



# **DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**For the year ended 31 March 2025**

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LEGAL AND ADMINISTRATIVE INFORMATION  
For the year ended 31 March 2025

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**Directors**

Mr K Gathergood, Chair – Retired May 2025  
Mr A Mitchell – Deputy Chair until end of April 2025, Chair from May 2025  
Mr S Mylvaganam, Treasurer  
Sir J Portal  
Mrs C Skerry  
Mr J Mowat  
Mrs L Barnes  
Mrs C Gallagher  
Mrs R Ward – Appointed May 2025  
Mr J Devlin – Retired October 2024  
Mr S Brearley - Resigned December 2024

**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 returned from Maternity Leave Feb 2025  
Mrs N Goom Maternity Cover

**Head of Strategic Marketing and External Affairs**

Mrs N Goom from Feb 2025

**Head of HR**

Mrs R Palmer

**Head of Finance**

Mrs A Thurlow

**Head of Fostering & Supported Lodgings**

Mrs K Headen

**Head of Wellbeing & Foyers**

Mrs M Harris

**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 2025

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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 2025. 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 Statement**

Our mission is to empower young people to overcome adversity and achieve independence by offering tailored accommodation, guidance, and life-changing support. We believe every young person has the potential to thrive, and our role is to stand beside them with the tools, stability, and belief they need to take those next steps.

We support young people aged 11 to 25, with the majority aged between 16 and 21.

Through a wide range of services, including Foyer accommodation, Supported Lodgings, counselling, and practical advice, we meet each young person where they are, offering both early intervention and longer-term, holistic support.

By working closely with young people, we help them overcome barriers, build resilience, and realise their aspirations. Our services are designed to ensure that every young person has the opportunity, encouragement, and support to create a brighter future.

#### **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: first, 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 1481 young people and family members and has educated a further 2080 young people via school and community talks, a total beneficiary number of 3561. Several of our key achievements during 2024/25 are detailed under 'Achievements and Performance'.

In the year to 31 March 2025, 42% of young people supported were male, 56% female and 1% identified as non-binary (1% preferred not to say or did not specify their gender); 70% 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 96 young people were accommodated over the year. In Supported Lodgings there were 188 placements available for homeless young people and a total of 229 young people were accommodated during the year.

# DIRECTORS' REPORT

## For the year ended 31 March 2025

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Our placements across Hampshire, Surrey, West Berkshire, Wokingham, West Sussex, and Dorset provide young people with either Supported Lodgings or Foyer accommodation. Many arrive in crisis, often caught in a downward spiral, with 36% unemployed at the point of entry. Through consistent, personalised support, 78% of young people positively progressed or stabilised their circumstances.

The 11 to 25 age group represents a crucial window for intervention. At this stage, young people are adaptable, full of potential, and capable of lasting change. When they succeed, the benefits ripple outward, impacting their families, their communities, and society more broadly.

We focus on helping young people overcome barriers, build resilience, and grow in confidence through support in six key areas:

- **Independent living skills** – Building confidence in day-to-day tasks such as cooking, hygiene, laundry, and managing a household.
- **Understanding finance** – Supporting young people to budget, manage debt, and maintain independence on a low income.
- **Education and employment** – Providing guidance into training, education, or work opportunities that help young people move forward.
- **Mental health and wellbeing** – Supporting positive emotional and mental health, including access to counselling and specialist help where needed.
- **Health and fitness** – Encouraging physical health and access to services including GP registration, sexual health, and substance misuse support.
- **Community contribution** – Promoting positive behaviours through volunteering, restorative activities, and engagement with the wider community.

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 and Head of Strategic Marketing and External Affairs, Nic Goom, are also directors of the subsidiary, along with one additional director (independent of the Charity).

# DIRECTORS' REPORT

## For the year ended 31 March 2025

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### **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 has delegated decision-making powers handed down from the main Board whilst BSs are asked to provide advice and recommendations for submission to the Board.

Board members are appointed through a process managed by a Board Appointments Subcommittee. The Chief Executive is not a director but is 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 Chair 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 Chair 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 Chair 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 to meet 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.

## DIRECTORS' REPORT

### For the year ended 31 March 2025

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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. We also have an external independent audit every third year which was successfully completed in 2024.
- b. Operational disruption, including the loss of key staff or volunteers, IT system failure, or significant damage to premises, which could impact service delivery: business continuity plans in place, cross-training of staff, regular IT back-ups, and premises maintenance schedules.
- c. Reputational risk resulting from adverse media coverage, safeguarding incidents, or public complaints, which could affect public trust and stakeholder engagement: robust safeguarding procedures, media handling protocols, clear complaints process, and regular staff training.
- d. Compliance risk relating to changes in legal, regulatory, or commissioning requirements, particularly in areas such as supported housing, mental health provision, and data protection: ongoing monitoring of legal and regulatory updates, regular policy reviews, and staff compliance training.
- e. Strategic risk stemming from shifts in government policy, commissioning priorities, or local authority funding that could affect the sustainability of core services: active engagement with commissioners and policy forums, diversified funding streams, and flexible service models.

