



DIRECTORS' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2024

CONTENTS

	Page
Legal and administrative information	1
Directors' report	2
Auditors' report	13
Statement of financial activities	17
Balance sheet	18
Statement of cash flows	19
Notes to the financial statements	20

LEGAL AND ADMINISTRATIVE INFORMATION
For the year ended 31 March 2024

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
Mrs C Gallagher

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 Maternity Leave Jan 2024 expected to be returning 13th Jan 2025
Nic Goom Maternity Cover

Head of HR

Mrs R Palmer

Head of Finance

Mrs A Thurlow

Head of Fostering & Supported Lodgings

Mrs K Headen

Head of Wellbeing & Foyers

Miss M Partridge

Auditors

Sayer Vincent LLP, 110 Golden Lane, London, EC1Y 0TG

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 2024

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 2024. 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".

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 27 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 1586 young people and family members and has educated a further 3260 young people via school and community talks, a total beneficiary number of 4846. Several of our key achievements during 2023/24 are detailed under 'Achievements and Performance'.

In the year to 31 March 2024, 55.2% of young people supported were male, 42% female and 1.3% identified as non-binary (1.5% preferred not to say or did not specify their gender); 74% 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 83 young people were accommodated over the year. In Supported Lodgings there were 232 placements available for homeless young people and a total of 251 young people were accommodated during the year.

Our placements across Hampshire, Surrey, West Berkshire, Wiltshire, West Sussex and Dorset offer either Supported Lodgings accommodation or Foyer accommodation. Young people are in a downward spiral when they arrive with 42% unemployed but 76% 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

DIRECTORS' REPORT

For the year ended 31 March 2024

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.

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 three additional directors (two independent of the Charity) who have been chosen for their knowledge and experience in their specialist areas.

Organisation and Decision Making

The Governance structure 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

DIRECTORS' REPORT

For the year ended 31 March 2024

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 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 Lodgings Host families and volunteers who provide valuable support to young people.

Day to day operational responsibility for the subsidiary rests with its Responsible Individual and Registered Manager. 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 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

DIRECTORS' REPORT

For the year ended 31 March 2024

- third year (including the current year).
- 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, 2022-2023 and 2023-2024. The New Forest Provision is up and running and we are actively working with Local Authorities to house further Separated Children (Previously 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.

Ofsted for Supported Accommodation for 16+ Young People

In March 2023, the government initiated the first set of regulations essential for implementing reforms to supported accommodation for 16 and 17 year-old looked after children and care leavers. Following this, an Ofsted application for registration was submitted by SbS in August 2023. Our registration process and interviews were successfully completed during September and October 2023. As a result, we are now officially registered with Ofsted to provide supported accommodation to age 16+ young people.

The Charity operates a Risk Management process that meets the requirements of Ofsted. Notifiable Events we need to submit to Ofsted as part of our registration are:

- A death of a child
- A referral about a staff member under section 35 of the Safeguarding Vulnerable Groups Act 2006
- A child involved in or subject to, or is suspected of being involved in or subject to, sexual exploitation or child criminal exploitation
- An incident requiring police involvement in relation to a child and the registered person considers that incident to be serious
- An allegation of abuse against the service or a member of staff
- If a child protection enquiry is instigated or concludes
- An incident involving the use of a measure of restraint on a child
- Any other incident relating to a child which the registered person considers to be serious.

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 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.

ACHIEVEMENTS AND PERFORMANCE

Opening of the New Forest Foyer Accommodation: We have successfully implemented the New Forest Foyer, housing 4 young people at any one time.

DIRECTORS' REPORT

For the year ended 31 March 2024

Accommodation Services: At the end of the financial year, 31st March 2024, the Charity was providing up to 279 accommodation beds for young people at any one time, down from 281 at the end of March 2023.

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.

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, as well as young people being able to refer themselves. This year the Charity accommodated 42% of all referrals made to its accommodation services, receiving 445 referrals and making 189 admissions. During the course of the year 334 young people were accommodated, with up to 279 in residence in our accommodation services at any one time. Positive progression was achieved by 76% of young people in the accommodation services overall.

