

Company registration number: 2441231

Charity registration number: 802597

**STEP FORWARD (TOWER HAMLETS)**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

## **STEP FORWARD (TOWER HAMLETS)**

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## STEP FORWARD (TOWER HAMLETS)

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### LEGAL AND ADMINISTRATIVE INFORMATION

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**Status**

Step Forward (Tower Hamlets) is a company limited by guarantee and a registered charity governed by its memorandum and articles of association.

**Patron** Sir Ian McKellen

**Trustees** Naomi Gaffney  
Dennis Twomey  
Hussein Ali  
Bolade Kerr  
Tim Crocker-Buque

**Chief Executive Officer** Jennifer Fear

**Secretary** Dennis Twomey

**Registered Office** 234 Bethnal Green Road  
London  
E2 0AA

**Company Registration Number** 2441231

**Charity Registration Number** 802597

**Independent Auditor** Harmer Slater Limited  
Salatin House  
19 Cedar Road  
Sutton  
Surrey  
SM2 5DA

## **STEP FORWARD (TOWER HAMLETS)**

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### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022**

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The trustees are pleased to present their report together with the audited financial statements of the Charity for the year ended 31 March 2022.

#### **Governing document**

The organisation is a charitable company limited by guarantee; incorporated on November 8th, 1989. The Company was established under a Memorandum of Association which outlines the objects and powers of the charitable company. The charity is also a Limited Company by Guarantee. It is governed by its Articles of Association which detail the aims and objectives of the organisation as well as the mechanisms through which its Board of Trustees is elected. In the event of the company going into liquidation, members of the organisation are required to contribute an amount not exceeding £1.

#### **Why there is a need for Step forward**

At Step Forward we believe that all children and young people have the right to feel safe. To grow up free from abuse, neglect, discrimination and the negative effects of poverty and disadvantage. That all young people should have the support, encouragement, and opportunities they need to thrive. Unfortunately for many people this is not always the case. Step Forward was founded in 1988 to address the unmet needs of local young people aged 11-25 and influence positive social change.

Step Forward is focussed on responding to the evolving and emerging needs of young people aged 11-25 affected by poverty and disadvantage. The people we work with are mostly born into disadvantage. Good Health life expectancy for men is 62.6 years and for women is 59.4 years, whereas 15 miles away in Richmond it is 71.4 and 68.1 respectively (Trust for London- Life expectancy by borough 2017-19)

Young people in Tower Hamlets face the same challenges that all young people face today, exacerbated by local issues. Geographically the smallest borough in London, ours is the 2nd most densely populated and has some of the worst housing in the country. Tower Hamlets is one of the fastest growing populations with a higher than average number of young people. We have one of the highest levels of child poverty in England where over half of all our children and young people are classified as living in poverty, the 3rd highest incidence of childhood obesity, the 6th highest incidence of Sexually Transmitted Infections, the 2nd highest rate of injuries (deliberate and unintentional) to young people in the country.

Tower Hamlets has a vibrant multi-cultural and demographically diverse community. Over 68% of residents are from Black and Minority Ethnic (BAME) communities and have one of the highest Muslim populations of any boroughs. Unfortunately, Tower Hamlets also has one of the highest levels of drug use and of LGBTQ, religious and racist hate related incidents in London.

The 2010 Marmot Review of health inequalities highlighted that mental health is a key influence on the health of the nation and is closely linked with inequalities in society. Mental and emotional health problems increase markedly as layers of disadvantage and discrimination, which are both common to our clients, are factored in. We have witnessed both a growth in demand for support for young people's emotional and mental health but also a rise in referrals from young people with more complex mental health issues.

Mental Health of Children and Young People in England 2022 - wave 3 follow up to the 2017 survey identified that one in four 17- to 19-year-olds in England had a probable mental disorder in 2022 - up from one in six in 2021, according to an NHS Digital report. Rates among teenage boys and girls were similar - but twice as high in 17- to 24-year-old women compared with men. Children affected by mental ill health were more likely to live in a household with money issues or using a food bank.

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### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

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Our clients are young people from diverse communities where 80% are from low income families, living in overcrowded homes in 'ghettoised' neighbourhoods and suffer from the effects of poverty. They often have fractured families; poor adult relationships; lack a stable home life and many experience discrimination, abuse, violence or neglect. Many will have been bullied; have a negative self-image and poor mental, emotional and physical health. They are likely to have lower motivation to achieve, behaviour problems and difficulties communicating with others and can lead to a higher risk of things such as: involvement in crime, drugs and alcohol misuse, homelessness, teenage pregnancy and involvement in anti-social behaviour. These factors mean that they have low aspirations are less likely to thrive and reach their full potential in life.

#### **Our mission and values**

Step Forward is committed to improving the health, well-being and life chances of local young people affected by poverty and disadvantage. Through providing a holistic range of free, confidential, high quality therapeutic and psychosocial support services we help young people deal with any difficulties or past trauma or abuse. We offer a place of sanctuary which inspires and encourages them to realise their self-worth, raise their aspirations and reach their full potential in life.

Our values reflect our organisational ethos and illustrate:

1. Why we are here.
2. How we work.
3. What we believe in.

#### **Inclusive**

1. To ensure accessible, flexible support services to young people.
2. Providing an open door for all young people, never knowingly turning people away who need our services.
3. All young people deserve non-judgemental support services; they should be able to understand their own rights and responsibilities.

#### **Warm**

1. To ensure that all young people have a warm and welcoming environment.
2. Providing confidential support services from entrusted professionals.
3. All people deserve to experience warmth, hope, acceptance and love in their lives.

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#### Empowering

1. To ensure that all young people are heard and able to make informed choices in their lives.
2. Providing opportunities for young people to get the support and encouragement they need to develop and grow.
3. All young people are important and deserve to realise their full potential in life.

#### Inspirational

1. To ensure young people are inspired to make positive change.
2. Providing an engaging personalised package of support to young people.
3. All young people are exceptional and deserve support from our passionate and committed team.

#### Innovative

1. To ensure provision of support services that are not available elsewhere.
2. Providing an effective, dynamic and unique blend of approaches and interventions for young people aged between 11-25 years.
3. All young people are different and deserve to have evolving services reflective of their needs.