#### **Ofsted regulation of Supported Accommodation for 16+ Young People**

In March 2023, the government introduced the first regulations for supported accommodation for 16 and 17-year-old looked after children and care leavers. Step by Step responded promptly to the new framework, completing the registration process by October 2023.

In March 2025, our Supported Lodgings service was inspected under the new Ofsted regime and received a 'Consistently Good' rating. This outcome reflects the strength of our practice, the dedication of our staff, and the consistently high standards across our accommodation services. The rating is the highest level of accreditation we could have been awarded.

We are currently awaiting the scheduled inspection for our Foyer accommodation.

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 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, the Probation Service and National Offender Management Service, all of whom may

## DIRECTORS' REPORT

### For the year ended 31 March 2025

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refer young people to the Charity and with whom we seek to further their interests. The Charity works in partnership with Vivid 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

### Accommodation Services

In 2024/25, Step by Step continued to expand and strengthen its accommodation services across the six counties in which we operate. A key milestone this year was the purchase of Krystal House in Havant, subsequently renamed Gathergood House, providing supported housing for up to six young people at any one time. This acquisition brings the total number of properties owned by the Charity to two and reflects our long-term commitment to increasing sustainable accommodation options. We also added move on accommodation for 18+ young people in Dunstall Park Farnborough, offering affordable move on accommodation to young people in the area.

In January 2025, Hampshire County Council re-tendered contracts for the provision of high-intensity supported accommodation for 16+ young people from July 2025. Step by Step was successful in retaining three of its four existing Foyer services under this competitive process. For the remaining foyer in Basingstoke, we have been granted a nine-month extension with an increase in contract value and Hampshire County Council will retender the contract again in due course.

Across all services, we provided up to 235 accommodation beds for young people at any one time, down from 279 in the previous year.

**High Support Beds** Our High Support Beds are allocated to young people with significant needs, including those placed through Hampshire County Council's High Intensity Support Service. These placements are located in Aldershot, Basingstoke, the New Forest and Havant.

**Supported Independence Flats** Located within the Aldershot Foyer, these flats provide housing to young people not eligible for statutory housing support. They live semi-independently and receive structured support through Step Sessions with dedicated key workers. Since the launch of this provision in December 2020, 46 young people have been supported. To date, 48% have progressed to more independent living, education, or employment.

**Supported Accommodation Beds (SAB)** Also based at Aldershot, SAB placements support young people who lack access to statutory funding. These are fully funded by Step by Step through fundraising income. The continuation of these beds is a testament to our donors and the impact of community support.

**Supported Lodgings** This year, we offered 188 placements across Hampshire, Surrey, Dorset, West Sussex, West Berkshire, and Wokingham. A total of 229 young people were supported through the service, with 76% achieving positive outcomes in areas such as stability, education, and employment.

# DIRECTORS' REPORT

## For the year ended 31 March 2025

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**Fostering** Step by Step Fostering Limited, our subsidiary fostering agency, continued to grow steadily towards meeting its business plan. We now have seven approved foster carers, with three additional carers in the pipeline for panel assessment in 2025.

### **Progression and Outcomes**

In total, we received 463 accommodation referrals and made 186 admissions across all housing services. Over the course of the year, 325 young people were accommodated, with 235 beds in use at peak times. Across all accommodation services, 78% of young people achieved positive progression.

### **Community-Based Services**

**Launch** Our Launch outreach programme supported 725 young people through 1071 individual sessions. Launch offers a holistic suite of support services, including housing advice, benefit applications, emotional wellbeing support, and guidance on education and employment. Specialist sessions addressed the impact of substance misuse and challenges within the home. The service remains accessible via face-to-face sessions, live chat, text, email, and phone.

**Counselling** Our free counselling service for young people aged 11 to 25 continues to be in high demand. In 2024/25, 528 young people accessed the service across Surrey and Hampshire, attending a total of 3,216 sessions. Access remains available via self-referral or through healthcare professionals such as GPs.

### **Engagement and Influence**

**Youth Voice** The voice of young people is central to everything we do at Step by Step. We believe in creating meaningful opportunities for young people to influence the design and delivery of our services, ensuring their experiences and perspectives guide our development.

Our Speak Out group continues to be a vital forum for young people to share their ideas and experiences, shape service improvements, and hold us accountable to their needs. This year, representatives from Speak Out contributed to a parliamentary session at the House of Lords and collaborated with the University of Southampton on a youth advocacy research project.

Beyond formal consultation, we actively encourage participation through feedback channels, co-produced initiatives, and leadership opportunities. Young people also help shape our strategic direction, including input into campaigns and awareness work, ensuring their voice is present not just in service delivery but in how we represent and advocate for them publicly.

**Volunteers** We expanded our volunteer base this year, with individuals contributing to maintenance, administration, database support, community fundraising, and coordination of food and clothing donations. Their support plays a vital role in extending our impact, and we are deeply grateful for the time, energy, and dedication they bring to our work.

Looking ahead, we aim to further grow our volunteer community by offering more flexible opportunities for involvement. With a packed calendar of fundraising and community events, we are developing ways for individuals to contribute even just a couple of hours of their time. Whether providing ongoing support or helping at a one-off event, every volunteer makes a difference in the lives of the young people we support.

