



DIRECTORS' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2022

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LEGAL AND ADMINISTRATIVE INFORMATION
For the year ended 31 March 2022

Directors

Mr K Gathergood, Chairman
Mr S Mylvaganam, Treasurer
Mr R James
Mr J Devlin
Mr A Auteri
Mrs C Thomas
Sir J Portal
Mrs C Skerry
Mr J Mowat
Mr A Mitchell
Mrs L Barnes

Company Registration Number

2431825

Charity Registration Number

900308

Address & Registered Office

36 Crimea Road, Aldershot, Hampshire, GU11 1UD

Company Secretary

Mrs L Barnes

Chief Executive

Mrs D Moreton

Head of Fundraising

Mrs A Chiu

Head of Income Generation

Mrs N Goom

HR Manager

Mrs R Palmer

Head of Finance

Mrs M Bareham – resigned 19.05.22

Mrs A Thurlow - appointed 30.03.22

Supported Lodgings Manager

Ms K Headen

Regional Foyer Manager & Safeguarding Lead

Miss M Partridge

Auditors

Sayer Vincent LLP, Invicta House, 108-114 Golden Lane, London, EC1Y 0TL

Bankers

CAF Bank Limited, 25 Kings Hill Avenue, West Malling, Kent, ME19 4TA

Solicitors

Moore Barlow LLP, Concord House, 165 Church St East, Woking GU21 6HJ

DIRECTORS' REPORT

For the year ended 31 March 2022

The Directors of the Company for the purposes of the Companies Act, who are also Trustees of the Charity for the purposes of the Charities Act, submit their annual report and the financial statements for Step by Step Partnership Limited (the Charity) for the year ended 31 March 2022. The Directors confirm that the annual report and financial statements of the Charity comply with current statutory requirements, the requirements of the Charity's governing documents and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities".

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Documents

The Charity was incorporated under the Companies Act 1985 on 12 October 1989 and is limited by guarantee. It has been registered as a charity since 25 January 1990. As a charitable company limited by guarantee, operations are governed by the Charity's Memorandum and Articles of Association.

Directors and Method of Appointment

The Directors of the Charity, who are also its Trustees, are elected at an AGM (or may be appointed during the year by the Board with election at the next AGM). The candidature of people with skills, experience and/or interests relevant to the Charity's activities is encouraged through advertising publicly, employing specialist recruitment agencies and soliciting local organisations. They may serve for up to three years before re-election.

Organisation and Decision Making

The Governance structure is made up of a Board and two types of subcommittee which are known as a Board Executive Committee (BEC) and Board Subcommittees (BS). The BEC is based on delegated decision-making powers handed down from the main Board whilst BS's are based on advice and recommendations being requested by and submitted to the Board.

Board members are appointed to fulfil the terms of reference of specific roles that the Board wishes to add to its Board team through a process managed by a Board Appointments Subcommittee. The Chief Executive is not a Director but a permanent non-voting member of the Board with the right to attend all Board Meetings unless a conflict of interest exists. The Board meets every quarter. An induction procedure is used for all new members of the Board and includes learning about the history, ethos and day-to-day operation of the Charity as well as outlining their responsibilities, conduct at meetings and relations with staff. The induction is usually carried out by the Chairman supported by other Directors and the Chief Executive. Directors are encouraged to attend training events relevant to their roles or assigned interests within the Charity. The Charity operates in a consistent way by following the policies set out and agreed by the Board, supported and implemented by the Chief Executive, Leadership Team and staff.

Day-to-day operational responsibility rests with the Chief Executive, who is responsible for all staff, Supported Lodging Host families and volunteers who provide valuable support to young people.

Remuneration Policy

To secure the standards of its work and to provide young people with excellent services, Step by Step (SbS) strives to attract and retain high quality employees. A number of its services significantly benefit from appropriately qualified and competent staff that provide a continuity of care and high level of continuity of service. Consequently, SbS's salary policy is to reward its talented people fairly, equitably, and consistently in accordance with market values and to encourage their motivation and engagement.

DIRECTORS' REPORT

For the year ended 31 March 2022

It is the general principle of the Charity that the salaries and benefits, on average, be positioned competitively in the local marketplace at a level recommended to the Audit and Remuneration Board Sub Committee (ARSC) by the CEO and HR Manager.

Leadership Team salary and benefits, excluding the CEO, is proposed to the ARSC by the CEO and if supported by the ARSC recommended to the Board for approval. With regard to the CEO's salary and benefits review, the Chairperson conducts a six monthly and annual appraisal, utilising feedback from the Board members. Any proposed change to CEO remuneration and benefits is made by the Chairperson to the ARSC, including appraisal and local market remuneration data, and if supported recommended to the Board for approval. In the light of current best practice, it is not anticipated that the CEO's salary will be more than five times greater than the lowest paid full-time employee of the Charity.

Risks

The Charity operates a Risk Management process that meets the requirements of the Charity Commission. The significant risks to which the Charity could be exposed are:

- a. Disruption through responding to the global COVID-19 pandemic.
- b. The welfare and safety of the young people accessing our services, particularly where they may be engaging in risk taking behaviours.
- c. Loss of income due to an inability to deliver fundraising income, contract losses or the impact of welfare reform.