#### **Our services**

Step Forward offers a unique blend of free, confidential, high quality support services including counselling, personal development and sexual health services for young people aged 11-25. We have been working in partnership with a number of local schools and other statutory and voluntary sector providers in order to provide specialist support to young people who may not otherwise access our services. For over 20 years we have had a partnership with Barts Health NHS Trust to provide Integrated Sexual Health Services for Young People in Tower Hamlets.

In October 2016 we were awarded a 3+2 year Clinical Commissioning Group (CCG) Contract to provide an integrated range of mental health and wellbeing services focussing on those young people aged 14-21.

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### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022**

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As part of this programme we work in partnership with Docklands Outreach to ensure we can offer a wider range of services available across venues in Tower Hamlets. Due to the success of this programme we have had confirmation that the contract will be extended for the full five years with an additional extension due to Covid until June 2022.

In addition to our Core CCG contract we were commissioned in January 2021 to provide targeted counselling services to support the mental and emotional health of young people involved in the Youth Justice Service in Tower Hamlets.

In late 2018 we had worked in partnership with NHS Tower Hamlets' Children and Young Peoples Mental Health Service (CAMHS), The CCG and educational partners to apply to become part of the Governments Mental Health Support Teams in Schools Trailblazer programme. We were successful in our application and have strengthened our partnership with CAMHS to offer a whole school approach to mental health. Part of our role is to provide counselling support to young people from local secondary schools who may not reach the threshold for specialist CAMHS. We are also offering some mental health and wellbeing support to teachers including help to access any outside support they may need. The Trailblazer was initially for two years but as successful we now have funding agreed until March 2023 to keep developing and delivering this essential resource to schools.

In late 2020 we applied to London Borough of Tower Hamlets for continuation funding to support our work with young Lesbian, Gay, Bisexual and Trans young people or thought who are questioning their assigned sexuality and gender identity. We were successful in our application and from September 2021 started a new 3+2 year contract with Tower Hamlets to continue to develop and offer support services to young LGBTQ people in Tower Hamlets.

Step Forward is an inclusive organisation and operate an open-door policy welcoming all young people, never knowingly turning people away who need our support. Our person-centred approach enables us to build a trusting, non-judgmental and empathic relationship with our clients. This is coupled with more practical support, education and guidance including informing young people about their rights and responsibilities and ways to keep safe and healthy. We support clients through any past trauma, neglect or abuse to enable them to avoid developing patterns of anti-social, self-harming, or mental or emotional ill-health.

We have our own purpose-built high-street centre in Bethnal Green which is the heart of the community and ensures we are accessible to young people. We have two entrances into our centre and offer confidential and welcoming environment for our clients. We have 5 confidential 1-2-1 rooms, a group room and 3 clinical rooms in our basement.

During the Covid lockdowns we developed policies and structures to offer Therapeutic and Wellbeing services to young people via telephone and video sessions. We are pleased to have been able to adjust our Dept of Health and Social Care Grant to support our aim to provide safe and accessible space for young people who want support with their emotional and mental health both face to face and remotely using our new IT infrastructure for video and telephone support.

Young people can see us on a one-off or short-term basis or can continue using our services for as long as they need support, perhaps returning if they need additional help later in life. We attract young men and young women from a range of communities reflected locally. The majority of young people self-refer or hear about our service via health and educations services

All of our services are available daytimes and evenings via drop-in or appointment. We offer satellite counselling and psychosocial support sessions in schools and youth centres.

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At Step Forward we engage with individuals to provide a personalised package of therapeutic and psychosocial support suitable to their unique needs. This enables them to make informed decisions about their lives and their future.

Young people have often borne the brunt of both the socio-economic and mental health impacts of the Covid-19 pandemic and the levels of destitution are predicted to rise. We have already seen a rise in both numbers of referrals as well as increased complexity of young people seeking support. To respond to demand we've developed a model of 1-3 sessions to support Young People with immediate issues and to help prevent their experience of Mental Health escalating further.

We are in the process of recruiting new team members to join our growing skilled and experienced multi-disciplinary team of paid staff and volunteers and are able to offer a wide range of free and confidential support services under one roof. Many of these services we offer are not available elsewhere locally. These include:

- Counselling and psychotherapy - to reduce the emotional and psychological distress of young people, developing their emotional literacy and promoting mental wellbeing.
- Personal Development - to tackle personal and social issues and raise aspirations and self-esteem through 1-2-1 and group coaching, mentoring, activities and interventions including accredited learning opportunities.
- Step Out - providing individual support and group activities for young Lesbian, Gay, Bisexual or Trans or gender variant people.
- Forward Thinking - providing education, information and support to young people across Tower Hamlets. Hosting and providing access to clinical services for STI's screening, treatments and contraception services to help lower infection and unwanted pregnancy rates.

At Step Forward we had recognised that a national lockdown was imminent and we therefore contacted all the young people we were in touch with to advise them that we would still be supporting them but that we would not be offering face to face sessions. We felt we wanted to reassure everyone that we were still there for them and offer some surety in an unsure world. The impact of the pandemic and the Governments response to reduce infections rates has meant that we have had to change the way we operate.

Moving to working remotely has meant that we have had to change the way we operate and rapidly develop new ways of working along with the policies, procedures to support us and those we work with. This has opened up many opportunities for supporting the young people and communities we serve.

We now recognise that offering telephone and/or video support as well as face to face where appropriate has given our people more choice in the how they get the support they want. We now know that given the choice these options are going to continually be the best options for some young people seeking support so will become part of our offer post Covid. It will also allow us to offer more appointments at times that young people want as we are not confined by room availability. Young people have the more choice in when and how they receive support will also help to begin to rebalance the inherent power dynamic always present within therapist and client relationship with a choice of telephone or video support.

The feedback from young people feel has been really positive so far. Our own evaluation forms indicate that 98% rated us 4-5 on satisfaction. 97% are likely to recommend us to friends and family; 97% told us they felt safe and experienced compassion from our team; 89% had increased awareness; 80% expressed they had a more positive outlook for their future.



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### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

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Young people and their families have appreciated that their support has been able to continue throughout the lockdowns. We feel that will ensure we continue to have blended offer of face-to-face telephone and video interventions going forwards.

The pandemic is having a huge impact on people's lives and we feel that the need for mental health and support services is going to increase rapidly. Our aim is to have the resources and services in place to continue to provide free and accessible services for those that need it, when they need it.

