

STEP ONE CHARITY
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

**STEP ONE CHARITY
(A COMPANY LIMITED BY GUARANTEE)**

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**STEP ONE CHARITY
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2023**

| | |
|----------------------------------|---|
| Directors and Trustees | Mr R Gofton Mr M Taylor Mr R Williams Mrs S Sutherland, Chair Dr P Cawthron Mr D Hawes Mr M Lambert Mr C Pallot Mrs K O'Shaughnessy (appointed 27 October 2022) Mr J Ellison (appointed 14 June 2022, resigned 14 December 2022) |
| Company registered number | 00393477 |
| Charity registered number | 235434 |
| Registered office | 2nd Floor Stratus House Emperor Way Exeter Business Park Exeter Devon EX1 3QS |

**STEP ONE CHARITY
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Chief executive officer Mrs E Rainsford (until 18 July 2022)
Mr A Stark (Interim 18 July 2022 to 23 January 2023)
Mr B Greaves (From 23 January 2023)

Independent auditors Bishop Fleming LLP
Chartered Accountants
2nd Floor Stratus House
Emperor Way
Exeter Business Park
Exeter
EX1 3QS

Bankers National Westminster Bank Plc
59 High Street
Exeter
Devon
EX4 3DP

Solicitors Foot Anstey
Senate Court
Southernhay Gardens
Exeter
Devon
EX1 1NT

**STEP ONE CHARITY
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

The Trustees present their annual report together with the audited financial statements of the company for the 1 April 2022 to 31 March 2023. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Objectives and activities

a. Policies and objectives

The principal objects of the charity are to provide support for people with physical, mental health, sensory and other disabilities, or those with long-term health conditions, in order to improve their quality of life and degree of independence and provide the opportunity to achieve their potential through personal development, training and employment.

The Board of Trustees has given regard to the legislative and regulatory requirements for disclosing how its charitable objectives have provided benefit to the public and confirms it has complied with the duties as set out. This report outlines how our achievements during the period have benefited the public.

Throughout this year we have completed a thorough review of our strategy with a focused commitment to further drive our reputation for high quality service provision and investment in our staffing resource. We continue to plan to grow our core services whilst developing our fundraising potential which will help us diversify our income sources and enable us to support more people through new services.

Step One activities during 2022-23 were again centred on Employment Services, and Health and Social Care.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Strategic report

The following sections constitute the strategic report for the purposes of the Companies Act 2006. This strategic report forms part of the Report of the Board.

Achievements and performance

a. Introduction

It has been a varied year full of highs and lows. Whilst the Charity celebrated its 85th year it was also deeply saddened by the passing of Her Majesty the Queen who had been its patron since 1946. As Chair of Trustees I felt so privileged to be able to represent Step One at Her Majesty's state funeral and we feel very privileged that we benefited from her Patronage for so many years

Financially it has been another challenging year with the final phases of the impact of the pandemic coupled with the heightened intensity of the economic situation. Price increases have impacted us and this is anticipated to continue into the next year.

Equally the labour market has itself been subject to various changes. With hybrid and home working plus the increased cost of living and a competitive labour market, especially for care staff, we have recognised the need to increase salary packages. In addition labour shortages have had two effects. Firstly an increase in agency staff whose costs negatively impacted on the budget and we had to refuse new work because of a lack of sufficient staff resulting in less income, which together have challenged the budget.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Achievements and performance (CONTINUED)

During the year the substantive Chief Executive Officer (CEO) transferred to lead the CQC registered acute service to ensure the continuity of a safe high quality service. Whilst the Trustees recruited a new Chief Executive the Finance Director acted as an interim CEO and was supported by the Senior Management Team in delivering the operational business of the charity. Following a competitive recruitment process a new CEO commenced in January 2023. Since then the Senior Management Team has been strengthened with vacancies filled and new roles created which provides a strong platform for the execution of the revised strategy.

We would like to acknowledge how hard everyone has worked in what has been an intensely challenging time. All services maintained the delivery of much needed support and care to our beneficiaries and this is commended. Managers, staff and those behind the scenes had a demanding year but rose to the challenge to continue to put our clients at the centre of our endeavour and this is much appreciated.

b. Main achievements of the charity

(i) Cypress Hospital and Granvue Crisis House

Cypress Hospital has continued to deliver patient service successfully throughout this turbulent period. However, the lack of a contract review by NHS commissioners to discuss increases in inflation and costs have meant that any surplus generated in this contract has been eroded. To mitigate this, the charity has recently renegotiated the contract with the Integrated Care Board and Devon Partnership Trust to remove the Granvue service from the contract, reduce the number of beds provided and to change the nature of the service from crisis to rehabilitation and step down. Whilst this will not move the financial position to a significantly positive one, it will mitigate some of the losses.

Granvue ceased operating in December 2022. The Board is currently working through options as to how to best use the property. It is key the Board makes a considered decision rather than impulsively act. Understanding what the demand is for and how the Charity can meet that demand is essential to ensure the asset is viably utilised. The balance will be to make sure that we meet our charitable objectives and provide benefit to the public whilst ensuring a positive financial position. Releasing Granvue from an unfavourable contract is a key achievement and presents an opportunity going forwards.

(ii) Support Living and Community Support

This service has continued to run effectively during the year with employees adapting well to the challenges highlighted above. The Board has recently agreed a plan to develop this as a core service and the executive team are now planning a capital expenditure programme to acquire additional supported living houses. This will benefit more people in our community as well as generate more secure income funds compared to the more volatile nature of investment returns.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Achievements and performance (CONTINUED)

(iii) CF03

We continue to be very proud of the work we do to rehabilitate offenders. The current contract is expected to end in Aug 23 and the CFO team are well on track to have met all KPI and targets set out in the contract. There is an aspiration to develop a new contract, CFO Evolution, and SOC has submitted an expression of interest. SOC will use a contractual underspend to continue delivering contractual targets to December in order to maintain a presence in the prison and as an expression of good faith to position ourselves well for a potential CFO Evolution contract.

(iv) BeWell@ StepOne

Over the year the Charity looked at taking a more holistic approach to mental health self-management which included launching physical activity sessions (eg Mens Walking Group), Financial Management Sessions and Employability support in partnership with the JobCentre Plus. These actions will result in more effective mental health support by incorporating the different aspects of human life that impact mental health.

In addition the NHS HOPE course partnered with the NHS successfully continues. The course targets specific groups of NHS employees and is also open to the public.

The collaboration with Mind continues to successfully develop with increased signposting to each other's courses. Other working partnerships have been created with Torbay Council, Active Devon and Torquay United Supporters Trust. The Charity is looking forward to furthering these relationships and continuing to expand its partnering network.

(v) Fundraising

The Fundraising Team has continued to work aligned to the Fundraising Strategy. With hindsight we recognise that the financial targets that were set for this year were overly ambitious and as a consequence were not fully met. The plan for the following year has been slightly revised to ensure it is realistic whilst delivering growth. The Fundraising Team has recently increased in size and is in a stronger place to attract grant funding and increase fundraising.