Priority is given to managing and mitigating these potential risks effectively. Key mitigating actions to manage these risks have been implemented in the year. These include:

- a. COVID-19 – we established a COVID-19 Response Steering Group and worked with the Local Authorities in the areas we operate to minimise the impact on the young people we support. Throughout all the lock downs in 2021 we remained open, and no member of staff has needed to be furloughed.
- b. Safeguarding – we review our safeguarding practice and governance every year by completing a section 11 safeguarding audit and an external independent audit every third year. Next due 2024.
- c. Loss of income – the long-term outlook naturally has a degree of uncertainty due to the economic impact of COVID-19 however we have exceeded our fundraising income targets in 2021-2022. We have won the New Forest Provision Tender and are actively working with Local Authorities to house further Unaccompanied Asylum-Seeking Children (UASC) and Refugees. Our Supported Independence Flats & Supported Accommodation Beds enable us to leverage further income utilising these beds in our Crimea Road building.

Relationships with Other Organisations

The Charity works with many organisations including local authorities, voluntary sector organisations, Children's Services, Youth Support Services, the National Health Service (NHS) the Police and the Probation Service and Offender Management Service, all of whom refer young people to the Charity and with whom we seek to further their interests. The Charity works in partnership with Vivid Housing Association and London & Quadrant Housing Association to accommodate vulnerable young people.

Funders are a group of stakeholders who have a continuing interest in the Charity's performance and its use of resources. Major funders include Local Authorities, charitable trusts, corporate funders and foundations and other charities. We are also supported by voluntary donations - mainly from individuals, local churches, schools, and organisations such as Rotary, Round Table and Lions. To all of them, the Trustees give their thanks on behalf of the most important stakeholders, the young people and their families that we serve.

DIRECTORS' REPORT

For the year ended 31 March 2022

OBJECTIVES AND ACTIVITIES

Objectives

As stated in the Memorandum of Association, the Charity's objective is to relieve the need of the young homeless, unemployed and other people by reason of their condition of hardship or distress, by the provision of supported housing, education, training and support.

Mission

The mission of the Charity is empowering young people and preventing homelessness. This is achieved by providing accommodation and support services. These offer a number of different programmes all designed to progress people towards independence. At the present time young people are aged between 11 and 26 years and mainly fall into the 16-21 age group.

By providing a range of services, including accommodation and early intervention and prevention services, our services are tailored to the needs of the young people accessing them. We work with young people to overcome their barriers and achieve their aspirations. Our services include Foyer accommodation, supported lodgings accommodation, counselling services, advice and guidance services.

Public Benefit

The Trustees confirm that they have complied with the guidance of the Charities Act 2011 to have due regard to the public benefit guidance in determining the activities undertaken by the Charity.

The Charity Commission, in its "Charities and Public Benefit" Guidance, states that there are two key principles to be met in order to show that an organisation's aims are for the public benefit: firstly, there must be an identifiable benefit and, secondly, that the benefit must be to the public or a section of the public.

The Trustees are satisfied that both these key principles are met by the operation and achievements of the Charity which during the year under review has worked directly with 1,580 young people and family members which is an increase over the 2020/21 year of 128 young people. Several of our key achievements during 2021/22 are detailed under 'Achievements and Performance'.

In the year to 31 March 2022, 43.8% of young people were male, 55.1% female and 1.1% identified as non-binary; 79% of young people were teenagers. Residential Foyer accommodation for 44 homeless young people aged 16-21 (or to 25 under certain circumstances) was available in the year (98 young people were resident during the year). In addition, Supported Lodgings accommodation, with carefully vetted local families, was available to another 209 young people in the year (331 young people were resident during the year).

Our placements across Hampshire, Surrey, West Berkshire, Wiltshire and Dorset Offer either Supported Lodgings accommodation or Residential Foyer accommodation. Young people are in a downward spiral when they arrive with 61% unemployed but 70% of young people positively progressed or stabilised their circumstances. The key point about the 11-25 age group is that they are young enough and still adaptable enough to be helped. When they do succeed, the benefit to both them and the local community is enormous.

The Charity's aim is to help young people accept and deal with their problems, turn their lives around and become independent and successful members of the community who are able to

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For the year ended 31 March 2022

realise their aspirations. This is done by a combination of individual advice and motivation, insistence on clear standards of acceptable behaviour and the provision of a range of training schemes covering:

- **basic independent living skills** to ensure that young people can look after themselves properly - cooking, hygiene, laundry etc.
- **health and fitness** - registration with the NHS, physical and emotional health, teenage pregnancy and sexual health, drug and alcohol misuse, motivation.
- **understanding finance** - dealing with debts and gambling and learning to budget and to successfully maintain independence on a low income.
- **education and employment** - getting into work or training is very important part of gaining independence.
- **community contribution** - controlling anger, ceasing offending, and taking part in volunteering schemes organised by the Charity to encourage community involvement.
- **Mental health and wellbeing** - Positive mental health and wellbeing help to create a foundation for growth and development. It is important we recognise and address any barriers such as mental health and ensure young people can access the support they need.

The Charity provides a unique combination of services, to support young people to reach their goals. The Trustees believe that this, together with the achievements outlined above, provide considerable evidence of the significant public benefit the Charity achieves.

ACHIEVEMENTS AND PERFORMANCE

COVID 19 Pandemic

We have now been through an unprecedented second year, with the impact of COVID-19 beginning in March 2020. We needed to balance abiding by the newly imposed lockdown rules and remaining at home where possible, with the need to continue providing consistent support to those in need.