#### **Public benefit**

Our Board of Trustees and management team ensures that all of Step Forward's charitable activities are for public benefit and directly relate to the charity's purpose and aims. Step Forward attracts, welcomes and serves a diverse population of young people.

We reach young people through activities at our own centres, through our regular satellite sessions in local schools and through outreach, education, training and events across the borough. Our monitoring and statistics show that our service benefits members of the public including both young men and young women from a range of communities reflected locally. We provide all our services free of charge and reached approx. 3,000 young people in the last year.

Our primary purpose is to improve the health, wellbeing and life chances of the most vulnerable young people in our society offering by free, flexible, accessible and professional services therefore challenging inequalities and promoting diversity is fundamental.

Our statistics and feedback demonstrate that we consistently serve and meet the needs of our diverse community. With all interactions we successfully balance the need to provide culturally and socially sensitive approaches with the need to challenge assumptions and prejudices. Our group programmes are designed to bring together young people from different ethnic, social and religious groups to learn and socialise together while actively promoting tolerance and acceptance.

Over 65% of all young people self-refer after hearing about our services from others or through searching for us on line.

All services are available on the ground floor, which is accessible for people with mobility issues, and in Bengali and English. Our specialist LGBT services were developed in direct response to the unmet needs of our clients as there were no existing services locally.

We believe that the diverse range of support services available and the accessibility of our services clearly demonstrate the public benefit our work brings to our local community.

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### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

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We believe that the diverse range of support services available and the accessibility of our services clearly demonstrate the public benefit our work brings to our local community.

#### Management structure

Step Forward is governed by a voluntary and selected Board of Trustees who give their time freely. We have a committed and diverse Board, many of whom have supported the organisation over many years. The Trustees bring with them a wealth of personal and professional experience and knowledge from the public, private and voluntary sector.

The majority of the Board have a local connection and many have experience of working directly with young people and/or live in the borough. The Treasurer is also the Company Secretary for the Charity.

The Board of Trustees oversees the strategic direction and policies of the charity. They are also responsible for guiding the organisation's staffing team on matters of service delivery and human resources. We have quarterly full Board meetings where all members are expected to attend and focussed action group sessions to look at our strategy and purpose. The actions-groups report to the Trustees' meetings, where any suggestions can be discussed and decisions can be ratified.

Our Chief Executive Officer reports to the Board and attends Board meetings and Action Groups. The CEO has delegated overall management responsibility for the day to day decision making.

This ensures the smooth running on the organisation and that the strategic and operational objectives are being met. Our Operations Manager line manages the team and co-ordinates the Volunteers.

The Directors of the company are also Trustees of the Charity. None of the Trustees received remuneration or expenses in the last year. The names of the Directors who served during the year and up to the date of approval of these financial statements are:

Dennis Twomey	Tim Crocker-Buque
Naomi Gaffney	Hussein Ali
Bolade Alake	

#### Induction of new trustees

Many of our Trustees are familiar with the day-to-day work of the charity when they apply to join our Board. Some Trustees have also been involved with the work of the charity prior to joining the Board.

All potential trustees are invited to complete an application which highlights their experience and areas of interest. If shortlisted they are invited to attend meetings with senior staff and Trustees to familiarise themselves with the charity and the context in which it operates. If applicants wish to pursue the option of becoming a full Board member further and we agree that they have the relevant skills, experience and attributes then they are also given the opportunity to observe a full meeting of the Board of Trustees.

Upon their appointment, new trustees are issued with a Welcome Pack for New Trustees and have the opportunity to ask further questions and meet staff members.

The Welcome Pack for New Trustees which is designed to support them in their induction to their new role as Trustees with us. It details the charity's constitution, financial and operational framework and Board of Trustees roles and responsibilities within the organisation.

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Step Forward also holds regular Board of Trustees planning days which offer incoming and existing Trustees an opportunity to learn about and discuss the charity's priorities for the forthcoming financial year.

#### **Risks management**

The Board of Trustees has conducted a review of major risks to which the charity is exposed and has established a Risk Register. The Board of Trustees maintains the Risk Register which is reviewed at least annually and updated as necessary.

Systems and procedures have been established to mitigate the risks that the charity systematically faces as an organisation. These procedures are periodically reviewed by the Board of Trustees to ensure that they continue to meet the needs of charity.

Procedures are in place to ensure the charity's compliance with health and safety requirements for staff, volunteers, clients and visitors to the centre. We regularly review our operational policies and procedures to ensure they remain up to date and fit for purpose. These include our GDPR and Data Protection, Safeguarding Children and Young People Policy and our Safeguarding Adults at Risk Policy which have been reviewed to ensure compliance with both national and local policy and guidelines. All members of staff attend safeguarding training through LBTH and at least 3 members of staff attend Advanced Safeguarding Children Training to ensure that clients as well as staff are supported to remain safe.

To ensure a consistent quality of delivery for all operational aspects of the charity we are organisational members of BACP (British Association of Counselling and Psychotherapy) and Youth Access. We have been awarded the Department of Health 'You're Welcome' quality mark since 2009 and the Investors. In Volunteers Quality Standards in October 2007.

Internal financial control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. All transactions over £2,000 require the authorisation of a Trustee and the CEO.

The Trustees are aware of the volatile nature of funding. The Charity is not solely dependent on any particular income source. We are aware that a loss of a major funding source could have a negative impact. The steps taken to militate against this were demonstrated by securing contingency reserves which meant previously that there was not a major disruption of services when our Public Health Contract with Barts Health came to an end in December 2018. Over the last 2 years we have secured funding from the Health Education England to develop our mental health work in schools in partnership with CAMHS and this work if successful is likely to continue for 2-5 years.

To help manage financial risk Step Forward continues to maintain good links and working partnerships with the CCG, our local NHS partners and the local authority which helps ensure that we are aware of any potential policy change and potential sources of funding. The Board receive regular Operational Reports which highlight our performance in relation to outputs and outcomes to ensure that they have an overview of our impact and the ability to recognise any difficulties and implement any changes needed.

External risks to funding have led us to develop of a strategic plan which will allow for the diversification of the charity's funding and activities. This has resulted in us generating a higher percentage of our revenue through contracts, corporate support, fundraising and donations and therefore less reliant on local authority grants.

