

Charity Registration No. 1150651

Company Registration No. 08353635 (England and Wales)

SMALL STEPS SFP

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2021

SMALL STEPS SFP

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	A Samuelson T Theobalds J Brotherstone MBE G Ross-Sampson M Kelly T Halfhide A Tufano R Sarson D Challinor E Chadd	(Appointed 28 January 2021) (Appointed 20 May 2021)
Charity number	1150651	
Company number	08353635	
Registered office and principal office	17-19 Worple Way Richmond TW10 6DG	
Auditor	Citroen Wells Chartered Accountants Devonshire House 1 Devonshire Street London W1W 5DR	
Bankers	CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling ME19 4JQ	

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MAY 2021

The Trustees present their report and financial statements for the year ended 31 May 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's articles of association, 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)".

Key Points:

This has been a frustrating year for Small Steps. The charity finally has its own beautifully fit-for-purpose building, gifted in its entirety, yet due to COVID-19 Small Steps was not able to fully utilise it. The pandemic also impacted on donations, with voluntary unrestricted income down. COVID-19 meant that for the first three months of the financial year, with 7 staff on full-time furlough, there was no face-to-face activity in the new premises at Worple Way. The year ended with a reduced presence in the building too – all the staff on part-time furlough, a revised *modus operandi* of delivery with only one practitioner in each group, and a remaining uncertainty around any resumption of core community fundraising. In between, there was a short period of face-to-face sessions and a four-month period of closure/homeworking providing Zoom sessions only. Also during this period, a planning application to refurbish the Lower Ground Floor (LGF) was submitted and approved, and the refurbishment works were initiated in June 2021. So, in true Small Steps style – onwards, upwards and now downwards too. The potential for the future of the charity is immense – though with general reserves low, a big push on fundraising is required for this potential to be realised.

Objectives and activities

The charity has only one category of charitable activity as defined by its objective: the relief of need and advancement of education of children who have cerebral palsy or other motor and sensory impairment, and their families, through the provision of classes, activities and advice in a supportive environment. The charity operates from 17-19 Worple Way, Richmond, TW10 6DG ('Worple Way').

Traditionally, children are invited to a regular session throughout the academic year, accompanied by a parent or carer, thereby enabling parents and carers to acquire new skills. These can be repeated to assist each child at home, thus increasing the benefits of every session through repetition. All sessions would operate for 2-3 hours on a group basis and include a maximum of 5 children for most groups.

This year, with COVID-19, furlough, social distancing and reduced footfall, usual practice has been challenged. After the initial lockdown, there was no certainty on numbers, demand, or capacity. Group sizes were reduced with child-parent partnerships assigned to zones to accommodate social distancing. Assessments were carried out on Zoom. During the 'working from home' period, 20 face-to-face groups per week were reduced to 10 online offerings.

On 31 May 2020 there were 95 children on roll with a further 32 families who had approached Small Steps and were in the process of visiting, being assessed or waiting for a place. On 31 May 2021 there were 75 children on roll and 18 'waiting'. Of these 75, 14 attend Zoom sessions only. Average attendance in the building at year end was 43 families per week - being affected by incidences of self-isolation, post-lockdown anxiety, and reduced parking at Worple Way. The in-person experience, which has historically been so vital to the success of the charity, has been compromised.

Throughout the reporting period, with our families even more isolated, exposed and vulnerable than ordinarily, with most services withdrawn and no support networks, Small Steps has endeavored to deliver *something* to families in a personalised, supportive, caring way. It was a steep learning curve – leading sessions from home, through the medium of a camera, though feedback from parents was positive.

"One thing we missed more than anything was attending Small Steps. My son J, age 3, has severe brain damage since his premature birth at 25 weeks into the pregnancy. He comes alive during Small Steps sessions! To be told we couldn't attend during lockdown was devastating. This was short lived when we heard of Zoom weekly sessions taking place. Of course, we jumped at the chance to attend these. In fact, I had not expected them to be as wonderful as they were! J was super engaged to the singing, actions and movement of the staff at Small Steps. I learnt new ways of play that I could then do at home. Also, seeing the faces of his

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021

peers was wonderful for both him and me! It also provided routine to our week and gave us something to look forward to! We loved the Small Steps Zoom sessions and I am so thankful and grateful for keeping us connected during such difficult times! Having the option of attending classes now during times of self-isolation or inability to travel in due to COVID again fills me with a great feeling that my little one can still be connected and a part of his class and most importantly continue his development and learning."