(vi) Beaufort House

Following Trustee agreement Beaufort House was sold in December 2022. Head Office base has since operated from rented office accommodation on the outskirts of Exeter. During this period the Board has been looking for appropriate office space in Exeter. Interest has recently been shown in a leased property near Southernhay in Exeter. Respective due legal processes are currently underway with a view for the property to be occupied towards the end of 2023.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Achievements and performance (CONTINUED)

(vii) The Devon Mental Health Alliance

During the previous year, Step One was successful in securing a new contract with other partners to deliver mental health services in a new collaborative approach across Devon. The contract is initially for a 3-year period (commencing February 2022) with a total contract value of £3.65 million. The Devon Mental Health Alliance is a partnership between six community organisations, (CoLab Exeter, Devon Mind, Improving Lives Plymouth, Rethink, Shekinah Mission, Step One) and Statutory Mental Health Partners. Since then, the Alliance has grown and is now developing additional service provisions and bidding for new contracts; aimed at improving positive outcomes for service users, as well as increasing influence and income.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

In the Board's view, a minimum level of unrestricted reserves should be maintained to provide adequate financial stability and the means for it to meet its charitable objectives for the foreseeable future. The Board reviews the amount of reserves required at least on an annual basis, and receives management accounts on a regular basis to allow them to monitor the likely movement on reserves in any given year.

The Board proposes to maintain general unrestricted reserves at a level which is at least equivalent to six months' operational expenditure, plus redundancy provision, plus an adequate provision for lease terminations. The current target level of reserves has been set at £2m and at the year-end it is actually known that this will be achieved.

The Board is also obliged to designate funding to offset and future pension liabilities as assessed by the Foundation's actuary. The designated reserve should match the amounts held in the escrow account that cover the pension scheme funding deficit and any amounts due under the current schedule of contributions. The escrow account fund had a balance of £1.4m at year end making a total of £1.4m designated for pension liabilities.

The Board also designates funds to support other specific purposes with separately identifiable costs and a business case demonstrating clear benefit across the organisation and support for the charitable objects. Further details of these designations are provided in the notes to the accounts.

The charity currently has a designated reserve of £1.7m to offset any potential reductions arising from investment volatility.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

c. Financial Review

The year-end accounts show a total income of £3.625m, an increase of £372k from 2022. Total expenditure for the year was £3.874m for the group compared to £3.100m in 2022. The net income/(expenditure) before investments and pensions are taken into account was a deficit of £248k compared to £154k surplus in 2022.

The investments of the Charity are held in two separately managed portfolios that are balanced in order to maintain potential for longer term growth in capital value, but which also allow for funds to be withdrawn at short notice should the need arise. The investment performance reflected market conditions and a net loss of £272k on the investment valuation is recognised, compared to a gain of £595k in 2022 (reflecting a large the unstable conditions of the market). Profit on Sale of Beaufort House was £614k The net movement in funds before adjustments for pensions is a loss of £506k compared to a gain of £1.242m in 2022.

The annual update of the pension scheme for March 2023 showed a decrease in the value of the scheme assets by £4.659m to £22.384m as the benefits paid were more than the contributions made by Step One and the investment returns. The present value of the scheme liabilities has also decreased by £4.774m to £17.973m as the benefits paid and actuarial gain have exceeded the increased costs. The charity has an unrecognised surplus of £4.411m in respect of its defined benefit pension scheme compared to £4.296m in 2022. However, in line with accounting disclosures contained within the FRS 102 year-end pension report, the recognised assets have been restricted to the value of the defined benefit obligation only, meaning this surplus is not recognised as a gain within the consolidated statement of financial activities for 2022-23. In terms of the year-end accounts there is a pension movement of £79k.

Taking all of the above into account results in an overall net reduction of funds for the group of £442k, with total funds carried forward of £12.453m at the year end. Of this, a total of £6.116m is designated for specific purposes, and general unrestricted funds including the unrealised investment revaluation, stand at £6.201m.

As previously mentioned the last phases of the pandemic plus the economic turbulence have hit hard in many areas across the charity. Whilst exercising cost control many expenses have to be incurred simply to provide the services. The budget for the following year has factored in increases where known and a formal reforecast will be carried out after the first quarter.

The Board is also mindful that many costs are unlikely to reduce in the foreseeable future and has created a Five Year Plan to both assess the current position and to flesh out areas of required change. The Five Year Plan has multiple purposes and will become both an internal and external communication document.

d. Risks

The organisation has a strong framework in place to monitor and mitigate major risks to which it may become exposed. Risks are regularly reviewed by the Board and its sub-Committees or Working Groups. Commercial and financial risks are considered by the Finance & Audit Committee using external advice where appropriate. There are robust systems for quality assurance and compliance through the Quality Assurance and Improvement Committee that are used to inform a process of continuous improvement and provide further assurance on identification and management of risk. The key business risks that have been identified: -

- (i) Lack of new contract opportunities going forward
- (ii) Ongoing increase in medical insurance cover with limited providers
- (iii) Ensuring there are adequate and skilled staff to deliver services and fulfil contractual obligations
- (iv) Lack of fundraising focus
- (v) Current impact of inflation upon procuring goods and services and recruiting staff
- (vi) Decline in investment values

**STEP ONE CHARITY
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Structure, governance and management

a. Constitution

Step One Charity ("Step One") is a company limited by guarantee and is registered as a charity with the Charity Commission (No. 235434). The name was changed from St Loye's Foundation on 21 December 2016 to provide a new trading name for the group following the acquisition of Community Care Trust (South West) Limited as a subsidiary in 2015 and a period of review and consultation. The trustees constitute the Board of Management of the charity and are also directors of the company with overall responsibility for governance. The Board meets to agree strategic and operational plans and monitor progress against them. The Board delegates the day to day running of the charity to an Executive Team, providing advice and guidance as appropriate. Board members may also serve on Committees or operational groups.