The Charity has stayed open and fully operational throughout the pandemic. The charity's employees, Host families and volunteers have shown amazing dedication, commitment, and flexibility during the period. Inevitably many services have had to be re-engineered to be able to operate remotely through online services rather than face-to-face. We are now progressing to a hybrid form of working that will become the new norm.

Accommodation Services: At the end of the financial year (March 2022) the Charity was providing up to 253 accommodation beds for young people at any one time, down from 267 at March 2021.

The Charity provides **Stage 1 accommodation** support to those who meet the referral criteria for this accommodation. This includes 16+ looked after young People with High Intensive Support needs and is based in Aldershot, Basingstoke, and Havant. We have recently purchased a property in the New Forest District Council area where we will be able to further support young people under the High Intensive Support Needs contract with Hampshire Council. This committed purchase, approved by the Board in the 2021/22 year, is a post year end Balance Sheet event involving an asset purchase of £534,974.

Supported Independence Flats are based within the Aldershot Foyer and provide accommodation for young people, who are not otherwise entitled to financial support with housing. Within these flats young people are able to live more independently alongside other

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For the year ended 31 March 2022

young people and are supported with step sessions with a dedicated support worker.

Supported Accommodation Beds are also available within the Aldershot Foyer for Young People that need our support but that do not have the funding for the support that they require. This support is funded from our fund-raising activity.

Referrals are from several agencies with whom the Charity has a relationship with, as well as young people being able to refer themselves. This year the Charity accommodated 58% of all referrals made to its accommodation services, receiving 542 referrals and making 314 admissions. During the course of the year 429 young people were accommodated, with up to 253 in residence in our accommodation services at any one time (year-end position). Positive progression or stabilisation was achieved by 70% of young people in the accommodation services overall.

We commissioned the Supported Independence Flats in December 2020 and so far, have had 30 young people stay with a progression rate of 67%, with 11 young people (75%) positively moved on and one placement being abandoned.

The charity provides **Supported Lodgings** family placements for 209 young people at any one time across five counties (year-end position) with 331 residents during the year, with 73% of young people achieving positive progress or stabilisation.

Training Services: Our training programmes are delivered by our accommodation teams and provide a range of sessions targeted at enhancing the key life skills of young people and supporting them into employment and educational opportunities.

Launch: Launch is a remodelling and rebranding of our Youth Aims service and went live in Feb 2022. **Launch** provides information and guidance on a range of issues, including housing and homelessness, applying for benefits, sexual health, signposting, relationships, and getting into education or employment.

The Launch team includes a **Recovery Support Worker** and an **Emotional Wellbeing Support Worker** to allow new expertise to be offered to young people requiring specialist support. **Launch** is free and available for young people aged 11-25 living in one of the six counties Step by Step operates in.

Young people can access **Launch** via live chat, email, text message and phone. In this way, Last year this service supported 162 young people in the year and the step chat service conducted 361 chat sessions.

Counselling: As a specialist provider of youth counselling for young people aged 11 – 24, and against a backdrop of rising youth mental ill health, we were pleased to be able to support 694 young people in the year who attended counselling sessions.

Fundraising: The Charity is aware of the Charities (Protection and Social Investment) Act 2016 and the Trustees support the aims of this legislation. The majority of the Charity's income comes from other charitable bodies and local authorities. The Charity undertakes very little direct fundraising activity involving individual donors. Examples include our online giving page, Open Doors appeal and events which are promoted generally through communications, rather than targeting specific individuals. The Charity considers the origin of unsolicited donations and legacies.

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For the year ended 31 March 2022

The Charity does not share or purchase any donor data with or from third parties.

During the year ended 31 March 2022, the Charity did not receive any complaints in relation to fundraising or raise any matter with regulators.

Public Relations: The Charity has continued to receive regular positive media coverage including on local radio and in the press. No negative publicity has been received.

Young People's Initiatives/Participation: The Charity has worked to maximise young people's involvement in all aspects of service provision and the ethos of the Charity places emphasis on ensuring the young peoples' interests are at the heart of service delivery. The organisation takes an asset-based approach to working with young people, meaning very simply, that the focus is on their strengths and their talents, optimising these qualities in order to support young people to realise their potential and fulfil their aspirations. This approach encourages responsibility and accountability, and young people are able to plan and implement community-based projects, to support delivery of training sessions, and mentor their peers via the Young Persons Advisory Group (YPAG).

Volunteers: This year we have been successful in recruiting a Volunteer Co-Ordinator. The Volunteer Coordinator provides support to all volunteers across the organisation coordinating training and HR needs. This year we have both retained our volunteers and successfully increased the number of volunteers providing valuable support to the services. Currently we have 19 volunteers working and supporting across the charity.

Volunteers contribute to areas such as premises maintenance and development, community fundraising, finance and administration, support of a database and recording system, management and collection of food / clothing donations. Their varied and significant contributions are greatly appreciated, and the Charity aims to further increase the number of volunteers supporting our staff team further in the coming year.

Outcomes Monitoring: The Outcomes Star system, which is a nationally recognised formal outcome monitoring system, has been used with continuing positive results. Credible outcome information is critical in assessing the effectiveness of our services to progress our young people and we continue to maintain accurate and comprehensive data records through the "Inform" young people record management system.