There were staffing changes during the year. At year-end, staff consisted of five full-time personnel (2020: eight) and five part-time (2020: three).

The Trustees have paid due regard to guidance issued on public benefit by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

The ongoing vision of Small Steps is always to maintain its core focus activity - that of delivering structured sessional groups for pre-school disabled children and their parents in a positive supportive environment with a can-do attitude.

This year has been more challenging than most. The occupancy of our own beautifully fit-for-purpose building was inconsistent. The newly constructed Senior Leadership Team (SLT) became fragmented. Priorities changed – the focus became survival. Zoom became the go-to new best friend – providing for sessions, fundraising activity, and even parent evenings. Student placements from the National Institute of Conductive Education (NICE) Birmingham could not be completed.

During the first term of the year the building was closed, practitioners were on furlough and some online Zoom sessions were delivered by the SLT. In the second term the building was open and face-to-face sessions resumed, though within new COVID-19 parameters of social distancing and with practitioners hands-off. Some families cautiously returned. There was another lockdown period during the final term of the year - Small Steps was closed again, with practitioners delivering Zoom sessions from home. Face-to-face in-situ sessions only resumed in April, 6 weeks prior to year-end.

Staffing/Training

During the period, with staff not able to do their jobs due to the pandemic, the charity fully utilised the Government Job Retention Scheme. The Team Leader was furloughed and the remaining Senior Leadership Team (SLT) evolved into 'The Covid Core', with a subsequent re-structuring of roles. The Senior Operations Lead (SOL) was assigned Assistant Head of Small Steps and the Team Leader was re-designated Conductive Education Lead (CEL) with group delivery being re-prioritised. As part of this organisational change, all contracts across the charity were standardised to be term-time plus 3-week contracts.

The pandemic and ensuing lockdowns provided an opportunity for reflection. Hence, during the year, one part-time practitioner resigned and another reduced to work 2 days only. COVID-19 restrictions and homeworking continued into June, during which time the Marketing and Communications Manager – who had been at Small Steps for more than twenty years – decided to leave too, as did two more practitioners, both of whom were successfully replaced by a recruitment drive in the new year.

The three main trainings delivered during the period were whole team insets consisting of procedures around COVID-19 and revised protocols/risk assessments, familiarisation with the building and working together as a team. The Conductive Education Consortium forum for senior leaders in Conductive Education continued to be invaluable during the period.

Parent Support & Holiday Clubs

There was no summer club in 2020 nor any Easter Club in 2021 – nor any other activities due to the pandemic.

Premises

Small Steps started this financial year in absentia of its new home at Worple Way. Unable to make full use of the building, during the first four months the 'Covid Core' made regular visits only to make checks that it was safe, thereby ensuring that all insurance requirements were fully met.

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021

Identified as a goal last year, a planning application for change of use to the LGF was submitted. It capitalised on new social distancing requirements as well as the desire for additional space and the consolidation of the building. Various parties supported the submission, including the Local Councillor, and approval was granted in the latter part of 2020. The same Principal Designer/Contractors as last year were appointed. The intention was to complete works early in the New Year, during the period of lockdown, with all costs once again to be borne by the generous donor of the building. Circumstances, however, proved different. There was a long, protracted process around insurances which impacted on the issuing of Letters of Intent (LOI's) to get the schedule moving. Works only began on 1 June, after year-end. Pro-bono legal support was again provided by Sidley Austin LLP – we continue to be extremely grateful for this support.

Fundraising

Small Steps has never had a secured funding stream and relies totally on charitable grants, events and voluntary donations. It costs in excess of £400,000 to run Small Steps for a year. The COVID-19 pandemic affected so much of the core community fundraising on which Small Steps relies. The charity endeavoured to take advantage of as many new fundraising opportunities as possible, including People's Fundraising – which is run by Golden Giving, a not-for-profit service that provides charities and charity supporters with all the fundraising tools they need within one single 'own branded' platform. This enabled Small Steps to set up its own online Christmas raffle and fair in November 2020 at low cost. The charity also capitalised on the donate button on the Facebook page, Facebook birthday fundraisers, Paypal for Charities, Amazon Smile, CAF donate, and the installation of a contactless card payment SumUp machine.

