

Registered number: 03738249
Charity number: 1100403

Steps to Work (Walsall) Limited

Trustees' Report and Financial Statements

for the year ended 31 March 2019



31 March 2019

Steps to Work

Trustees Report 2019

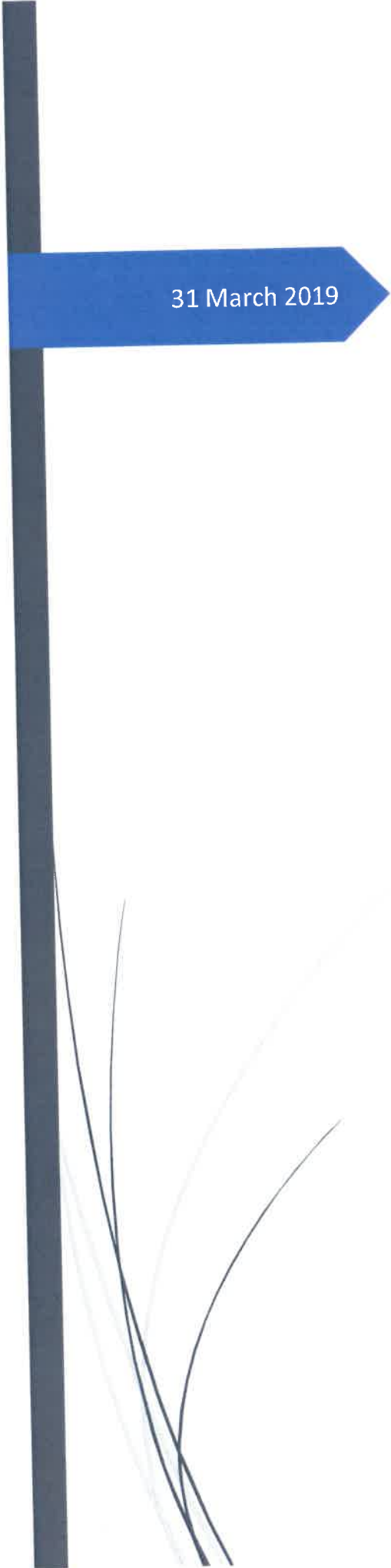


Table of Contents

Chair's Statement.....	4
Steps to Work Manifesto	5
Introduction	5
Manifesto	5
Brand	5
Structure, Governance and Management	7
GOVERNING DOCUMENT.....	7
ORGANISATIONAL STRUCTURE.....	7
OBJECTIVES AND ACTIVITIES TO PROVIDE PUBLIC BENEFIT	7
APPOINTMENT OF TRUSTEES.....	8
TRUSTEES	8
SENIOR LEADERSHIP.....	8
WIDER MANAGEMENT TEAM	9
REGISTERED OFFICE	9
Who are we?.....	10
Purpose	10
Steps to Work.....	10
Starting Point Recruitment	10
Statement of Public Benefit (Steps to Work).....	10
Our Vision.....	10
Our Mission.....	10
Our Values.....	10
Our Strategic Differentiators and USP	10
Our Organization.....	11
Our Commitments	12
Our Programmes.....	15
Building Better Opportunities.....	15
BRIDGES	15
Evolve	15
Work and Health Programme	16



Steps to Work

Trustees Report 2019

Work on the Horizon.....	17
West Midlands Combined Authority	18
Closed Programmes	19
The Work Programme.....	19
Management of Risk.....	20
Case Studies	21
Highlights of the Year.....	26
Facts and Statistics.....	28
Financial Review.....	29
Summarised Accounts.....	30
Our Future.....	32
Reducing our financial vulnerability	32
Reducing the overhead of the organization by focusing only on core product delivery.....	32
Merging with another organization	32
Addressing pension deficit.....	32
Redeploying resources to maximize financial return	33
Preparing for April 2022.....	33
The focus of our marketing, sales and new business development.....	33
No-Deal Brexit.....	34
Strategic Objectives 2019-2022	34



Chair's Statement

This year has seen unprecedented change for Steps to Work. The resignation of our CEO, Chair and Vice Chair has presented us with an opportunity to renew and refresh and look at the organization anew.

In my first few months as Chair I have appointed an interim-Managing Director and new Board members. All have got to grips with the organization quickly and are adding value on a day to day basis. I hope to report the progress made in the next Trustee Report.

Although one of our Building Better Opportunities projects, Bridges, has become a national exemplar, the same cannot be said for its sister project Evolve and the Work and Health Programme. Both programmes have required restructuring and I am pleased with the support I am receiving from my fellow trustees in tackling some of the difficult issues that have been overlooked for many years.

The interim Managing Director will not be making a statement in this report: we will spend the next year strengthening the organization ready for a permanent newcomer as from April 2020.

During 2018/19 we have been forced to dispense with areas of activity that were neither addressing strategic or operational value. The lessons learned will be put in place during 2019/20.

The sector is facing many challenges: a clear vision and strategic leadership being two of them. Our trustees must play their part in sharing best practice and influencing strategy once we have addressed our own issues.

This report highlights the work we are undertaking to help people secure sustainable employment. The compassion and rigour in which the team applies themselves is captured in case studies. Although our financial challenges are significant, we will not be distracted away from our charitable activities. We are here to change lives and that will remain the spearhead of our organization.

I am both honoured and humbled by my appointment and will use all the skills I have available to support my fellow trustees in creating the kind of organisation our team and our clients deserve.



Mike Gahir
Chair of the Board of Trustees



Steps to Work

Trustees Report 2019

Steps to Work Manifesto

Introduction

Steps to Work is a group with a turnover of £16 million per year, its wholly owned subsidiary, Starting Point Recruitment is a £14 million turnover recruitment company delivering temporary agency workers into the public sector. 100% of the surplus produced by Starting Point Recruitment is invested into Steps to Work's charitable activities.

Steps to work was set up in 1999 and since its inception has helped more than 34,000 people into employment.

Our key differentiators are we invest all commercial surplus into our journey to work activity and that we have a unique approach to delivering social values (community based added value). This approach is based on:

- Improving service excellence – we collaborate with institutions to promote improvements in service delivery to residents;
- Partnership development – we help our partners become stronger, more reliable, more independent and sustainable;
- Social cohesion – we deploy our expertise to overcome divisions within the communities we serve.

