



# **DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**For the year ended 31 March 2023**

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LEGAL AND ADMINISTRATIVE INFORMATION  
For the year ended 31 March 2023

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**Directors**

Mr K Gathergood, Chairman  
Mr S Mylvaganam, Treasurer  
Mr A Mitchell, Deputy Chairman  
Mr J Devlin  
Sir J Portal  
Mrs C Skerry  
Mr J Mowat  
Mrs L Barnes  
Mr S Brearley - Appointed November 2022  
Mrs C Gallagher - Appointed November 2022  
Mr R James – Resigned October 2022  
Mr A Auteri - Resigned October 2022  
Mrs C Thomas - Resigned October 2022

**Company Registration Number**

02431825

**Charity Registration Number**

900308

**Address & Registered Office**

36 Crimea Road, Aldershot, Hampshire, GU11 1UD

**Company Secretary**

Mrs L Barnes

**Chief Executive Officer**

Mrs D Moreton

**Head of Fundraising**

Mrs A Chiu

**Head of HR**

Mrs R Palmer

**Head of Finance**

Mrs A Thurlow

**Head of Fostering & Supported Lodgings**

Mrs K Headen

**Head of Foyers & Wellbeing**

Miss M Partridge

**Auditors**

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

**Bankers**

Lloyds Bank Plc, 25 Gresham Street, London, EC2V 7HN

**Solicitors**

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

## DIRECTORS' REPORT

For the year ended 31 March 2023

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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 2023. 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.

The Charity's wholly owned subsidiary, Step by Step Fostering Limited, was incorporated under the Companies Act 2006 on 11 October 2021 and is limited by shares. Its operations are also governed by its 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.

Step by Step Fostering Limited has a separate Board of Directors. Two of the Directors are also Directors of the Charity, Andrew Mitchell and James Mowat. The Chief Executive Officer of the Charity, Debra Moreton, is also a director of the subsidiary, along with two additional independent directors who have been chosen for their knowledge and experience in their specialist areas.

### **Organisation and Decision Making**

The Governance structure for the Charity is made up of a Board and two types of subcommittees 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 BSs 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 Officer is not a director of the Charity 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 Officer. 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 Officer, Leadership Team and staff.

## DIRECTORS' REPORT

For the year ended 31 March 2023

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

Day-to-day operational responsibility for the subsidiary rests with the Responsible Individual and Registered Manager, both of whom have applied for registration with Ofsted. Separate Board Meetings for the subsidiary are held every quarter and it holds its own delegated powers register.

### 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.

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 Chief Executive Officer (CEO) and Head of HR.

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. The welfare and safety of the young people accessing our services, particularly where they may be engaging in risk taking behaviours.
- b. 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. 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.
- b. Loss of income – the long-term outlook naturally has a degree of uncertainty due to the current cost of living after the pandemic. We have, however, exceeded our fundraising income targets in 2021-2022 and 2022-2023. The New Forest Provision is up and running and we are actively working with Local Authorities to house further Unaccompanied Asylum-Seeking Children (UASC) and Refugees. Our Supported Independence Flats & Supported Accommodation Beds in our Crimea Road Building, enable us to leverage income in addition to our main local authority contracts.

### 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)

## DIRECTORS' REPORT

For the year ended 31 March 2023

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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 the 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.

## 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 10 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 1345 young people and family members and has educated a further 4750 young people via school and community talks, a total beneficiary number of 6095. Several of our key achievements during 2022/23 are detailed under 'Achievements and Performance'.

In the year to 31 March 2023, 45.4% of young people supported were male, 52.5% female and 1.9% identified as non-binary; 78% of young people were teenagers. In our Foyer accommodation there were 47 placements available for homeless young people aged 16-21 (or 25 under certain circumstances) and a total of 97 young people in total were accommodated over the year. In Supported Lodgings there were 234 placements available for homeless young

## DIRECTORS' REPORT

For the year ended 31 March 2023

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people and a total of 313 young people were accommodated during the year.

Our placements across Hampshire, Surrey, West Berkshire, Wiltshire and Dorset offer either Supported Lodgings accommodation or Foyer accommodation. Young people are in a downward spiral when they arrive with 50% unemployed but 73% 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 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 a 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

### Opening of the New Forest Foyer Accommodation

We successfully tendered and won the New Forest Tender with Hampshire County Council to provide a home for 4/6 young people within the New Forest area. This provision started to run in November 2022 and is successfully housing 4 young people at any one time.

