

Charity registration number 1150651

Company registration number 08353635 (England and Wales)

SMALL STEPS SFP

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2023

SMALL STEPS SFP

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	A Samuelson T Theobalds J Brotherstone MBE M Kelly A Tufano R Sarson D Challinor E Chadd C Lort-Philips
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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SMALL STEPS SFP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MAY 2023

The Trustees present their annual report and financial statements for the year ended 31 May 2023.

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 Trust Deed, 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

Having survived the COVID-19 pandemic and all its challenges, the charity now faces the hard task of raising sufficient funds to cover increasing costs in adverse economic conditions to deliver our core activity of daily groups to as many children as possible, whilst raising awareness within the still new locality and remaining free – a defining principle.

Our traditional fundraising strategy of 'reap what you sow' has continued to provide a constant base level income. This stream has always come from people who know the charity and are wanting to give back, be that families, friends, their extended networks. The strategy has been consistently successful over the years, though remains at considerable risk, particularly with rising inflation and the cost-of-living crisis.

To cover all our costs, this 'base level' income has always been supplemented by additional funds from formal grant making bodies and substantial one-off donations from generous individuals – again often through links with families and friends. This year there was a decline in grant income and fewer additional substantial donations. However, the commitment to the Maintenance Grant covering premises costs is ongoing. Another important source of funds was also missing this year – our annual charity ball had to be postponed, again a consequence of the current economic situation.

The cost base of running the charity has increased significantly over the past few years and where in previous times the charity retained twelve months of running costs as standard, now it is less than six months.

As Small Steps is navigating its way through the next phase in its evolution, it is looking to new expanded income streams, developing its staff infrastructure to be able to achieve this. This is being carried out whilst also maintaining its vital core ethos of delivering to families, looking to fully utilise the whole building resource and meet more of the identified needs.

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/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 operate for 2-3 hours on a group basis and include a maximum of 5 children for most groups.

The year started with usual practice wholly reinstated: groups delivered every day, with leader-supporter partnerships, assessments in the building, parent evenings offered - all COVID-19 restrictions a thing of the past.

On 31 May 2022 there were 83 children on roll with a further 20 families waiting. On 31 May 2023 there were 91 children on roll and 10 others booked in for assessment. Average attendance in groups varied from 59% (2022: 37%) to 79% (2022: 77%) The number of groups delivered each week fluctuated during the year due to reduced staffing – but was back to 20 groups a week by year end. There is space capacity in the building to offer 30 groups a week (140 child-parent partnerships).

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

SMALL STEPS SFP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MAY 2023

Achievements and performance:

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

Staffing/Training

There were staff changes during the period that included resignations and new appointments. At year-end, staff consisted of six full-time personnel (2022: five) and seven part-time (2022: six). The balance has shifted even further towards more part-time working.

The Marketing and Communications Manager returned to a revised part-time role. One session supporter left and two more were employed. A second physiotherapist and another conductor-teacher were both employed part-time. In January, for the first time in its history the charity recruited a freelance Trusts and Foundations Fundraiser for two days a week.

Small Steps hosted two physiotherapy students on placement - one from St. Mary's and one from Bradford. This pursuit has an impact on staff time but also merits value as it raises the profile of Conductive Education. Similarly Small Steps has hosted volunteers – a physiotherapy student, an overseas physiotherapist, and a graduate of the charity. All one session a week throughout the year. Just prior to the year-end, a Trustee of Small Steps volunteered one session a week through to the end of the summer term. Managing volunteers has an impact on staff time but the additional manpower is invaluable. Other regular volunteers provide support in payroll, the management accounts and grounds maintenance.

Training during the period included a half-day safeguarding inset in January attended by the whole staff team with Trustee representation. As was identified last year, two of the conductor-teacher practitioners completed the Practice Tutor Induction Training from NICE (Birmingham), which enables them to deliver Level Three Certificate in Conductive Education in-house to staff at Small Steps.