We commissioned the Supported Independence Flats in December 2020 and have had 43 young people stay with a progression rate of 50%.

Supported Lodgings: Placements for 232 young people were available at any one time across six counties, with 251 young people being supported during the year, and 83% achieving positive progress.

Fostering: The subsidiary company, Step by Step Fostering Limited, received registration approval by Ofsted to operate as an independent fostering agency during the financial year ended 31st March 2024. It is able to provide quality supportive foster placements to CYP (Children and Young People) aged 11-18 (and siblings) including those with multiple and complex needs within South Central England. It had one active placement during the financial year ended 31st March 2024.

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 community outreach service. Launch provides a wealth of services including information, advice and guidance on a range of issues, including housing and homelessness support, applying for benefits, sexual health, signposting, relationships, getting into education or employment. In addition, Launch operates two specialised sessional based offers including help with alcohol or drug recovery including those affected by misuse in the home, and general emotional wellbeing support.

Young people aged 11-25 can access Launch in person, via live chat, email, text or phone. Last year Launch supported 831 young people, offering 924 sessions. Launch is free and available for young people living in one of the six counties Step by Step operates in.

Counselling: We are proud to deliver a counselling service across Surrey and Hampshire County Councils to young people aged 11-25. Counselling is free to access and can be accessed via self-referral from our website or via health services such as a GP.

DIRECTORS' REPORT

For the year ended 31 March 2024

With a qualified team of over 8 counsellors ready to support young people. The counselling service is in high demand, against a backdrop of rising youth mental ill health, we were pleased to be able to support 508 young people in the year who attended 2702 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.

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

Step by Step has been a registered member of the Fundraising Regulator since 2017. This body helps to ensure that organisations raising money for charity from the public do so honestly and properly. The Fundraising Regulator has a Code of Fundraising Practice which helps guide Step by Step fundraising practice.

During the year ended 31 March 2024, the Charity was fully compliant with the Code of Fundraising Practice and 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 peoples' 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 all young people are invited to join our Speak Out advisory group to share their thoughts and help guide the charity forward in its future decision making and strategic planning.

Volunteers: This year we have retained our volunteers and successfully increased the number of volunteers providing valuable support to the services.

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 have successfully moved from the Triangle Homelessness Outcome Star to the Triangle Young Persons Star during 2024 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

DIRECTORS' REPORT

For the year ended 31 March 2024

improvement. Last reviewed January 2024. 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 – 17 years with an average of 5.8 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 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 2023/24 include:

- We have introduced a wide number of training opportunities through apprenticeships and external course providers for our staff teams.
- Foyer services have accommodated 83 young people this year.
- We have accommodated 251 young people in Supported Lodgings services this year.
- We have successfully funded the Supported Independence Flats and Supported Accommodation Beds for a further year allowing us to continue supporting and offering vital housing to unfunded young people.
- We completed our 24-25 safeguarding section 11 audit.
- We successfully secured 9 separated children (previously UASC) placements in Hampshire foyers.
- Counselling services were delivered to 508 young people, through 2702 counselling sessions across Surrey and Hampshire.
- We have delivered 924 Launch sessions, including 5 sexual health sessions.
- We have supported 831 vulnerable young people in our communities through our launch services.
- SBS has continued to support Staff Training and Development. Taking on a new apprentice to the organisation and supporting 5 employees to undertake Level 3 or Level 5 qualifications.
- Trauma informed Training was delivered to everyone in the organisation.
- Provided Mental Health First Aid Training to all young person facing employees in the Foyers and our Supported Lodging services.
- 83% of young people in Supported Lodgings have progressed.
- Ofsted registration achieved and implementation changes to meet the new Ofsted legislation in all Supported Lodgings and Foyer services and created processes and invested in resource to sustain compliance.
- We achieved Cyber essentials accreditation.
- Developed new ways of reaching potential hosts for the Supported Lodgings service via Radio advertising and our new Step by Step Podcast.
- Fostering Agency fully operational and actively supporting children.
- Speak Out group has had excellent progression and capturing high quality feedback that can develop our services and improve the experiences of young people.