The Trustees have regular financial and operational reports which detail activities against expenditure and any funding and reporting timelines relating to grants and contracts. The Trustees review upcoming financial opportunities and support the developments of applications and tenders.

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#### **Key activities and achievements**

Step Forward continues to provide an innovative range of educational, therapeutic and psychosexual support services to young people. We reached more young people in the last year than expected during the pandemic by offering and by extending services to offer telephone and video 1-2-1 and then group activities during our opening hours including Saturdays.

We continually review and develop our services to ensure we can respond to emerging needs of our client group. This considers feedback from existing users and trends in local demographic indicators and national trends. We believe that the impact of the pandemic on young people's mental health is only just beginning to be demonstrated and will have greater effect on their well being and life chances for years to come.

Although Step Forward has been directly affected in the past by the changes and economic insecurity we remain positive about our future security. Our CEO and Board closely monitor the changes and developments relating to the financial situation that is impacting the voluntary and public sector nationally. We understand that changes to public spending will affect all charities in England and may mean there are less traditional funding streams and will make those opportunities more competitive. However, given the focus on making health and social services more accessible have offered us more opportunities in recent years and looks to continue into 2022-23.

Our Board and management team has taken steps in response to the external financial climate by strengthening our organisation to ensure that we are in a good position to diversify our funding sources and attract new funding sources. Over the last few years we have made changes to our expenditure and have increased our fundraising and promotional activities to attract new supporters in order to gain further and future funding. Thanks to the forethought of our Trustees in securing our own centre almost 20 years ago we have relatively few overheads and operating from our own premises ensures that we can continue to deliver services for many years to come which good value for money.

We have an excellent reputation locally for being a charity that has a robust organisational structure and who offer a cost effective professional service to potential and existing funders.

This is reflected in the continued confidence of funders to continue to support us and new funding streams developed in the last year. We are now the second largest provider of young people's mental health services locally with only CAMHS, which is a statutory service, supporting more young people.

Throughout our years of experience in offering services which support young people mental and emotional health we have also been able to support many Trainee Counsellors to gain experience by offering placements with us as Honorary Counsellors. Past or present volunteers who have qualified and gained enough experience are encouraged to apply for paid roles where appropriate. At present we have 4 ex-volunteers within our staff team including our CEO. Towards the end of 2022 we are in the process of recruiting for new Honorary Counsellors to begin working with us in the Spring 2023. Not only will this help ensure new therapists have experience of working within the charity sector where we can support and nurture their professional growth it will also allow us to reach more young people who need support.

Our ability to remain stable while continuing to evolve means we're able to adapt to change and demonstrate both the needs for our services and the impact we have on young people's lives. Young people self-referring continue to be the primary way local young people access services. Evaluations completed by young people demonstrate that the vast majority of clients believe that their mental health and wellbeing has improved or vastly improved since accessing support at Step Forward.

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Over the last year we have continued to strengthen our relationships locally by having a presence on Health and Wellbeing Forums and action groups, Suicide Prevention Strategy Group, and Emotional Health and Wellbeing Strategy Group.

Through our in-house, remote and satellite services as well as outreach sessions we have continued to reach some of the most vulnerable local people in Tower Hamlets. Over the last year we have provided free and confidential services to approx 1,500 young people from East London. Through our assessments with young people we have recognised that greater number of young people seeking our support have complex issues.

This has led us to concentrate more resources into our specialise services of counselling, personal development, LGBTQ support and sexual health. Step Forward is the only place locally where young people can access the majority of these services.

We pride ourselves on providing a safe and welcoming environment which ensures that our services and our building are accessible to young people from all sections of the community. Our personal development service, including our LGBTQ+ groups supports client's emotional wellbeing and builds confidence and self-esteem. In 2021 we have secured an additional 3-5 years funding from Tower Hamlets Council to help support this work. Our Sex and Relationships Education supports clients to understand risk, consent, and their responsibility to protect themselves and others physically and emotionally. Our interactions successfully balance providing culturally/socially sensitive approaches with the need to challenge assumptions and prejudices.

Our counselling service has seen an increase in referrals and those young people accessing services often need longer term support. Our Counselling service has seen a large increase from other health services and we believe fill many of the gaps in statutory provision and meets the needs for clients in emotional and psychological distress, who are experiencing mental health difficulties. In recognition of the unmet need we have been actively trying to source additional resources and have been success in triggering the additional 2 years from our local Clinical Commissioning Group (CCG) contract. We are now able to offer a greater range of interventions to support young people's mental and emotional health. Alongside 1-2-1 support we have been piloting Mindfulness programmes, Group Therapy, CBT and a rolling programme of workshops designed to help manage stress and anxiety.

Through working in partnership with East London Foundation Trust we have secured funding through Health Education England to provide wrap around mental health support services in schools since March 2019 and this service is likely to continue until at least 2023.

We have increased our counselling and support satellite support services in schools have piloted a Mental Health Peer Mentors programme in a local school which we are in the process of evaluating.

In partnership with Docklands Outreach we have increased our additional support sessions in youth of community settings across Tower Hamlets and we expect these to develop further over the coming years. This will help us to reach more young people who may not come to our centre as well as strengthen our partnerships and referral routes locally.

Through proven professional approaches and innovative techniques we enable clients to build self-esteem and develop transferable life-skills. We are able to offer a wider range of accredited learning opportunities by becoming an accreditation centre for AQA.

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Step Forward is playing a greater role in supporting the health needs of local young people through our involvement in the Health & Wellbeing Forum, which our CEO currently Chairs, and forums and steering groups in Tower Hamlets. We also continue to have strong links with The Kings Fund since we were named the overall winner of the GSK IMPACT Award in 2011. Being part of the GSK IMPACT Leadership Network, facilitated through The Kings Fund, offers us the opportunity to gain high quality leadership training and development as well as enables us to positively influence national policy and thinking.

We believe that the coming year will bring greater opportunities for Step Forward to positively influence the mental health system locally by working with colleagues across sectors and directorates.

We will continue to keep the needs and wishes of young people at the heart of our decision making and ensure services are flexible and including for our local young people.