Manifesto

During 2019/20 we will:

- Turn around performance and position ourselves to thrive during uncertainty

Up until March 2022 we will:

- Add 1 million GBP to our reserves
- Create a pipeline of projects beyond April 2022
- Position ourselves to win opportunities through the Commonwealth Games and the West Midlands Combined Authority

Brand

We work with individuals who have no skills, have intermediate skills and advanced skills. Our role is to help them find sustainable employment with a wide range of employers. Those employers need talent with which to grow: we locate, nurture and develop that talent.

However, our challenge goes beyond individual development and opportunity. We live in a world with a climate crisis and where inequality is rife and yet we encourage travel to work and investment systems that favour multi-nationals over community-based SME.

We will disrupt the status quo and lead the development of community-based enterprise and employment, promoting local investment in business growth and an interaction between



Steps to Work

Trustees Report 2019

community and employers to harvest the talent required to succeed in a global economy. This means a fundamental review in transport, investment and technology to assure fair access to opportunity and an end to practices that wastes precious resources and favours an out of date economic model.



Structure, Governance and Management

GOVERNING DOCUMENT

The company is registered as a Company Limited by guarantee in England and Wales (Ref: 3738249) and is governed in accordance with its Memorandum and Articles of Association.

ORGANISATIONAL STRUCTURE

The Board of Trustees meets bi-monthly and receives clear and concise reports from the Chief Executive and Senior Management Team on strategic and operational issues.

Each report contains key financial and performance data for our delivery programmes together with a series of recommendations on which the board are required to make decisions. The tasks and decisions associated with running the company are delegated to the Chief Executive Officer (CEO) with the support of the Senior Management Team.

This structure allows decisions to be made in line with the company Memorandum and Articles of Association together with the agreed policies and procedures which cover:

- Financial transactions
- Business development
- Business management
- Contract and Service Level Agreement Obligations
- Resource decisions including people, property and ICT
- Marketing activities
- Quality of services
- Environmental impact
- Health & Safety
- Safeguarding

OBJECTIVES AND ACTIVITIES TO PROVIDE PUBLIC BENEFIT

Steps to Work, through its activities aims to:

- Support those who face multiple barriers to build a better future.
- Develop and deliver a wide range of employment and training programme serving the Black Country and West Midlands.
- Provide employment training and career progression opportunities for local people of the West Midlands: Walsall and Wolverhampton Sandwell & Dudley.
- Develop collaborative partnerships with other local organisations to support local people with employment and training needs.



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APPOINTMENT OF TRUSTEES

1. New Trustees are appointed through a process of open recruitment.
2. To become a Trustee, candidates must either live or work within the West Midlands and be a supporter of the work being delivered by Steps to Work and have required skills to enhance our governance.
3. Expressions of interest for new Trustees are sought throughout each year. Anyone expressing an interest will be given a copy of the job description and person specification and asked to complete an application form by an agreed closing date.
4. Interviews will be set up with a panel of existing Trustees and the Company Secretary who will take account of the candidate's skills and abilities as the basis for a recommendation to the Annual General Meeting held in September each year.
5. Job descriptions and job specifications are produced for the main key roles and for general Trustees. Appointments are made based on individual skills and abilities.
6. A Trustees' handbook is used which outlines the role of the Trustee along with a Trustees' induction book which provides further information about the role and its responsibilities.
7. A budget is set aside to develop board members and provide training where required ensuring that all Trustees' have a common understanding and ethos.
8. To ensure continuity whilst attracting new Trustees a rolling programme of annual changes has been agreed whereby all members will, over a three-year programme, be subject to possible retirement.

TRUSTEES

Chair of the Board Mr Mike Gahir	Restructuring Advisory Director
Mr Robert Thomas	Community Resident
Professor Paul Cadman	Serial Entrepreneur
Ms Amy Deakin	Partnerships Fundraising Manager - New Business and Projects
Ms Sally Beavan	Regional Managing Director, West Midlands and Head of Communities
Mr Ben Jones	Director of Energy Services

SENIOR LEADERSHIP

Mr Bhanu Dhir	Interim Managing Director
Mrs Caroline Hill	Head of Finance and Recruitment
Mrs Crystina Woolley	Head of Corporate Services
Mrs Deb Nickless	Head of Employer Relations
Mrs Stephanie Hammond	Head of Operations



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Trustees Report 2019

WIDER MANAGEMENT TEAM

Mrs Raj Sarai
Mr Simon Carter
Mrs Ruby Kaur
Mrs Colleen White
Kate Dziuba
Ms Gemma Calvin
Mrs Hilary Foster
Mr Michael Pritchard
Mrs Helen Kennedy
Miss Danielle Ball
Ms Clare Collinson
Ms Zoe Cunningham
Ms Clare Bullard

HR Manager
Deputy Partnership Manager
Project Officer
Audit Officer
Progressions Officer
Partnership Co-ordinator
Audit Officer
Partnership Manager
Partnership Co-ordinator
Finance Officer SPR
Assistant Area Manager
Senior Support Manager
Senior Support Manager

REGISTERED OFFICE

Floor 9
Townend House
Wisemore
Walsall
WS1 1NS

INDEPENDENT AUDITOR

Dains LLP
15 Colmore Row
Birmingham
B3 2BH



Steps to Work

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Who are we?

We are Steps to Work. We are a charity that addresses the big issues such as inequality, exclusion and disaffection through community-based programmes on empowerment, inclusion and journey to work. Because we know government departments are pressed for resources, we aim to fund all our activities from the surpluses we generate from Starting Point Recruitment, other commercial divisions and sponsorship. 100% of our commercial surpluses are invested into our charitable activities.

Purpose

Steps to Work

To deliver a range of 'journey to work' functions coherently, cost effectively and innovatively to maximize benefits to our beneficiaries.

Starting Point Recruitment

To maximise profit from all contracts.

Statement of Public Benefit (Steps to Work)

The public benefits that flow from our purpose are: (a) an enhanced quality of life and sense of well-being through engagement with and participation in activities and events that bring people together, leading to improvements in physical and emotional well-being and a more stable and cohesive community; (b) increased opportunities to engage in new activities that bring people together, leading to greater social cohesion and fulfilment; (c) enhanced employment prospects that lead to sustainable and rewarding work and a positive impact on business, the economy and future prospects.