**Accommodation Services:** At the end of the financial year, 31<sup>st</sup> March 2023, the Charity was providing up to 281 accommodation beds for young people at any one time, up from 253 at the end of March 2022.

**Stage 1 accommodation** offers support to those who meet the referral criteria for this accommodation. This includes 16+ looked after children and young people with High Intensive Support needs and is based in Aldershot, Basingstoke, New Forest and Havant.

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

## DIRECTORS' REPORT

For the year ended 31 March 2023

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**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 52% of all referrals made to its accommodation services, receiving 491 referrals and making 257 admissions. During the course of the year 410 young people were accommodated, with up to 281 in residence in our accommodation services at any one time. Positive progression was achieved by 73% of young people in the accommodation services overall.

We commissioned the Supported Independence Flats in December 2020 and have had 35 young people stay with a progression rate of 52%.

**Supported Lodgings** placements for 234 young people were available at any one time across five counties, with 313 young people being supported during the year, and 77% achieving positive progress. New 18+ and UASC Supported Lodgings services have been successfully piloted in 2022-23, supporting more young people and generating additional income for the charity. Both new Supported Lodgings services will be continuing next year.

**Fostering:** The subsidiary company has been preparing for its upcoming Ofsted inspection and accreditation. Foster families cannot be sought, and placements cannot be made, until this accreditation has been given. However, the company has made very good progress towards the goal in being able to provide quality supportive foster placements for young people aged 11-18, including those with multiple and complex needs.

**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.

Young people can access Launch in person, via live chat, email, text message and phone. Over the last year, 229 chat sessions were delivered to young people using live chat.

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.

**Counselling:** As a provider of youth counselling for young people aged 11 – 25, and against a backdrop of rising youth mental ill health, we were pleased to be able to support 491 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



## DIRECTORS' REPORT

For the year ended 31 March 2023

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than targeting specific individuals. The Charity considers the origin of unsolicited donations and legacies.

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

During the year ended 31 March 2023, 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 and 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. We are moving from the Triangle Homelessness Outcome Star to the Triangle Young Persons Star during 2023 so we can better focus support on the needs of young people.

**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 10 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, 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 10 Directors service range is 1 – 16 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 the Leadership Team. A clear statement is maintained, through a Delegated Powers

## DIRECTORS' REPORT

For the year ended 31 March 2023

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Register, 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. Every other Board meeting considers the Risk Register.

**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 2022/23 include:

- A total of 6,095 young people were supported by Step by Step in 2022/23 across Hampshire, Surrey, West Berkshire, Dorset, Wiltshire.
- Total bed spaces available rose by 11% between March 2022 and March 2023.
- The number of counselling sessions delivered to young people grew by 30.4% to 2869 sessions in the year. A total of 491 young people accessed this service.
- Supported Lodgings supported a total of 313 young people and expanded service delivery in two counties.
- We exceeded our Fundraising income targets for the year, income for the year was £778,459.
- 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.
- The New Forest Property is now live housing 4 young people at any one time.
- We successfully passed our 2022-23 safeguarding Section 11 Audit.
- We had our first ever Supported Lodgings Unaccompanied Asylum-Seeking Children active, supporting more young people and generating income for the charity.
- Our new Supported Lodgings 18+ service pilot was successful and resulted in leading an expansion to 7 placements. Funding by corporate companies is now in place until 2026.
- We achieved 100% occupancy in the foyers.
- We have been awarded high compliance in Health and Safety audits this year in all properties.
- 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 17 and shows the net movement in funds for the year.

During the year a surplus of **£192,612** was recorded for the Group, A surplus of £246,463 for Step by Step Partnership Ltd and a deficit of £53,851 for its wholly owned subsidiary, Step by Step Fostering Limited.

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

## DIRECTORS' REPORT

For the year ended 31 March 2023

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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 £3.1m; budgeted expenditure against the income streams is £4.2m. Six to nine months' cover is therefore between £546k and £819k.
- Proposed development and committed capital expenditure for at least the next 12 months of £1.1m.

Total Reserves as of 31<sup>st</sup> March 2023 are £1,944,258 comprising of designated funds of £1,117,863 and unrestricted funds of £826,395.