All five conductor-teachers attended the Professional Conductor Association (PCA) conference in Sheffield in March – the first such face-to-face since before the pandemic.

As prioritised last year, Small Steps aims to accommodate all families waiting for a place, with the aim of offering something within a 6-week period. To realise this aim, a second Assessment Week was offered along with an Assessment Day in November, which reduced the long waiting list. Numbers are such now that any family that gets in touch does not have to wait.

As also identified last year, the charity sought a Sponsored Employer Licence to facilitate recruitment of non-UK nationals. An application was submitted and approved.

Parent Support, Holiday Clubs and Community

There was no Summer Club in 2022 nor any Easter Club in 2023. Using the allocated time, additional sessions were delivered through to the end of each term to benefit families and the usual end of term report writing was then completed during the holiday periods.

The Children's Christmas Party was on 9 December 2022 with Live Music Now delivering entertainment on the Lower Ground Floor. All three floors were utilised as Santa had his own quiet grotto by the entrance and buggies were stored on the top-floor.

There were Parent Drinks in July and a Siblings Parents Workshop in December. There was also a Graduates Day for children who had left during the pandemic. Petersham Nurseries donated more plants. Small Steps welcomed in the local Alberts Community on 11 December to host their Christmas Drinks on the Lower Ground Floor and we participated in the planting of a time-capsule in the community garden opposite during that event.

Visitors

Several graduate parents came to see the new building – including one Dad who finally persuaded Small Steps to take a stall at Barnes Fair! Most of their children are now young adults and orange remains in all of their lives. Staff from a residential home in St. Albans also arranged to visit on hearing that Small Steps was the first programme that one of their residents (now in his 20's) had participated in.

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MAY 2023

We welcomed new local Councillors Chris Varley and Chas Warlow, as well as Councillor Penny Frost – Chair of the Education and Children's Services Committee. We welcomed colleagues from Achieving for Children - Anna Chiva (Associate Director SEND) and Ashley Whittaker (Programme Director). Colleagues from other Conductive Education settings also visited, including one of the original conductors funded by SCOPE to train at Peto Budapest and now working at Ingfield School. We welcomed ISG Contractors who had refurbished the building and have now adopted Small Steps as their charity of the year. We welcomed Tower Hamlet's Children's Centre colleagues, keen to develop a 'Small Steps Out East' pilot project. We welcomed representatives from the Richmond Parent Carer Forum and in return attended their 'reaching out to families' event. We also welcomed the actor, Edwin Thomas.

Small Steps went out too - attending the Richmond Community Volunteer Service (RCVS) 90 years Celebration in March and the Mayor's International Women's Day event also in March both at York House.

Premises

After completion of the fit out/refurbishment of the lower ground floor (LGF) last year, the final certificate passing all these works was received from Building Control. The additional space is being used for sessions daily as well as by staff for meetings, storage and events.

During the year, the Council granted personal permission to Small Steps to remain at Worple Way across all three floors into perpetuity. Should the charity leave Worple Way, the building is required to revert to office use.

Towards year end, a separate planning application was submitted to the Council to widen access into the carpark and to make it more family-user friendly. The decision notice has since been received, granting Small Steps permission to do the works in the coming year.

The Heritage Lights have been installed on Worple Way, enhancing the street view into the building.

Throughout the period, the challenges and requirements of running a building have continued, with the additional workload absorbed by the current staff team. A dedicated Facilities Manager part-time post was advertised but never filled and this role is being considered anew in terms of funding issues and staff infrastructure.

As mentioned earlier, the charity is in receipt of an annual donation restricted to the costs of running the building (Maintenance Grant).

Fundraising

Small Steps has never had a secure funding stream and relies totally on charitable grants, events and voluntary donations. It costs more than £400,000 to run Small Steps for a year.