Our Vision

We are the exemplar in delivering employer and community value

Our Mission

We convert commercial surplus into resources for social inclusion activities

Our Values

- Continuous improvement
- Client focus
- Innovation and entrepreneurship
- Cost consciousness
- Relentless achievement
- Relationship orientation
- Managed risk

Our Strategic Differentiators and USP

What makes us different is the way we combine the delivery of social values and commercial activities to deliver value to customers. All our commercial surpluses are invested in sustaining our charitable activities.



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Trustees Report 2019

Our Organization

This is how our business is made up:

Ethnic Origin

11%	Indian
0%	Asian or Asian British Other
8%	Asian or Asian British Pakistani
0%	Asian or Asian British Bangladeshi
6%	Black or Black British Caribbean
3%	Black or Black British African
0%	Black or Black British Other
0%	Mixed White and Black Caribbean
0%	Mixed White and Asian
0%	Mixed White/Black African
0%	Mixed Other
0%	Chinese
0%	Not known
0%	Other
67%	White British
2%	White Irish
3%	White Other

Gender

Male	14%
Female	86%

Age

Under 24	3%
25-49	80%
50+	17%

Disability

No disability	84%
Disability	16%



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Trustees Report 2019

Our Commitments

Our commitment to Investors in People, Leaders in Diversity and Disability confident

At Steps to Work we pride ourselves in being an employer who demonstrates fairness, equality, excellent communication and supports its employees in their development. In 2018 we were successfully assessed as a Disability Confident Leader. We were also re-assessed against the Investors in People (maintained at Gold Standard) and Leaders in Diversity Standards. These accreditations are beneficial to Steps to Work because not only do they support our bids/tenders for contracts, but they also help us to assess our practices on a continual basis and constantly strive to improve.



Quality

ISO 9001 – Quality Management

We are committed to using ISO 9001 to improve the service to all our customers both internal and external on a continuing basis.

We do this by having a team of colleagues who are trained internal quality auditors, planning a year-long cycle of audits on all aspects of Steps to Work activities and by reviewing, implementing and evaluating their findings. Audits cover customer activities on all delivery programmes, customer satisfaction and complaints, as well as corporate functions such as purchasing, communication and approving suppliers.

The audit findings are reviewed by the Senior Management Team and good practice implemented across the company. We consult with our customers on a regular basis to ensure we are meeting their expectations by holding regular learner forums and asking for their feedback. We ensure that our management information systems are reviewed regularly and reflect customer and quality requirements.

In August 2018 we were reassessed against the new ISO9001:2015, we achieved this with flying colours and no non-conformances. Opportunities for improvement were agreed and will be implemented during 2019/20.



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Trustees Report 2019

Our Commitment to Environmental Sustainable Development - ISO 14001

We recognise that the environment is a major factor in determining the quality of life in and around the communities and areas in which we operate. We are committed to environmental sustainability and aim to ensure that our activities do not cause pollution or have detrimental effect on the environment and the communities therein. Our approach continues to be to reduce the impact of our and our partners activities by placing the 'Environment' at the heart of our approach and the adoption of an Environmental Management System and objectives that are in line with the requirements of the ISO 14001 Standard.

In August 2018 we were reassessed against the new ISO9001:2015, we achieved this with flying colours and no non-conformances.

Commitment to the environmental policy and the management system that lies behind it comes from the leadership of the organisation and is cascaded down to all levels. Whilst the overall objective is not to create pollution, we have focussed upon a number of key aspects that occur as a result of our activities and work to minimise any resultant negative impact or increase any positive impacts. Particular areas of focus have included:

- Energy & Natural Resources
- Maintenance Activities
- Waste Management
- Procurement
- Travel & Transportation
- Nuisance

In identifying the key aspects, some of which are identified above, we have considered what we need to do to meet our compliance objectives. This process requires a regular review of legislative, stakeholder, customer and client requirements to ensure our approach remains current.

Personnel will continue to be encouraged to contribute to the environmental performance through the provision of information, training and awareness sessions. Further communication is via periodic environmental bulletins, team briefings and environmental noticeboards that are located around the sites.



ISO 27001 INFORMATION SECURITY MANAGEMENT SYSTEMS

ISO27001 is the international standard for Information Security Management. We work towards the principles of this standard, as it provides the framework that enables Steps to Work to assure itself that our information security measures are effective.



We implement our Information Security Management System through programme specific Security Plans, where applicable. These are a requirement of a number of our programmes. There are overall policies and procedures in place that cover Information Security, Information and Communication Systems, Information Security Incident Management, Data Protection and Retention and Destruction of Records to name a few.

There are also controls for Physical and Environmental Security, HR security, asset management and access control.

For Steps to Work having this framework provides us with some benefits

- Customer Satisfaction – by giving confidence that their personal information is protected and confidentiality upheld.
- Business Continuity – through management of risk, legal compliance and vigilance of further security issues and concerns.
- Legal Compliance – by understanding how statutory and regulatory requirements impact on us and our customers; this reduces the risks of costly breaches.
- Improved Risk Management – through a systematic framework for ensuring our records and information are protected from loss, theft and damage.

BS25999 AND ISO 22301 BUSINESS CONTINUITY MANAGEMENT SYSTEMS

BS25999 is the British Standard and ISO22301 is the international standard for Business Continuity Management. We work towards the principles of these standards, as it provides the framework that enables Steps to Work to identify potential threats and the impacts to business operations that those threats, if realised, might cause.

We maintain Business Impact Analysis identifying our business-critical activities, our recovery time objectives (how quickly we want to recover) and maximum tolerable period of disruption (how long disruption would be to significantly impact on business).

We have a Business Continuity Plan to assist in the recovery of our business-critical activities following any disruptions. For Steps to Work having this framework provides us with some benefits

- Improving our resilience against disruption.
- Maintaining an ability to manage uninsurable risks.
- Developing a capability to manage business disruption.
- Minimising consequences of unexpected disruptions.
- A method of restoring our ability to supply our key products and services.
- Protecting and enhancing our reputation and brand.
- Demonstrating our ability to maintain delivery of our products and services.