Governance: A bi-annual self- assessment process to review Board performance is a well-established practice and provides a productive vehicle for continuous governance improvement. The Board currently has 11 Trustee/Directors. Each Trustee/Director has been recruited to a specific role and a competency table is maintained to reflect the overall capability and skill set of the Board and scored to highlight any exposures. The Board is satisfied that the current mix of skills and competence is well suited to the governance of the charity. The 11 Directors service range is 2 – 15 years with an average of six years.

The Company Secretary tracks changes in both Company Law and Charity Commission regulations and advises the Board accordingly. Necessary and appropriate policies and associated procedures are in place separated into two lists. List A being those that require Board approval and List B being those that do not and are solely within the remit of the CEO and their Leadership Team. A clear statement is maintained on the powers the Board has delegated into the organisation with clear limits on those powers and who is empowered to execute them.

Standard items of report to every Board meeting includes – Declaration of Conflicts of Interest, CEO report, Treasurer's report, Serious Incidents report, Safeguarding report, Health & Safety report, Property Maintenance report, GDPR report. Every other Board meeting considers the Risk Register.

DIRECTORS' REPORT

For the year ended 31 March 2022

Key Achievements: The Charity is proud that despite a challenging environment for UK charities we have remained focused on our mission and the numbers of young people supported has been maintained. Some of our key achievements in 2021/22 include:

- A total of 1,580 young people were supported by Step by Step in 2021/22 across Hampshire, Surrey, West Berkshire, Dorset, West Sussex and Wiltshire.
- The number of counselling sessions delivered to young people grew by 12.4% to 2199 sessions in the year. A total of 694 young people accessed this service compared to 593 the previous year.
- We have been successful in retaining a pilot in the Supported Lodgings Service in Swindon.
- Our Supported Lodgings service continued to grow, and a total of 331 young people accessed this service compared with 302 the previous year.
- We exceeded our Fundraising income targets for the year achieving a total of £811.692
- We have successfully funded the Supported Independence Flats and Supported Accommodation Beds for a further Year allowing us to support unfunded young people to access our services.
- We have successfully produced a Business and Investment plan for a Trading subsidiary that has been approved by the Board and is expected to go live during the 2022/23 financial year not only enabling us to support further young people but to also generate funds for the Charity. Board approved investment in this subsidiary will take place in the next financial year and will comprise of a mix of loan and grant finance.
- We have sourced a property in the New Forest District Council area that is being purchased to provide a new Foyer service in the area.
- We successfully passed our 2021 safeguarding Section 11 Audit
- We have introduced a wide number of training opportunities through apprenticeships and external course providers for our staff teams.

FINANCIAL REVIEW FOR THE YEAR

The Statement of Financial Activities is set out on page 16 and shows the net movement in funds for the year.

During the year a surplus of **£453,580** was recorded.

We continue to review our income and expenditure on a monthly basis. We seek new contracts and utilise our fundraising resources to increase income. We also continuously review our cost base to ensure that our resources are applied efficiently and effectively to meet our objectives.

Reserves Policy

The Charity's policy is to establish and maintain a level of reserves which ensures there are adequate funds to meet all current and known liabilities as well as committed development expenditure. In practice the Directors regularly review reserves to ensure that they are sufficient to cover a minimum of:

- Six to nine months cover of committed income less budgeted expenditure for the next 12 months. Committed income for the next 12 months is £3.0m; budgeted expenditure against the income streams is £3.81m. Six to nine months' cover is therefore between £414k and £621k
- Proposed development and committed capital expenditure for at least the next 12 months of £1,048k

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For the year ended 31 March 2022

Total Reserves as of 31st March 2022 are £1,751,646 comprising of restricted funds of £150,000, designated funds of £1,048,297 and unrestricted funds of £553,349.

After allowing for restricted and designated funds, the free reserves were £553,349 at the year end. Free reserves are funds that have not been restricted by the funder or designated by the Charity for a specific service or investment. Free reserves are within the reserves requirement as stated in the Reserves Policy agreed by the Trustees, which the Trustees feel is appropriate at the current time.

Going Concern

In determining that the Charity continues to be a going concern for the purposes of preparing these financial statements, the Trustees have considered the following:

- The financial performance of the charity since the 31 March 2022 and current balance sheet position
- 2022/23 Budgets and forecasts of performance of the charity to 31st July 2023, including cash flow
- That major contracts will be either re-tendered or extended in the year to 31 March 2023, and we have considered the consequences of renewing or extending those contracts at a different rate, or not renewing the contracts
- the new contract opportunities and investments that are being progressed that evidence the benefit of the new foundations set for the charity over the last few years.

Through this review, the Trustees have assessed that the charity continues to be a going concern.

Investment Policy

All investment decisions are taken in the best interests of the charity achieving its charitable purpose and follow the Charity Commission's guidance on investment matters as stated in their publication "Charities and Investment Matters: a guide for Trustees".

Financial Investment

The purpose of financial investment is to yield the best financial return within the level of risk considered to be acceptable. All such investments by the Charity are subject to risk assessment as part of the formulation of financial investment cases. These may vary from very low risk investments e.g., cash reserves investment to support the Reserves Policy invested under FSCS guarantees, through to relatively high-risk assessments e.g. funding new services with the objective of creating new income streams and surplus to support the charitable purpose.