As already noted, grant funding is much reduced this year, with limited staff capacity to commit to it. The charity is still suffering from the loss of significant support from Children in Need, which it was able to mitigate for a few years but not any longer. Trustees appointed a new Grants & Foundations Fundraiser in January which was anticipated to impact funds positively; however, success has been negligible, with one possible factor being that the prior year accounts showed a relatively positive financial position. Now that the situation has changed, we are hopeful of securing grant income again.

As also noted earlier, there is a steady stream of constant 'giving back' income received from a whole host of various fundraising activities organised by families, friends, their extended networks and workplaces. These are too numerous to mention but include mudathon's, winter walks, percussion concerts, cake sales, cycle rides, golf days, school assemblies and memorials. This year too there were Star Bags printed by a graduate Grandad – complementing the Christmas Raffle.

Also mentioned earlier, it was decided to postpone the planned annual Ball due to low ticket sales. It is rescheduled for March 2024.

The number of online giving platforms for receiving all donations has increased greatly, generating with it an additional administrative workload.

SMALL STEPS SFP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MAY 2023

We are so grateful to all our incredible supporters – the parents and the wider Small Steps Community – including those with a personal connection who continue to make regular donations online as well as to those others who have made significant contributions. Whether small or large, this support is so vital to us. It continues to ensure that Small Steps remains a free service.

Financial Review

As outlined above, our core funding from friends and family is not meeting our costs.

By comparison to last, this has not been a good year. Staff and other operating costs have risen as the charity aims to meet the needs of more families in its enlarged space. Fundraising income has been insufficient to meet increased expenditure. Consequently, unrestricted funds (our general reserves) have decreased significantly compared to prior years, though the charity continues to meet its 6-month reserves policy condition (albeit with little headroom):

“Small Steps will have sufficient cash reserves to enable the charity’s operation to run for the next six months. This should be calculated each month as available cash reserves divided by last 6 months running costs and noted in the monthly accounts. If Small Steps has insufficient cash reserves, then a meeting of Trustees should be convened within a month to discuss what actions can be taken to ensure the long-term sustainability of the charity.”

Total reserves are £3,724,723 (2022: £3,884,042) but the majority of these are restricted – consisting of the property and related maintenance grant – so not available to meet ongoing funding requirements. The actual unrestricted reserves are £203,298 which is 52% of unrestricted annual costs at year end and a significant drop from 82% in prior years. Unrestricted income is down 35% on last year and the budgeted cost base for the coming year is up by 15% mainly due to the impact of inflation.

Trustees are conscious of the charity’s reliance entirely on voluntary donations. They have addressed this in recruiting a fundraiser specifically to access grants and new pots of money and the charity continues to manage expenditure well.

Risk Management

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. The Board has established good governance practice that includes effective sub-committees for Finance, Fundraising, Personnel, Premises, Effective Provision, and a Salary Review Working Group. The Senior Leadership Team meet weekly.

Some meetings continued on zoom during the period, though the charity is keen to have all Trustees more actively involved and present to be more effective in the decision-making process.

The Trustees have always been proactive in their response to all risks and have established policies and procedures that are designed to provide reasonable, but not absolute, assurance against them. As good governance dictates, they take advice – including legal - and are constantly reviewing all areas of risk management including Health and Safety and Safeguarding.

Premises is no longer an identified main risk faced by the charity, but Funding and Personnel are:

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

Funding will continue to remain a significant risk. 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 staff. The charity has grown in terms of space resource and now also needs to fully utilise the building to the benefit of more families, which costs more. The charity has always been reliant on ad hoc grants, donations, and community fundraising – though without a dedicated fundraiser. In January, a freelance Trusts and Foundations Fundraiser was recruited to grow that income stream to complement the historically very successful funding stream from families.

SMALL STEPS SFP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MAY 2023**

The risk around personnel is always present, particularly retaining and recruiting sufficient levels of skilled staff. But also having an appropriate and sufficient staff structure to run the expanded service. Training of and career development opportunities for conductors and the focus of the CEUK (Conductive Education UK Consortium) was highlighted last year – with subsequent training by Small Steps staff as Level Three trainers mentioned earlier. It remains down to individual settings to promote and deliver on such opportunities to recruit/retain/incentivise staff.