Steps to Work

Trustees Report 2019

Our Programmes

Building Better Opportunities

The Building Better Opportunities programme (BBO) is a national programme funded by The National Lottery Community Fund and the European Social Fund. Steps to Work are proud to have been awarded two grants, enabling us to deliver the BBO project across the Black Country and in Staffordshire.

Our two projects, Bridges and Evolve, consist of several partner organisations delivering specialist services and interventions to participants who are the furthest away from the labour market and who have multiple barriers to employment.

The Bridges project has received over £10.5million, the largest amount of funding awarded across the country for the BBO programme, to deliver services across the Black Country. Evolve delivers services in the Staffordshire area and has received over £3million in funding.

BRIDGES

The Building Reachable Individual Dreams Gaining Employment & Skills (BRIDGES) project is formed of 19 delivery partners, operating across the four Black Country Boroughs. These partners provide a localised, multi-faceted, targeted and adaptable programme offering varied and individually tailored approaches and services to meet the needs of those engaged upon the programme. The partners work together under a shared aim to offer support and assistance to those most in need across the Black Country and where required, can connect them to specialist services in their local area.

The project seeks to support the most disadvantaged people who are not in any form of employment, are aged 25 years and over and who have significant barriers to employment. There is no prescribed limit to the amount of support an individual can receive whilst engaged upon the programme and participants may remain engaged for six months or three years dependent upon their barriers and needs.

This project was originally funded, until 31st December 2019 by the European Social Fund and the National Lottery Community Fund and commenced in July 2016, with all delivery partners operational by January 2017. We have recently been advised that the programme is now being extended until 2022, with an additional 6.5million grant allocation received, to help continue the fantastic support participants are already receiving across the Black Country.

Between April 2018 and March 2019, 1171 participants engaged with the programme, each of them receiving individually tailored support, 142 participants have progressed into employment and 384 participants have progressed into education or training. Since July 2017 to March 2019 a total of 2966 participants have been supported by Bridges with 727 participants progressing into, employment, education or training and a further 70 progression into independent job search.

Evolve

The Evolve programme, made up of 15 Partner organisations, support participants who face multiple and complex barriers to employment and social inclusion. Steps to Work do not have an active delivery role in this programme; we are the lead organisation responsible for managing the £3,170,300 grant. The project, which commenced in January 2017, is delivered across the Lichfield, Cannock, Tamworth



Steps to Work

Trustees Report 2019

and East Staffordshire Districts. This project is was funded originally until 31st December 2019, by the European Social Fund and the National Lottery, through the Big Lottery Community Fund, however we have had the fantastic news that the programme has been extended until September 2022 with a further grant allocation of £2,290,356.67

2019 will see further changes to the Evolve project with a further partner leaving the partnership as their service is closing.

Our 2 Engagement Officers have now been recruited whose role is to support our partners in increasing the number of participants on programme and to offer extra networking opportunities with referring organisations. We have seen some positive movement in the number of referrals the Engagement Officers have engaged on programme and the great relationship that is being built with our partners.

Bridges and Evolve, have supported a total of 3502 participants between July 2016 to March 2019 with 301 participants securing employment, 462 participants moving into education and training and 72 Economically inactive participants moving into independent job search.

Work and Health Programme

Steps to work have started the Work and Health Programme in the Sandwell and Dudley area.

The Work and Health Programme encompasses some of the traditions of Work Choice and Work Programme however designed and commissioned to offer tailor made and Individualised support Plans. The approach is much more tailored to meet specific Key life area needs and is different to other programmes because it recognises that everyone

- Is different
- Has their own set of challenges
- Has their own individual reasons for being out of work
- Will have a different path to finding a job

Supported Key Life Areas-Participant engagement will be based on the following:



Steps to Work

Trustees Report 2019

Figures representative for period from April 2018 to March 2019

Referrals	918
Starts	595
Job Entry – 1 st jobs	162
2nd Day Jobs	42
Total jobs	204

Work on the Horizon

The programme has been based on Bloxwich High Street since 2005 and for the last 3 years has been funded by The Big Lottery. This funding ended on the 31st May 2019. Its purpose is to serve the residents of North Walsall and outlying areas to Information, Advice & Guidance to address their barriers to employment. Based within the heart of the community and having a shop style encourages individuals who may not be confident, motivated or knowledgeable enough to access support from mainstream services, to drop in and access a range of facilities and services within a friendly and welcoming environment. Alongside this the shop offers a twice weekly Job Club and 1-1 job search support, a basic computer course for beginners through Learn My Way, CV creation, email, Indeed, CV Library account creation and assistance with Universal Credit queries and access to public computers. The shop also advertises 90 new local vacancies per week taken from various websites and engages with local employers, offering a free job advert service and collation of CV's from interested applicants.

Over the years the shop has had to diversify to the everchanging needs of its customers and now provides additional support to customers in sourcing and applying for grants to replace white goods, debt and budgeting advice sign posting to food banks and welfare rights. We have also had to adapt to customers use of digital technology and have become experienced in helping customers acquire the knowledge and skills to carry out job search on their mobile phones and tablets by downloading job search apps and CV's onto these devices for them.

It's Outreach Project 'Reaching Out' funded by the Big Lottery, has also enabled the Project Officers to engage with customers who have Specific Learning Difficulties, providing one to one support and mentoring matched to the individual needs, helping to search and apply for employment opportunities and promote individual's confidence and motivation to take on volunteer opportunities. We intend to keep the shopfront open beyond the closure of the funding so we can continue to provide well needed support to the citizens of the area.

1st June 2018 to 31st March 2019

New Users	211
CVs	236
IAG	190
Training (Learn My Way – In-house IT course)	40
People engaged through outreach	90



Steps to Work

Trustees Report 2019

West Midlands Combined Authority

The Connecting Communities programme funded through the West Midlands Combined Authority is a payment by results contract, which is delivered in partnership with a small community group called Community Together. Steps to Work manage the programme with delivery being undertaken fully by Community Together CIC. The programme is delivered in the most deprived area of Tamworth called Glascote and is open to people who live or have a connection to the area.