PLANS FOR THE YEAR AHEAD

The 2021/22 year was the second year of a 3-year strategic plan. A key aspect of this plan was to lay down the foundations for the next chapter in the development of the charity. This plan recognised the significant changes taking place in this sector of charity activity. Examples being, significant reductions in government funding and reductions in the scope of what it was possible to fund, a broadening range of demand for services including support for unaccompanied asylum-seeking children and increasing numbers of young people presenting with mental health issues. Despite the impact of the pandemic Step by Step is immensely proud that it has stayed committed to the plan and is successfully delivering against it. This is a great credit to the CEO, the Leadership Team and all at Step by Step.

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For the year ended 31 March 2022

The charity enters the third year of the plan with sound foundations in place but at all times recognising that we live in very uncertain times. Step by Step will stay true to its mission but also stay focused on achieving financial sustainability. The latter implying the need to create annual surplus and maintain good levels of cash generation and reserves. Monthly financial

review meetings will continue to take place with the Leadership Team and Treasurer and is open to any Director to attend.

2022/23 is a year in which the portfolio of current services will be sustained supported by an opening position of excellent contract coverage. In addition, investments agreed in the 2021/22 year will be pursued with vigour including the investment in establishing a fostering agency trading subsidiary and, completing the property purchase that establishes a new Foyer in the south of Hampshire. Plans are also in place to expand our services for unaccompanied asylum-seeking children, a regrettable consequence of the turmoil that increasingly exists in several parts of the world.

A new 3 year strategic plan will also be formed in the year and be part of the annual budget and business plan approval process. The formulation of that plan is already underway.

Step by Step is mindful that as it develops it goes hand in hand with the development of the Leadership Team and all staff in the charity. Sustained attention to staff development and careful recruitment are key to the journey that the charity is taking. Whilst the charity is keen to help as many young people as possible, that fall within the remit of its mission, its development approach will remain one of caution. Every decision is made in the best interests of the young people we seek to help and support providing it is financially affordable and sustainable.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also Directors of Step by Step Partnership Limited for the purposes of company law) are responsible for preparing the Directors' Report and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements, for each financial year, which give a true and fair view of the state of affairs of the 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 these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that disclose, with reasonable accuracy, at any time, the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are

DIRECTORS' REPORT

For the year ended 31 March 2022

also responsible for safeguarding the assets of the Charitable Company and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the Charitable Company's Auditor is 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 Auditor is aware of that information.

APPROVAL

The directors' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

This report was approved by the Board on 29 July 2022 and signed on its behalf, by:

Keith Gathergood

INDEPENDENT AUDITOR'S REPORT
to the members of Step By Step Partnership Ltd

Opinion

We have audited the financial statements of Step by Step Partnership Limited (the 'charitable company') 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 significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its 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
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Step by Step Partnership Limited'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 trustees' 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, 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.

Opinions 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' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

- Adequate 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
- 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; or
- The directors 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' annual 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 in the trustees' annual report, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the audit and risk committee, which included obtaining and reviewing supporting documentation, concerning the charity's 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 related to fraud or non-compliance with laws and regulations.

INDEPENDENT AUDITOR'S REPORT
to the members of Step By Step Partnership Ltd

- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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

Joanna Pittman (Senior statutory auditor)

22 August 2022

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108–114 Golden Lane, LONDON, EC1Y 0TL

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2022

	Note	Unrestricted General £	Designated £	Restricted £	2022 Total £	Unrestricted General £	Designated £	Restricted £	2021 Total £
Income from:									
Donations and legacies	2	286,484	–	150,000	436,484	353,208	–	–	353,208
Charitable activities	3 & 4								–
Accommodation		2,544,725	–	175,652	2,720,377	2,616,490	–	102,015	2,718,505
Counselling & support		293,365	–	96,082	389,447	175,155	–	37,552	212,707
Development projects		–	–	11,000	11,000	–	–	29,020	29,020
Investments		25	–	–	25	54	–	–	54
Total income		3,124,599	–	432,734	3,557,333	3,144,907	–	168,587	3,313,494
Expenditure on:									
Raising funds	5a	209,279	–	–	209,279	198,014	–	–	198,014
Charitable activities	5a								
Accommodation		2,273,769	–	169,945	2,443,714	2,268,399	–	122,583	2,390,982
Counselling & support		302,982	–	101,789	404,771	224,526	–	39,774	264,300
Development projects		34,989	–	11,000	45,989	17,473	9,094	8,664	35,231
Total expenditure		2,821,019	–	282,734	3,103,753	2,708,412	9,094	171,021	2,888,527
Net income / (expenditure) for the year	6	303,580	–	150,000	453,580	436,495	(9,094)	(2,434)	424,967
Transfers between funds		(481,057)	481,057	–	–	(104,528)	120,864	(16,336)	–
Net income / (expenditure) before other recognised gains and losses		(177,477)	481,057	150,000	453,580	331,967	111,770	(18,770)	424,967
Net movement in funds		(177,477)	481,057	150,000	453,580	331,967	111,770	(18,770)	424,967
Reconciliation of funds:									
Total funds brought forward		730,826	567,240	–	1,298,066	398,859	455,470	18,770	873,099
Total funds carried forward		553,349	1,048,297	150,000	1,751,646	730,826	567,240	–	1,298,066

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 18a to the financial statements.