More pressing this year has been recognition that the charity is reliant on a small core of people who have taken on expanded responsibilities and the need to identify new roles to strengthen the structure of the organisation – the recruitment to a fundraiser post and the advertised Facilities Manager being just one step in the process. Throughout the year various meetings around organisation, structure, roles – between Trustees and the SLT – culminated in the offer of three-month sabbatical to the Head of Small Steps with effect the first day of coming year (1 June).

Future Developments

The ongoing vision of the charity is always 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. Small Steps is in a good position to be able to continue delivering on this.

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

- Secure sufficient funds to ensure running costs are covered for at least one more year – noting that the reserves policy is agreed to be 6 months. The charity will continue to support, encourage, and facilitate individual fundraising through its unique Fundraising Strategy. This consistently successful strategy relies on the core values of the charity being realised: yes can-do positivity; excellent therapeutic group sessions; warmth and compassion; personal support offered to parents. This all starts with a child in need. So Small Steps will continue to be promoted to the widest reach of all those children who will benefit from its offering.
- Continue to apply for and secure formal grant income from grant making bodies.
- Recruit additional practitioner staff to fully utilise the building capacity.
- Pro-actively approach all localities in the catchment area to remind referral partners to signpost families to Small Steps. At year-end 52% of families accessing Small Steps were referred in by statutory agencies i.e., not just word of mouth. There are more families out there who can benefit. Families now accessing Small Steps from Herts (St. Albans), Essex (Havering) and Isle of Wight. Wandsworth remains the largest cohort (25%) with Richmond (14%) and Kingston (9%) making up second and third.
- Identify additional roles and recruit to them, to spread the workload and to strengthen the staff infrastructure.
- Continue to establish the charity within its Richmond community. The charity recognises the potential of its place within the locality and will seek to strengthen it and in doing so to raise the profile of Small Steps.
- Retain links with the Conductive Education Consortium UK (CEUK) – to consolidate the national voice for Conductive Education.
- Retain a free service.
- The charity will seek to confirm a shared five-year vision for Small Steps.

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MAY 2023

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.

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	
M Kelly	
T Halfhide	(Resigned 1 September 2023)
A Tufano	
R Sarson	
D Challinor	
E Chadd	
C Lort-Philips	

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 Becca Sarson are Members of the Company. Anita Coppola MBE is also a Member. Tim Halfhide resigned on 1 September 2023. 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 (2022: four) of the Board are parents of Small Steps children.

In addition to the Trustees and staff, Small Steps is truly 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

Small Steps is an independent charity. 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.

External scrutiny

Due to the value of the funds gifted to refurbish the LGF of the building, and value of the total assets 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.

Fundraising statement

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.

Auditor

Citroen Wells was re-appointed as auditor to the charity during the period under review.

SMALL STEPS SFP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2023

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
Dated: 26/10/2023

SMALL STEPS SFP

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MAY 2023

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.

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 2023 which comprise the statement of financial activities, the statement of financial position 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 2023 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.

SMALL STEPS SFP

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 being the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the charitable company's Memorandum and Articles of Association, the Charities Act 2011, and the safe guarding legislation.
- 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 Trustee 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 Charity is a regulated entity under the supervision of the Charities Commission. As such, the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities.

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

Citroen Wells

30/10/2023
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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 section 1212 of the Companies Act 2006.