Four cohorts of participants are included in the programme, these are hardest to help (Unemployed for 2 years or longer), Hard to reach (Unemployed for 1 to 2 years) Rapid progression (Unemployed for under a year) and Employed progression (Those in work who wish to take on more hours/more pay). Up to the end of March, the programme engaged with 21 participants across the 4 cohorts. There has been a real struggle to engage with the hard to reach participants, which has been noted across the board with all 9 pilots on the programme. During the period we have had our first job outcome who has sustained the role for 13 weeks.

This is a very community driven programme and uses the community engagement model to engage people on programme. Community Together are fundamentally a community engagement organisation and have successfully engaged with the communities of Tamworth to improve the area in all aspects



Steps to Work

Trustees Report 2019

Closed Programmes

The Work Programme

The programme completed in March 2019. We worked closely with our customers to ensure that they are equipped with the necessary skills to deal with the new regimes and support sustainable employment. We were responsible as a subcontractor for the Walsall area where we engage with customers for People Plus and In-Training/Newcastle College (managed by 3SC).

Long-term unemployment is damaging to individuals and communities, it can affect mental and physical health and holds back economic growth. The NHS and government spend a lot of money dealing with health and employment matters most of which is spent on preventable health strategies. Out of work older people can find it more difficult to get a job and they are more likely than younger people to remain unemployed for longer.

We helped people into work and assure holistic benefits. People are empowered to improve their standards of living and feel positively encouraged to access start and sustain employment or start their own business.

The Work Programme provided personalised support for claimants who needed more help looking for and staying in work.

This was a major change in the way we help people look for and take up employment the UK. The Government has created a structure that treats people as individuals and allows providers greater freedom to tailor the right support to the individual needs of each claimant. Steps to Work have been delivering the Work Programme since 2011 and will continue to do as contracted under the Department of Work and Pensions to 2017 with a 2 year follow on.

The Work Programme also gives value for money for the taxpayer by basing payments to providers on the results they achieve. The Work Programme is currently part funded by the European Social Fund.

Performance Figures April 2018 – March 2019

Referrals	0
Attachments	0
Job Entry	12
2nd Day Jobs	34
Job Outcomes	25
Job Sustainment's	470



Management of Risk

We make the risks we are facing visible to executives and non-executives. Catastrophic and operational risks are reported at every Board meeting with an indication of direction of travel. Strategic risks are reported in our business and strategic plans. Oversight of our risk management process is undertaken by our Head of Performance and Systems.

The main risks that face the organization come from uncertainty associated with public funding and poor operational performance.

The latter resulted in a group operating loss of over half a million pounds at the end of the financial year. This alongside a £2.4 million pension deficit and only £1.7 million in non-cash reserves makes the financial situation of the organization precarious. A cost cutting exercise started at the end of the financial year together with tighter management controls will curtail losses and our strategy going forward is to increase our reserves by one million pounds over the next two years.

Although the two Building Better Opportunities projects have been extended until 2022, confirmation of funding for one of them was not received until September 2019. There is scope to minimize risks associated with public funding by improving the performance of Starting Point Recruitment and using its increased profits to fund 'journey to work' activities.

Performance issues have plagued both the Work and Health Programme and Starting Point Recruitment. These have now been turned around and the risk of failure has been significantly reduced. We expect a greater surplus to be produced in the future contributing to financial stability.

Although Steps to Work and Starting Point Recruitment are two separate businesses it is clear that there is considerable synergy to be gained by managing them as one with a flow of resources from Steps to Work into Starting Point Recruitment, resources that if properly managed, will be skilled experienced and loyal.

As uncertainty increases, we need to strengthen our governance to manage risk. We will undertake a self-development programme to ensure that we improve our strategic management of the business. In addition, we will strengthen our representation and challenge ourselves to support the executive as they position the organisation to deliver 'journey to work' support across a wider geography.



Case Studies

We strive to deliver value and these stories illustrate the impact we can have on our clients and the communities in which they live.



A new challenge for Jason



Burton Mind: Jason has been on the Building Better Opportunities project for 12 months now in which he has engaged with various aspects of the support available to him. The progress that Jason has made has been a privilege to witness and although there are still barriers that remain in place, it is clear that Jason works hard to maintain a more positive wellbeing.

Whilst socialising still remains a struggle, he continues to challenge himself in other ways. For example, Jason has recently begun to grow his own vegetables and herbs on the porch of his flat after being rehoused. This is something that he has never done before and has found that it gives him great satisfaction and a sense of purpose that also has a positive effect on his wellbeing as it helps him to relax

Attending a 6-week anxiety management course was really useful for Jason in terms of reviewing thoughts and behaviours around his anxiety. As a result, Jason now takes a short time out of his day to meditate in order to stay calm and practice mindfulness.

Jason continues to volunteer his time to the Mind centre, he is often seen with a paintbrush in his hand and a screwdriver in the other as he helps with the maintenance of the Burton Mind building. Jason builds on his confidence whilst putting his skills to work, volunteering at the centre provides Jason with a more structured week and a more positive outlook on his wellbeing.





BRIDGES Case Study



“ Without BRIDGES, I would still be out of work. I am very grateful for the help and support from BRIDGES to pay for my DBS. I am looking forward to becoming financially independent and making a difference to the people I will be caring for. I would recommend the BRIDGES Project to anyone ”

When Joyce first met with her Bridges Project Office, Beth. She did not know where to start looking for a job.

“I felt relieved when I met Beth, I struggle with my literacy skills and the thought of writing a CV, completing application forms and using a computer was really scary!

Beth and everyone at Bridges, were really helpful. Beth helped me with an up to date CV, cover letters, set up job search sites on my mobile phone – and showed me how to use them. I was referred to a local provider for help with my literacy, numeracy and ICT training as well as a Confidence Building and Motivational Course. I also gained my First Aid at Work qualification via the Bridges Project. Every week, I attended the Craft and Confidence Club, which really helped me with my self-esteem and communication skills”

In June 2018, with the support of Beth, Joyce was referred to a local reputable care company for a one-week Introduction to Care course. Joyce successfully completed the course and was successful in gaining work as a Home Care Assistant.



