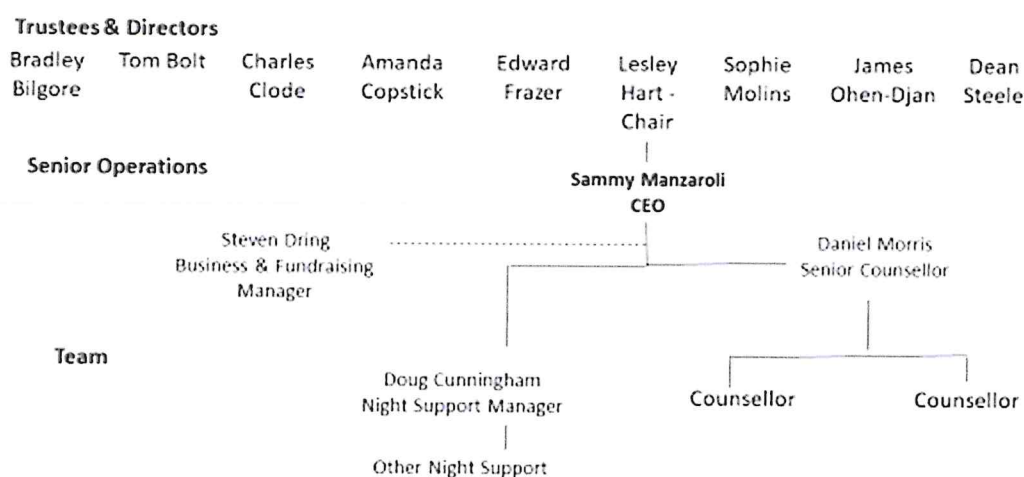
The Charity is now led by Sammy Manzaroli, CEO, with Steven Dring taking responsibility for Business and Partnerships and Daniel Morris managing the clinical team.

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

Our organisation chart –



Steps2Recovery – Organogram 2024



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.

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Report of the Trustees (continued) for the year ended 31st March 2024

Income

Total income was £384,064 (2023: £379,571) an increase of £4,491. Income received from grants and contracts accounted for 36% of all income received and was £138,001 (2023: £218,575) a decrease of £80,574 from the previous year.

Expenditure

Total expenditure was £391,551 (2023: £310,418), an increase of £81,133.

Balances

Restricted balances carried forward for use in 2024-25 have decreased from £49,836 to £32,007. Unrestricted balances carried forward for use in 2024-25 have increased from £141,243 to £151,585.

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 £149,500. The Board are content that they meet their Reserve ambition and will review this in 2025 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 (36%)
- Corporate fundraising events (14%)
- Enhanced Housing Benefit (36%)
- Individual giving (13%)
- Corporate donations (1%).

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 2024

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 26 November 2024 and signed on their behalf by:


Lesley Hart

Chair of the Board

Steps2Recovery

Report of the Trustees (continued) for the year ended 31st March 2024

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 2024 which are set out on pages 11 to 17.

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

26/11/2024

Steps2Recovery

Statement of Financial Activities for the year ended 31st March 2024

Notes	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Total 2023 £
INCOME AND EXPENDITURE				
Income and endowments from:				
Donations, legacies and grants	158,433	60,000	218,433	281,035
Other trading activities:				
Fundraising events	32,143	-	32,143	37,885
Local Government (Housing Benefit)	132,954	-	132,954	60,519
Investment income: bank interest	534	-	534	132
Total income	<u>324,064</u>	<u>60,000</u>	<u>384,064</u>	<u>379,571</u>
Expenditure on:				
Charitable activities	2 297,467	71,049	368,516	295,679
Raising funds	3 2,621	6,780	9,401	9,823
Governance costs	4 13,634	-	13,634	4,916
Total expenditure	<u>313,722</u>	<u>77,829</u>	<u>391,551</u>	<u>310,418</u>
Net income/(expenditure) before taxation	<u>10,342</u>	<u>(17,829)</u>	<u>(7,487)</u>	<u>69,153</u>
Net movement in funds	<u>10,342</u>	<u>(17,829)</u>	<u>(7,487)</u>	<u>69,153</u>
Fund balances at 1st April 2023	<u>141,243</u>	<u>49,836</u>	<u>191,079</u>	<u>191,079</u>
Fund balances at 31st March 2024	<u><u>151,585</u></u>	<u><u>32,007</u></u>	<u><u>183,592</u></u>	<u><u>260,232</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 2024**

	Notes	£	2024 £	£	2023 £
CURRENT ASSETS					
Debtors	7	37,979		4,050	
Cash at bank and on deposit		165,614		197,439	
		<u>203,593</u>		<u>201,489</u>	
CURRENT LIABILITIES					
Amounts falling due within one year	8	(20,001)		(10,410)	
		<u></u>		<u></u>	
NET CURRENT ASSETS			183,592		191,079
NET ASSETS			<u>183,592</u>		<u>191,079</u>
FUNDS					
Unrestricted funds			151,585		141,243
Restricted funds	9		32,007		49,836
			<u>183,592</u>		<u>191,079</u>