**Public Relations** Step by Step significantly increased its visibility and profile during 2024/25. In addition to maintaining regular positive coverage in local media, we received

## DIRECTORS' REPORT

### For the year ended 31 March 2025

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national media attention for our role in highlighting key policy issues affecting the charity sector.

We also launched a rebrand of the Charity, introducing the "Be the Hero" campaign. This new identity has helped elevate our visibility among donors, Supported Lodgings hosts, foster carers, commissioners, and young people.

There was no negative publicity reported during the year.

#### **Fundraising and Compliance**

In an increasingly challenging fundraising environment, Step by Step successfully raised a cash receipts figure of £684,673 in 2024/25. This significant achievement is a testament to the commitment of our supporters and the creativity and perseverance of our fundraising team.

We remained fully compliant with the Code of Fundraising Practice and continue to uphold the standards set out by the Fundraising Regulator. Step by Step does not purchase or share donor data, nor do we target individuals directly. Our fundraising activities include online giving campaigns, the Open Doors appeal, and a range of community-led events.

We are proud to report that no complaints were received in 2024/25.

#### **Outcomes Monitoring**

We use the nationally recognised Outcomes Star model to assess impact and progression. In 2024/25, we transitioned from the Triangle Homelessness Star to the Young Person's Star, allowing for more tailored tracking of individual journeys. Data is recorded and analysed using our Inform system.

#### **Governance**

Governance remains a strong foundation of Step by Step. A bi-annual board self-assessment ensures continued development and accountability, forming part of a wider culture of review and reflection embedded across the organisation. The board currently includes eight trustees, each recruited to bring specific expertise aligned with the needs of the Charity. Trustees oversee key strategic and operational matters through structured reporting and a clear Delegated Powers Register.

The board benefits from a diverse skill set and a healthy blend of experience and renewal, with trustee service ranging from two to six years and an average tenure of five years. A two-tier policy framework ensures clarity in oversight and decision-making, with clearly defined boundaries between board-level and operational responsibilities. This structure supports robust governance, effective risk management, and alignment with the Charity's long-term vision and values.

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 and 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 2024/25 include:

## DIRECTORS' REPORT

### For the year ended 31 March 2025

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- We have introduced a large number of training opportunities through apprenticeships and external course providers for our staff teams.
- Foyer services have accommodated 96 young people this year.
- We have accommodated 229 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. An external safeguarding audit was successfully passed in June 2024
- We successfully secured 12 separated children (previously UASC) placements in Hampshire foyers.
- Trauma-informed training was first delivered to the Board and subsequently to the Leadership Team. It is now being rolled out across the entire organisation to ensure all staff benefit from this approach.
- Counselling services were delivered to 528 young people, through 3216 counselling sessions across Surrey and Hampshire.
- We have delivered 1071 Launch sessions, including 5 sexual health sessions.
- We have supported 725 vulnerable young people in our communities through our Launch services.
- Provided Mental Health First Aid Training to all young person facing employees in the Foyers and our Supported Lodging services.
- 76% of young people in Supported Lodgings have progressed.
- Ofsted registration achieved and implemented 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 once again for 2025.
- 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.
- Our Opportunity Fund has enabled purchases for 149 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.
- Created the Be the Hero Campaign and significantly raised Step by Step's profile as a youth charity. We have recently engaged with BBC South and radio shows.

### **FINANCIAL REVIEW FOR THE YEAR**

The Statement of Financial Activities is set out on page 18 and shows the net movement in funds for the year.

During the year a surplus of £85,689 was recorded for the Group, comprising a surplus of £174,207 for Step by Step Partnership Ltd and a deficit of £88,518 for its wholly owned subsidiary, Step by Step Fostering Limited.

Step by Step Fostering Limited has incurred losses to date as a result of company set-up and Ofsted registration costs and the time taken to attract and approve carers and to secure suitable placements. It had four placements at the year end, with two additional foster carer placements available 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

## DIRECTORS' REPORT

### For the year ended 31 March 2025

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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 exist 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 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 £421k and £631k.
- Proposed development and committed capital expenditure for at least the next 12 months (£682K).
- Fixed Asset Designation as required by the SORP (£995K).

Total Reserves as of 31<sup>st</sup> March 2025 were £2,298,626 comprising of designated funds of £1,676,933 and unrestricted funds of £621,693.

After allowing for restricted and designated funds, the free reserves were £621,693 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 31 March 2025 and current balance sheet position.
- 2025/26 Budgets and forecasts of performance of the Charity to 31 August 2026, 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 "Investing Charity Money: 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. As 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.

# DIRECTORS' REPORT

## For the year ended 31 March 2025

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### PLANS FOR YEAR AHEAD

The 2025/26 financial year marks the third and final year of Step by Step's current three-year Strategic Plan. In parallel, we will begin the development of our next strategic cycle, which will include a new three-year plan alongside a set of ambitious long-term goals. These goals will set the course for the Charity over the next 5 to 10 years, providing a clear vision for growth, innovation and impact.