BRIDGES COMMUNITY FUND



is funded by the European Social Fund and The National Lottery Community Fund

SAM'S STORY



New beginnings: Sam relaxing in her new home with her friend.

SAM'S EXPERIENCE AT BRIDGES

Bridges project met Sam in August 2016 after a referral from her Job centre work coach. Sam's initial appointed Bridges project officer was Simon. During the appointment, Simon was able to identify multiple barriers that Sam was facing, which prevented Sam from living life to her full potential.

Following the initial meeting, Sam was booked an appointment, to thoroughly discuss the support Sam required from the Bridges Project. To begin with, Sam was anxious to open up about her personal problems. However, by engaging with Sam through various activities, Simon developed a strong rapport with Sam.

Not only did Simon support Sam with building her confidence, he also addressed the problems with her life skills and managing daily tasks. Simon contacted Sam's utility provider, who Sam was in debt with due to her Gas supply, as Sam couldn't afford Gas and hadn't used it for years. However the debt came from an outstanding charge. Simon raised complaints and had the gas cut off to stop any further debt. The gas providers also reduced the debt by £1500.

Simon successfully completed an application that allowed Sam to receive a new washing machine, as her current machine was broken, and Sam was unable to afford a new appliance.

Simon also contacted Sandwell floating services, who collaborated with Bridges to raise funding to get Sam a shower fitted so she could access hot running water for the first time in 5 years!

Things started looking up for Sam, she started volunteering at a local charity shop, Georgina Unit in Tipton. Sam felt she was finally taking steps in the right direction.

In January 2019, Emily was appointed Sam's new project officer. The initial appointments focused on building rapport with Sam, through attending group sessions, going for walks with Sam's dog and ensuring Sam could discuss her problems in confidence.

This provided Sam the opportunity to open up about her problems, past and present. Sam confided with Emily about the extreme anti-social behaviour she was experiencing from her neighbours. This caused Sam to slowly withdraw from volunteering at the Georgina Unit, due to high levels of anxiety around leaving her house.

Due to Sam being in rent arrears, she was unable to move property. Simon organised a payment plan with Sandwell Council to reduce the rent arrears. In March 2019, we contacted the Sandwell Council who confirmed the debt had been cleared. Sam could now begin the application to be rehoused in a safe environment. Sandwell Council booked a property visit to start the rehousing application.

Emily and project officer Hasina, met with Sam in July at the Clebefields library. Sam expressed concerns that she had no updates regarding being rehoused, Emily called and emailed the Tipton neighbourhood team however there was no response. Once Sam returned home from the appointment, Sam opened her emails to find she had been offered a new flat in a different area.

On Thursday 6th June, Sam and Emily attended the property viewing. Sam loved the property and the location. From this Sam confirmed she would like the property and an appointment was booked for Friday 7th to collect the keys. The new area is close the job centre, voluntary placement and the friends Sam had made from the Bridges Project.

This is where the Bridges team stepped in. The team were made aware of the situation and the urgency to move Sam. The team started looking on various websites for furniture such as a sofa, mattress and a bed. Simon contacted Darlaston Carpets, a local shop next to Darlaston Jet for any spare carpet or flooring. Darlaston Carpets kindly donated carpet and lino for Sam's floor. Simon got in touch with RLS Clearances who donated a wardrobe and sofa. The Fountain Inn donated curtains and helped with the move of furniture. A Facebook user kindly donated a bed and mattress. In addition, the Bridges team put money in to buy Sam cleaning products, duvet, kettle and other household items. Not only did the team, financially help but gave up their free time to help Sam move.

Sam is now settled in her new abode, there has been a change in Sam's confidence, well-being and overall outlook on life. Sam is now looking forward to her future and even considering the possibility of looking for work. Sam has come a long way since starting Bridges Project. Well done Sam!

"Thank you all so very much for all you have done for me. Without all of your help and support I wouldn't be where I am today! You have all done so very much for me and I cannot put into words the gratefulness and love I feel for you all. I need thank you is not enough but thank you!" - Sam



Right at home: Sam's new bedroom.



Work and Health Programme



Hugh had been out of work for a long time when he joined the Work and Health Programme. He lacked confidence and was unsure about what to expect but the team welcomed him and made him feel comfortable and he soon began to come out of his shell.

After receiving rejections from numerous job applications Hugh was feeling despondent. He said:

“After being through some personal issues at home over the years and with all that life throws at you it surely took a few bites out of me and I lost my way for a while due to being out of work for so long. The inevitable depression took its toll on me and my confidence had gone.”

“I felt very comfortable just to discuss some of this with my Work and Health Programme coach and it was a real weight off my chest. Us men keep it all bottled up but a problem shared is a problem half solved and it made me feel a lot better.”

“My coach was very understanding and made me feel comfortable, enabling me to discuss any requirements and help I may require from the programme. The help I received was a breath of fresh air for me, enabling me to feel a lot more optimistic about the future and my endeavours in gaining qualifications towards future employment.”

Hugh was placed on a Level 1 IT course where he was able to begin working towards a qualification to help him pursue a career. He enjoyed the course and excelled at it, so he was supported to move on to Level 2 whilst working on his CV and submitting job applications.

“I have now completed Level 1 of my course and have arranged to return to start Level 2 and I look forward to working with Steps to Work on my job hunting going forward.”

Work on the Horizon



“The people at Work on the Horizon have been great helping me with my IT course and looking for work and I got my job with Work on the Horizon’s help. They are very helpful, and I am very thankful for all their support.”

Stuart came to Work on the Horizon in March 2018 looking for support with his IT skills and creating a CV. He had a full work history and had worked very hard in all his previous roles, however when he found himself being made redundant three years previously he struggled to get back into work.

Stuart had no IT skills therefore couldn’t create CV by himself, so he came to WOTH for support with designing and creating a CV and submitting job applications. Stuart soon began attending one-to-one job search support sessions where the team registered him on various job sites and helped him apply for vacancies. Stuart was also given the opportunity to attend weekly IT classes on the Learn my Way programme which helped him develop basic IT skills and improve his confidence.

At 60 years old Stuart lacked confidence, believing that his age was a barrier to him finding employment. The one-to-one sessions helped him improve his confidence and realise that he did still have a lot to offer an employer.