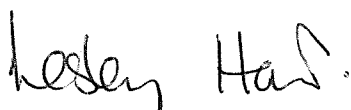
The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st March 2024.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st March 2024 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 26/11/2024 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 2024**

	2024 £	2023 £
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net cash provided by/(used in) operating activities	(31,825)	71,295
Change in cash and cash equivalents in the reporting period	(31,825)	71,295
Cash and cash equivalents at 1st April 2023	197,439	126,144
Cash and cash equivalents at 31st March 2024	165,614	197,439

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

	2024 £	2023 £
Net (expenditure)/income for the year as per the Statement of Financial Activities	(7,487)	69,153
Adjusted for:		
(Increase)/decrease in debtors	(33,929)	(2,214)
Increase/(decrease) in creditors	9,591	4,356
Other non cash adjustments	-	-
Net cash (used in)/provided by operating activities	(31,825)	71,295

ANALYSIS OF CASH AND CASH EQUIVALENTS

	2024 £	2023 £
Cash at bank and in hand	165,614	197,439
	165,614	197,439

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 2024

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 2024 £	Total 2023 £
Staff costs (note 6)	133,573	53,500	187,073	211,329
Staff travel and subsistence	420	125	545	453
Staff training and development	1,761	526	2,287	1,924
Other staff costs	7,864	2,349	10,213	5,763
Rent	112,500	-	112,500	41,666
Telephone and IT	2,038	609	2,647	3,923
Postage and stationery	289	-	289	208
Client travel and subsistence	1,478	2,300	3,778	4,389
Client skills and education	-	1,049	1,049	2,075
Operations	3,072	918	3,990	2,529
Volunteer expenses	4,710	1,407	6,117	2,070
Albion Road running costs	-	-	-	2,635
Lexham House running costs	11,644	3,312	14,956	3,817
Light, power and heating	11,367	2,937	14,304	8,648
External - support workers	6,751	2,017	8,768	4,250
	<u>297,467</u>	<u>71,049</u>	<u>368,516</u>	<u>295,679</u>

The 2023 comparatives of £295,679, include restricted charitable activities expenditure of £122,554 and unrestricted expenditure of £173,125.

Steps2Recovery

Notes to the Financial Statements for the year ended 31st March 2024

3. EXPENDITURE ON RAISING FUNDS

	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Total 2023 £
Fundraising	2,621	-	2,621	4,342
Information, publicity and website	-	6,780	6,780	5,481
	<u>2,621</u>	<u>6,780</u>	<u>9,401</u>	<u>9,823</u>

All of the 2024 expenditure is unrestricted.

4. GOVERNANCE COSTS

	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Total 2023 £
Independent examiner's fees	1,800	-	1,800	1,800
Legal and financial	11,834	-	11,834	3,116
	<u>13,634</u>	<u>-</u>	<u>13,634</u>	<u>4,916</u>

All of the 2024 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

	2024 £s	2023 £
Salaries	166,780	188,704
Annual leave accrual 2024	2,941	3,227
Employers national insurance	10,804	12,405
Pension contributions	6,548	6,993
	<u>187,073</u>	<u>211,329</u>

The average number of employees during the year was 6 (2023: 7). No employee earned over £60,000 per annum. None of the trustees received any emoluments or travelling expenses during the year (2023: £Nil).

Steps2Recovery

Notes to the Financial Statements (continued) for the year ended 31st March 2024

7. DEBTORS

	2024 £	2023 £
Accrued income	9,026	3,180
Other debtors	29,953	870
	<u>37,979</u>	<u>4,050</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £	2023 £
Accruals	10,001	5,027
Deferred income	10,000	5,383
	<u>20,001</u>	<u>10,410</u>

9. RESTRICTED FUNDS – CURRENT YEAR

	At 01.04.23 £	Received in year £	Expenditure in year £	At 31.03.24 £
The Christopher Needler Charitable Trust	19,160	-	(6,780)	12,380
John Coates Charitable Trust	1,901	-	(1,049)	852
National Lottery Community Fund	15,000	60,000	(65,000)	10,000
City Bridge Trust	8,775	-	-	8,775
Welland Trust	5,000	-	(5,000)	
	<u>49,836</u>	<u>60,000</u>	<u>(77,829)</u>	<u>32,007</u>

RESTRICTED FUNDS – PRIOR 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>

Steps2Recovery

Notes to the Financial Statements (continued) for the year ended 31st March 2024

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 current period, donations totalling £600 (2023: £6,100) were received from Trustees. There were no other related party transactions during the current period.

During the previous 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 (2023: £Nil) remains outstanding.