DIRECTORS' REPORT

For the year ended 31 March 2024

- The Opportunity Fund has enabled 615 purchases for young people this year, providing crucial financial support for items and rental deposits they otherwise couldn't afford. This fund empowers them to take significant steps forward in their lives and future independence.

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 **£268,679** was recorded for the Group, A surplus of £370,351 for Step by Step Partnership Ltd and a deficit of £101,672 for its wholly owned subsidiary, Step by Step Fostering Limited.

Step by Step Fostering Limited has incurred losses to date. This has been as a result of Company set-up and achieving Ofsted registration approval. It does however have current placements and more foster carers going through the approval process.

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 resilience and adequate financial resources are available when needed to secure on-going social impact and public benefit. It aims to ensure that there are funds available to meet all current and known liabilities and continue to operate all our vital, high quality services for young people. It will also aim to ensure that there are funds available to cover financial risks and future uncertainties, for future planned expansion of services and for other commitments and designations.

The Directors regularly review reserves, including the reserves of the Charity's wholly owned subsidiary, to ensure that the total group reserves are sufficient to cover:

- Six to nine months cover of budgeted expenditure less committed income for the next twelve months. Six to nine months' cover is between £492k and £738k
- Proposed development and committed capital expenditure for at least the next 12 months (£1m)
- Fixed Asset Designation as required by the SORP (£0.6m)

Total Reserves as of 31st March 2024 are £2,212,938 comprising of designated funds of £1,570,923 and unrestricted funds of £642,015.

After allowing for restricted and designated funds, the free reserves were £642,015 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 2024 and current balance sheet position

DIRECTORS' REPORT

For the year ended 31 March 2024

- 2024/25 Budgets and forecasts of performance of the Charity to 31st July 2025, 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 2024/25 year is the second year of a Board approved 3 year Strategic Plan following a very successful delivery of the first year. 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.

Expansion of all the services referenced in this annual report is part of the 24/25 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 24/25 year is the first full year that Step by Step will be operating under Ofsted regulations for its Foyer, Supported Lodgings and Fostering services. The achievement of successful registration in 23/24 year was a great success for the Charity requiring both organisational changes and increased costs. Registration was seen as essential to enable the Charity to continue to deliver its mission. In 24/25 the Charity is committed to successfully delivering under these registrations.

The plan assumes that the economic and political environment will continue to be uncertain, 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 is 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. An excellent Financial Team has been established 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.

DIRECTORS' REPORT For the year ended 31 March 2024

The key assets of Step by Step are its staff, volunteers, Supporting Lodgings Hosts, and Foster Carers. The training, development, support and well-being of all these wonderful assets is of great importance to the delivery of the 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 continues to develop 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
- 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.

Members of the Charity guarantee to contribute an amount not exceeding £1 to the assets of the Charity in the event of winding up. The total number of such guarantees at 31st March 2024 was 22 (2023:23). The Trustees are members of the Charity but this entitles them only to

DIRECTORS' REPORT
For the year ended 31 March 2024

voting rights. The Trustees have no beneficial interest in the Charity.

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

The Trustees' annual report which includes the strategic report has been approved by the Trustees on 26th July 2024 and signed on their behalf by

Keith Gathergood
Chair

INDEPENDENT AUDITOR'S REPORT
To the members of Step by Step Partnership Ltd
For the year ended 31 March 2024

Opinion

We have audited the financial statements of Step by Step Partnership (the 'parent charitable company') and its subsidiary/subsidiaries (the 'group') for the year ended 31 March 2024 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 2024 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'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, 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

INDEPENDENT AUDITOR'S REPORT
To the members of Step by Step Partnership Ltd
For the year ended 31 March 2024

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
- 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

INDEPENDENT AUDITOR'S REPORT
To the members of Step by Step Partnership Ltd
For the year ended 31 March 2024

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.

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 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.