During one of his job search sessions, Stuart expressed an interest in a Porter’s position at a local hotel as he had previous experience. The project officer at WOTH helped him compile an email detailing his experience and suitability for the role and attached his new CV. Stuart was invited to an interview at the hotel and was shortlisted alongside two other people to attend a work trial. Stuart was determined to get the position, so he arrived early, worked really hard and was offered the job a few days later.

Stuart’s project officer said “Stuart has an excellent approach to work and was very open minded and keen to apply for a variety of different jobs in the hope of gaining employment. He’s delighted to be starting work again and can’t wait to begin! Stuart showed real determination and commitment; he attended every appointment and was willing to apply for any role within the region even if it meant long journeys on public transport. Stuart now takes three buses to and from his new job which takes him two hours each way but despite this he is just so happy to finally be back in work.”



Highlights of the Year



In December 2018, Steps to Work received the Black Country Chamber Award for Social Value

Steps to Work were shortlisted for the 2018 charitytimes awards for leadership and professionalism



Steps to Work were named number 2 in the National Centre for Diversity Top 100 Index



**“Tea and Talk”
mental health networking**



In March 2019, Steps to Work celebrated 20 years of supporting our local community by delivering employer and community value



Steps to Work

Trustees Report 2019

Facts and Statistics

These facts relate to the background of customers who have used Steps to Work services in the financial year 2018/19.

Ethnic Origin

3.41%	Indian
0.71%	Asian or Asian British Other
2.98%	Asian or Asian British Pakistani
1.28%	Asian or Asian British Bangladeshi
4.4%	Black or Black British Caribbean
1.28%	Black or Black British African
0.28%	Black or Black British Other
1.49%	Mixed White and Black Caribbean
0.36%	Mixed White and Asian
0.21%	Mixed White/Black African
0.57%	Mixed Other
0.14%	Chinese
4.12%	Not known
0.99%	Other
76.42%	White British
0.57%	White Irish
0.78%	White Other

Gender

Male	56%
Female	44%

Age

Under 24	16%
25-49	46%
50+	38%

Disability

No disability	64%
Disability	32%
Prefer not to say	<1%
Not known	4%



Financial Review

NET Movement of Funds

During the period the charity continued to comply with Financial Reporting Standard 102; this has meant the pension reserve has decreased from £2,568,000 to £2,424,000.

Basis of Preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 102, this has not impacted on the results for the year.

Total Fund at Year End

Unrestricted funds are -£782,666 compared to -£493,888 in 2018. The movement in funds incorporates the pension reserve of £2,424,000.

Grant Income

All of the grant income comes from either service level agreements or from grant agreements within the public sector. Income is derived from expenditure incurred to support local people with up skilling or in improving their aspiration to secure sustainable employment.

Resources Expended

Total resources expended during the period have decreased due to the activities of the trading operation – Starting Point Recruitment Limited.

NET Incoming Resources

A decrease has been seen in the net incoming resources due to contracts entering the last phase and the activities of the trading operation – Starting Point Recruitment.



Steps to Work

Trustees Report 2019

Summarised Accounts

Steps to Work (Walsall) Limited
Consolidated Statement of Financial Activities
(Including Income and Expenditure Accounts)
For the year ended 31 March 2019

	Designated funds 2019 £	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income and endowments from:					
Charitable activities	-	1,741,940	46,092	1,788,032	1,447,476
Other trading activities:					
Trading activities	-	-	13,992,485	13,992,485	15,238,177
Investments	-	-	1,850	1,850	3,908
Total income and endowments	-	1,741,940	14,040,427	15,782,367	16,689,561
Expenditure on:					
Raising funds	-	-	13,706,802	13,706,802	15,004,970
Charitable activities	60,875	2,434,917	84,308	2,580,100	1,991,141
Total expenditure	60,875	2,434,917	13,791,110	16,286,902	16,996,111
Net income / (expenditure) before transfers	(60,875)	(692,977)	249,317	(504,535)	(306,550)
Transfers between Funds	45,118	692,977	(738,095)	-	-
Net expenditure before other recognised gains and losses	(15,757)	-	(488,778)	(504,535)	(306,550)
Actuarial gains on defined ben- efit pension schemes	-	-	200,000	200,000	238,000
Net movement in funds	(15,757)	-	(288,778)	(304,535)	(68,550)
Reconciliation of funds:					
Total funds brought forward	113,515	-	(493,888)	(380,373)	(311,823)
Total funds carried forward	97,758	-	(782,666)	(684,908)	(380,373)



Steps to Work

Trustees Report 2019

Steps to Work (Walsall) Limited

Registered number: 03738249

Consolidated Balance Sheet as at 31 March 2019

	2019	2018
	£	£
Fixed assets		
Tangible assets	97,758	113,515
Current assets		
Debtors	2,647,780	4,169,746
Cash at bank and in hand	1,019,088	1,502,723
	<u>3,666,868</u>	<u>5,672,469</u>
Creditors: amounts falling due within one year	<u>(2,025,534)</u>	<u>(3,598,357)</u>
Net current assets	<u>1,641,334</u>	<u>2,074,112</u>
Total assets less current liabilities	<u>1,739,092</u>	<u>2,187,627</u>
Defined benefit pension scheme liability	(2,424,000)	(2,568,000)
Net liabilities including pension scheme liabilities	<u>(684,908)</u>	<u>(380,373)</u>
Funds		
Designated funds	97,758	113,515
Unrestricted funds:		
Unrestricted funds excluding pension liability	1,641,334	2,074,112
Pension reserve	(2,424,000)	(2,568,000)
Total unrestricted funds	<u>(782,666)</u>	<u>(493,888)</u>
Total deficit	<u>(684,908)</u>	<u>(380,373)</u>

Trustees' Statement

These summary financial statements are not statutory financial statements. We confirm that the information contained in the summary financial statements is taken from the audited financial statements for the year ended 31 March 2019 and includes details relating to both the Consolidated Statement of Financial Activities and the Consolidated Balance Sheet. The full financial statements were approved and signed by the Trustees on 3 October 2019 and will soon be submitted to the Charity Commission and Companies House. They received an unqualified audit report from Dains LLP on 3 October 2019 and copies can be obtained from Steps to Work (Walsall) Limited.