During the period too, more grant applications were submitted than ever before, though with limited success. The headline 'income' of last year (the value of the donated building) was often quoted as being one reason for rejection. The charity is concerned that the additional restricted grant this year, to refurbish the LGF, may have the same impact.

The furlough grant made a massive and fortunate impact on Small Steps. There were also some notable individual donations, and members of the Small Steps Community have done themselves proud by walking up and down stairs for sponsorship, riding the South Downs Way, running the London Marathon (around an airfield), shaving their head, Spinning us a Yarn, and completing Captain Tom's challenge – to name but a few. These are the people – the incredible supporters - who not only help us to provide Small Steps as a free service, but this year who have helped Small Steps to survive! As last year, we hope that circumstances ahead will enable more of them to get back to their much-appreciated endeavours. We are so grateful to all who have made donations – including those parents and individuals who have been able to make regular donations online and/or tell their friends and employers about the charity too - this support is so vital to us.

Financial review

As described above, not only did Small Steps receive planning approval to refurbish the LGF, but the charity also received a very generous donation to cover the costs. This is another exciting evolution for Small Steps, one that allows the charity to continue to develop. The restricted funds to enable these works are included within the total income for the year of £996,949 (2020: £3,379,520). Both the current and prior year total income appear high due to significant restricted donations in respect of property. Unrestricted income of £323,293 (2020: £401,413) has fallen by £78,120 (19%) compared with the prior year.

It is the unrestricted funding from voluntary donations where the charity is under increased pressure following the pandemic. The charity has increased the proportion of donations received via new online platforms but has suffered from a large drop in funds raised from sporting challenges and entertainment and community events. The charity took proactive steps to minimise spending during the year, including reducing hours worked by staff.

The charity received £88,000 from the government job retention scheme (furlough grant), without which the charity would have incurred a significant net expenditure this year, as illustrated by the table below:

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021

	2021 £'000	2020 £'000	2019 £'000	2018 £'0000	2017 £'000
Unrestricted income, excluding furlough grants	235	389	305	430	282
Unrestricted expenditure	(321)	(474)	(322)	(279)	(375)
Unrestricted income / (expenditure) before impact of furlough grant	(86)	(85)	(17)	51	(93)
Furlough grants	88	12	-	-	-
Net unrestricted income / (expenditure)	2	(73)	(17)	51	(93)
Unrestricted reserves brought forward	256	329	346	295	388
General fund - Unrestricted reserves	258	256	329	346	295
Restricted reserves					
Donated property	2,707	2,739	-	-	-
Property costs	674	139	-	-	-
Other running costs	4	5	19	41	8
Total reserves	3,643	3,139	348	387	303
Unrestricted expenditure	321	474	322	279	375
General fund as percentage of above:	80%	54%	102%	124%	79%
Employment costs	336	349	279	307	292
General fund as percentage of above:	77%	73%	118%	113%	101%

There remain significant short-term challenges as the government furlough scheme has ended and charitable fundraising is still well below prior year levels as we enter Autumn 2021.

Small Steps has total reserves of £3,462,716 (2020: £3,139,535) carried forward, but the majority of this is represented by the property, the LGF grant and the property maintenance grant and is therefore not available to meet ongoing funding requirements.

Small Steps' unrestricted funds – our general reserve to cover all operating expenses other than property - are low when compared with our running costs. At the year-end unrestricted reserves of £257,759 (2020: £255,811) represent just 77% of the annual staff costs (2020: 73%). This is a slight improvement on the prior year, but still significantly below pre-pandemic levels.

Other than the property grants, the charity has no secure funding stream and remains entirely reliant on voluntary donations.