Step by Step Partnership Ltd

Balance sheet

Company no. 2431825

As at 31 March 2022

	Note	£	2022 £	£	2021 £
Fixed assets:					
Tangible assets	11		37,297		51,240
			37,297		51,240
Current assets:					
Debtors	12	303,419		165,447	
Cash at bank and in hand		2,067,469		1,676,168	
		2,370,888		1,841,615	
Liabilities:					
Creditors: amounts falling due within one year	13	(656,539)		(594,789)	
Net current assets			1,714,349		1,246,826
Total net assets			1,751,646		1,298,066
The funds of the charity:	18				
Restricted income funds			150,000		–
Unrestricted income funds:					
Designated funds		1,048,297		567,240	
General funds		553,349		730,826	
Total unrestricted funds			1,601,646		1,298,066
Total charity funds			1,751,646		1,298,066

Approved by the trustees on 29 July 2022 and signed on their behalf by

S Mylvaganam
Treasurer Director

K Gathergood
Chair

Step by Step Partnership Ltd

Statement of cash flows

For the year ended 31 March 2022

	2022 £	£	2021 £	£
Cash flows from operating activities				
Net income for the reporting period (as per the statement of financial activities)	453,580		424,967	
Depreciation charges	24,755		21,913	
Dividends, interest and rent from investments	(25)		(54)	
(Profit)/loss on the disposal of fixed assets	350		1,691	
(Increase)/decrease in debtors	(137,972)		132,015	
Increase / (Decrease) in creditors	61,750		153,621	
Net cash provided by operating activities	402,438		734,153	
Cash flows from investing activities:				
Dividends, interest and rents from investments	25		54	
Purchase of fixed assets	(11,162)		(30,991)	
Net cash (used in) investing activities	(11,137)		(30,937)	
Change in cash and cash equivalents in the year	391,301		703,216	
Cash and cash equivalents at the beginning of the year	1,676,168		972,952	
Cash and cash equivalents at the end of the year	2,067,469		1,676,168	

1 Accounting policies

a) Statutory information

Step by Step Partnership Ltd is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address and principal place of business is 36 Crimea Road, Aldershot, Hampshire, GU11 1UD.

b) Basis of preparation

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

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements 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. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

The charity owns a trading subsidiary company, Step by Step Fostering Limited. This company did not trade in the financial year and was dormant, and no consolidation with these accounts was required.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

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

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 attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

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

1 Accounting policies (continued)

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

i) 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 relate to the costs incurred by the charity in seeking voluntary contributions, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering accommodation and support services, welfare, guidance and counselling activities undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

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

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on the amount of support utilised by each service.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

• Supported Accommodation	64%
• Counselling & Support	23%
• Cost of raising funds	10%
• Growth & Development	0%
• Governance costs	3%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

• IT and computer equipment	33% straight line
• Fixtures and fittings	20% straight line

1 Accounting policies (continued)**m) Debtors**

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

o) Cash at bank and in hand

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.

p) Creditors and provisions

Creditors and provisions 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.

q) 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.

r) Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the Scheme in respect of the year.

2 Income from donations and legacies

	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Churches	7,820	–	7,820	9,890	–	9,890
Secular organisations	100,363	–	100,363	200,805	–	200,805
Individuals	159,042	150,000	309,042	118,503	–	118,503
Legacies	12,438	–	12,438	–	–	–
Events	6,811	–	6,811	23,880	–	23,880
Other	10	–	10	130	–	130
	<u>286,484</u>	<u>150,000</u>	<u>436,484</u>	<u>353,208</u>	<u>–</u>	<u>353,208</u>

3 Income from charitable activities

	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Accommodation	2,544,725	175,652	2,720,377	2,616,490	102,015	2,718,505
Counselling & support	293,365	96,082	389,447	175,155	37,552	212,707
Development Projects	–	11,000	11,000	–	29,020	29,020
Total	<u>2,838,090</u>	<u>282,734</u>	<u>3,120,824</u>	<u>2,791,645</u>	<u>168,587</u>	<u>2,960,232</u>

4 Income from charitable activities by funder

	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Grants and Contracts						
Trust Income	107,760	282,734	390,494	47,473	168,587	216,060
Local Authority Grants	–	–	–	–	–	–
Sub-total	107,760	282,734	390,494	47,473	168,587	216,060
Housing & Supported Lodgings related incomes						
Local Authority Contracts	2,628,574	–	2,628,574	2,661,353	–	2,661,353
Rent & Personal Charges	101,644	–	101,644	82,819	–	82,819
Sundry Income	112	–	112	–	–	–
Sub-total	2,730,330	–	2,730,330	2,744,172	–	2,744,172
Total income from charitable activities	2,838,090	282,734	3,120,824	2,791,645	168,587	2,960,232

5a Analysis of expenditure (current year)