Building on the strong progress made in the previous three years, the Charity will continue to focus on expanding services, driving innovation, and maintaining financial sustainability, all the while remaining rooted in its mission to empower young people and prevent homelessness.

Demand for services continues to rise, with increasingly complex needs among young people. This presents both a challenge and an opportunity. Step by Step will respond by investing in new and existing services that deliver impact where it's needed most. We will also continue to innovate in the ways we reach and support young people, ensuring accessibility, inclusivity, and flexibility.

Key priorities for 2025/26 include:

- **Expanding accommodation options** – We will explore opportunities for new High Support Beds and Supported Lodgings placements across and beyond our six counties, as well as new models of move-on accommodation for young people aged 18 and over. Addressing the cliff-edge that exists when support ends remains a critical priority.
- **Strengthening the Fostering service** – Informed by our most recent Ofsted inspection, we will implement service improvements that enhance support for foster carers and the children in their care. Continued recruitment of carers and capacity-building will remain central.
- **Improving accessibility of services** – We will enhance digital, and where possible in person, access to services like Launch and counselling, and ensure all young people—regardless of background, identity, or circumstance—can engage with us in a meaningful way.
- **Embedding the Be the Hero campaign** – We will continue to integrate our new brand identity and campaign messaging across all services and stakeholder communications. This includes developing hero-led storytelling content and building greater engagement with donors, commissioners, and young people.
- **Building influence and advocacy** – As part of our emerging role as a sector thought leader, we will continue to advocate on issues affecting young people, from housing policy to mental health provision. We will develop position statements and collaborate with other organisations to amplify the voice of youth support charities.
- **Investing in people** – We will continue to support the wellbeing, development, and leadership capacity of our staff, hosts, and volunteers. Succession planning and skills development will remain key areas of focus.
- **Ensuring sustainability** – Financial resilience will underpin all our plans. We will continue to diversify income, explore new funding partnerships, and ensure all services are cost-effective and high-impact.

## DIRECTORS' REPORT

### For the year ended 31 March 2025

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We will also continue to embed our quality assurance processes and respond proactively to regulatory frameworks, including those introduced through Ofsted. Our focus will remain on sustaining compliance across Supported Lodgings, Foyers and Fostering, while continuously improving the standards of care and support we provide.

Strong internal financial governance continues to underpin our strategy. With a highly capable finance team, rigorous monthly management accounts, and clear oversight from our Board and Treasurer, we are confident in our ability to manage uncertainty and resource future growth.

Creativity and innovation remain part of the Charity's DNA. We will continue to build on our culture of agile thinking and bold ideas to find new ways to meet the evolving needs of young people.

The economic and political environment is likely to remain unpredictable, but Step by Step has proven its ability to adapt and thrive. The year ahead will be about consolidating gains, scaling successful approaches, and ensuring that every young person we support has the chance to take their next step with confidence.

#### **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.

## DIRECTORS' REPORT

### For the year ended 31 March 2025

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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 31<sup>st</sup> March 2025 was 24 (2024:22). The Trustees are members of the Charity but this entitles them only to 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 has been approved by the Trustees on 11<sup>th</sup> August 2025 and signed on their behalf by

Andrew Mitchell  
Chair

**INDEPENDENT AUDITOR'S REPORT**  
To the members of Step by Step Partnership Ltd  
For the year ended 31 March 2025

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## **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 2025 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 2025 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, 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

**INDEPENDENT AUDITOR'S REPORT**  
To the members of Step by Step Partnership Ltd  
For the year ended 31 March 2025

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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
- 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.

**INDEPENDENT AUDITOR'S REPORT**  
To the members of Step by Step Partnership Ltd  
For the year ended 31 March 2025

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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.

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 Remuneration Sub-committee (ARSC), 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.

**INDEPENDENT AUDITOR'S REPORT**  
To the members of Step by Step Partnership Ltd  
For the year ended 31 March 2025

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- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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