INDEPENDENT AUDITOR'S REPORT
To the members of Step by Step Partnership Ltd
For the year ended 31 March 2024

- 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 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)

Date: 8 August 2024

for and on behalf of Sayer Vincent LLP, Statutory Auditor

110 Golden Lane, LONDON, EC1Y 0TG

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

Step by Step Partnership Ltd

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

For the year ended 31 March 2024

	Note	Unrestricted £	Designated £	Restricted £	2024 Total £	Unrestricted £	Designated £	Restricted £	2023 Total £
Income from:									
Donations and legacies	2	182,225	-	-	182,225	233,874	-	-	233,874
Charitable activities									
Accommodation	3	3,149,024	-	276,559	3,425,583	2,877,250	-	174,683	3,051,933
Counselling & support	3	369,906	-	221,907	591,813	350,439	-	204,579	555,018
Development projects	3	-	-	4,396	4,396	-	-	23,000	23,000
Investments		29,389	-	-	29,389	2,086	-	-	2,086
Total Income		3,730,544	-	502,862	4,233,406	3,463,649	-	402,262	3,865,911
Expenditure on:									
Raising funds	5	261,824	-	-	261,824	211,169	-	-	211,169
Charitable activities									
Accommodation	5	2,674,424	-	276,559	2,950,983	2,522,608	-	174,683	2,697,291
Counselling & support	5	391,883	-	221,907	613,790	405,913	-	204,579	610,492
Development projects	5	133,734	-	4,396	138,130	131,347	-	23,000	154,347
Total expenditure		3,461,865	-	502,862	3,964,727	3,271,037	-	402,262	3,673,299
Net Income / (expenditure) for the year	6	268,679	-	-	268,679	192,612	-	-	192,612
Transfers between funds		(453,059)	453,059	-	-	80,434	69,566	(150,000)	-
Net Income / (expenditure) before other recognised gains and losses		(184,380)	453,059	-	268,679	273,046	69,566	(150,000)	192,612
Net movement in funds		(184,380)	453,059	-	268,679	273,046	69,566	(150,000)	192,612
Reconciliation of funds:									
Total funds brought forward		826,395	1,117,863	-	1,944,258	553,349	1,048,297	150,000	1,751,646
Total funds carried forward		642,015	1,570,922	-	2,212,937	826,395	1,117,863	-	1,944,258

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 2024

	Note	The group		The charity	
		2024	2023	2024	2023
		£	£	£	£
Fixed assets:					
Tangible assets	11	606,922	613,463	606,922	613,161
Investments	12	–	–	1	1
		606,922	613,463	606,923	613,162
Current assets:					
Debtors	14	269,450	525,594	434,717	614,261
Short term deposits		250,000	–	250,000	–
Cash at bank and in hand		1,776,324	1,437,211	1,761,337	1,402,646
		2,295,774	1,962,805	2,446,054	2,016,907
Liabilities:					
Creditors: amounts falling due within one year	15	(689,759)	(632,010)	(684,517)	(631,960)
Net current assets		1,606,015	1,330,795	1,761,537	1,384,947
Total net assets		2,212,937	1,944,258	2,368,460	1,998,109
Funds:	19				
Restricted income funds		–	–	–	–
Unrestricted income funds:					
Designated funds		1,570,922	1,117,863	1,570,922	1,117,863
General funds		642,015	826,395	797,538	880,246
Total unrestricted funds		2,212,937	1,944,258	2,368,460	1,998,109
Total funds		2,212,937	1,944,258	2,368,460	1,998,109

Approved by the trustees on 26th July 2024 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 2024