SMALL STEPS SFP

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MAY 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes						
<u>Income and endowments from:</u>							
Donations and legacies	2	268,429	62,116	330,545	390,800	288,790	679,590
Fundraising events	3	9,831	-	9,831	43,802	-	43,802
Investments - bank interest	4	4,284	-	4,284	981	-	981
Other income	5	-	-	-	-	7,358	7,358
Total income		282,544	62,116	344,660	435,583	296,148	731,731
<u>Expenditure on:</u>							
Raising funds	6	56,382	-	56,382	56,214	-	56,214
Charitable activities	7	335,965	111,632	447,597	324,026	110,165	434,191
Total expenditure		392,347	111,632	503,979	380,240	110,165	490,405
Net (expenditure)/income for the year/							
Net movement in funds		(109,803)	(49,516)	(159,319)	55,343	185,983	241,326
Fund balances at 1 June 2022		313,101	3,570,941	3,884,042	257,759	3,384,957	3,642,716
Fund balances at 31 May 2023		203,298	3,521,425	3,724,723	313,102	3,570,940	3,884,042

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 2023**

	Notes	2023 £	£	2022 £	£
Fixed assets					
Property, plant and equipment	11		3,353,172		3,307,400
Current assets					
Current debtors	12	29,256		55,388	
Cash at bank and in hand		366,534		541,907	
		395,790		597,295	
Current liabilities	13	(24,239)		(20,653)	
Net current assets			371,551		576,642
Total assets less current liabilities			3,724,723		3,884,042
Income funds					
Restricted funds	16		3,521,425		3,570,940
Unrestricted funds			203,298		313,102
			3,724,723		3,884,042

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 2023, 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.

The financial statements were approved by the Trustees on 26/10/2023

Andrea Samuelson
.....
A Samuelson
Trustee

Company Registration No. 08353635

SMALL STEPS SFP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2023

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

The 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, reported a deficit for the year of £109,803, although the unrestricted funds carried forward at the balance sheet date were £203,298. 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 cash reserves at the balance sheet date to sustain the expected levels of spending 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 2023

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.

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.

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.

SMALL STEPS SFP

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

1 Accounting policies

(Continued)

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.

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.

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.

SMALL STEPS SFP

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

1 Accounting policies

(Continued)

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.

1.12 Retirement benefits

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

1.13 Government grants

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.

SMALL STEPS SFP

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

2 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2023	Total 2022
	£	£	£	£
Donations and gifts	260,094	-	260,094	364,190
Grants	-	62,116	62,116	284,000
Donated facilities and services	8,335	-	8,335	31,400
	<u>268,429</u>	<u>62,116</u>	<u>330,545</u>	<u>679,590</u>
For the year ended 31 May 2022	<u>390,800</u>	<u>288,790</u>		<u>679,590</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 Fundraising events

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Fundraising events	<u>9,831</u>	<u>43,802</u>

4 Investments - bank interest

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Interest receivable	<u>4,284</u>	<u>981</u>

5 Other income

	Restricted funds 2023 £	Restricted funds 2022 £
Government grants	<u>-</u>	<u>7,358</u>

SMALL STEPS SFP

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

6 Raising funds

	2023 £	2022 £
Fundraising and publicity		
Costs of generating donations and grants	11,223	16,831
Costs of organising fund-raising events	3,432	12,387
Staff costs	41,727	26,996
	<u>56,382</u>	<u>56,214</u>

7 Charitable activities

	2023 £	2022 £
Staff costs	273,955	238,486
Depreciation and impairment	51,824	45,094
Premises costs	47,692	48,767
Other direct charitable expenditure	8,149	19,499
	<u>381,620</u>	<u>351,846</u>
Support costs (see note 8)	51,796	64,527
Governance costs (see note 8)	14,181	17,818
	<u>447,597</u>	<u>434,191</u>
Analysis by fund		
Unrestricted funds	335,965	324,026
Restricted funds	111,632	110,165
	<u>447,597</u>	<u>434,191</u>

SMALL STEPS SFP

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

8 Support & governance costs

	Support costs £	Governance costs £	2023 £	Support costs £	Governance costs £	2022 £
Staff costs	28,251	5,518	33,769	25,875	5,253	31,128
Office and other administration costs	18,210	863	19,073	18,112	6,565	24,677
Legal and professional fees	5,335	-	5,335	20,540	-	20,540
Audit fees	-	7,800	7,800	-	6,000	6,000
	<u>51,796</u>	<u>14,181</u>	<u>65,977</u>	<u>64,527</u>	<u>17,818</u>	<u>82,345</u>