After allowing for restricted and designated funds, the free reserves were £826,395 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 2023 and current balance sheet position
- 2023/24 Budgets and forecasts of performance of the charity to 31st July 2024, including cash flow.
- 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 YEAR AHEAD

The 22/23 year was the third year of a strategic plan to establish sound and sustainable foundations to enable the charity to take the next chapter in its development. The successful delivery of that plan has enabled the Board to agree a new and exciting 3-year strategic plan

## DIRECTORS' REPORT

For the year ended 31 March 2023

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for years 23/24 to 25/26. This plan confirms that the charity will stay focused on its mission and focus on both the growth of existing services and adding to them. Regrettably, in this day and age demand for the charity's services from vulnerable and disadvantaged young people continues to grow and diversify which presents both a challenge and opportunity for the charity to help meet that demand.

In the 23/24 year we seek to be successful in obtaining Ofsted accreditation for Step by Step Fostering Limited enabling it to proceed to completing the setup of the service and commence trading. Also, Step by Step Partnership Ltd is planning to submit an application for Ofsted accreditation of its 16+ services. Expansion of all the services referenced in this annual report is part of the 23/24 year plan and we are also seeking to generate alternatives for providing 18+ move on accommodation. The lack of move on accommodation, and the lack of funding to support it, creates a cliff edge for young people in their journey to independent living and it is essential that options are found to address this issue.

The plan assumes that the economic environment will continue to be turbulent, and that further pressure will exist on public authorities to cut social funding budgets. Over the years Step by Step has shown that it is creative and innovative in dealing with such funding cuts and its fund-raising activities evidence our success. Creativity and innovation are now part of the culture of Step by Step in everything it does. Financial sustainability is at the heart of this culture. All we do has to be affordable and financially sustainable. In the last year the Financial Team has been refreshed and we have comprehensive monthly management accounts reviewed every month by the Treasurer and a selection of directors. The annual creation of a positive surplus and associated positive cash generation underpins this financial sustainability.

The key assets of Step by Step are its staff, volunteers and Supporting Lodgings Hosts. We hope to add Foster Carers to that asset base during 2023-2024. The training, development, support and well-being of all these wonderful assets is of great importance to the delivery of the new 3 year strategic plan. Individual personal development plans support this process plus the use of a combination of in house and external training, mentoring and support services. The CEO has now built a Leadership Team capable of delivering the charity's plans, with attention also being paid to succession planning and leadership training.

## 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

## DIRECTORS' REPORT

For the year ended 31 March 2023

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- 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 Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the 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.

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.

### AUDITOR

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

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

### APPROVAL

This report was approved on the 28 July 2023 by the Board and signed on its behalf, by:

Keith Gathergood  
Chair

**INDEPENDENT AUDITOR'S REPORT**  
**To the members of the Step by Step Partnership Ltd**  
**For the year ended 31 March 2023**

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### **Opinion**

We have audited the financial statements of Step by Step Partnership Limited (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2023 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 group's and of the parent charitable company's affairs as at 31 March 2023 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and 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 group financial statements section of our report. We are independent of the group and parent 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.

INDEPENDENT AUDITOR'S REPORT  
To the members of the Step by Step Partnership Ltd  
For the year ended 31 March 2023

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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 group 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 group 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 group 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 group 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
- 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 group and the parent charitable company and their 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 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company financial statements are not in agreement with the accounting records and returns; or



INDEPENDENT AUDITOR'S REPORT  
To the members of the Step by Step Partnership Ltd  
For the year ended 31 March 2023

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- 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 parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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.



INDEPENDENT AUDITOR'S REPORT  
To the members of the Step by Step Partnership Ltd  
For the year ended 31 March 2023

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**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, audit and risk committee, which included obtaining and reviewing supporting documentation, concerning the group'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.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group 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 group 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.

INDEPENDENT AUDITOR'S REPORT  
To the members of the Step by Step Partnership Ltd  
For the year ended 31 March 2023

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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 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 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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)