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

2 September 2025

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 2025

	Note	Unrestricted £	Designated £	Restricted £	2025 Total £	Unrestricted £	Designated £	Restricted £	2024 Total £
<b>Income from:</b>									
Donations and legacies	2	168,929	-	-	<b>168,929</b>	182,225	-	-	182,225
Charitable activities									
Accommodation	3	3,247,105	-	251,286	<b>3,498,391</b>	3,149,024	-	276,559	3,425,583
Counselling & support	3	377,832	-	198,305	<b>576,137</b>	369,906	-	221,907	591,813
Development projects	3	-	-	35,612	<b>35,612</b>	-	-	4,396	4,396
Investments		42,947	-	-	<b>42,947</b>	29,389	-	-	29,389
<b>Total income</b>		<b>3,836,813</b>	<b>-</b>	<b>485,203</b>	<b>4,322,016</b>	<b>3,730,544</b>	<b>-</b>	<b>502,862</b>	<b>4,233,406</b>
<b>Expenditure on:</b>									
Raising funds	5	262,001	-	-	<b>262,001</b>	261,824	-	-	261,824
Charitable activities									
Accommodation	5	2,947,816	-	251,286	<b>3,199,102</b>	2,674,424	-	276,559	2,950,983
Counselling & support	5	460,329	-	198,305	<b>658,634</b>	391,883	-	221,907	613,790
Development projects	5	80,978	-	35,612	<b>116,590</b>	133,734	-	4,396	138,130
<b>Total expenditure</b>		<b>3,751,124</b>	<b>-</b>	<b>485,203</b>	<b>4,236,327</b>	<b>3,461,865</b>	<b>-</b>	<b>502,862</b>	<b>3,964,727</b>
<b>Net income / (expenditure) for the year</b>	6	<b>85,689</b>	<b>-</b>	<b>-</b>	<b>85,689</b>	<b>268,679</b>	<b>-</b>	<b>-</b>	<b>268,679</b>
Transfers between funds		(106,011)	106,011	-	-	(453,059)	453,059	-	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>(20,322)</b>	<b>106,011</b>	<b>-</b>	<b>85,689</b>	<b>(184,380)</b>	<b>453,059</b>	<b>-</b>	<b>268,679</b>
<b>Net movement in funds</b>		<b>(20,322)</b>	<b>106,011</b>	<b>-</b>	<b>85,689</b>	<b>(184,380)</b>	<b>453,059</b>	<b>-</b>	<b>268,679</b>
<b>Reconciliation of funds:</b>									
Total funds brought forward		642,015	1,570,922	-	<b>2,212,937</b>	826,395	1,117,863	-	1,944,258
<b>Total funds carried forward</b>		<b>621,693</b>	<b>1,676,933</b>	<b>-</b>	<b>2,298,626</b>	<b>642,015</b>	<b>1,570,922</b>	<b>-</b>	<b>2,212,937</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.

As at 31 March 2025

	Note	The group		The charity	
		2025 £	2024 £	2025 £	2024 £
<b>Fixed assets:</b>					
Tangible assets	11	<b>994,846</b>	606,922	<b>994,846</b>	606,922
Investments	12	–	–	<b>1</b>	1
		<b>994,846</b>	606,922	<b>994,847</b>	606,923
<b>Current assets:</b>					
Debtors	14	<b>288,358</b>	269,450	<b>576,968</b>	434,717
Short term deposits		<b>250,000</b>	250,000	<b>250,000</b>	250,000
Cash at bank and in hand		<b>1,316,922</b>	1,776,324	<b>1,262,475</b>	1,761,337
		<b>1,855,280</b>	2,295,774	<b>2,089,443</b>	2,446,054
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	15	<b>(551,500)</b>	(689,759)	<b>(541,623)</b>	(684,517)
<b>Net current assets</b>		<b>1,303,780</b>	1,606,015	<b>1,547,820</b>	1,761,537
<b>Total net assets</b>		<b>2,298,626</b>	2,212,937	<b>2,542,667</b>	2,368,460
<b>Funds:</b>	19				
Restricted income funds		–	–	–	–
Unrestricted income funds:					
Designated funds		<b>1,676,933</b>	1,570,922	<b>1,676,933</b>	1,570,922
General funds		<b>621,693</b>	642,015	<b>865,734</b>	797,538
Total unrestricted funds		<b>2,298,626</b>	2,212,937	<b>2,542,667</b>	2,368,460
<b>Total funds</b>		<b>2,298,626</b>	2,212,937	<b>2,542,667</b>	2,368,460

Approved by the trustees on 11th August 2025 and signed on their behalf by

S Mylvaganam  
Treasurer / DirectorA Mitchell  
Chair / Director

Step by Step Partnership Ltd

Consolidated statement of cash flows

For the year ended 31 March 2025

	Note	2025 £	£	2024 £	£
<b>Cash flows from operating activities</b>					
Net income / (expenditure) for the reporting period (as per the statement of financial activities)		85,689		268,679	
Depreciation charges		36,406		32,280	
Dividends, interest and rent from investments		(42,947)		(29,389)	
(Profit)/loss on the disposal of fixed assets		-		-	
(Increase)/decrease in debtors		(18,908)		256,144	
Increase/(decrease) in creditors		(138,259)		57,749	
<b>Net cash provided by / (used in) operating activities</b>			<b>(78,019)</b>		<b>585,463</b>
<b>Cash flows from investing activities:</b>					
Dividends, interest and rents from investments		42,947		29,389	
Proceeds from the sale of fixed assets		-		-	
Transfer to short term deposit account		-		(250,000)	
Purchase of fixed assets		(424,330)		(25,739)	
<b>Net cash provided by / (used in) investing activities</b>			<b>(381,383)</b>		<b>(246,350)</b>
<b>Change in cash and cash equivalents in the year</b>			<b>(459,402)</b>		<b>339,113</b>
Cash and cash equivalents at the beginning of the year			1,776,324		1,437,211
Change in cash and cash equivalents due to exchange rate movements			-		-
<b>Cash and cash equivalents at the end of the year</b>			<b>1,316,922</b>		<b>1,776,324</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.

**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	58%
● Counselling & Support	23%
● Cost of raising funds	4%
● Growth & Development	12%
● 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. These have also been apportioned based on the amount of time attributable to each activity.