Community Care Trust (South West) Limited ("CCT") was a charitable company limited by guarantee, registered company number 2420393 and registered charity number 1007781. It is a subsidiary of Step One Charity. Following the transfer of all its activities, assets and liabilities on 31 March 2022 to Step One, CCT has remained dormant throughout the year

The following Trustees served during the year:

Ms S Sutherland (Chair)
Mr M Taylor
Mr P Cawthron
Mr D Hawes
Mr R Gofton
Mr M Lambert
Mr C Pallot
Mr R Williams
Ms K O'Shaughnessy (appointed 27th October 2022)
Mr J Ellison (appointed 14th June 2022, resigned 14th December 2022)

b. Methods of appointment or election of Trustees

The management of the Group and the company is the responsibility of the Trustees who are elected and co-opted under the terms of the memorandum and articles of association.

c. Financial risk management

The Trustees have assessed the major risks to which the charity are exposed, in particular those related to the operations and finances of the charity and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

d. Trustee induction and training

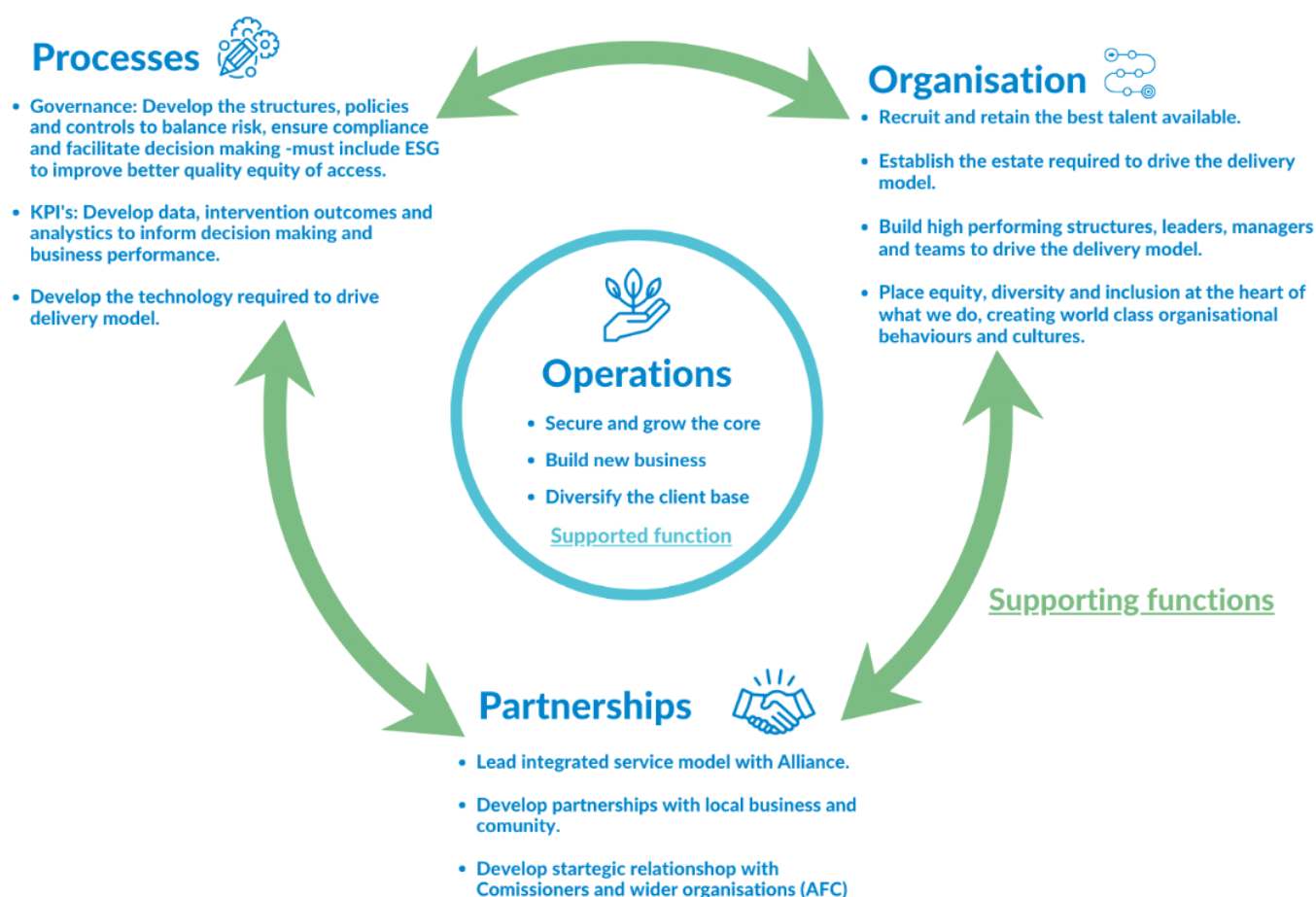
The Trustees undergo induction to brief them of their legal obligations under company and charity law, the content of the Articles of Association, the committee and decision-making processes, approval of the annual operating plans and budgets and review of strategy and performance.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Plans for future periods

As previously mentioned the Charity appointed a new CEO in January 2023. The previous strategy has been reviewed and refreshed in view of the financial performance and continuing challenges. The new 5-year plan redefines Step One's vision, mission and operating model to build greater capacity, capability and financial resilience for the charity designed to return the charity from an operating deficit into a surplus position.

The Plan is clear that the inflection point has not yet been reached and that there is a requirement to invest before the financial position can be turned around. In sum, the model focusses on four functions (Operations, Processes, Organisation and Partnerships) and develops strategic objectives within each in order to drive change:



**STEP ONE CHARITY
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of the company for the purposes 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 . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the company 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 Group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors


Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Auditors

The auditors, Bishop Fleming LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:


.....
Mrs S Sutherland
Chair of Trustees

Date: 19.9.23

**STEP ONE CHARITY
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STEP ONE CHARITY

OPINION

We have audited the financial statements of Step One Charity (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of cash flows and the related notes, 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 Group's and of the parent charitable company's affairs as at 31 March 2023 and of the Group's incoming resources and application of resources, including its income and expenditure 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent charitable company'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 Auditors' 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, except to the extent otherwise explicitly stated in our report, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STEP ONE CHARITY (CONTINUED)

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes 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 Group's and the parent charitable company'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 Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STEP ONE CHARITY (CONTINUED)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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 Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and noncompliance with laws and regulations, we considered the following:

- the nature of the charity sector, control environment and charity performance;
- results of our enquiries of management and the Trustee board, including the committees charged with governance over the Group's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or noncompliance with laws and regulations;
- how the Group ensured it met its obligations arising from it being financed by and subject to the governance requirements, including around ensuring there is no material unauthorised use of funds and expenditure

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue, management override of controls using manual journal entries, purchase ledger and payroll, and identified the greatest potential for fraud as incorrect recognition of revenue and management override using manual journal entries.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the Charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, The Charities Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Charity's ability to operate or to avoid a material penalty. These included Care Quality Commission Regulation, Health and Social Care Act, data protection regulations, occupational health and safety regulations and employment legislation.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of Trustees and management and those charged with governance concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of the laws and regulations that Step One Charity are subject to;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STEP ONE CHARITY (CONTINUED)

- reading minutes of meetings of those charged with governance and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Tim Borton FCA DChA (Senior statutory auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