1 September 2023

for and on behalf of Sayer Vincent LLP, Statutory Auditor

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

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

**Consolidated statement of financial activities** (incorporating an income and expenditure account)

**For the year ended 31 March 2023**

		Unrestricted £	Designated £	Restricted £	2023 Total £	Unrestricted £	Designated £	Restricted £	2022 Total £
	Note								
<b>Income from:</b>									
Donations and legacies	2	233,874	–	–	<b>233,874</b>	286,484	–	150,000	436,484
Charitable activities									
Accommodation	3	2,877,250	–	174,683	<b>3,051,933</b>	2,544,725	–	175,652	2,720,377
Counselling & support	3	350,439	–	204,579	<b>555,018</b>	293,365	–	96,082	389,447
Development projects	3	–	–	23,000	<b>23,000</b>	–	–	11,000	11,000
Investments		2,086	–	–	<b>2,086</b>	25	–	–	25
<b>Total income</b>		<b>3,463,649</b>	<b>–</b>	<b>402,262</b>	<b>3,865,911</b>	<b>3,124,599</b>	<b>–</b>	<b>432,734</b>	<b>3,557,333</b>
<b>Expenditure on:</b>									
Raising funds	5	211,169	–	–	<b>211,169</b>	209,279	–	–	209,279
Charitable activities									
Accommodation	5	2,522,608	–	174,683	<b>2,697,291</b>	2,273,769	–	169,945	2,443,714
Counselling & support	5	405,913	–	204,579	<b>610,492</b>	302,982	–	101,789	404,771
Development projects	5	131,347	–	23,000	<b>154,347</b>	34,989	–	11,000	45,989
<b>Total expenditure</b>		<b>3,271,037</b>	<b>–</b>	<b>402,262</b>	<b>3,673,299</b>	<b>2,821,019</b>	<b>–</b>	<b>282,734</b>	<b>3,103,753</b>
<b>Net income / (expenditure) for the year</b>	6	192,612	–	–	<b>192,612</b>	303,580	–	150,000	453,580
Transfers between funds		80,434	69,566	(150,000)	–	(481,057)	481,057	–	–
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>273,046</b>	<b>69,566</b>	<b>(150,000)</b>	<b>192,612</b>	<b>(177,477)</b>	<b>481,057</b>	<b>150,000</b>	<b>453,580</b>
<b>Net movement in funds</b>		<b>273,046</b>	<b>69,566</b>	<b>(150,000)</b>	<b>192,612</b>	<b>(177,477)</b>	<b>481,057</b>	<b>150,000</b>	<b>453,580</b>
<b>Reconciliation of funds:</b>									
Total funds brought forward		553,349	1,048,297	150,000	<b>1,751,646</b>	730,826	567,240	–	1,298,066
<b>Total funds carried forward</b>		<b>826,395</b>	<b>1,117,863</b>	<b>–</b>	<b>1,944,258</b>	<b>553,349</b>	<b>1,048,297</b>	<b>150,000</b>	<b>1,751,646</b>

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 19a to the financial statements.

# Step by Step Partnership Ltd

## Balance sheets

Company no. 2431825

As at 31 March 2023

	Note	The group 2023 £	2022 £	The charity 2023 £	2022 £
<b>Fixed assets:</b>					
Tangible assets	11	613,463	37,297	613,161	37,297
Investments	12	–	–	1	–
		<b>613,463</b>	<b>37,297</b>	<b>613,162</b>	<b>37,297</b>
<b>Current assets:</b>					
Debtors	14	525,594	303,419	614,261	303,419
Cash at bank and in hand		1,437,211	2,067,469	1,402,646	2,067,469
		<b>1,962,805</b>	<b>2,370,888</b>	<b>2,016,907</b>	<b>2,370,888</b>
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	15	(632,010)	(656,539)	(631,960)	(656,539)
<b>Net current assets</b>		<b>1,330,795</b>	<b>1,714,349</b>	<b>1,384,947</b>	<b>1,714,349</b>
<b>Total net assets</b>		<b>1,944,258</b>	<b>1,751,646</b>	<b>1,998,109</b>	<b>1,751,646</b>
<b>Funds:</b>	19				
Restricted income funds		–	150,000	–	150,000
Unrestricted income funds:					
Designated funds		1,117,863	1,048,297	1,117,863	1,048,297
General funds		826,395	553,349	880,246	553,349
<b>Total unrestricted funds</b>		<b>1,944,258</b>	<b>1,601,646</b>	<b>1,998,109</b>	<b>1,601,646</b>
<b>Total funds</b>		<b>1,944,258</b>	<b>1,751,646</b>	<b>1,998,109</b>	<b>1,751,646</b>