	Charitable activities							
	Raising funds £	Accommodation £	Counselling & Support £	Growth & Development £	Governance costs £	Support costs £	2022 Total £	2021 Total £
Staff costs (Note 7)	109,565	954,489	200,180	58,512	29,296	281,043	1,633,085	1,514,729
Direct Costs	53,015	1,200,320	101,451	(12,523)	16,140	–	1,358,403	1,273,478
Support – Other staff costs	–	–	–	–	–	32,491	32,491	12,903
Support – Administrative running costs	–	–	–	–	–	53,499	53,499	34,878
Support – Building maintenance costs	–	–	–	–	–	2,514	2,514	5,434
Support – Marketing costs	–	–	–	–	–	3,368	3,368	1,429
Support – Legal & Professional Fees	–	–	–	–	–	20,393	20,393	42,230
Support – Misc	–	–	–	–	–	–	–	3,446
	162,580	2,154,809	301,631	45,989	45,436	393,308	3,103,753	2,888,527
Support costs	42,960	257,689	92,659	–	–	(393,308)	–	–
Governance costs	3,739	31,216	10,481	–	(45,436)	–	–	–
Total expenditure 2022	209,279	2,443,714	404,771	45,989	–	–	3,103,753	
Total expenditure 2021	198,014	2,390,982	264,300	35,231	–			2,888,527

Step by Step Partnership Ltd

Notes to the financial statements

For the year ended 31 March 2022

5b Analysis of expenditure (prior year)

	Charitable activities						
	Raising funds £	Accommodation £	Counselling & support £	Growth & development £	Governance costs £	Support costs £	2021 Total £
Staff costs (Note 7)	108,044	913,297	97,065	–	46,799	349,524	1,514,729
Direct Costs	37,386	1,167,897	54,906	–	13,289	–	1,273,478
Support – Other staff costs	–	–	–	–	–	12,903	12,903
Support – Administrative running costs	–	–	–	–	–	34,878	34,878
Support – Building maintenance costs	–	–	–	–	–	5,434	5,434
Support – Marketing costs	–	–	–	–	–	1,429	1,429
Support – Legal & Professional Fees	–	–	–	–	–	42,230	42,230
Support – Misc	–	–	–	–	–	3,446	3,446
	145,430	2,081,194	151,971	–	60,088	449,844	2,888,527
Support costs	46,097	263,759	95,771	35,231	8,986	(449,844)	–
Governance costs	6,487	46,029	16,558	–	(69,074)	–	–
Total expenditure 2021	198,014	2,390,982	264,300	35,231	–	–	2,888,527

6 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2022 £	2021 £
Depreciation	24,755	21,913
Loss on disposal of fixed assets	350	1,691
Operating lease rentals payable:		
Property	30,766	30,766
Other	1,536	1,536
Auditor's remuneration (excluding VAT):		
Audit	11,600	11,075
	<u>11,600</u>	<u>11,075</u>

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2022 £	2021 £
Salaries and wages	1,474,362	1,330,266
Redundancy and termination costs	–	38,342
Social security costs	117,321	108,329
Employer's contribution to defined contribution pension schemes	41,402	37,792
	<u>1,633,085</u>	<u>1,514,729</u>

The redundancy and termination costs were settled and paid at the balance sheet date.

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2022 No.	2021 No.
£60,000 – £69,999	1	1
£70,000 – £79,999	–	1
	<u>–</u>	<u>1</u>

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £353,517 (2021: £407,094).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £nil (2021: £252) incurred by no (2021: 1) members relating to attendance at meetings of the trustees.

8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 73 (2021: 65).

Staff are split across the activities of the charity as follows (full time equivalent basis):

	2022 No.	2021 No.
Governance, Management and Admin	7.6	7.2
Fundraising	5.0	4.9
Accommodation and other service staff	40.1	35.5
	<u>52.7</u>	<u>47.6</u>

9 Related party transactions

During the year no Directors received benefits in kind (2021: Nil).

During the year no Directors received consultancy fees (2021: Nil).

During the year no Director received reimbursements for expenses (2021: £252).

During the year no Directors donated to the charity (2021: £805).

There were no further related party transactions during the year (2021: Nil).

10 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

11 Tangible fixed assets

	Furniture, fittings & IT equipment £	Total £
Cost		
At the start of the year	186,783	186,783
Additions in year	11,162	11,162
Disposals in year	(112,585)	(112,585)
At the end of the year	85,360	85,360
Depreciation		
At the start of the year	135,543	135,543
Charge for the year	24,755	24,755
Eliminated on disposal	(112,235)	(112,235)
At the end of the year	48,063	48,063
Net book value		
At the end of the year	37,297	37,297
At the start of the year	51,240	51,240

All of the above assets are used for charitable purposes.

12 Debtors

	2022 £	2021 £
Trade debtors	155,005	118,496
Other debtors	89,867	9,103
Prepayments	58,547	37,848
	303,419	165,447

13 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	193,460	145,769
Taxation and social security	30,651	27,259
Other creditors	16,377	11,832
Accruals	91,857	36,457
Deferred income (note 14)	324,194	373,472
	656,539	594,789

14 Deferred income

Deferred income comprises of multi-year grant funding and contract income received in advance.

	2022 £	2021 £
Balance at the beginning of the year	373,472	192,826
Amount released to income in the year	(373,472)	(192,826)
Amount deferred in the year	324,194	373,472
	324,194	373,472

15 Pension scheme

The charity operates a Defined Contribution Scheme. Amounts paid into the scheme were £41,402 (2021: £37,792). Amounts outstanding at the end of the year were £8,535 (2021 £8,115).