2nd Floor Stratus House

Emperor Way

Exeter Business Park

Exeter

EX1 3QS

Date: *11/12/2023*

STEP ONE CHARITY
(A COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023

| | Note | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|--|------|---------------------------------|-------------------------------|--------------------------|--------------------------|
| Income from: | | | | | |
| Donations and legacies | 4 | 32,609 | - | 32,609 | 181,410 |
| Charitable activities | 5 | 2,664,834 | 65,972 | 2,730,806 | 2,649,898 |
| Investments | 6 | 727,739 | - | 727,739 | 108,931 |
| Other income | 7 | 133,931 | - | 133,931 | 313,340 |
| Total income | | 3,559,113 | 65,972 | 3,625,085 | 3,253,579 |
| Expenditure on: | | | | | |
| Raising funds | | 99,545 | - | 99,545 | 70,217 |
| Charitable activities | | 3,195,338 | 578,693 | 3,774,031 | 3,030,231 |
| Total expenditure | | 3,294,883 | 578,693 | 3,873,576 | 3,100,448 |
| Net income/(expenditure) before net (losses)/gains on investments | | 264,230 | (512,721) | (248,491) | 153,131 |
| Net (losses)/gains on investments | | (272,184) | - | (272,184) | 595,277 |
| Other recognised gains/(losses): | | | | | |
| Gains on revaluation of fixed assets | | - | - | - | 495,593 |
| Actuarial gains / (losses) on defined benefit pension schemes | | 79,000 | - | 79,000 | (2,165,000) |
| Net movement in funds | | 71,046 | (512,721) | (441,675) | (920,999) |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | | 12,246,911 | 647,737 | 12,894,648 | 13,815,647 |
| Net movement in funds | | 71,046 | (512,721) | (441,675) | (920,999) |
| Total funds carried forward | | 12,317,957 | 135,016 | 12,452,973 | 12,894,648 |

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 19 to 40 form part of these financial statements.

STEP ONE CHARITY
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:00393477

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2023

| | Note | 2023 £ | 2022 £ |
|--|------|--------------------------|--------------------------|
| Fixed assets | | | |
| Tangible assets | 13 | 2,735,185 | 2,744,050 |
| Investments | 15 | 7,666,164 | 6,326,044 |
| Investment property | 14 | - | 2,279,726 |
| | | <u>10,401,349</u> | <u>11,349,820</u> |
| Current assets | | | |
| Debtors | 16 | 512,112 | 328,656 |
| Investments | 17 | 1,412,295 | 1,512,901 |
| Cash at bank and in hand | | 1,815,185 | 752,416 |
| | | <u>3,739,592</u> | <u>2,593,973</u> |
| Creditors: amounts falling due within one year | 18 | (1,687,968) | (1,049,145) |
| Net current assets | | <u>2,051,624</u> | <u>1,544,828</u> |
| Net assets excluding pension asset | | <u>12,452,973</u> | <u>12,894,648</u> |
| Total net assets | | <u><u>12,452,973</u></u> | <u><u>12,894,648</u></u> |
| Charity funds | | | |
| Restricted funds | 19 | 135,016 | 647,737 |
| Unrestricted funds | | | |
| Designated funds | 19 | 6,116,480 | 8,694,756 |
| General funds | 19 | 6,201,477 | 3,552,155 |
| Total unrestricted funds | 19 | <u>12,317,957</u> | <u>12,246,911</u> |
| Total funds | | <u><u>12,452,973</u></u> | <u><u>12,894,648</u></u> |

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on and signed on their behalf by:



.....
Mrs S Sutherland
Chair of Trustees

Date: 19.9.23

The notes on pages 19 to 40 form part of these financial statements.

STEP ONE CHARITY
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:00393477


COMPANY STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2023

| | Note | 2023 £ | 2022 £ |
|--|------|-------------------|-------------------|
| Fixed assets | | | |
| Tangible assets | 13 | 2,735,185 | 2,744,050 |
| Investments | 15 | 7,666,164 | 6,326,044 |
| Investment property | 14 | - | 2,279,726 |
| | | 10,401,349 | 11,349,820 |
| Current assets | | | |
| Debtors | 16 | 512,112 | 328,656 |
| Investments | 17 | 1,412,295 | 1,512,901 |
| Cash at bank and in hand | | 1,815,185 | 752,416 |
| | | 3,739,592 | 2,593,973 |
| Creditors: amounts falling due within one year | 18 | (1,687,968) | (1,049,145) |
| Net current assets | | 2,051,624 | 1,544,828 |
| Net assets excluding pension asset | | 12,452,973 | 12,894,648 |
| Total net assets | | 12,452,973 | 12,894,648 |
| Charity funds | | | |
| Restricted funds | 19 | 135,016 | 647,737 |
| Unrestricted funds | | | |
| Designated funds | 19 | 6,116,480 | 8,694,756 |
| General funds | 19 | 6,201,477 | 3,552,155 |
| Total unrestricted funds | 19 | 12,317,957 | 12,246,911 |
| Total funds | | 12,452,973 | 12,894,648 |

The company's net movement in funds for the year was £(441,675) (2022 - £21,002).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Mrs S Sutherland
 Chair of Trustees

Date: 19.9.23

STEP ONE CHARITY
(A COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

| | Note | 2023 £ | 2022 £ |
|--|-------------|--------------------|-------------------|
| Cash flows from operating activities | | | |
| Net cash used in operating activities | 21 | (302,962) | 670,253 |
| Cash flows from investing activities | | | |
| Proceeds from the sale of tangible fixed assets | | 3,431,974 | - |
| Purchase of tangible fixed assets | | (616,242) | (23,163) |
| Purchase and proceeds from sale of investments | | (1,450,000) | 2,050,000 |
| Repayment of pension deficit | | - | (2,050,000) |
| Net cash provided by/(used in) investing activities | | 1,365,732 | (23,163) |
| Cash flows from financing activities | | | |
| Net cash provided by financing activities | | - | - |
| Change in cash and cash equivalents in the year | | 1,062,770 | 647,090 |
| Cash and cash equivalents at the beginning of the year | | 752,415 | 105,325 |
| Cash and cash equivalents at the end of the year | 22 | 1,815,185 | 752,415 |

The notes on pages 19 to 40 form part of these financial statements

**STEP ONE CHARITY
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. GENERAL INFORMATION

Step One Charity is a registered charitable company limited by guarantee and was set up by a Memorandum of Association on 26 February 1945. The charities registered number is 235434 and the registered office is 2nd Floor Stratus House, Emperor Way, Exeter Business Park, Exeter, Devon, EX1 3QS

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Step One Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

2.2 COMPANY STATUS

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

2.3 INCOME

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the company has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the company, can be reliably measured.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. ACCOUNTING POLICIES (continued)

2.4 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

2.5 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

| | |
|------------------------|-------------|
| Freehold property | - 2% |
| Fixtures and equipment | - 10% - 33% |

2.7 INVESTMENTS

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

Investments held as fixed assets are shown at cost less provision for impairment.