Approved by the trustees on 28 July 2023 and signed on their behalf by

S Mylvaganam  
Treasurer / Director

K Gathergood  
Chair / Director

Step by Step Partnership Ltd

Consolidated statement of cash flows

For the year ended 31 March 2023

	Note	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
Net income / (expenditure) for the reporting period (as per the statement of financial activities)		192,612		453,580	
Depreciation charges		28,552		24,755	
Dividends, interest and rent from investments		(2,086)		(25)	
(Profit)/loss on the disposal of fixed assets		–		350	
(Increase)/decrease in debtors		(222,175)		(137,972)	
Increase/(decrease) in creditors		(24,529)		61,750	
<b>Net cash provided by / (used in) operating activities</b>		<b>(27,626)</b>		<b>402,438</b>	
<b>Cash flows from investing activities:</b>					
Dividends, interest and rents from investments		2,086		25	
Proceeds from the sale of fixed assets		–		–	
Purchase of fixed assets		(604,718)		(11,162)	
<b>Net cash provided by / (used in) investing activities</b>		<b>(602,632)</b>		<b>(11,137)</b>	
<b>Change in cash and cash equivalents in the year</b>		<b>(630,258)</b>		<b>391,301</b>	
Cash and cash equivalents at the beginning of the year		2,067,469		1,676,168	
Change in cash and cash equivalents due to exchange rate movements		–		–	
<b>Cash and cash equivalents at the end of the year</b>	a	<b>1,437,211</b>		<b>2,067,469</b>	
<b>Analysis of cash and cash equivalents and of net debt</b>					
	At 1 April 2022 £	Cash flows £	Other non- cash changes £	At 31 March 2023 £	
Cash at bank and in hand	2,067,469	(630,258)	–	1,437,211	
Overdraft facility repayable on demand	–	–	–	–	
<b>a Total cash and cash equivalents</b>	<b>2,067,469</b>	<b>(630,258)</b>	<b>–</b>	<b>1,437,211</b>	
Loans falling due within one year	–	–	–	–	
Loans falling due after more than one year	–	–	–	–	
Finance lease obligations	–	–	–	–	
<b>Total</b>	<b>2,067,469</b>	<b>(630,258)</b>	<b>–</b>	<b>1,437,211</b>	

**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.

These financial statements consolidate the results of the charity and its wholly-owned subsidiary Step by Step Fostering Limited on a line by line basis. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two entities are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006. A summary of the result for the year is disclosed in the notes to the accounts.

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

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.

**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.

**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.

**1 Accounting policies (continued)**

**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 staff time, of the amount attributable to each activity.

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	47%
• Counselling & Support	21%
• Cost of raising funds	9%
• Growth & Development	20%
• 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.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

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:

• Freehold property	2% straight line
• Computer equipment	33% straight line
• Furniture and fittings	10% – 20% straight line

**1 Accounting policies (continued)**

**m) Investments in subsidiaries**

Investments in subsidiaries are at cost.

**n) 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 £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Churches	6,571	–	6,571	7,820	–	7,820
Secular organisations	145,366	–	145,366	100,363	–	100,363
Individuals	67,765	–	67,765	159,042	150,000	309,042
Legacies	–	–	–	12,438	–	12,438
Events	14,172	–	14,172	6,811	–	6,811
Other	–	–	–	10	–	10
	<u>233,874</u>	<u>–</u>	<u>233,874</u>	<u>286,484</u>	<u>150,000</u>	<u>436,484</u>



**3 Income from charitable activities**

	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Accommodation	2,877,250	174,683	<b>3,051,933</b>	2,544,725	175,652	2,720,377
Counselling & Support	350,439	204,579	<b>555,018</b>	293,365	96,082	389,447
Development projects	-	23,000	<b>23,000</b>	-	11,000	11,000
<b>Total</b>	<b>3,227,689</b>	<b>402,262</b>	<b>3,629,951</b>	<b>2,838,090</b>	<b>282,734</b>	<b>3,120,824</b>

**4 Income from charitable activities by funder**

	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
<b>Grants and contracts</b>						
Trust income	142,323	402,262	<b>544,585</b>	107,760	282,734	390,494
Local Authority Grants	-	-	<b>-</b>	-	-	-
<b>Sub-total</b>	<b>142,323</b>	<b>402,262</b>	<b>544,585</b>	<b>107,760</b>	<b>282,734</b>	<b>390,494</b>
<b>Housing &amp; Supported Lodgings related incomes</b>						
Local Authority Contracts	2,955,553	-	<b>2,955,553</b>	2,628,574	-	2,628,574
Rent and Personal Charges	129,753	-	<b>129,753</b>	101,644	-	101,644
Sundry Income	60	-	<b>60</b>	112	-	112
<b>Sub-total</b>	<b>3,085,366</b>	<b>-</b>	<b>3,085,366</b>	<b>2,730,330</b>	<b>-</b>	<b>2,730,330</b>
<b>Total income from charitable activities</b>	<b>3,227,689</b>	<b>402,262</b>	<b>3,629,951</b>	<b>2,838,090</b>	<b>282,734</b>	<b>3,120,824</b>