Risk Management

Increased Board activity continued this year, due to COVID-19 and the progression of LGF developments - both of which necessitated regular oversight. Ordinarily the Board meets at least twice each academic term to discuss service delivery, review financial performance against budget and determine the strategic direction of the charity. It has established good governance practice, that includes effective sub-committees such as Finance, Fundraising, Personnel, Premises and Effective Provision that all meet two weeks before the full Board. The Covid-Working Group consisting of Senior Staff along with Trustee representation met frequently throughout the period.

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MAY 2021**

Historically, the Trustees have always identified three main risks faced by the charity:

- Funding – obtaining sufficient income to provide for the needs of the charity;
- Personnel – recruiting and retaining sufficient levels of skilled staff; and
- Premises – securing a permanent home.

The Trustees have always been proactive in their response to these risks, having established policies and procedures that are designed to provide reasonable, but not absolute, assurance against these and other risks. The charity now has its own permanent home, so premises are no longer a risk, though the running of a building presents its own challenges.

On Personnel, the established links with NICE (National Institute of Conductive Education)/ CEUK (Conductive Education UK) Consortium are strong – though the profession of conductor is not well known and numbers enrolling on the BA Hons course in Birmingham are dwindling. Recruitment from Peto in Hungary is also more challenging post-Brexit, so opportunities to employ the right skilled staff are more difficult. Whilst Small Steps remains a recognised CE learning centre for placement students, with a qualified CE Mentor on the staff, NICE have developed a new route to qualify as a conductor that could see the charity employing individuals to train on site. The need to develop career progression is also a recognised challenge, as is succession planning for key Small Steps personnel.

Funding now remains the greatest risk. The charity has never had an ongoing funding stream, being reliant on ad hoc grants, donations and fundraising. A key focus of the Trustees is to have adequate funding to safeguard its mainstream daily activities and to meet its commitments to the children, parents and its staff. The annual aim of the charity is to have sufficient cash reserves to enable the charity's operation to run until at least the end of the next school year (July 2022). The growth of the charity and the impact of COVID-19 has put this further into context, with reserves now reduced to 6 months – our policy being 12 months.

Future Developments

The ongoing vision of the charity is to maintain its core focus activity; that of delivering structured sessional groups for young disabled children and their parents in a positive and supportive environment with a can-do attitude.

In the coming year then, Small Steps will seek to do the following:

- Get staff back off furlough;
- Complete the Lower Ground Floor works and unify the building across all three floors;
- Re-establish face to face working practice over all three floors – mindful of social distancing requirements and risk assessments;
- Re-establish leader/supporter partnerships in sessions;
- Consider online option delivery;
- Re-establish the core ethos of Small Steps (putting families first!);
- Create new roles and appoint staff to them: Fundraising and Events Manager, Digital Marketing Assistant, Premises/Maintenance Manager;
- Recruit additional practitioners;
- Accommodate all families waiting for a place at Small Steps – ideally offering something within a 6-week period;
- Retain links with the National Institute of Conductive Education (NICE) in Birmingham, the Consortium and Conductive Education UK (CEUK);
- Secure sufficient funds – utilising the traditional strategy that builds on the relationship between families and Small Steps; people liking what they get and wanting to give back – based on human interaction and them being IN the building;
- Continue to establish the charity within its Richmond community; and
- Confirm a shared five-year vision for Small Steps.

Structure, governance and management

The charity is a company limited by guarantee from the members and therefore does not have share capital. The liability of the members is limited to £1.

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signing the accounts were:

A Samuelson	
T Theobalds	
J Brotherstone MBE	
G Ross-Sampson	
M Kelly	
T Halfhide	
A Tufano	
R Sarson	
G Luxmoore	(Deceased 17 September 2020)
D Challinor	(Appointed 28 January 2021)
E Chadd	(Appointed 20 May 2021)

The Trustees have the power to appoint new Trustees. They may also be appointed by ordinary resolution at a General Meeting. Either means of appointment is acceptable.

In addition to their responsibilities as directors, Tim Theobalds, Joanna Brotherstone MBE and Greg Ross-Sampson are Members of the Company. Anita Coppola MBE is also a member. All the above Trustees also comprise the Management Committee of the charity. The Board delegates the day-to-day management of Small Steps to Anita Coppola MBE, Head of Small Steps.