2.8 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2. ACCOUNTING POLICIES (continued)

2.9 CASH AT BANK AND IN HAND

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

2.10 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

2.11 FINANCIAL INSTRUMENTS

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.12 PENSIONS

Defined benefit scheme

The company operated a defined benefit scheme, which required contributions to be made to a separately administered fund. This scheme was closed to new members with effect from 6 April 1998, and closed to future benefit accrual from 1 September 2001. For a defined benefit scheme the amounts charged to operating profit are the current service costs and any gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are charged to operating profit immediately if the benefits have vested. If the benefits have not vested immediately, the costs are recognised by equal annual instalments over the period until vesting occurs. The interest cost and the expected return on assets are included as other financial income. Actuarial gains and losses are recognised immediately in the Statement of Financial Activities. Defined benefit pension schemes are funded in separate trustee administered funds, with the assets of the scheme held separately from those of the Foundation. Full actuarial valuations are obtained every three years and are updated at each balance sheet date. The resulting defined benefit asset or liability is presented separately after other net assets on the face of the balance sheet.

Defined contribution scheme

The company and its subsidiary operate defined contribution pension schemes. Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the schemes and are set out in the notes to the accounts

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. ACCOUNTING POLICIES (continued)

2.13 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical accounting estimates and assumptions:

Pension Valuation
 Depreciation

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4. INCOME FROM DONATIONS AND LEGACIES

| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|-------------------|--|--|---------------------------------------|---------------------------------------|
| Donations | 17,446 | - | 17,446 | 12,070 |
| Legacies | 15,163 | - | 15,163 | 169,340 |
| | <u>32,609</u> | <u>-</u> | <u>32,609</u> | <u>181,410</u> |
| TOTAL 2022 | <u>180,371</u> | <u>1,039</u> | <u>181,410</u> | |

STEP ONE CHARITY
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

5. INCOME FROM CHARITABLE ACTIVITIES

| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|----------------------------------|--|--|---------------------------------------|---------------------------------------|
| Employment and training services | 126,723 | 55,950 | 182,673 | 759,193 |
| Health and social care | 2,538,111 | 10,022 | 2,548,133 | 1,890,705 |
| | <u>2,664,834</u> | <u>65,972</u> | <u>2,730,806</u> | <u>2,649,898</u> |
| TOTAL 2022 | <u>731,492</u> | <u>1,918,406</u> | <u>2,649,898</u> | |

6. INVESTMENT INCOME

| | Unrestricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|---|--|---------------------------------------|---------------------------------------|
| Investment income - Profit on Sale of Fixed Asset | 614,503 | 614,503 | - |
| Income from listed investments | 112,727 | 112,727 | 108,865 |
| Interest | 509 | 509 | 66 |
| | <u>727,739</u> | <u>727,739</u> | <u>108,931</u> |
| TOTAL 2022 | <u>108,931</u> | <u>108,931</u> | |

7. OTHER INCOMING RESOURCES

| | Unrestricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|---------------|--|---------------------------------------|---------------------------------------|
| Rental income | 133,931 | 133,931 | 313,340 |
| TOTAL 2022 | <u>313,340</u> | <u>313,340</u> | |

STEP ONE CHARITY
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

| | Activities undertaken directly 2023 £ | Support costs 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|----------------------------------|--|---|---------------------------------------|---------------------------------------|
| Employment and training services | 248,115 | 340,926 | 589,041 | 387,636 |
| Health and social care | 2,257,659 | 745,493 | 3,003,152 | 2,300,672 |
| Other | - | 181,838 | 181,838 | 341,923 |
| | <u>2,505,774</u> | <u>1,268,257</u> | <u>3,774,031</u> | <u>3,030,231</u> |
| TOTAL 2022 | <u>1,429,332</u> | <u>1,600,899</u> | <u>3,030,231</u> | |

ANALYSIS OF DIRECT COSTS

| | Employment and Training Services 2023 £ | Health and Social Care 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|--------------|--|--|---------------------------------------|---------------------------------------|
| Staff costs | 201,896 | 1,674,083 | 1,875,979 | 1,226,286 |
| Direct costs | 46,219 | 583,576 | 629,795 | 203,046 |
| | <u>248,115</u> | <u>2,257,659</u> | <u>2,505,774</u> | <u>1,429,332</u> |
| TOTAL 2022 | <u>(292,488)</u> | <u>1,721,820</u> | <u>1,429,332</u> | |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

| | Employment and Training Services 2023 £ | Health and Social Care 2023 £ | Other 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|----------------------|--|--|-----------------------------|---------------------------------------|---------------------------------------|
| Staff costs | 37,781 | 527,006 | - | 564,787 | 361,976 |
| Depreciation | - | 34,191 | 53,176 | 87,367 | 93,836 |
| Other Costs | 94,419 | 22,705 | - | 117,124 | 494,094 |
| Premises costs | 1,176 | 6,887 | - | 8,063 | 291,451 |
| Administration costs | - | - | - | - | 87,977 |
| Professional fees | 191,244 | 9,317 | 56,455 | 257,016 | 199,445 |
| Pension fee | - | - | (56,943) | (56,943) | 14,976 |
| IT costs | 16,306 | 145,387 | - | 161,693 | 4,189 |
| VAT | - | - | 129,150 | 129,150 | 52,955 |
| | <u>340,926</u> | <u>745,493</u> | <u>181,838</u> | <u>1,268,257</u> | <u>1,600,899</u> |
| TOTAL 2022 | <u>680,123</u> | <u>578,853</u> | <u>341,923</u> | <u>1,600,899</u> | |

9. AUDITORS' REMUNERATION

| | 2023 £ | 2022 £ |
|--|-------------------|-------------------|
| Fees payable to the company's auditor for the audit of the company's annual accounts | 17,500 | 9,150 |
| Fees payable to the company's auditor in respect of: | | |
| The audit of the annual accounts of the charity's subsidiary undertakings | - | 5,200 |

STEP ONE CHARITY
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

10. STAFF COSTS

| | Group 2023 £ | Group 2022 £ | Company 2023 £ | Company 2022 £ |
|-----------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Wages and salaries | 2,198,015 | 2,040,432 | 2,198,015 | 591,322 |
| Social security costs | 194,868 | 165,603 | 194,868 | 54,369 |
| Pension | 131,681 | (557,719) | 131,681 | (582,799) |
| | <u>2,524,564</u> | <u>1,648,316</u> | <u>2,524,564</u> | <u>62,892</u> |

The average number of persons employed by the company during the year was as follows:

| | Group 2023 No. | Group 2022 No. | Company 2023 No. | Company 2022 No. |
|--|-------------------------------|-------------------------------|---------------------------------|---------------------------------|
| | 101 | 103 | 101 | 25 |

The health and social care services were operated by the subsidiary charity in 2021/22, whereas for 2022/23, all services were operated by the parent charity. This is the reason for the large differences between group and company employees in the prior year.

The average headcount expressed as full-time equivalents was:

| | Group 2023 No. | Group 2022 No. | Company 2023 No. | Company 2022 No. |
|--|-------------------------------|-------------------------------|---------------------------------|---------------------------------|
| | 83 | 83 | 83 | 22 |

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

| | Group 2023 No. | Group 2022 No. |
|-------------------------------|-------------------------------|-------------------------------|
| In the band £80,001 - £90,000 | 1 | 1 |

The total amount of employee benefits received by key management personnel for their services was £139,539 (2021: £156,300)

11. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 March 2023, expenses totalling £269 were reimbursed or paid directly to 1 Trustee (2022 - £4,008 to 5 Trustees).