## 5a Analysis of expenditure (current year)

	Charitable activities							
	Raising funds £	Accommodation £	Counselling & Support £	Growth & Development £	Governance costs £	Support costs £	2023 Total £	2022 Total £
Staff costs (Note 7)	131,671	1,084,520	337,241	40,468	50,258	369,774	2,013,932	1,633,085
Direct Costs	31,149	1,359,913	162,572	5,028	16,157	–	1,574,819	1,358,403
Support – Other staff costs	–	–	–	–	–	27,181	27,181	32,491
Support – Administrative running costs	–	–	–	–	–	18,993	18,993	53,499
Support – Building maintenance costs	–	–	–	–	–	2,703	2,703	2,514
Support – Marketing costs	–	–	–	–	–	6,290	6,290	3,368
Support – Legal & Professional Fees	–	–	–	–	–	29,381	29,381	20,393
Support – Misc	–	–	–	–	–	–	–	–
	162,820	2,444,433	499,813	45,496	66,415	454,322	3,673,299	3,103,753
Support costs	42,710	207,537	95,224	108,851	–	(454,322)	–	–
Governance costs	5,639	45,321	15,455	–	(66,415)	–	–	–
<b>Total expenditure 2023</b>	<b>211,169</b>	<b>2,697,291</b>	<b>610,492</b>	<b>154,347</b>	<b>–</b>	<b>–</b>	<b>3,673,299</b>	
Total expenditure 2022	209,279	2,443,714	404,771	45,989	–	–		3,103,753

Step by Step Partnership Ltd

Notes to the financial statements

For the year ended 31 March 2023

5b Analysis of expenditure (prior year)

	Charitable activities						
	Raising funds £	Accommodation £	Counselling & Support £	Growth & Development £	Governance costs £	Support costs £	2022 Total £
Staff costs (Note 7)	109,565	954,489	200,180	58,512	29,296	281,043	1,633,085
Direct Costs	53,015	1,200,320	101,451	(12,523)	16,140	–	1,358,403
Support – Other staff costs	–	–	–	–	–	32,491	32,491
Support – Administrative running costs	–	–	–	–	–	53,499	53,499
Support – Building maintenance costs	–	–	–	–	–	2,514	2,514
Support – Marketing costs	–	–	–	–	–	3,368	3,368
Support – Legal & Professional Fees	–	–	–	–	–	20,393	20,393
Support – Misc	–	–	–	–	–	–	–
	162,580	2,154,809	301,631	45,989	45,436	393,308	3,103,753
Support costs	42,960	257,689	92,659	–	–	(393,308)	–
Governance costs	3,739	31,216	10,481	–	(45,436)	–	–
<b>Total expenditure 2022</b>	<b>209,279</b>	<b>2,443,714</b>	<b>404,771</b>	<b>45,989</b>	<b>–</b>	<b>–</b>	<b>3,103,753</b>

Notes to the financial statements

For the year ended 31 March 2023

**6 Net income / (expenditure) for the year**

This is stated after charging / (crediting):

	2023 £	2022 £
Depreciation	28,552	24,755
Loss or profit on disposal of fixed assets	–	350
Operating lease rentals:		
Property	30,766	30,766
Other	1,339	1,536
Auditor's remuneration (excluding VAT):		
Audit	12,750	11,600
Other services	1,080	–
	<b>28,552</b>	<b>24,755</b>

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

Staff costs were as follows:

	2023 £	2022 £
Salaries and wages	1,799,159	1,474,362
Redundancy and termination costs	13,535	–
Social security costs	150,595	117,321
Employer's contribution to defined contribution pension schemes	50,643	41,402
	<b>2,013,932</b>	<b>1,633,085</b>

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:

	2023 No.	2022 No.
£60,000 – £69,999	1	1

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £395,977 (2022: £353,517).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2022: £nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £nil (2022: £nil) incurred by no (2022: nil) 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 78 (2022: 73).

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

	2023 No.	2022 No.
Governance, Management and Admin	8.6	7.6
Fundraising	5.0	5.0
Accommodation and other service staff	44.1	40.1
	<b>57.7</b>	<b>52.7</b>

## 9 Related party transactions

There are no related party transactions to disclose for 2023 (2022: none).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

## 10 Taxation

The charity is exempt from corporation tax because all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary, Step by Step Fostering Limited, distributes under Gift Aid available profits to the parent charity.