The Board of Trustees governs Small Steps. Four of the Board are parents of Small Steps children, including newly appointed Becca Sarson, so the number of parent users on the Board remains at four (as last year).

In addition to the Trustees and staff, Small Steps is very fortunate to benefit from the hard work of many volunteers who support the charity and its activities. Too numerous to mention, Small Steps would not be the place that it is without them.

Related Parties

No remuneration was paid to or expenses reimbursed to any of the Trustees or people connected to them. No transactions were made with Trustees or connected persons other than voluntary unconditional donations to the charity.

Fundraising statement

The charity is registered with the Fundraising Regulator and is compliant with the Code of Fundraising Practice and the Fundraising Promise. There have been no instances of non-compliance to date.

The charity does not engage the services of any professional fund-raisers or commercial participators for its fundraising activities.

The charity's fundraising activities are listed above under Activities and Performance. The charity does not engage in fundraising behaviour proscribed by the Charities Act 2011, section 162A, subsection (2), as amended by the Charities (Protection and Social Investment) Act 2016, namely such activities that are: (a) an unreasonable intrusion on a person's privacy; (b) unreasonably persistent approaches for the purpose of soliciting or otherwise procuring money or other property on behalf of the charity; or (c) place undue pressure on a person to give money or other property.

No complaints were received in relation to the charity's fundraising activities.

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021

Statement of Trustees' responsibilities

The Trustees, who are also the directors of Small Steps SFP 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.

Auditor

Due to the value of the funds gifted to refurbish the LGF of the building, the charity is not eligible for audit exemption. As last year, Citroen Wells was therefore appointed as auditor to the charity during the period under review.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The Trustees' report was approved by the Board of Trustees.

Andrea Samuelson

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A Samuelson

Trustee 26/10/2021

Dated:

SMALL STEPS SFP

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF SMALL STEPS SFP

Opinion

We have audited the financial statements of Small Steps SFP (the 'charity') for the year ended 31 May 2021 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 May 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF SMALL STEPS SFP

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant are those that relate to the reporting framework (FRS 102 as applied in the Charities SORP, the Companies Act 2006 and the Charities Act 2011) and the relevant legislation in the United Kingdom including employment, environmental and health and safety regulations.
- We understood how the charity is complying with those frameworks by making enquiries of management and seeking representations from those charged with governance. We corroborated our understanding by reviewing supporting documentation including board meeting minutes and policy and procedures manuals.

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INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF SMALL STEPS SFP

- We assessed the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur by considering the risk of management override of internal control. We performed journal entry testing by specific risk criteria, with a focus on journals indicating large or unusual transactions based on our understanding of the business. We tested completeness of income through substantive tests performed, analytical review procedures and cut off tests on the revenue recognised.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved enquiries of management and those charged with governance, review of legal and professional expenses and review of Trustee meeting minutes.
- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Citroen Wells

26/10/2021

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**Chartered Accountants
Statutory Auditor**

Devonshire House
1 Devonshire Street
London
W1W 5DR

Citroen Wells is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

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STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MAY 2021

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes						
<u>Income from:</u>							
Donations and legacies	2	316,280	673,656	989,936	372,590	2,978,107	3,350,697
Fundraising events		5,992	-	5,992	25,784	-	25,784
Investments - bank interest		1,021	-	1,021	3,039	-	3,039
Total income		323,293	673,656	996,949	401,413	2,978,107	3,379,520
<u>Expenditure on:</u>							
Raising funds	3	37,168	-	37,168	105,885	-	105,885
Charitable activities	4	284,177	172,423	456,600	368,600	113,054	481,654
Total expenditure		321,345	172,423	493,768	474,485	113,054	587,539
Net income for the year/ Net movement in funds		1,948	501,233	503,181	(73,072)	2,865,053	2,791,981
Fund balances at 1 June 2020		255,811	2,883,724	3,139,535	328,883	18,671	347,554
Fund balances at 31 May 2021		257,759	3,384,957	3,642,716	255,811	2,883,724	3,139,535

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.