**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 annual 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) 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 £	2025 Total £	Unrestricted £	Restricted £	2024 Total £
Churches	13,386	–	13,386	8,207	–	8,207
Secular organisations	74,865	–	74,865	79,556	–	79,556
Individuals	79,391	–	79,391	69,127	–	69,127
Legacies	–	–	–	–	–	–
Events	1,287	–	1,287	25,335	–	25,335
Other	–	–	–	–	–	–
	<u>168,929</u>	<u>–</u>	<u>168,929</u>	<u>182,225</u>	<u>–</u>	<u>182,225</u>

Step by Step Partnership Ltd

Notes to the financial statements

For the year ended 31 March 2025

3 Income from charitable activities

	Unrestricted £	Restricted £	2025 Total £	Unrestricted £	Restricted £	2024 Total £
Accommodation	3,247,105	251,286	<b>3,498,391</b>	3,149,024	276,559	3,425,583
Counselling & Support	377,832	198,305	<b>576,137</b>	369,906	221,907	591,813
Development projects	-	35,612	<b>35,612</b>	-	4,396	4,396
<b>Total</b>	<b>3,624,937</b>	<b>485,203</b>	<b>4,110,140</b>	<b>3,518,930</b>	<b>502,862</b>	<b>4,021,792</b>

4 Income from charitable activities by funder

	Unrestricted £	Restricted £	2025 Total £	Unrestricted £	Restricted £	2024 Total £
<b>Grants and contracts</b>						
Trust income	136,618	482,358	<b>618,976</b>	169,473	483,944	653,417
Local Authority Grants	71	2,845	<b>2,916</b>	-	18,918	18,918
<b>Sub-total</b>	<b>136,689</b>	<b>485,203</b>	<b>621,892</b>	<b>169,473</b>	<b>502,862</b>	<b>672,335</b>
<b>Housing &amp; Supported Lodgings related incomes</b>						
Local Authority Contracts	3,285,806	-	<b>3,285,806</b>	3,222,688	-	3,222,688
Rent and Personal Charges	202,442	-	<b>202,442</b>	126,769	-	126,769
Sundry Income	-	-	-	-	-	-
<b>Sub-total</b>	<b>3,488,248</b>	<b>-</b>	<b>3,488,248</b>	<b>3,349,457</b>	<b>-</b>	<b>3,349,457</b>
<b>Total income from charitable activities</b>	<b>3,624,937</b>	<b>485,203</b>	<b>4,110,140</b>	<b>3,518,930</b>	<b>502,862</b>	<b>4,021,792</b>

Step by Step Partnership Ltd

Notes to the financial statements

For the year ended 31 March 2025

5a Analysis of expenditure (current year)

	Charitable activities						2025 Total £	2024 Total £
	Raising funds £	Accommodation £	Counselling & Support £	Growth & Development £	Governance costs £	Support costs £		
Staff costs (Note 7)	162,115	1,387,202	333,186	22,889	64,697	406,640	<b>2,376,729</b>	2,159,119
Direct Costs	64,640	1,376,563	154,833	6,729	19,943	-	<b>1,622,708</b>	1,646,571
Support – Other staff costs	-	-	-	-	-	52,555	<b>52,555</b>	64,937
Support – Administrative running costs	-	-	-	-	-	51,040	<b>51,040</b>	41,765
Support – Building maintenance costs	-	-	-	-	-	8,813	<b>8,813</b>	8,096
Support – Marketing costs	-	-	-	-	-	76,489	<b>76,489</b>	12,469
Support – Legal & Professional Fees	-	-	-	-	-	47,993	<b>47,993</b>	31,770
Support – Misc	-	-	-	-	-	-	-	-
	<b>226,755</b>	<b>2,763,765</b>	<b>488,019</b>	<b>29,618</b>	<b>84,640</b>	<b>643,530</b>	<b>4,236,327</b>	<b>3,964,727</b>
Support costs	29,240	377,069	150,249	86,972	-	(643,530)	-	-
Governance costs	6,006	58,268	20,366	-	(84,640)	-	-	-
<b>Total expenditure 2025</b>	<b>262,001</b>	<b>3,199,102</b>	<b>658,634</b>	<b>116,590</b>	<b>-</b>	<b>-</b>	<b>4,236,327</b>	
Total expenditure 2024	261,824	2,950,983	613,790	138,130	-	-	-	3,964,727

Step by Step Partnership Ltd

Notes to the financial statements

For the year ended 31 March 2025

5b Analysis of expenditure (prior year)