16 Financial instruments

	2022 £	2021 £
Cash at bank	2,067,469	1,676,168
Financial Assets measured at amortised cost (a)	244,872	127,599
Financial liabilities measured at amortised cost (b)	(775,888)	(583,866)
	1,536,453	1,219,901

- a) Financial assets measured at amortised cost include: trade debtors, other debtors and accrued income. Impairment losses charged to financial assets measured as amortised cost in the year amounted to £4,270 (2021: £7,531)
- b) Financial liabilities measured at amortised cost include: trade creditors, other creditors, accruals and deferred income.

17a Analysis of net assets between funds (current year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	–	37,297	–	37,297
Net current assets	1,359,888	1,011,000	150,000	2,520,888
Creditors due within one year	(806,539)	–	–	(806,539)
Net assets at 31 March 2022	553,349	1,048,297	150,000	1,751,646

17b Analysis of net assets between funds (prior year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	–	51,241	–	51,241
Net current assets	1,325,615	515,999	–	1,841,614
Creditors due within one year	(594,789)	–	–	(594,789)
Net assets at 31 March 2021	730,826	567,240	–	1,298,066

18a Movements in funds (current year)

	At 1 April 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2022 £
Restricted funds:					
Supported Accommodation	–	169,945	(169,945)	–	–
Counselling & Support Services	–	101,789	(101,789)	–	–
Purchase of Property	–	150,000	–	–	150,000
Young people Training and Activities	–	–	–	–	–
Covid 19 Emergency Funds	–	–	–	–	–
Development Projects	–	11,000	(11,000)	–	–
Total restricted funds	–	432,734	(282,734)	–	150,000
Unrestricted funds:					
Designated funds:					
Capital & Maintenance Fund	65,000	–	–	–	65,000
Development Capital Fund	451,000	–	–	495,000	946,000
Fixed Asset Fund	51,240	–	–	(13,943)	37,297
Total designated funds	567,240	–	–	481,057	1,048,297
General funds	730,826	3,124,599	(2,821,019)	(481,057)	553,349
Total unrestricted funds	1,298,066	3,124,599	(2,821,019)	–	1,601,646
Total funds	1,298,066	3,557,333	(3,103,753)	–	1,751,646

The narrative to explain the purpose of each fund is given at the foot of the note below.

18b Movements in funds (prior year)

	At 31 March 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2021 £
Restricted funds:					
Supported Accommodation	4,426	81,614	(86,040)	–	–
Counselling & Support Services	8,294	31,479	(39,773)	–	–
Young people Training and Activities	6,050	10,094	(16,144)	–	–
Covid 19 Emergency Funds	–	20,400	(20,400)	–	–
IT upgrade	–	25,000	(8,664)	(16,336)	–
Total restricted funds	18,770	168,587	(171,021)	(16,336)	–
Unrestricted funds:					
Designated funds:					
Capital & Maintenance Fund	61,617	–	–	3,383	65,000
Development Capital Fund	350,000	–	(9,094)	110,094	451,000
Fixed Asset Fund	43,853	–	–	7,387	51,240
Total designated funds	455,470	–	(9,094)	120,864	567,240
General funds	398,859	3,144,907	(2,708,412)	(104,528)	730,826
Total unrestricted funds	854,329	3,144,907	(2,717,506)	16,336	1,298,066
Total funds	873,099	3,313,494	(2,888,527)	–	1,298,066

Purposes of restricted funds**Supported Accommodation**

This fund is restricted funding to be used within the supported accommodation services. This includes; specialist staff training and enhanced one to one support with young people at our foyer accommodation, support workers for Supported Independence Flats and funding for pilot supported lodgings scheme for young people aged 18 and over.

Counselling & Support Services

This fund provides specialist one to one counselling services and a drop-in service providing information, guidance and support to young people and their families.

Purchase of Property

This fund represents donations by individuals restricted to the purchase of property only.

Young people Training and Activities

This fund supports a number of services, which offer a combination of support, skills training, activities and constructive occupation of time.

Covid 19 Emergency Funds

This fund supported exceptional costs incurred due to the pandemic. This included activities, equipment and support for young people, PPE for staff and hosts, H&S equipment and agency staff.

IT Upgrade

This fund paid for the replacement of the server, associated set-up costs and licences. The remaining balance has been transferred to the designated fixed asset fund.

Development Projects

This fund is to support projects to develop the services provided to young people.

Purposes of designated funds

Capital and Maintenance Fund

This has been designated for the necessary replacement of equipment, property dilapidations and non-routine property maintenance and repairs.

Remuneration Review Fund

This fund had been designated to provide for costs of staff salary uplifts following the results of a bench-marking review. These salary uplifts were implemented during 2019–20.

Development Capital Fund

This fund had been designated to provide funding for investments in development projects to further diversify and grow and support the services we provide to young people.

Fixed Asset Fund

This fund has been designated to match the net book value of the Charity's fixed assets.

19 Operating lease commitments payable as a lessee

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Property		Equipment	
	2022	2021	2022	2021
	£	£	£	£
Less than one year	30,766	30,766	1,152	1,536
One to five years	123,064	123,064	–	1,152
Over five years	282,022	312,788	–	–
	435,852	466,618	1,152	2,688

20 Legal status of the charity

Step by Step Partnership Limited is a charitable company limited by guarantee and has no share capital. Each member is liable to contribute a sum, not exceeding £1, in the event of the Charity being wound up.

21 Post Balance Sheet Events

In April 2022 the charity purchased a property for £534,974.