#### **Principal funding sources**

Our biggest funder this year is Tower Hamlets Clinical Commissioning Group who we were successful in gaining 3+2 years funding from October 2017 as part of this contract we work in partnership with Docklands Outreach to ensure we reach young people from across Tower Hamlets. The success of this work directly led us to be commissioned to deliver counselling and support to young people involved in the Youth Justice Service in Tower Hamlets in January 2021. This contract was further extended to include additional funding in 2021-22 to allow Step Forward and Docklands Outreach to increase their staff team.

The second biggest funding source is via East London Foundation Trust for our provide emotional and mental health in Schools as part of the new Trailblazers Mental Health Support teams in Schools. This was initially for two years with an option to extend up to another 3 years.

Much of the rest of our income is raised by way of grants, contracts and Service Level Agreements, with London Borough of Tower Hamlets and through Trusts and Grant making Charities.

We have seen an increase in funding through offering services in schools and via fundraising events and donations. We expect that in the coming years we will continue to be able to diversify our funding sources and aim to further increase our work around mental and emotional health by securing substantial longer-term funding.

#### **Reserve policy**

It is the policy of the Board of Trustees to maintain a minimum surplus of unrestricted funds sufficient to meet three months' expenditure. In practice, a reserve sufficient to meet approximately six months' expenditure is held. In addition to the amounts we hold on reserve of up to 6 months expenditure, we have been building up our reserves to support critical elements of our current expansion which will continue over the next 2 years. We expect to need more reserves to support our cash flow.

We will also use our accumulated reserves to pay for necessary associated IT upgrades and for construction work in to reconfigure our ground floor to allow more space for service delivery. The Board have allocated up to £150,000 for this purpose.

We expect to end 2021/22 with lower reserves and with reserve levels that are in line with our reserves policy and aligned with our increased spending profile. Our policy is reviewed at least annually.

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#### **Planning for the future**

The Charity plans to continue the activities outlined above over the forthcoming year, subject to satisfactory funding arrangements. We understand that the current global economic climate could continue to adversely affect the sources of funding available to the Third Sector.

While we recognise that this could mean us diverting more resources into fundraising that this could also mean that our services will be needed by a greater number of young people than ever before.

It is our intention that we must both ensure the stability of the organisation and continue to plan for potential growth.

The charity's development aims identified include:

- To maintain a community resource which is safe, accessible and available for local young people;
- To complete an IT systems upgrade and plan an office refit in order to respond to service demand and development;
- To respond to the demand for mental and emotional health services by increase services and improving care pathways;
- To support the development of children and young people centred emotional and mental health services locally;
- To work alongside local partners to support young people's emotional and mental health in schools;
- To further develop the range of services available to local young people under one roof;
- To support the professional development of staff and volunteers, including recruit to train CBT IAPT Trainees;
- To maintain and recruit more volunteers to help with both office support and direct service provision.
- To utilise the broad range of skills and experiences of Trustees through the Board meetings and recruit new members;
- To diversify funding sources and attract a wider supporter base;
- To raise the profile of Step Forward in the sector and to further publicise and promote Step Forward including using social media.

#### **Auditors**

A resolution was proposed at the Annual General Meeting that Harmer Slater Limited were re-appointed auditors to the Charity.

#### **Trustees' responsibilities in relation to the financial statements**

The charity trustees (who are also the directors of Step Forward (Tower Hamlets) for the purposes of company law) are responsible for preparing trustees' report and a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing the financial statements, the trustees are required to:

## STEP FORWARD (TOWER HAMLETS)

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### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

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#### Statement of Trustees ' Responsibilities

- select suitable accounting policies and 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

#### Disclosure of information to auditor

In so far as the trustees are aware at the time of approving the report of the trustees:

- there is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the charity's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

#### Small companies provision statement

The trustees have taken advantage of the small companies' exemptions provided by sections 414B and 415A of the Companies Act 2006 from the requirement to prepare a strategic report and in preparing the trustees' report on the grounds that the charitable company is entitled to prepare its accounts for the year in accordance with the small companies' regime.

Approved by the trustees on 31 March 2023 and signed on its behalf by:



Dennis Twomey  
Treasurer



## **STEP FORWARD (TOWER HAMLETS)**

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STEP FORWARD (TOWER HAMLETS)**

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#### **Opinion**

We have audited the financial statements of Step Forward (Tower Hamlets) (the 'charity') for the year ended 31 March 2022, which comprise the Statement of financial activities, Balance sheet, Statement of cash flows, and Notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2022 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 Charities Act 2011.

#### **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 not 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 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 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.

## STEP FORWARD (TOWER HAMLETS)

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STEP FORWARD (TOWER HAMLETS)

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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.

#### **Matters on which we are required to report by exception**

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

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:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a strategic report.

#### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees ' Responsibilities (set out on page 14), 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 charity 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.

## STEP FORWARD (TOWER HAMLETS)

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STEP FORWARD (TOWER HAMLETS)

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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:

#### **The extent to which the audit was considered capable of detecting irregularities including fraud**

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations. We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and when fraud might occur in the financial statements;
- we obtained an understanding of the legal and regulatory frameworks that the charity operates in, and identified the laws and regulations applicable to the charity through discussions with trustees and other management, and from our cumulative audit and knowledge and experience of the charity. We focused on specific laws and regulations both direct and indirect which we considered may have a direct material effect on the determination of material amounts and disclosures in the financial statements or the operations of the charity, including the Companies Act 2006, Employment Rights Act 1998, The Equality Act 2010, General Data Protection Rules (GDPR), Safeguarding legislation and health and safety legislation.
- we evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosure made by the Trustees. We also assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.
- We concluded on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- we evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are also required to perform specific procedures to respond to the risk of management bias and override of controls. To address this, we performed analytical procedures to identify any unusual or unexpected relationships; tested journal entries to identify unusual transactions.

## STEP FORWARD (TOWER HAMLETS)

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STEP FORWARD (TOWER HAMLETS)

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In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

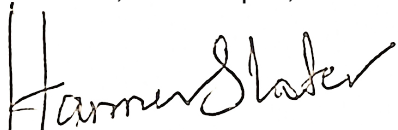
- agreeing financial statements to disclosures underlying supporting documentation;
- enquiring of trustees as to actual and potential litigation and claims; and
- Analysing legal costs to ascertain if there have been instances of non-compliance with laws and regulations.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### Use of this report

This report is made solely to the charitable company'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 auditor's 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Harmer Slater Limited, Statutory Auditor  
Salatin House  
19 Cedar Road  
Sutton  
Surrey  
SM2 5DA

31 March 2023

Harmer Slater Limited 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.