STEP ONE CHARITY
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

12. NET (LOSSES)/GAINS ON INVESTMENTS

The breakdown of the (£272,184) shown on the SOFA is broken down as follows:

Fixed Asset Investments (Note 14)
 Revaluation (£171,578)

Escrow Account (Note 16)
 Revaluation (£101,606)

13. TANGIBLE FIXED ASSETS

GROUP AND COMPANY

| | Freehold property £ | Fixtures and equipment £ | Total £ |
|--------------------------|---------------------------|--------------------------------|------------|
| COST OR VALUATION | | | |
| At 1 April 2022 | 2,900,519 | 722,892 | 3,623,411 |
| Additions | 612,465 | 3,777 | 616,242 |
| Disposals | (688,949) | (196,465) | (885,414) |
| At 31 March 2023 | 2,824,035 | 530,204 | 3,354,239 |
| DEPRECIATION | | | |
| At 1 April 2022 | 251,266 | 628,095 | 879,361 |
| Charge for the year | 44,434 | 42,934 | 87,368 |
| On disposals | (151,296) | (196,379) | (347,675) |
| At 31 March 2023 | 144,404 | 474,650 | 619,054 |
| NET BOOK VALUE | | | |
| At 31 March 2023 | 2,679,631 | 55,554 | 2,735,185 |
| At 31 March 2022 | 2,649,253 | 94,797 | 2,744,050 |

STEP ONE CHARITY
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

14. INVESTMENT PROPERTY

GROUP AND COMPANY

| | Freehold investment property £ |
|------------------|---|
| At 1 April 2022 | 2,279,726 |
| Disposals | (2,279,726) |
| At 31 March 2023 | - |

The property (Beaufort House) was sold in the year.

15. FIXED ASSET INVESTMENTS

| | Listed investments £ | Other fixed asset investments £ | Total £ |
|--|----------------------------|--|-------------|
| GROUP AND COMPANY | | | |
| COST OR VALUATION | | | |
| At 1 April 2022 | 6,325,704 | 340 | 6,326,044 |
| Additions | 3,000,000 | - | 3,000,000 |
| Disposals | (1,550,000) | - | (1,550,000) |
| Revaluations | (171,578) | - | (171,578) |
| Interest and dividends received and reinvested | 112,728 | - | 112,728 |
| Fees | (51,030) | - | (51,030) |
| AT 31 MARCH 2023 | 7,665,824 | 340 | 7,666,164 |
| NET BOOK VALUE | | | |
| AT 31 MARCH 2023 | 7,665,824 | 340 | 7,666,164 |
| AT 31 MARCH 2022 | 6,325,704 | 340 | 6,326,044 |

STEP ONE CHARITY
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

16. DEBTORS

| | Group 2023 £ | Group 2022 £ | Company 2023 £ | Company 2022 £ |
|--------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| DUE WITHIN ONE YEAR | | | | |
| Trade debtors | 261,468 | 123,279 | 261,468 | 123,279 |
| Other debtors | 43,863 | 61,402 | 43,863 | 61,402 |
| Prepayments and accrued income | 206,781 | 143,975 | 206,781 | 143,975 |
| | 512,112 | 328,656 | 512,112 | 328,656 |

17. ESCROW ACCOUNT

| | Group 2023 £ | Group 2022 £ | Company 2023 £ | Company 2022 £ |
|-------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Investments | 1,412,295 | 1,512,901 | 1,412,295 | 1,512,901 |

The Escrow account is established under a deed between the company and the Trustees of the St Loye's Foundation Pension & Assurance Scheme and is used to provide contributions to the Scheme under an agreed recovery plan. Assets from the account can be returned to the company when the Scheme is over-funded per the funding based actuary valuation.

STEP ONE CHARITY
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group 2023 £ | Group 2022 £ | Company 2023 £ | Company 2022 £ |
|--|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Trade creditors | 247,421 | 213,271 | 247,421 | 213,271 |
| Other taxation and social security | 51,409 | 40,323 | 51,409 | 40,384 |
| Other creditors | - | 71 | - | 10 |
| Accruals and deferred income | 1,389,138 | 795,480 | 1,389,138 | 795,480 |
| | 1,687,968 | 1,049,145 | 1,687,968 | 1,049,145 |
| | | | Group 2023 £ | Group 2022 £ |
| Deferred income at 1 April 2022 | | | 602,256 | 92,176 |
| Resources deferred during the year | | | 1,362,997 | 602,256 |
| Amounts released from previous periods | | | (602,256) | (92,176) |
| | | | 1,362,997 | 602,256 |

The balance with the Alliance Partnership in the main reason for the hike in the deferred income, and this is part of the cash balance owed to members of the alliance at year end.

STEP ONE CHARITY
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

19. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

| | Balance at 1 April 2022 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 March 2023 £ |
|-----------------------------------|---------------------------------|------------------|--------------------|--------------------------|-------------------------|-------------------------------------|
| UNRESTRICTED FUNDS | | | | | | |
| DESIGNATED FUNDS | | | | | | |
| Pension scheme escrow | 1,512,901 | - | - | - | (100,606) | 1,412,295 |
| Tangible fixed asset reserve | 5,023,777 | - | (87,367) | (2,201,225) | - | 2,735,185 |
| Future sustainability | 140,578 | - | - | - | - | 140,578 |
| Pension Commitments | 17,500 | - | - | (17,500) | - | - |
| Investment Volatility Reserve | 2,000,000 | - | - | - | (171,578) | 1,828,422 |
| | <u>8,694,756</u> | <u>-</u> | <u>(87,367)</u> | <u>(2,218,725)</u> | <u>(272,184)</u> | <u>6,116,480</u> |
| GENERAL FUNDS | | | | | | |
| General after pension liability | 2,269,393 | 3,559,113 | (3,207,516) | 1,682,273 | 79,000 | 4,382,263 |
| Unrealised investment revaluation | 1,282,762 | - | - | 536,452 | - | 1,819,214 |
| | <u>3,552,155</u> | <u>3,559,113</u> | <u>(3,207,516)</u> | <u>2,218,725</u> | <u>79,000</u> | <u>6,201,477</u> |
| TOTAL UNRESTRICTED FUNDS | <u>12,246,911</u> | <u>3,559,113</u> | <u>(3,294,883)</u> | <u>-</u> | <u>(193,184)</u> | <u>12,317,957</u> |
| RESTRICTED FUNDS | | | | | | |
| BeWell@StepOne | 1,315 | 45,950 | (47,265) | - | - | - |
| CF03 | 13,808 | 10,000 | (21,040) | - | - | 2,768 |
| Health and Social Services | 500,865 | - | (500,865) | - | - | - |
| South Devon Community Housing | 56,747 | - | - | - | - | 56,747 |

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NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - CURRENT YEAR (continued)

| | Balance at 1 April 2022 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 March 2023 £ |
|---------------------------|---------------------------------|-------------------------|---------------------------|--------------------------|-------------------------|-------------------------------------|
| Cypress | 75,002 | 10,022 | (9,523) | - | - | 75,501 |
| | <u>647,737</u> | <u>65,972</u> | <u>(578,693)</u> | <u>-</u> | <u>-</u> | <u>135,016</u> |
| TOTAL OF FUNDS | <u><u>12,894,648</u></u> | <u><u>3,625,085</u></u> | <u><u>(3,873,576)</u></u> | <u><u>-</u></u> | <u><u>(193,184)</u></u> | <u><u>12,452,973</u></u> |

**NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS (CONTINUED)

Designated Funds

Pension Scheme Escrow

Investments related to the defined benefit pension scheme are held in an escrow account, managed by Legal & General on behalf of the Foundation. These investments are not realisable in the short term and are to be used to meet the pension scheme liabilities and hence an amount equal to the liability is designated for these purposes.