	Note	2024 £	£	2023 £	£
Cash flows from operating activities					
Net income / (expenditure) for the reporting period (as per the statement of financial activities)		268,679		192,612	
Depreciation charges		32,280		28,552	
Dividends, interest and rent from investments		(29,389)		(2,086)	
(Profit)/loss on the disposal of fixed assets		–		–	
(Increase)/decrease in debtors		256,144		(222,175)	
Increase/(decrease) in creditors		57,749		(24,529)	
Net cash provided by / (used in) operating activities		585,463		(27,626)	
Cash flows from investing activities:					
Dividends, interest and rents from investments		29,389		2,086	
Proceeds from the sale of fixed assets		–		–	
Transfer to short term deposit account		(250,000)		–	
Purchase of fixed assets		(25,739)		(604,718)	
Net cash provided by / (used in) investing activities		(246,350)		(602,632)	
Change in cash and cash equivalents in the year		339,113		(630,258)	
Cash and cash equivalents at the beginning of the year		1,437,211		2,067,469	
Change in cash and cash equivalents due to exchange rate movements		–		–	
Cash and cash equivalents at the end of the year		1,776,324		1,437,211	

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.

1 Accounting policies (continued)

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
- 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	53%
● Counselling & Support	19%
● Cost of raising funds	9%
● Growth & Development	16%
● 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

Step by Step Partnership Ltd

Notes to the financial statements

For the year ended 31 March 2024

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) Short term deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

p) 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.

q) 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.

r) 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.

s) 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 £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
Churches	8,207	-	8,207	6,571	-	6,571
Secular organisations	79,556	-	79,556	145,366	-	145,366
Individuals	69,127	-	69,127	67,765	-	67,765
Legacies	-	-	-	-	-	-
Events	25,335	-	25,335	14,172	-	14,172
Other	-	-	-	-	-	-
	<u>182,225</u>	<u>-</u>	<u>182,225</u>	<u>233,874</u>	<u>-</u>	<u>233,874</u>

Step by Step Partnership Ltd

Notes to the financial statements

For the year ended 31 March 2024

3 Income from charitable activities

	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
Accommodation	3,149,024	276,559	3,425,583	2,877,250	174,683	3,051,933
Counselling & Support	369,906	221,907	591,813	350,439	204,579	555,018
Development projects	-	4,396	4,396	-	23,000	23,000
Total	3,518,930	502,862	4,021,792	3,227,689	402,262	3,629,951

4 Income from charitable activities by funder

	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
Grants and contracts						
Trust income	169,473	483,944	653,417	142,323	402,262	544,585
Local Authority Grants	-	18,918	18,918	-	-	-
Sub-total	169,473	502,862	672,335	142,323	402,262	544,585
Housing & Supported Lodgings related incomes						
Local Authority Contracts	3,222,688	-	3,222,688	2,955,553	-	2,955,553
Rent and Personal Charges	126,769	-	126,769	129,753	-	129,753
Sundry Income	-	-	-	60	-	60
Sub-total	3,349,457	-	3,349,457	3,085,366	-	3,085,366
Total income from charitable activities	3,518,930	502,862	4,021,792	3,227,689	402,262	3,629,951

Step by Step Partnership Ltd

Notes to the financial statements

For the year ended 31 March 2024

5a Analysis of expenditure (current year)

	Charitable activities						2023 Total £
	Raising funds £	Accommodation £	Counselling & Support £	Growth & Development £	Governance costs £	Support costs £	
Staff costs (Note 7)	153,354	1,198,161	320,773	15,842	38,117	432,871	2,013,932
Direct Costs	50,692	1,395,198	165,072	18,099	17,510	-	1,574,819
Support – Other staff costs	-	-	-	-	-	64,937	27,181
Support – Administrative running costs	-	-	-	-	-	41,765	18,993
Support – Building maintenance costs	-	-	-	-	-	8,096	2,703
Support – Marketing costs	-	-	-	-	-	12,469	5,290
Support – Legal & Professional Fees	-	-	-	-	-	31,770	29,381
Support – Misc	-	-	-	-	-	-	-
	204,047	2,593,359	485,845	33,941	55,627	591,908	3,673,299
Support costs	53,380	319,085	115,254	104,189	-	(591,908)	-
Governance costs	4,397	38,539	12,691	-	(55,627)	-	-
Total expenditure 2024	261,824	2,950,983	613,790	138,130	-	-	3,964,727
Total expenditure 2023	211,169	2,697,291	610,492	154,347	-	-	3,673,299