## 11 Tangible fixed assets

### The group

	Freehold property £	Computer equipment £	Furniture & fittings £	Total £
<b>Cost or valuation</b>				
At the start of the year	–	85,097	263	<b>85,360</b>
Additions in year	577,368	20,879	6,471	<b>604,718</b>
Disposals in year	–	–	–	–
At the end of the year	<b>577,368</b>	<b>105,976</b>	<b>6,734</b>	<b>690,078</b>
<b>Depreciation</b>				
At the start of the year	–	47,835	228	<b>48,063</b>
Charge for the year	4,208	23,483	861	<b>28,552</b>
Eliminated on disposal	–	–	–	–
At the end of the year	<b>4,208</b>	<b>71,318</b>	<b>1,089</b>	<b>76,615</b>
<b>Net book value</b>				
<b>At the end of the year</b>	<b>573,160</b>	<b>34,658</b>	<b>5,645</b>	<b>613,463</b>
At the start of the year	–	37,262	35	37,297

All of the above assets are used for charitable purposes.

### The charity

	Freehold property £	Computer equipment £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>				
At the start of the year	–	85,097	263	<b>85,360</b>
Additions in year	577,368	20,879	6,471	<b>604,718</b>
Disposals in year	–	(1,545)	–	<b>(1,545)</b>
At the end of the year	<b>577,368</b>	<b>104,431</b>	<b>6,734</b>	<b>688,533</b>
<b>Depreciation</b>				
At the start of the year	–	47,835	228	<b>48,063</b>
Charge for the year	4,208	23,483	861	<b>28,552</b>
Eliminated on disposal	–	(1,243)	–	<b>(1,243)</b>
At the end of the year	<b>4,208</b>	<b>70,075</b>	<b>1,089</b>	<b>75,372</b>
<b>Net book value</b>				
<b>At the end of the year</b>	<b>573,160</b>	<b>34,356</b>	<b>5,645</b>	<b>613,161</b>
At the start of the year	–	37,262	35	37,297

All of the above assets are used for charitable purposes.

## 12 Subsidiary undertaking

The charity owns the whole of the issued ordinary share capital of Step by Step Fostering Limited, a company registered in England. The company number is 13672670. The registered office address is 36 Crimea Road, Aldershot, Hampshire, GU11 1UD.

The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are distributed under Gift Aid to the parent charity.

The trustees Andrew Mitchell and James Mowat, together with the Chief Executive, Debra Moreton, are also directors of the subsidiary.

A summary of the results of the subsidiary is shown below:

	2023 £	2022 £
Turnover	-	-
Cost of sales	-	-
<b>Gross profit/(loss)</b>	-	-
Administrative expenses	(108,851)	-
Other operating income	55,000	-
<b>Profit/(loss) on ordinary activities before interest and taxation</b>	(53,851)	-
Interest receivable and similar income	-	-
Interest payable and similar charges	-	-
<b>Profit / (loss) on ordinary activities before taxation</b>	(53,851)	-
Taxation on profit on ordinary activities	-	-
<b>Profit / (loss) for the financial year</b>	(53,851)	-
<b>Retained earnings</b>		
Total retained earnings brought forward	-	-
Profit / (loss) for the financial year	(53,851)	-
Distribution under Gift Aid to parent charity	-	-
<b>Total retained earnings carried forward</b>	(53,851)	-
The aggregate of the assets, liabilities and reserves was:		
Assets	39,190	-
Liabilities	(93,040)	-
<b>Reserves</b>	(53,850)	-

Amounts owed to the parent undertaking are shown in note 14.

**13 Parent charity**

The parent charity's gross income and the results for the year are disclosed as follows:

	2023 £	2022 £
Gross income	3,865,911	3,557,333
Result for the year	246,463	453,580

**14 Debtors**

	The group		The charity	
	2023 £	2022 £	2023 £	2022 £
Trade debtors	399,507	155,005	399,507	155,005
Other debtors	1,486	31,992	1,486	31,992
Amounts due from group undertakings	–	–	92,990	–
Prepayments	65,867	58,547	63,772	58,547
Accrued income	58,734	57,875	56,506	57,875
	<b>525,594</b>	<b>303,419</b>	<b>614,261</b>	<b>303,419</b>