Beaufort House

A sum of £1.4m was transferred to the Escrow account in relation to the purchase of Beaufort House, under agreement with the pension scheme trustees who hold a charge over the property. In the 2021/22 year, it was established that the pension scheme was no longer in deficit and accordingly the balance of the fund was released in that year. The charge over the property was removed and the property was sold during 2022/23.

Tangible Fixed Asset Reserve

The tangible fixed asset reserve is maintained at an amount equivalent to net book value of the assets with an amount equivalent to the depreciation to be expanded out of the fund in the year.

Future Sustainability

A fund was set aside to provide for the costs associated with organisational changes and developments in order to support sustainability in a changing funding environment. This provides for essential restructuring costs and investment in business development and the creation of new revenue streams in line with the strategic plan.

Pension commitments

Funds have been designated to cover the additional contributions to the defined benefit pension scheme of £17,500 per month until 31 March 2022.

Investment Volatility Fund

A fund has been set aside to help guard against any future volatility in either investment valuations or movement in the pension fund deficit.

Restricted Funds

BeWell@StepOne

A fund set up to support mental health and wellbeing to those in the community.

CF03

A fund set up to replace the Change Maker fund. It is a voluntary programme funded by the Shaw Trust designed to help people within the justice system prepare for when they leave custody and re-enter the community.

Where capital items have been purchased out of restricted funds, the expenditure is shown on the Statement of Financial Activities as a transfer from restricted to unrestricted funds.

Health and Social Services

These are funds transferred from CCT (subsidiary charity) on 31 March 2022. As the objects of CCT are narrower than those of Step One Charity, the unrestricted funds of CCT are treated as restricted funds within these consolidated financial statements.

South Devon Community Housing

This represents funds received from South Devon Community Housing Society to provide support to people aged over 16 in South Devon.

Cypress

These are made up of a Legacy received year end March 2021. This has been used in the year for funding for an ECG machine, for an OT room and for the employment of a psychologist.

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19. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

| | Balance at 1 April 2021 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 March 2022 £ |
|-----------------------------------|---------------------------------|------------------|------------------|--------------------------|-------------------------|-------------------------------------|
| DESIGNATED FUNDS | | | | | | |
| DESIGNATED FUNDS | | | | | | |
| Pension scheme escrow | 2,434,376 | - | - | (1,097,462) | 175,987 | 1,512,901 |
| Beaufort House | 1,400,000 | - | - | (1,400,000) | - | - |
| Tangible fixed asset reserve | 4,598,856 | - | (93,836) | 23,163 | 495,593 | 5,023,776 |
| Future sustainability | 213,591 | - | - | (73,013) | - | 140,578 |
| Pension Commitments | 227,500 | - | - | (210,000) | - | 17,500 |
| Investment Volatility Reserve | 2,000,000 | - | - | - | - | 2,000,000 |
| | <u>10,874,323</u> | <u>-</u> | <u>(93,836)</u> | <u>(2,757,312)</u> | <u>671,580</u> | <u>8,694,755</u> |
| GENERAL FUNDS | | | | | | |
| General after pension liability | 646,226 | 1,931,134 | (1,376,988) | 2,814,732 | (1,745,710) | 2,269,394 |
| Unrealised investment revaluation | 1,340,182 | (597,000) | 597,000 | (57,420) | - | 1,282,762 |
| | <u>1,986,408</u> | <u>1,334,134</u> | <u>(779,988)</u> | <u>2,757,312</u> | <u>(1,745,710)</u> | <u>3,552,156</u> |
| TOTAL UNRESTRICTED FUNDS | <u>12,860,731</u> | <u>1,334,134</u> | <u>(873,824)</u> | <u>-</u> | <u>(1,074,130)</u> | <u>12,246,911</u> |
| RESTRICTED FUNDS | | | | | | |
| Change Maker | 12,922 | - | (12,922) | - | - | - |
| BeWell@StepOne | - | 1,315 | - | - | - | 1,315 |
| CF03 | - | 13,808 | - | - | - | 13,808 |

STEP ONE CHARITY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

19. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR (CONTINUED)

| | Balance at 1 April 2021 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 March 2022 £ |
|-------------------------------------|---------------------------------|------------------|--------------------|--------------------------|-------------------------|-------------------------------------|
| Health and Social Services | 788,047 | 1,903,356 | (2,190,538) | - | - | 500,865 |
| South Devon Community Housing | 56,747 | - | - | - | - | 56,747 |
| Cypress | 97,200 | 965 | (23,163) | - | - | 75,002 |
| | <u>954,916</u> | <u>1,919,444</u> | <u>(2,226,623)</u> | <u>-</u> | <u>-</u> | <u>647,737</u> |
| TOTAL OF FUNDS | <u>13,815,647</u> | <u>3,253,578</u> | <u>(3,100,447)</u> | <u>-</u> | <u>(1,074,130)</u> | <u>12,894,648</u> |

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total funds 2023 £ |
|-------------------------------|------------------------------------|----------------------------------|-----------------------------|
| Tangible fixed assets | 2,735,185 | - | 2,735,185 |
| Fixed asset investments | 7,666,164 | - | 7,666,164 |
| Current assets | 3,604,576 | 135,016 | 3,739,592 |
| Creditors due within one year | (1,687,968) | - | (1,687,968) |
| TOTAL | <u>12,317,957</u> | <u>135,016</u> | <u>12,452,973</u> |

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FOR THE YEAR ENDED 31 MARCH 2023

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total funds 2022 £ |
|-------------------------------|------------------------------------|----------------------------------|-----------------------------|
| Tangible fixed assets | 2,744,050 | - | 2,744,050 |
| Fixed asset investments | 6,326,044 | - | 6,326,044 |
| Investment property | 2,279,726 | - | 2,279,726 |
| Current assets | 1,746,240 | 847,730 | 2,593,970 |
| Creditors due within one year | (849,152) | (199,993) | (1,049,145) |
| TOTAL | 12,246,908 | 647,737 | 12,894,645 |