Step by Step Partnership Ltd

Notes to the financial statements

For the year ended 31 March 2024

5b Analysis of expenditure (prior year)

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

Step by Step Partnership Ltd

Notes to the financial statements

For the year ended 31 March 2024

6 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2024 £	2023 £
Depreciation	32,280	28,552
Loss or profit on disposal of fixed assets	-	-
Operating lease rentals:		
Property	30,766	30,766
Other	749	1,339
Auditor's remuneration (excluding VAT):		
Audit	13,300	12,750
Other services	1,350	1,080
	<u>1,350</u>	<u>1,080</u>

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

Staff costs were as follows:

	2024 £	2023 £
Salaries and wages	1,940,892	1,799,159
Redundancy and termination costs	-	13,535
Social security costs	164,522	150,595
Employer's contribution to defined contribution pension schemes	53,705	50,643
	<u>2,159,119</u>	<u>2,013,932</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:

	2024 No.	2023 No.
£70,000 – £79,999	1	-
£60,000 – £69,999	1	1
	<u>1</u>	<u>1</u>

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £412,960 (2023: £395,977).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2023: £nil). No charity trustee received payment for professional or other services supplied to the charity (2023: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £nil (2024: £nil) incurred by no (2023: 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 81 (2023: 78).

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

	2024 No.	2023 No.
Governance, Management and Admin	8.6	8.6
Fundraising	4.8	5.0
Accommodation and other service staff	45.5	44.1
	<u>58.9</u>	<u>57.7</u>

Step by Step Partnership Ltd

Notes to the financial statements

For the year ended 31 March 2024

9 Related party transactions

There are no related party transactions to disclose for 2024 (2023: 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 £
Cost or valuation				
At the start of the year	577,368	105,976	6,734	690,078
Additions in year	–	24,034	1,705	25,739
Disposals in year	–	–	–	–
At the end of the year	577,368	130,010	8,439	715,817
Depreciation				
At the start of the year	4,208	71,318	1,089	76,615
Charge for the year	11,579	19,513	1,188	32,280
Eliminated on disposal	–	–	–	–
At the end of the year	15,787	90,831	2,277	108,895
Net book value				
At the end of the year	561,581	39,179	6,162	606,922
At the start of the year	573,160	34,658	5,645	613,463

All of the above assets are used for charitable purposes.

The charity

	Freehold property £	Computer equipment £	Fixtures and fittings £	Total £
Cost or valuation				
At the start of the year	577,368	104,431	6,734	688,533
Additions in year	–	24,034	1,705	25,739
Disposals in year	–	–	–	–
At the end of the year	577,368	128,465	8,439	714,272
Depreciation				
At the start of the year	4,208	70,075	1,089	75,372
Charge for the year	11,579	19,211	1,188	31,978
Eliminated on disposal	–	–	–	–
At the end of the year	15,787	89,286	2,277	107,350
Net book value				
At the end of the year	561,581	39,179	6,162	606,922
At the start of the year	573,160	34,356	5,645	613,161

All of the above assets are used for charitable purposes.

Step by Step Partnership Ltd

Notes to the financial statements

For the year ended 31 March 2024

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:

	2024 £	2023 £
Turnover	8,656	-
Cost of sales	(4,439)	-
Gross profit/(loss)	4,217	-
Administrative expenses	(105,889)	(108,851)
Other operating income	-	55,000
Profit/(loss) on ordinary activities before interest and taxation	(101,672)	(53,851)
Interest receivable and similar income	-	-
Interest payable and similar charges	-	-
Profit / (loss) on ordinary activities before taxation	(101,672)	(53,851)
Taxation on profit on ordinary activities	-	-
Profit / (loss) for the financial year	(101,672)	(53,851)
Retained earnings		
Total retained earnings brought forward	(53,851)	-
Profit / (loss) for the financial year	(101,672)	(53,851)
Distribution under Gift Aid to parent charity	-	-
Total retained earnings carried forward	(155,523)	(53,851)
The aggregate of the assets, liabilities and reserves was:		
Assets	30,034	39,190
Liabilities	(185,556)	(93,040)
Reserves	(155,522)	(53,850)