**15 Creditors: amounts falling due within one year**

	The group		The charity	
	2023 £	2022 £	2023 £	2022 £
Trade creditors	163,427	193,460	163,377	193,460
Taxation and social security	34,399	30,651	34,399	30,651
Other creditors	11,328	16,377	11,328	16,377
Amounts due to group undertakings	–	–	–	–
Accruals	34,374	91,857	34,374	91,857
Deferred income (note 16)	388,482	324,194	388,482	324,194
	<b>632,010</b>	<b>656,539</b>	<b>631,960</b>	<b>656,539</b>

# 16 Deferred income

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

	The group		The charity	
	2023	2022	2023	2022
	£	£	£	£
Balance at the beginning of the year	324,194	373,472	324,194	373,472
Amount released to income in the year	(324,194)	(373,472)	(324,194)	(373,472)
Amount deferred in the year	388,482	324,194	388,482	324,194
Balance at the end of the year	388,482	324,194	388,482	324,194

# 17 Pension scheme

The charity operates a Defined Contribution Scheme. Amounts paid into the scheme were £49,011 (2022: £41,402). Amounts outstanding at the end of the year were £10,055 (2022: £8,535).

# 18a Analysis of group net assets between funds (current year)

	General unrestricted	Designated funds	Restricted funds	Total funds
	£	£	£	£
Tangible fixed assets	–	613,463	–	613,463
Net current assets	1,458,405	504,400	–	1,962,805
Creditors due within one year	(632,010)	–	–	(632,010)
Net assets at 31 March 2023	826,395	1,117,863	–	1,944,258

# 18b Analysis of group net assets between funds (prior year)

	General unrestricted	Designated funds	Restricted funds	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



## 19a Movements in funds (current year)

	At 1 April 2022 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2023 £
<b>Restricted funds:</b>					
Supported Accommodation	-	174,683	(174,683)	-	-
Counselling & Support Services	-	204,579	(204,579)	-	-
Purchase of Property	150,000	-	-	(150,000)	-
Young people Training and Activities	-	-	-	-	-
Covid 19 Emergency Funds	-	-	-	-	-
Development Projects	-	23,000	(23,000)	-	-
<b>Total restricted funds</b>	<b>150,000</b>	<b>402,262</b>	<b>(402,262)</b>	<b>(150,000)</b>	<b>-</b>
<b>Unrestricted funds:</b>					
Designated funds:					
Capital & Maintenance Fund	65,000	-	-	-	<b>65,000</b>
Development Capital Fund	946,000	-	-	(506,600)	<b>439,400</b>
Fixed Asset Fund	37,297	-	-	576,166	<b>613,463</b>
Total designated funds	1,048,297	-	-	69,566	1,117,863
<b>General funds</b>	<b>553,349</b>	<b>3,865,911</b>	<b>(3,673,299)</b>	<b>80,434</b>	<b>826,395</b>
<b>Total unrestricted funds</b>	<b>1,601,646</b>	<b>3,865,911</b>	<b>(3,673,299)</b>	<b>-</b>	<b>1,944,258</b>
<b>Total funds</b>	<b>1,751,646</b>	<b>4,268,173</b>	<b>(4,075,561)</b>	<b>-</b>	<b>1,944,258</b>

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

The transfers out of Restricted funds and the Development Capital Fund relate to the purchase of our Freehold Property during the year, all restriction removed at the point the Property was purchased.

## Notes to the financial statements

For the year ended 31 March 2023

## 19b Movements in funds (prior year)

	At 1 April 2021	Income & gains	Expenditure & losses	Transfers	At 31 March 2022
	£	£	£	£	£
<b>Restricted funds:</b>					
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)	–	–
<b>Total restricted funds</b>	–	432,734	(282,734)	–	150,000
<b>Unrestricted funds:</b>					
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
<b>General funds</b>	730,826	3,124,599	(2,821,019)	(481,057)	553,349
<b>Total unrestricted funds</b>	1,298,066	3,124,599	(2,821,019)	–	1,601,646
<b>Total funds</b>	1,298,066	3,557,333	(3,103,753)	–	1,751,646

**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.

**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.

**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.

**20 Operating lease commitments payable as a lessee**

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

	Property		Equipment	
	2023	2022	2023	2022
	£	£	£	£
Less than one year	30,766	30,766	749	1,152
One to five years	123,064	123,064	562	–
Over five years	251,256	282,022	–	–
	<b>405,086</b>	<b>435,852</b>	<b>1,311</b>	<b>1,152</b>

**21 Post balance sheet events**

There are no post balance sheet events which need to disclosed.

**22 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.