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

9 Trustees

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

10 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Full time	6	5
Part time	6	6
Total	<u>12</u>	<u>11</u>

Employment costs

	2023 £	2022 £
Wages and salaries	311,573	264,339
Social security costs	24,467	21,058
Other pension costs	13,411	11,213
	<u>349,451</u>	<u>296,610</u>

The average monthly full-time equivalent employees during the year was 9 (2022: 8)

SMALL STEPS SFP

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

10 Employees

(Continued)

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2023 Number	2022 Number
£70,000 - £79,999	1	1

11 Property, plant and equipment

	Freehold land & buildings £	Fixtures and fittings £	Total £
Cost			
At 1 June 2022	3,016,662	379,165	3,395,827
Additions	51,197	46,399	97,596
At 31 May 2023	3,067,859	425,564	3,493,423
Depreciation			
At 1 June 2022	54,417	34,010	88,427
Depreciation charged in the year	31,030	20,794	51,824
At 31 May 2023	85,447	54,804	140,251
Carrying amount			
At 31 May 2023	2,982,412	370,760	3,353,172
At 31 May 2022	2,962,245	345,155	3,307,400

12 Current debtors

	2023 £	2022 £
Other receivables	14,003	44,775
Prepayments and accrued income	15,253	10,613
	29,256	55,388

SMALL STEPS SFP

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

13 Current liabilities

	Notes	2023 £	2022 £
Other taxation and social security		5,300	4,428
Deferred income	14	6,821	-
Trade payables		4,184	-
Accruals and deferred income		7,934	16,225
		<u>24,239</u>	<u>20,653</u>

14 Deferred income

	2023 £	2022 £
Other deferred income	6,821	-
	<u>6,821</u>	<u>-</u>

Deferred income consists of money received in the year for tickets sold to the charity's annual ball, which was postponed and has been re-scheduled for March 2024.

	2023 £	2022 £
Deferred income is included within:		
Current liabilities	6,821	-
	<u>6,821</u>	<u>-</u>
Movements in the year:		
Deferred income at 1 June 2022	-	-
Resources deferred in the year	6,821	-
	<u>6,821</u>	<u>-</u>
Deferred income at 31 May 2023	<u>6,821</u>	<u>-</u>

15 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 £13,411 (2022 - £11,213).

SMALL STEPS SFP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

16 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 2021	Incoming resources	Resources expended	Transfers	Balance at 1 June 2022	Incoming resources	Resources expended	Transfers	Balance at 31 May 2023
	£	£	£	£	£	£	£	£	£
Staff costs	-	7,358	(7,358)	-	-	-	-	-	-
Provision of classes	4,155	4,000	(8,155)	-	-	10,000	(10,000)	-	-
Resources and equipment	-	790	(790)	-	-	2,116	(2,116)	-	-
Premises costs	674,135	284,000	(48,768)	(645,827)	263,541	50,000	(47,692)	(97,596)	168,253
Donated asset	2,706,667	-	(45,094)	645,827	3,307,400	-	(51,824)	97,596	3,353,172
	<u>3,384,957</u>	<u>296,148</u>	<u>(110,165)</u>	<u>-</u>	<u>3,570,941</u>	<u>62,116</u>	<u>(111,632)</u>	<u>-</u>	<u>3,521,425</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 2023

17 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 May 2023 are represented by:			
Property, plant and equipment	-	3,353,172	3,353,172
Net current assets	203,298	168,253	371,551
	<u>203,298</u>	<u>3,521,425</u>	<u>3,724,723</u>

18 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023 £	2022 £
Aggregate compensation	<u>74,811</u>	<u>70,022</u>

Unrestricted donations of £4,370 (2022: £6,965) were made by related parties to the charity during the year.