SMALL STEPS SFP

STATEMENT OF FINANCIAL POSITION

AS AT 31 MAY 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Property, plant and equipment	8	2,706,667		2,739,167	
Current assets					
Current debtors	9	31,273		27,082	
Investments	10	-		84,371	
Cash at bank and in hand		916,703		310,293	
		947,976		421,746	
Current liabilities	11	(11,927)		(21,378)	
Net current assets		936,049		400,368	
Total assets less current liabilities		3,642,716		3,139,535	
Income funds					
Restricted funds	13	3,384,957		2,883,724	
Unrestricted funds		257,759		255,811	
		3,642,716		3,139,535	

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 May 2021, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their 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 under the requirements of the Companies Act 2006, 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.

26/10/2021

The financial statements were approved by the Trustees on

Andreas Samuelson

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A Samuelson

Trustee

Company Registration No. 08353635

SMALL STEPS SFP

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MAY 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	16		521,018		27,348
Investing activities					
Proceeds on disposal of investments		84,371		71,191	
Interest received		1,021		3,039	
Net cash generated from investing activities			85,392		74,230
Net increase in cash and cash equivalents			606,410		101,578
Cash and cash equivalents at beginning of year			310,293		208,715
Cash and cash equivalents at end of year			916,703		310,293

SMALL STEPS SFP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

1 Accounting policies

Charity information

Small Steps SFP is a private company limited by guarantee incorporated in England and Wales. The registered office is at 17-19 Worple Way, Richmond, TW10 6DG.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's articles of association, 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 financial statements are prepared in sterling, which is the functional currency of the charity. 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.

1.2 Going concern

As noted in more detail in the Trustees' Report, the unrestricted funds of the charity, which are used for day-to-day charitable activities, are in surplus this year due to receipts from the Government's Job Retention Scheme which ended in September 2021. The Charity's management are monitoring the situation to ensure that the charity can continue to meet its liabilities as they fall due. The Trustees are satisfied that the charity has sufficient unrestricted funds at the balance sheet date to sustain the expected levels of spending without any Government support seen in the last two years, for more than 12 months from the date of approval of the accounts. As a result, the accounts have been prepared on the going concern basis.

1.3 Charitable funds

Unrestricted funds are available to use to further any purpose of the charitable undertaking.

Restricted funds are donated for particular areas of the charity work or to cover particular expenses.

1.4 Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be measured reliably. Income is measured at the fair value of the good or services received and is classified under the following headings:

Donations and gifts

Donations include all income received by the charity that is, in substance, a gift made to it on a voluntary basis. A donation may be used to meet any expense of the charity (unrestricted funds) or may be donated to meet a particular expense of the charity (restricted funds). Donations include:

- donations and gifts made by individuals, trusts and foundations and corporations, including any related tax refund or Gift Aid claimed on gifts made by individuals;
- grants of a general nature provided by government and charitable foundations which are not conditional on delivering certain levels or volumes of a service; and
- donated services and facilities.

SMALL STEPS SFP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021

1 Accounting policies

(Continued)

Donated facilities and services

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

In accordance with the Charities SORP FRS 102, time and services provided by general volunteers are not recognised; refer to the Trustees' Report for more information about their contribution.

Grants

Income from non-government grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Coronavirus Job Retention Scheme

The Coronavirus Job Retention Scheme (CJRS) results in cash payments from the Government to compensate employers for part of the wages, associated national insurance contributions (NICs) and employer pension contributions of employees who have been placed on furlough (i.e. placed on temporary leave of absence from working for the employer).

The CJRS grant is recognised under the performance method, and is recognised as income on a systematic basis over the periods in which the charity recognises the related costs for which the grant is intended to compensate. As such the income from the grant is recognised on a straight line basis over the furlough period for each relevant employee.

Fundraising events

Income from other trading activities includes ticket sales and other income from events organised by or on behalf of the charity.

Investment income

All of the charity's investment income arises from money held in interest bearing bank deposit accounts. The interest income is included when receivable and the amount can be measured reliably by the charity.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Costs of raising funds

Costs of raising funds comprise the costs of encouraging and facilitating the payment of voluntary donations and grants and the costs of organising fund raising events.