## STEP FORWARD (TOWER HAMLETS)

### STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2022

	Note	Unrestricted £	Restricted £	Total 2022 £
<b>Income and Endowments from:</b>				
Donations and legacies	3	25,819	-	25,819
Charitable activities	4	586,373	131,241	717,614
Total income		612,192	131,241	743,433
<b>Expenditure on:</b>				
Raising funds	5	(198)	-	(198)
Charitable activities	6	(535,488)	(54,346)	(589,834)
Other expenditure	7	(9,394)	-	(9,394)
Total expenditure		(545,080)	(54,346)	(599,426)
Net movement in funds		67,112	76,895	144,007
<b>Reconciliation of funds</b>				
Total funds brought forward	17	1,025,462	132,952	1,158,414
Total funds carried forward	17	1,092,574	209,847	1,302,421
	Note	Unrestricted £	Restricted £	Total 2021 £
<b>Income and Endowments from:</b>				
Donations and legacies	3	11,852	-	11,852
Charitable activities	4	594,929	98,901	693,830
Total income		606,781	98,901	705,682
<b>Expenditure on:</b>				
Raising funds	5	(198)	-	(198)
Charitable activities	6	(547,385)	-	(547,385)
Other expenditure	7	(7,518)	-	(7,518)
Total expenditure		(555,101)	-	(555,101)
Net income		51,680	98,901	150,581
Net movement in funds		51,680	98,901	150,581
<b>Reconciliation of funds</b>				
Total funds brought forward		973,782	34,051	1,007,833
Total funds carried forward	17	1,025,462	132,952	1,158,414

All of the charity's activities derive from continuing operations during the above two periods.

## STEP FORWARD (TOWER HAMLETS)

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### (REGISTRATION NUMBER: 2441231) BALANCE SHEET AS AT 31 MARCH 2022

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	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	12	343,699	330,371
<b>Current assets</b>			
Debtors	13	417,629	431,508
Cash at bank and in hand		<u>565,481</u>	<u>499,785</u>
		983,110	931,293
<b>Creditors</b>	14	<u>(24,388)</u>	<u>(103,250)</u>
<b>Net current assets</b>		<u>958,722</u>	<u>828,043</u>
<b>Net assets</b>		<u>1,302,421</u>	<u>1,158,414</u>
<b>Funds of the charity:</b>			
<b>Restricted</b>	17	209,847	132,952
<b>Unrestricted income funds</b>			
Unrestricted	17	<u>1,092,574</u>	<u>1,025,462</u>
<b>Total funds</b>		<u>1,302,421</u>	<u>1,158,414</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime as set out in Part 15 of the Companies Act 2006 and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The trustees are satisfied that the company was entitled to exemption from audit under section 477 of the Companies Act 2006 and that members have not required an audit in accordance with section 476 of the same act. However, an audit is required in accordance with section 144 of the Charities Act 2011.

These financial statements were approved by the trustees and authorised for issue on 31 March 2023 and signed on their behalf by:



.....  
Dennis Twomey  
Treasurer

## STEP FORWARD (TOWER HAMLETS)

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### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Net cash income		144,007	150,581
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation	12	<u>8,907</u>	<u>5,261</u>
		152,914	155,842
<b>Working capital adjustments</b>			
Decrease/(increase) in debtors	13	13,879	(209,960)
(Decrease)/increase in creditors	14	<u>(78,862)</u>	<u>17,142</u>
Net cash flows from operating activities		87,931	(36,976)
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets	12	<u>(22,235)</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		65,696	(36,976)
Cash and cash equivalents at 1 April		<u>499,785</u>	<u>536,761</u>
Cash and cash equivalents at 31 March		<u><u>565,481</u></u>	<u><u>499,785</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

## **STEP FORWARD (TOWER HAMLETS)**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**

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#### **1 Charity status**

Step Forward (Tower Hamlets) (the 'charity') is limited by guarantee, incorporated in Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of the registered office is given on page 1. The nature of the charity's operations and its principal activities are set out in the Report of the trustees on page 2.

#### **2 Accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Going concern**

The charity's ability to continue as a going concern is dependent on its success in raising funds from government, other public authorities and donations, none of which can be guaranteed. The volume of services that can be provided is directly dependent on funding levels. The trustees remain in regular contact with sponsoring local authorities to secure their ongoing financial support.

In the current economic environment funding is under pressure and will continue to be under pressure for the foreseeable future. However, the trustees feel that adequate funding is in place for at least the next 12 months and in consequence have prepared the charity's financial statements on a going concern basis.

##### **Statement of compliance**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

##### **Basis of preparation**

Step Forward (Tower Hamlets) 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 note(s).

The functional currency of the charity is considered to be pounds sterling (£) because that is the currency of the primary economic environment in which it operates. The financial statements are presented in pound sterling (£).



## STEP FORWARD (TOWER HAMLETS)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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#### **Incoming resources**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Incoming resources from donations and legacies are recognised when there is evidence of entitlement, receipt is probable and the amount can be reliably measured.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions, such as service agreements, attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

#### **Expenditure and irrecoverable VAT**

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 comprise the publicity and other fund raising costs incurred by the charity.
- Expenditure on charitable activities includes salaries and other resources applied by the charity to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading. These are the costs of arrangements which relate to the general running of the charity, as opposed to the direct management functions inherent in service delivery and project work, and include such items as external audit, the cost of trustee meetings and other costs associated with constitutional and statutory requirements.

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 activities. Support costs include back office costs, finance, personnel and governance costs which support the charity's programmes and activities. These costs have been allocated to expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 6.

#### **Defined contribution pension obligation**

The charity operates a defined contribution pension scheme for its employees. Contributions to defined contribution scheme are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

#### **Lease**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of financial activities on a straight-line basis over the period of the lease.

## STEP FORWARD (TOWER HAMLETS)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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#### **Tangible fixed assets and depreciation**

Tangible fixed assets is stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The cost of tangible fixed assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation has been charged, so as to write off each asset's cost, less any residual value over its anticipated useful economic life. The following rates of depreciation have been used:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Equipment, fixtures and fittings	25% reducing balance
Land and buildings	over the lease term of 99 years

#### **Debtors**

Debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost, less provision for impairment. A provision for the impairment of debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the debt.