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

Step by Step Partnership Ltd

Notes to the financial statements

For the year ended 31 March 2024

13 Parent charity

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

	2024 £	2023 £
Gross income	4,224,751	3,865,911
Result for the year	<u>370,351</u>	<u>246,463</u>

14 Debtors

	The group		The charity	
	2024 £	2023 £	2024 £	2023 £
Trade debtors	160,487	399,507	151,831	399,507
Other debtors	166	1,486	166	1,486
Amounts due from group undertakings	–	–	180,313	92,990
Prepayments	104,587	65,867	98,196	63,772
Accrued income	4,210	58,734	4,211	56,506
	<u>269,450</u>	<u>525,594</u>	<u>434,717</u>	<u>614,261</u>

15 Creditors: amounts falling due within one year

	The group		The charity	
	2024 £	2023 £	2024 £	2023 £
Trade creditors	153,864	163,427	150,404	163,377
Taxation and social security	52,172	34,399	52,172	34,399
Other creditors	15,692	11,328	15,692	11,328
Amounts due to group undertakings	–	–	–	–
Accruals	57,967	34,374	56,185	34,374
Deferred income (note 16)	410,064	388,482	410,064	388,482
	<u>689,759</u>	<u>632,010</u>	<u>684,517</u>	<u>631,960</u>

Step by Step Partnership Ltd

Notes to the financial statements

For the year ended 31 March 2024

16 Deferred Income

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

	The group		The charity	
	2024	2023	2024	2023
	£	£	£	£
Balance at the beginning of the year	388,482	324,194	388,482	324,194
Amount released to income in the year	(368,642)	(324,194)	(368,642)	(324,194)
Amount deferred in the year	390,224	388,482	390,224	388,482
Balance at the end of the year	410,064	388,482	410,064	388,482

17 Pension scheme

The charity operates a Defined Contribution Scheme. Amounts paid into the scheme were £50,394 (2023: £49,011). Amounts outstanding at the end of the year were £13,366 (2023: £10,055).

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

	General unrestricted £	Designated funds £	Restricted funds £	Total funds £
Tangible fixed assets	–	606,922	–	606,922
Net current assets	1,331,774	964,000	–	2,295,774
Creditors due within one year	(689,759)	–	–	(689,759)
Net assets at 31 March 2024	642,015	1,570,922	–	2,212,937

18b Analysis of group net assets between funds (prior 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

Step by Step Partnership Ltd

Notes to the financial statements

For the year ended 31 March 2024

19a Movements In funds (current year)

	At 1 April 2023 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2024 £
Restricted funds:					
Supported Accommodation	-	276,559	(276,559)	-	-
Counselling & Support Services	-	221,907	(221,907)	-	-
Development Projects	-	4,396	(4,396)	-	-
Total restricted funds	-	502,862	(502,862)	-	-
Unrestricted funds:					
Designated funds:					
Capital & Maintenance Fund	65,000	-	-	(20,000)	45,000
Development Capital Fund	439,400	-	-	479,600	919,000
Fixed Asset Fund	613,463	-	-	(6,541)	606,922
Total designated funds	1,117,863	-	-	453,059	1,570,922
General funds	826,395	4,233,406	(3,964,727)	(453,059)	642,015
Total unrestricted funds	1,944,258	4,233,406	(3,964,727)	-	2,212,937
Total funds	1,944,258	4,736,268	(4,467,589)	-	2,212,937

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

Step by Step Partnership Ltd

Notes to the financial statements

For the year ended 31 March 2024

19b Movements in funds (prior year)

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

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 Supported Accommodation Beds and funding for our 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.

Step by Step Partnership Ltd

Notes to the financial statements

For the year ended 31 March 2024

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	
	2024	2023	2024	2023
	£	£	£	£
Less than one year	30,766	30,766	562	749
One to five years	123,064	123,064	-	562
Over five years	220,490	251,256	-	-
	374,320	405,086	562	1,311

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.