SMALL STEPS SFP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021

1 Accounting policies

(Continued)

Expenditure on charitable activities

Expenditure on charitable activities includes the direct and support costs of delivering the charity's sole category of charitable activity: the relief of need and advancement of education of children who have cerebral palsy or other motor and sensory impairments, and their families, through the provision of classes, activities and advice in a supportive environment.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activity. Support costs include office administration costs and governance costs which support the charity's activity.

These costs have been allocated between cost of raising funds and expenditure on charitable activities. Support costs have been allocated to cost categories based on the estimated usage of supporting resources and an estimate of staff time spent on each category.

Governance costs comprise primarily the costs of compliance with constitutional and statutory requirements.

1.6 Property, plant and equipment

Purchased tangible fixed assets are initially recorded at cost and donated tangible assets are recorded at fair value. All tangible fixed assets apart from freehold land are depreciated over their estimated economic life. Individual fixed assets costing less than £1,500 are written off in the year of purchase.

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:

Freehold land	Not depreciated
Freehold buildings	50 years straight line
Fixtures and fittings	20 years straight line

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 non-current 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 at bank and in hand includes cash and short term highly liquid investments with a maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

SMALL STEPS SFP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021

1 Accounting policies

(Continued)

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' 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.

Basic financial assets

Basic financial assets, which include trade and other receivables 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.

Financial assets with fixed or determinable payments and fixed maturity dates that the charity has the positive intent and ability to hold to maturity are classified as held to maturity investments. Held to maturity investments are measured at amortised cost using the effective interest method less any impairment, with revenue recognised on an effective yield basis.

Basic financial liabilities

Basic financial liabilities, including trade and other payables 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 payables 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 payables 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 Taxation

As a charity, the company is exempt from tax on income and gains falling within tax legislation to the extent that these are applied to its charitable objects. No tax charges have arisen on the company in the year.

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.

SMALL STEPS SFP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021

1 Accounting policies (Continued)

1.12 Retirement benefits

Pension costs includes payments made directly to individual defined contribution schemes held by members of staff.

2 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2021	Total 2020
	£	£	£	£
Donations and gifts	232,938	5,000	237,938	209,960
Grants	10,000	668,656	678,656	225,101
Donated facilities and services	73,342	-	73,342	2,915,636
	<u>316,280</u>	<u>673,656</u>	<u>989,936</u>	<u>3,350,697</u>
For the year ended 31 May 2020	<u>372,590</u>	<u>2,978,107</u>		<u>3,350,697</u>

Donated facilities and services

Donated services in the current and prior years include legal services. The charity is grateful to Sidley Austin LLP for their generous provision of pro bono legal services.

The charity benefits greatly from the involvement and enthusiastic support of its many volunteers. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

3 Raising funds

	2021 £	2020 £
Fundraising and publicity		
Costs of generating donations and grants	2,431	66,879
Costs of organising fund-raising events	232	3,884
Staff costs	34,505	35,122
	<u>37,168</u>	<u>105,885</u>

SMALL STEPS SFP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021

4 Charitable activities

	2021 £	2020 £
Staff costs	266,166	277,541
Depreciation and impairment	32,500	10,833
Premises costs	28,755	45,171
Other direct charitable expenditure	4,151	9,771
	<u>331,572</u>	<u>343,316</u>
Support costs (see note 5)	98,570	119,573
Governance costs (see note 5)	26,458	18,765
	<u>456,600</u>	<u>481,654</u>
Analysis by fund		
Unrestricted funds	284,177	368,600
Restricted funds	172,423	113,054
	<u>456,600</u>	<u>481,654</u>

5 Support & governance costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Staff costs	30,340	5,055	35,395	30,630	5,353	35,983
Office and other administration costs	9,520	15,103	24,623	26,825	6,212	33,037
Legal and professional fees	58,710	-	58,710	62,118	-	62,118
Audit fees	-	6,300	6,300	-	7,200	7,200
	<u>98,570</u>	<u>26,458</u>	<u>125,028</u>	<u>119,573</u>	<u>18,765</u>	<u>138,338</u>

All support and governance costs have been allocated to the charity's sole charitable activity.