	Charitable activities						2024 Total £
	Raising funds £	Accommodation £	Counselling & Support £	Growth & Development £	Governance costs £	Support costs £	
Staff costs (Note 7)	153,355	1,198,161	320,773	15,842	38,117	432,871	<b>2,159,119</b>
Direct Costs	50,692	1,395,198	165,072	18,099	17,510	-	<b>1,646,571</b>
Support – Other staff costs	-	-	-	-	-	64,937	<b>64,937</b>
Support – Administrative running costs	-	-	-	-	-	41,765	<b>41,765</b>
Support – Building maintenance costs	-	-	-	-	-	8,096	<b>8,096</b>
Support – Marketing costs	-	-	-	-	-	12,469	<b>12,469</b>
Support – Legal & Professional Fees	-	-	-	-	-	31,770	<b>31,770</b>
Support – Misc	-	-	-	-	-	-	-
	<b>204,047</b>	<b>2,593,359</b>	<b>485,845</b>	<b>33,941</b>	<b>55,627</b>	<b>591,908</b>	<b>3,964,727</b>
Support costs	53,380	319,085	115,254	104,189	-	(591,908)	-
Governance costs	4,397	38,539	12,691	-	(55,627)	-	-
<b>Total expenditure 2024</b>	<b>261,824</b>	<b>2,950,983</b>	<b>613,790</b>	<b>138,130</b>	<b>-</b>	<b>-</b>	<b>3,964,727</b>

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

This is stated after charging / (crediting):

	2025 £	2024 £
Depreciation	36,406	32,280
Loss or profit on disposal of fixed assets	-	-
Operating lease rentals:		
Property	30,766	30,766
Other	696	749
Auditor's remuneration (excluding VAT):		
Audit	15,000	13,300
Other services	1,320	1,350
	<u>36,406</u>	<u>32,280</u>

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

Staff costs were as follows:

	2025 £	2024 £
Salaries and wages	2,132,149	1,940,892
Social security costs	184,029	164,522
Employer's contribution to defined contribution pension schemes	60,551	53,705
	<u>2,376,729</u>	<u>2,159,119</u>

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

	2025 No.	2024 No.
£80,000 – £89,999	1	-
£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 £454,826 (2024: £412,960).

The charity trustees were neither paid nor received any benefits from employment with the charity in the year (2024: £nil). No charity trustee received payment for professional or other services supplied to the charity (2024: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £nil (2024: £nil) incurred by no (2024: 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 84 (2024: 81).

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

	2025 No.	2024 No.
Governance, Management and Admin	10.6	8.6
Fundraising and Marketing	6.7	4.8
Accommodation and other Service Staff	46.2	45.5
	<u>63.5</u>	<u>58.9</u>

**9 Related party transactions**

There are no related party transactions to disclose for 2025 (2024: 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	577,368	130,010	8,439	715,817
Additions in year	398,154	21,695	4,481	424,330
Disposals in year	-	(5,132)	-	(5,132)
At the end of the year	975,522	146,573	12,920	1,135,015
<b>Depreciation</b>				
At the start of the year	15,787	90,831	2,277	108,895
Charge for the year	11,547	22,915	1,944	36,406
Eliminated on disposal	-	(5,132)	-	(5,132)
At the end of the year	27,334	108,614	4,221	140,169
<b>Net book value</b>				
<b>At the end of the year</b>	948,188	37,959	8,699	994,846
At the start of the year	561,581	39,179	6,162	606,922

**The charity**

	Freehold property £	Computer equipment £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>				
At the start of the year	577,368	128,465	8,439	714,272
Additions in year	398,154	21,695	4,481	424,330
Disposals in year	-	(5,132)	-	(5,132)
At the end of the year	975,522	145,028	12,920	1,133,470
<b>Depreciation</b>				
At the start of the year	15,787	89,286	2,277	107,350
Charge for the year	11,547	22,915	1,944	36,406
Eliminated on disposal	-	(5,132)	-	(5,132)
At the end of the year	27,334	107,069	4,221	138,624
<b>Net book value</b>				
<b>At the end of the year</b>	948,188	37,959	8,699	994,846
At the start of the year	561,581	39,179	6,162	606,922

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, and Head of Strategic Marketing and External Affairs, Nic Goom, are also directors of the subsidiary.

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

	2025 £	2024 £
Turnover	127,742	8,656
Cost of sales	(60,433)	(4,439)
<b>Gross profit/(loss)</b>	<b>67,309</b>	<b>4,217</b>
Administrative expenses	(155,827)	(105,889)
Other operating income	-	-
<b>Profit/(loss) on ordinary activities before interest and taxation</b>	<b>(88,518)</b>	<b>(101,672)</b>
Interest receivable and similar income	-	-
Interest payable and similar charges	-	-
<b>Profit / (loss) on ordinary activities before taxation</b>	<b>(88,518)</b>	<b>(101,672)</b>
Taxation on profit on ordinary activities	-	-
<b>Profit / (loss) for the financial year</b>	<b>(88,518)</b>	<b>(101,672)</b>
<b>Retained earnings</b>		
Total retained earnings brought forward	(155,523)	(53,851)
Profit / (loss) for the financial year	(88,518)	(101,672)
Distribution under Gift Aid to parent charity	-	-
<b>Total retained earnings carried forward</b>	<b>(244,041)</b>	<b>(155,523)</b>
The aggregate of the assets, liabilities and reserves was:		
Assets	76,036	30,034
Liabilities	(320,076)	(185,556)
<b>Reserves</b>	<b>(244,040)</b>	<b>(155,522)</b>

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:

	2025 £	2024 £
Gross income	4,194,274	4,224,751
Result for the year	<u>174,207</u>	<u>370,351</u>

**14 Debtors**

	The group		The charity	
	2025 £	2024 £	2025 £	2024 £
Trade debtors	182,203	160,487	169,573	151,831
Other debtors	360	166	–	166
Amounts due from group undertakings	–	–	310,199	180,313
Prepayments	98,921	104,587	93,298	98,196
Accrued income	6,874	4,210	3,898	4,211
	<u>288,358</u>	<u>269,450</u>	<u>576,968</u>	<u>434,717</u>

Included in Debtors above for the charity is an amount of £310,199 (2024: £180,313) which is likely to be repaid after more than one year.