#### **Cash and cash equivalents**

Cash at bank and cash 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.

#### **Creditors**

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

#### **Fund structure**

The funds held by the charity fall into the following categories:-

##### ***General unrestricted funds***

Which can be used in accordance with the charitable objectives at the discretion of the trustees.

##### ***Designated unrestricted funds***

Funds earmarked by the trustees out of the restricted general funds for specific future purposes or projects.

##### ***Restricted Funds***

Funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

## STEP FORWARD (TOWER HAMLETS)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

#### Financial instruments

The charity 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.

#### 3 Income from donations and legacies

	Unrestricted		
	General	Total	Total
	£	2022	2021
		£	£
Eleanor Hamilton Educational Trust	7,000	7,000	7,000
Other donations/ gifts	18,819	18,819	4,852
	<u>25,819</u>	<u>25,819</u>	<u>11,852</u>

#### 4 Income from charitable activities

	Unrestricted funds	Restricted	Total	Total
	£	£	2022	2021
			£	£
Department of health and social care	-	29,735	29,735	-
LGBTQ Support	-	45,521	45,521	42,916
NHS Tower Hamlet CCG	431,000	-	431,000	430,756
HEE	-	55,985	55,985	55,985
ELFT- Mental Health	136,989	-	136,989	136,989
Schools	18,384	-	18,384	27,184
	<u>586,373</u>	<u>131,241</u>	<u>717,614</u>	<u>693,830</u>

Income from charitable activities in 2021 was made up of £594,929 in unrestricted funds and £98,901 in restricted funds.

#### 5 Expenditure on raising funds

	Note	Unrestricted Funds	Restricted	Total	Total
		£	£	2022	2021
				£	£
Fundraising costs		<u>198</u>	<u>-</u>	<u>198</u>	<u>198</u>

Fund raising costs in the prior year was from unrestricted funds.

## STEP FORWARD (TOWER HAMLETS)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

#### 6 Expenditure on charitable activities

	Unrestricted		Total 2022	Total 2021
	General £	Restricted £	£	£
Staff costs	368,121	50,437	418,558	383,846
Sub-contractor costs	112,500	-	112,500	71,146
Premises costs	13,215	-	13,215	19,824
Client services	7,850	-	7,850	6,168
Volunteers	-	-	-	30
Travel	-	-	-	350
Training and recruitment	3,103	-	3,103	3,260
General office	23,218	-	23,218	28,334
Professional fees	2,483	-	2,483	29,166
Depreciation	4,998	3,909	8,907	5,261
	<u>535,488</u>	<u>54,346</u>	<u>589,834</u>	<u>547,385</u>
	Activity undertaken directly £	Activity support costs £	Total 2022 £	Total 2021 £
Staff cost	418,558	-	418,558	383,846
Sub-contractor costs	112,500	-	112,500	71,146
Premises costs	13,215	-	13,215	19,824
Client services	7,850	-	7,850	6,168
Volunteers	-	-	-	30
Travel	-	-	-	350
Training and recruitment	3,103	-	3,103	3,260
General office	-	23,218	23,218	28,334
Professional fees	-	2,483	2,483	29,166
Depreciation	-	8,907	8,907	5,261
	<u>555,226</u>	<u>34,608</u>	<u>589,834</u>	<u>547,385</u>

Support costs have been split using the following estimated percentages:

Unrestricted funds - 100%

Restricted funds - 0%.

Expenditure on charitable activities in 2021 was made up of £557,722 of unrestricted funds (2021 - £547,85 ) and £50,437 (2021 - £nil ) from restricted funds.

## STEP FORWARD (TOWER HAMLETS)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

#### 7 Other expenditure

	Note	Unrestricted funds £	Restricted £	Total 2022 £	Total 2021 £
Bank charges		3,022	-	3,022	1,398
Audit and accountancy		6,372	-	6,372	6,120
		<u>9,394</u>	<u>-</u>	<u>9,394</u>	<u>7,518</u>

Other expenditure in the prior year was from unrestricted funds

#### 8 Government grants

Income from government grants comprises performance related grants made by local authorities and the NHS Trusts to fund the charity's programme. See Note 4 for more information.

#### 9 Staff costs

The aggregate payroll costs were as follows:

	2022 £	2021 £
<b>Staff costs during the year were:</b>		
Wages and salaries and social security	399,123	346,919
Childcare vouchers	-	1,102
Pension costs	19,435	35,825
	<u>418,558</u>	<u>383,846</u>

The average monthly head count was 12 staff (2019: 12 staff) and the average monthly number of fulltime equivalent employees (including casual and part-time staff) during the year were as follows:

	2022 No	2021 No
Client services	<u>15</u>	<u>13</u>

No employee received emoluments of more than £60,000 (2020:nil).

## STEP FORWARD (TOWER HAMLETS)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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#### 10 Auditors' remuneration

	2022 £	2021 £
Audit of the financial statements	<u>6,372</u>	<u>6,120</u>

#### 11 Taxation

The charity is a registered charity and is therefore exempt from taxation.

#### 12 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Total £
<b>Cost</b>			
At 1 April 2021	412,527	50,421	462,948
Additions	<u>-</u>	<u>22,235</u>	<u>22,235</u>
At 31 March 2022	<u>412,527</u>	<u>72,656</u>	<u>485,183</u>
<b>Depreciation</b>			
At 1 April 2021	85,313	47,264	132,577
Charge for the year	<u>4,209</u>	<u>4,698</u>	<u>8,907</u>
At 31 March 2022	<u>89,522</u>	<u>51,962</u>	<u>141,484</u>
<b>Net book value</b>			
At 31 March 2022	<u>323,005</u>	<u>20,694</u>	<u>343,699</u>
At 31 March 2021	<u>327,214</u>	<u>3,157</u>	<u>330,371</u>

Included within the net book value of land and buildings above is £Nil (2021 - £Nil) in respect of freehold land and buildings and £323,005 (2021 - £327,214) in respect of leaseholds.