6 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

SMALL STEPS SFP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021

7 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Full time	8	8
Part time	2	3
	<hr/>	<hr/>
Total	10	11
	<hr/>	<hr/>

Employment costs	2021 £	2020 £
Wages and salaries	298,131	309,172
Social security costs	24,655	26,129
Other pension costs	13,280	13,345
	<hr/>	<hr/>
	336,066	348,646
	<hr/>	<hr/>

The average monthly full-time equivalent employees during the year was 9 (2020: 9)

The number of employees whose annual remuneration was £60,000 or more were:

	2021 Number	2020 Number
£60,000 - £69,999	1	-
£70,000 - £79,999	-	1
	<hr/>	<hr/>

SMALL STEPS SFP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021

8 Property, plant and equipment

	Freehold land & buildings £	Fixtures and fittings £	Total £
Cost			
At 1 June 2020	2,500,000	253,661	2,753,661
At 31 May 2021	2,500,000	253,661	2,753,661
Depreciation			
At 1 June 2020	6,667	7,827	14,494
Depreciation charged in the year	20,000	12,500	32,500
At 31 May 2021	26,667	20,327	46,994
Carrying amount			
At 31 May 2021	2,473,333	233,334	2,706,667
At 31 May 2020	2,493,333	245,834	2,739,167

9 Current debtors

	2021 £	2020 £
Other receivables	17,331	14,151
Prepayments and accrued income	13,942	12,931
	31,273	27,082

10 Current asset investments

	2021 £	2020 £
Cash equivalents on deposit	-	84,371

11 Current liabilities

	2021 £	2020 £
Other taxation and social security	4,494	3,936
Accruals and deferred income	7,433	17,442
	11,927	21,378

SMALL STEPS SFP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021

12 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to income and expenditure in respect of defined contribution schemes was £13,280 (2020 - £13,345).

13 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 June 2019	Incoming resources	Resources expended	Balance at 1 June 2020	Incoming resources	Resources expended	Balance at 31 May 2021
	£	£	£	£	£	£	£
Staff costs	-	38,397	(38,397)	-	91,256	(91,256)	-
Provision of classes	18,671	38,384	(51,812)	5,243	18,500	(19,588)	4,155
Resources and equipment	-	1,326	(1,302)	24	300	(324)	-
Premises costs	-	150,000	(10,710)	139,290	563,600	(28,755)	674,135
Donated asset	-	2,750,000	(10,833)	2,739,167	-	(32,500)	2,706,667
	<u>18,671</u>	<u>2,978,107</u>	<u>(113,054)</u>	<u>2,883,724</u>	<u>673,656</u>	<u>(172,423)</u>	<u>3,384,957</u>

Staff costs

These funds comprise grants and donations towards specific staff costs for specific periods of time.

Provision of classes

These funds comprise grants and donations towards the running costs of teaching/therapy sessions undertaken by the charity and are for specific periods of time.

Resources and equipment

These funds comprise grants and donations towards the cost of specific items of equipment or resources (such as training sessions and provision of external services) to the charitable activities.

Premises costs

These funds comprise grants and donations towards the maintenance and renovation of the premises in which the charity undertakes its main activities.

Donated asset

These funds comprise the value of the property donated to the charity.

SMALL STEPS SFP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021

14 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 May 2021 are represented by:			
Property, plant and equipment	-	2,706,667	2,706,667
Net current assets	257,757	678,292	936,049
	<u>257,757</u>	<u>3,384,959</u>	<u>3,642,716</u>

15 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £	2020 £
Aggregate compensation	<u>65,668</u>	<u>70,962</u>

Unrestricted donations of £2,120 (2020: £1,960) were made by related parties to the charity during the year.

16 Cash generated from operations

	2021 £	2020 £
Surplus for the year	503,181	2,791,981
Adjustments for:		
Investment income recognised in statement of financial activities	(1,021)	(3,039)
Donated freehold property	-	(2,750,000)
Depreciation and impairment of property, plant and equipment	32,500	10,833
Movements in working capital:		
(Increase) in debtors	(4,191)	(12,527)
(Decrease) in payables	(9,451)	(9,900)
Cash generated from operations	<u>521,018</u>	<u>27,348</u>

17 Analysis of changes in net funds

The charity had no debt during the year.