21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | Group 2023 £ | Group 2022 £ |
|--|-----------------------------|-----------------------------|
| Net income/expenditure for the year (as per Statement of Financial Activities) | (520,675) | 748,408 |
| ADJUSTMENTS FOR: | | |
| Depreciation charges | 87,368 | 93,836 |
| Losses/ (gains) on investments | 272,184 | (595,277) |
| Dividends, interests and rents from investments | (112,728) | (108,865) |
| Loss/(profit) on the sale of fixed assets | (614,507) | - |
| Decrease/(increase) in debtors | (183,457) | 25,998 |
| Increase in creditors | 638,823 | 622,630 |
| Difference between pension charge and cash contributions | 79,000 | (178,509) |
| Investment fees | 51,030 | 62,032 |
| NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES | (302,962) | 670,253 |

STEP ONE CHARITY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | Group 2023 £ | Group 2022 £ |
|--|-----------------------------|-----------------------------|
| Cash in hand | 1,815,185 | 752,415 |
| TOTAL CASH AND CASH EQUIVALENTS | 1,815,185 | 752,415 |

23. ANALYSIS OF CHANGES IN NET FUNDS

| | At 1 April 2022 £ | Cash flows £ | Changes in market value and exchange rate movements £ | At 31 March 2023 £ |
|--------------------------|----------------------------------|-------------------------|--|-----------------------------------|
| Cash at bank and in hand | 752,412 | 1,062,773 | - | 1,815,185 |
| Liquid investments | 1,512,901 | - | (100,606) | 1,412,295 |
| | 2,265,313 | 1,062,773 | (100,606) | 3,227,480 |

24. PENSION COMMITMENTS

The Group operates a defined benefit pension scheme.

Step One operates a pension scheme for all qualifying employees. The assets of the Scheme are held in a separate trustee administered fund. The scheme closed to future accrual on 1 September 2001. A schedule of contributions is agreed between the Foundation and the Trustee after each comprehensive actuarial valuation.

The most recently completed full actuarial valuation took place as at 5 April 2020. Under the agreed schedule of contributions, Step One paid contributions to the scheme of £17,500 per month until 31 March 2022 and one-off payments of £442,698 in April 2021, £1,595,762 in June 2021 and £459,000 before 31 March 2022. No further contributions have been required since 31 March 2022.

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

| | At 31 March 2023 % | At 31 March 2022 % |
|--------------------------------------|-----------------------------------|-----------------------------------|
| Discount rate | 4.65 | 2.65 |
| Rate of price inflation - RPI | 3.45 | 5.50 |
| Rate of price inflation - CPI | 2.65 | 4.70 |
| Deferred pension increases (non-GMP) | 3.55 | 4.70 |
| Pension increases in payment | 5.00 | 5.00 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

24. PENSION COMMITMENTS (CONTINUED)

| | At 31 March 2023 Years | At 31 March 2022 Years |
|----------------------------------|---------------------------------------|---------------------------------------|
| MORTALITY RATES (IN YEARS) | | |
| - for a male aged 65 now | 21.1 / 19.9 | 21.1 / 19.9 |
| - at 65 for a male aged 45 now | 22.1 | 22.0 |
| - for a female aged 65 now | 23.5 / 22.4 | 23.5 / 22.3 |
| - at 65 for a female aged 45 now | 24.7 | 24.6 |

The Group's share of the assets in the scheme was:

| | At 31 March 2023 £000s | At 31 March 2022 £000s |
|--|---------------------------------------|---------------------------------------|
| Equities | - | 2,599 |
| Gilts | 11,009 | 2,662 |
| Corporate bonds | 3,786 | 4,574 |
| Property | - | 3,645 |
| Cash and other liquid assets | 1,888 | 457 |
| Absolute return / Diversified growth funds | 2,380 | 8,815 |
| Insured annuities | 3,321 | 4,291 |
| TOTAL FAIR VALUE OF ASSETS | 22,384 | 27,043 |

The actual return on scheme assets was £-3,179,000 (2022 - £8,000).

The amounts recognised in the Consolidated Statement of Financial Activities are as follows:

| | 2023 £000s | 2022 £000s |
|--|-----------------------|-----------------------|
| Past service cost | - | (693) |
| Interest cost | (114) | (4) |
| Administrative expenses | 79 | 100 |
| Impact of surplus restriction | 114 | - |
| TOTAL AMOUNT RECOGNISED IN THE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES | 79 | (597) |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

24. PENSION COMMITMENTS (CONTINUED)

Movements in the present value of the defined benefit obligation were as follows:

| | 2023 £000s |
|---|-----------------------------|
| Opening defined benefit obligation | 22,747 |
| Benefits paid | (1,401) |
| Interest cost on defined benefit obligation | 584 |
| Past service costs | - |
| Actuarial (gain)/loss | (3,957) |
| CLOSING DEFINED BENEFIT OBLIGATION | 17,973 |

Movements in the fair value of the Group's share of scheme assets were as follows:

| | 2023 £000s |
|--|-----------------------------|
| Opening fair value of scheme assets | 27,043 |
| Interest Income | 698 |
| Return less interest income on scheme assets | (3,877) |
| Contributions by the employer | - |
| Benefits paid | (1,401) |
| Administration Expenses | (79) |
| CLOSING FAIR VALUE OF SCHEME ASSETS | 22,384 |

The Group has an unrecognised surplus of £4,411,000 (2022 - £4,296,000) in respect of its defined benefit pension scheme as it does not expect to recover the plan surplus either through reduced contributions in the future or through refunds from the plan.

25. OPERATING LEASE COMMITMENTS

At 31 March 2023 the Group and the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | Group 2023 £ | Group 2022 £ | Company 2023 £ | Company 2022 £ |
|--|---|--------------------|---|----------------------|
| Not later than 1 year | 80,152 | 19,471 | 80,152 | 19,471 |
| Later than 1 year and not later than 5 years | 6,152 | 20,676 | 6,152 | 20,676 |
| | 86,304 | 40,147 | 86,304 | 40,147 |

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**NOTES TO THE FINANCIAL STATEMENTS
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26. RELATED PARTY TRANSACTIONS

There were no related party transactions during the period.

27. NET SHARE OF JOINT VENTURE PROFIT

Steps to Employment Limited, registered company number 09282877 was a company limited by shares and established under a joint venture agreement between Step One Charity, Enham Trust (registered company number 00173199 and registered charity number 211235) and Portland College (registered company number 00408340 and registered charity number 214339).

Steps to Employment Limited was dissolved during the year.

28. COMMUNITY CARE TRUST (SOUTH WEST) LIMITED

Step One Charity controls the voting rights of Community Care Trust (South West) Ltd, which was acquired on 1 April 2015. Community Care Trust (South West) Ltd is a charitable company limited by guarantee, registered company number 2420393 and registered charity number 1007781. The company was dormant in 2022/23. The members of CCT are the same board members as in Step One Charity.