## STEP FORWARD (TOWER HAMLETS)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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#### 13 Debtors

	2022 £	2021 £
Grants and contracts receivable	-	18,662
Other receivables	-	35,076
Accrued income	417,629	377,770
	<u>417,629</u>	<u>431,508</u>

#### 14 Creditors

	2022 £	2021 £
Trade creditors	-	5,400
Other taxation and social security	13,264	-
Other payables	5,424	22,450
Accrued expenses	5,700	75,400
	<u>24,388</u>	<u>103,250</u>

#### 15 Lease commitments

The charity's total of future minimum lease payments under non-cancellable operating leases of equipment at 31 March 2022 is as follows:

	2022 £	2021 £
Within one year	<u>-</u>	<u>1,852</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £1,852 (2021 - £1,852).

#### 16 Pension scheme

##### Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £19,435 (2021 - £20,220).

Contributions totalling £4,840 (2021 - £9,231) were payable to the scheme at the end of the year and are included in payables.

## STEP FORWARD (TOWER HAMLETS)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

#### 17 Funds

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Balance at 31 March 2022 £
<b>Unrestricted</b>				
<i><b>General</b></i>				
General funds	322,592	612,192	(540,082)	394,702
<i><b>Designated</b></i>				
Property	330,370	-	(4,998)	325,372
Redecoration	4,500	-	-	4,500
Building upgrade	150,000	-	-	150,000
Furniture & Equipment	6,000	-	-	6,000
Major repairs	12,000	-	-	12,000
HR Contingency	75,000	-	-	75,000
Other Contingency	125,000	-	-	125,000
	<u>702,870</u>	<u>-</u>	<u>(4,998)</u>	<u>697,872</u>
<b>Total Unrestricted</b>	<u>1,025,462</u>	<u>612,192</u>	<u>(545,080)</u>	<u>1,092,574</u>
<b>Restricted</b>				
HEE	68,048	55,984	(50,437)	73,595
LBTH: Reach Me	-	20,000	-	20,000
LBTH: LGBTQ Support	42,917	25,521	-	68,438
Department of Health	21,987	29,736	(3,909)	47,814
<b>Total restricted</b>	<u>132,952</u>	<u>131,241</u>	<u>(54,346)</u>	<u>209,847</u>
<b>Total funds</b>	<u><u>1,158,414</u></u>	<u><u>743,433</u></u>	<u><u>(599,426)</u></u>	<u><u>1,302,421</u></u>



## STEP FORWARD (TOWER HAMLETS)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Balance at 31 March 2021 £
<b>Unrestricted</b>				
<i><b>General</b></i>				
General funds	265,651	606,781	(549,840)	322,592
<i><b>Designated</b></i>				
Property	335,631	-	(5,261)	330,370
Redecoration	4,500	-	-	4,500
Building upgrade	150,000	-	-	150,000
Furniture & Equipment	6,000	-	-	6,000
Major repairs	12,000	-	-	12,000
HR Contingency	75,000	-	-	75,000
Other Contingency	125,000	-	-	125,000
	<u>708,131</u>	<u>-</u>	<u>(5,261)</u>	<u>702,870</u>
<b>Total Unrestricted funds</b>	<u>973,782</u>	<u>606,781</u>	<u>(555,101)</u>	<u>1,025,462</u>
<b>Restricted</b>				
HEE	12,064	55,984	-	68,048
LBTH: LGBTQ Support	-	42,917	-	42,917
Department of Health	21,987	-	-	21,987
	<u>34,051</u>	<u>98,901</u>	<u>-</u>	<u>132,952</u>
<b>Total restricted</b>	<u>34,051</u>	<u>98,901</u>	<u>-</u>	<u>132,952</u>
<b>Total funds</b>	<u>1,007,833</u>	<u>705,682</u>	<u>(555,101)</u>	<u>1,158,414</u>

## STEP FORWARD (TOWER HAMLETS)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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The specific purposes for which the funds are to be applied are as follows:

**Name of unrestricted funds**

**Description, nature and purpose of the fund**

**General funds**

The 'free reserves' after allowing for designated funds

**Designated funds:**

Property

The designated property fund represents the net book value of tangible fixed assets as these funds are tied up and are unavailable for general use by the charity.

Redecoration

Funds for the cost of redecorating leasehold property

Building upgrade

Funds for IT upgrades and for construction work to reconfigure our ground floor

Furniture & Equipment

Funds for the cost of repair and replacement of these items

Major repairs

Funds set aside in case of major repairs

HR Contingency

Contingency for unexpected HR costs

Other Contingency

Funds sufficient to cover 3 months expenditure

**Name of restricted funds**

**Description, nature and purpose of the fund**

**LBTH:**

Reach Me

Grant to cover expenditure on counselling

LGBTQ support

Grant to cover expenditure for support services for LGBTQ young people.

Young Peoples Counselling

Grant to cover expenditure on youth counselling

Department of Health and Social Care

Grant to cover expenditure on the increased access to emotional places of safety for young people.

## STEP FORWARD (TOWER HAMLETS)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

#### Transfers between funds

Designated funds show the current use or expected future use of unrestricted funds in the financial statements as decided by the trustees. Transfers are made between unrestricted general funds and designated funds to reflect changes in these funds.

Transfer of funds from unrestricted funds to restricted funds reflects own and external funding contributions required to meet specific project funding requirements.

#### 18 Analysis of net assets between funds

	General funds	Designated funds	Restricted	Total funds
Year ended 31 March 2022	£	£	£	£
Tangible fixed assets	-	325,373	18,326	343,699
Current assets	419,090	372,499	191,521	983,110
Current liabilities	(24,388)	-	-	(24,388)
Total net assets	<u>394,702</u>	<u>697,872</u>	<u>209,847</u>	<u>1,302,421</u>
	General funds	Designated funds	Restricted	Total funds
Year ended 31 March 2021	£	£	£	£
Tangible fixed assets	-	330,371	-	330,371
Current assets	425,841	372,500	132,952	931,293
Current liabilities	(103,250)	-	-	(103,250)
Total net assets	<u>322,591</u>	<u>702,871</u>	<u>132,952</u>	<u>1,158,414</u>

#### 19 Related party transactions

No trustees received remuneration or were reimbursed for expenses during the year (2021: nil).

No trustee or other person related to the charity had any personal interest in any contract or transactions entered into by the charity during the year (2021:nil).

#### 20 Non-adjusting events after the financial period

There has been no significant events between the year end and the date of approval of these financial statements entered into by the charity during the year (2021: nil)