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

	The group		The charity	
	2025 £	2024 £	2025 £	2024 £
Trade creditors	163,430	153,864	155,499	150,404
Taxation and social security	42,988	52,172	42,988	52,172
Other creditors	4,095	15,692	4,095	15,692
Amounts due to group undertakings	–	–	–	–
Accruals	65,647	57,967	63,701	56,185
Deferred income (note 16)	275,340	410,064	275,340	410,064
	<u>551,500</u>	<u>689,759</u>	<u>541,623</u>	<u>684,517</u>

**16 Deferred income**

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

	The group		The charity	
	2025 £	2024 £	2025 £	2024 £
Balance at the beginning of the year	410,064	388,482	410,064	388,482
Amount released to income in the year	(408,008)	(368,642)	(408,008)	(368,642)
Amount deferred in the year	273,284	390,224	273,284	390,224
<b>Balance at the end of the year</b>	<b>275,340</b>	<b>410,064</b>	<b>275,340</b>	<b>410,064</b>

**17 Pension scheme**

The charity operates a Defined Contribution Scheme. Amounts paid into the scheme were £73,916 (2024: £50,394). This included contributions relating to March 2024 which were accrued in the 2024 accounts. Amounts outstanding at the end of the year were £Nil (2024: £13,366).

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

	General unrestricted £	Designated funds £	Restricted funds £	Total funds £
Tangible fixed assets	-	994,846	-	994,846
Net current assets	1,173,193	682,087	-	1,855,280
Creditors due within one year	(551,500)	-	-	(551,500)
<b>Net assets at 31 March 2025</b>	<b>621,693</b>	<b>1,676,933</b>	<b>-</b>	<b>2,298,626</b>

**18b Analysis of group net assets between funds (prior 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)
<b>Net assets at 31 March 2024</b>	<b>642,015</b>	<b>1,570,922</b>	<b>-</b>	<b>2,212,937</b>

## 19a Movements in funds (current year)

	At 1 April 2024 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2025 £
<b>Restricted funds:</b>					
Supported Accommodation	-	251,286	(251,286)	-	-
Counselling & Support Services	-	198,305	(198,305)	-	-
Development Projects	-	35,612	(35,612)	-	-
<b>Total restricted funds</b>	-	485,203	(485,203)	-	-
<b>Unrestricted funds:</b>					
Designated funds:					
Capital & Maintenance Fund	45,000	-	-	40,000	85,000
Development Capital Fund	919,000	-	-	(321,914)	597,086
Fixed Asset Fund	606,922	-	-	387,925	994,847
Total designated funds	1,570,922	-	-	106,011	1,676,933
<b>General funds</b>	642,015	4,322,016	(4,236,327)	(106,011)	621,693
<b>Total unrestricted funds</b>	2,212,937	4,322,016	(4,236,327)	-	2,298,626
<b>Total funds</b>	2,212,937	4,807,219	(4,721,530)	-	2,298,626

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

## 19b Movements in funds (prior year)

	At 1 April 2023	Income & gains	Expenditure & losses	Transfers	At 31 March 2024
	£	£	£	£	£
<b>Restricted funds:</b>					
Supported Accommodation	-	276,559	(276,559)	-	-
Counselling & Support Services	-	221,907	(221,907)	-	-
Development Projects	-	4,396	(4,396)	-	-
<b>Total restricted funds</b>	<b>-</b>	<b>502,862</b>	<b>(502,862)</b>	<b>-</b>	<b>-</b>
<b>Unrestricted funds:</b>					
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
<b>General funds</b>	<b>826,395</b>	<b>4,233,406</b>	<b>(3,964,727)</b>	<b>(453,059)</b>	<b>642,015</b>
<b>Total unrestricted funds</b>	<b>1,944,258</b>	<b>4,233,406</b>	<b>(3,964,727)</b>	<b>-</b>	<b>2,212,937</b>
<b>Total funds</b>	<b>1,944,258</b>	<b>4,736,268</b>	<b>(4,467,589)</b>	<b>-</b>	<b>2,212,937</b>

**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.

**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 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	
	2025	2024	2025	2024
	£	£	£	£
Less than one year	<b>30,766</b>	30,766	<b>434</b>	562
One to five years	<b>123,064</b>	123,064	<b>1,603</b>	–
Over five years	<b>189,724</b>	220,490	–	–
	<b>343,554</b>	374,320	<b>2,037</b>	562

**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.