On behalf of the Board of Trustees

Mike Gahir

Chair of the Board of Trustees

3 October 2019



Steps to Work

Trustees Report 2019

Our Future

This is an extract from our strategic plan 2019-22:

The fundamental error in successfully managing STW and SPR is to treat the organization as two separate businesses when the core USP comes from the successful transition of those on 'journey to work' programmes into the recruitment business. The drive from the recruitment side of the business is to make money (to invest in the charity). The priority for the charity is to add value to clients so they not only become employable but secure sustainable jobs.

The big strategic questions that face us are:

- How can we reduce our financial vulnerability?
- How do we prepare for growth beyond April 2022?
- What is the focus of our marketing, sales and new business development?

Reducing our financial vulnerability

Target: increase financial reserves by 1 million GBP by March 2022

Reducing the overhead of the organization by focusing only on core product delivery

We will:

1. Eliminate costs associated with commercial and non-core activity such as MHFA, sponsorship and marketing;
2. Reduce supplier costs year-on-year by at least 10%; and
3. Reduce overhead costs year-on-year by at least 10%.

Merging with another organization

We will:

1. Look at larger organizations with a similar ethos where added value can be gained through merger or strategic partnership;
2. Look for organizations we may wish to purchase; and
3. Develop the capacity of partner organizations to recover our infrastructure cost and widen our capability.

Addressing pension deficit

We will

1. Enlist professional advice to support a decision related to our pension provision; and
2. Implement any changes (if required) by April 2020.



Steps to Work

Trustees Report 2019

Redeploying resources to maximize financial return

The areas of business that are most likely to contribute to a growth in our reserves are SPR and WHP. The more efficiently and effectively we deliver our contract with Walsall Council, the greater the surplus we will generate. The more candidates on WHP we get into jobs and reach the outcome threshold, the greater the surplus generated. The more effective our business development function, the more likely we are to win new recruitment and 'journey to work' opportunities. The better our BBO programmes run, the more likely we are to recover larger parts of our cost base. We will:

1. Ensure that our best people are in the right place to generate income and reduce cost without compromising current delivery;
2. Performance manage all poor performers out of the business by March 2020;
3. Implement development opportunities for our best [people; and
4. Change our hiring processes to become a more competency based and use an 'assessment centre methodology.'

Preparing for April 2022

Target: produce annual surplus of 4 million GBP by April 2025

Delaying significant investment until after we have an additional 1 million GBP in reserves does not preclude any activities to prepare us for accelerated growth through commercial diversification. Over the next two years the MD will lead activity that will:

1. Improve leadership and management capability;
2. Help us better understand how non-core functions can be outsourced;
3. Widen and deepen our employer relationships;
4. Raise our profile as 'thought leaders;'
5. Produce options for geographic expansion without significantly increasing real estate costs; and
6. Produce an asset acquisition strategy that strengthens our balance sheet.

The focus of our marketing, sales and new business development

Up until April 2022 our focus will remain on increasing the return on investment from WHP and recruitment. However, we will remain mindful of strategic opportunities to prepare for growth beyond this time. This means we will:

1. Create a robust pipeline of new journey to work activity including growth in our WHP provision;
2. Position ourselves to take advantage of opportunities associated with the Commonwealth Games, West Midlands Combined Authority; and



Steps to Work

Trustees Report 2019

3. Use opportunistic and tendering opportunities to win more recruitment contracts using our social values expertise to add value to current contracting arrangements, new and partnership related prospects and to fulfil unmet niche private recruitment needs.

No-Deal Brexit

A report published by the NCVO in September 2019 suggests that we need to:

1. Understand the implications of employing EU nationals particularly related to legislation on low skilled migrants;
2. Be prepared for an increase in journey to work candidates as a result of economic disruption (the economy shrinking by 2%, unemployment rising above 5% and house prices falling by around 10%);
3. Improve our financial well-being;
4. Understand the implications on current ESF funded provision;
5. Prepare for opportunities related to the freedom to change VAT rules, reformed state aid rules, greater flexibility on public procurement rules and the UK shared prosperity fund; and
6. Create a contingency plan that manages risk.

Strategic Objectives 2019-2022

1. Add £1 million to reserves by April 2022
2. Deploy focus and resources on activities that can add £1 million to reserves
3. Align new business development on creating a pipeline
4. Prepare organization for opportunities beyond April 2022
5. Create an implement a contingency plan for the impact of 'no-deal Brexit'
6. Don't drop the ball on operational management



Steps to Work (Walsall) Limited
(A company limited by guarantee)

Trustees' Responsibilities Statement
for the year ended 31 March 2019

The Trustees (who are also directors of Steps to Work (Walsall) Limited for the purposes of company law) are responsible for preparing the Group strategic report, the Trustees' report and the 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. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Steps to Work (Walsall) Limited
(A company limited by guarantee)

Independent Auditor's Report to the Members of Steps to Work (Walsall) Limited

Opinion

We have audited the financial statements of Steps to Work (Walsall) Limited (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 March 2019 which comprise the consolidated statement of financial activities, the consolidated and company balance sheets, the consolidated cash flow statement and the related notes, 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 Financial Reporting Standard 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 2019 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Steps to Work (Walsall) Limited
(A company limited by guarantee)

Independent Auditor's Report to the Members of Steps to Work (Walsall) Limited

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion 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' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Group Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- the parent charitable company has not kept adequate and sufficient accounting records, 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.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 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.

Steps to Work (Walsall) Limited
(A company limited by guarantee)

Independent Auditor's Report to the Members of Steps to Work (Walsall) Limited

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Morris FCA (Senior statutory auditor)

for and on behalf of

Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham
3 October 2019

Steps to Work (Walsall) Limited
(A company limited by guarantee)

Consolidated Statement of Financial Activities
(Incorporating Income and Expenditure Account)
for the year ended 31 March 2019

	Note	Designated funds 2019 £	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income and endowments from:						
Charitable activities	5	-	1,741,940	46,092	1,788,032	1,447,476
Other trading activities:						
Trading activities		-	-	13,992,485	13,992,485	15,238,177
Investments	4	-	-	1,850	1,850	3,908
Total income and endowments		-	1,741,940	14,040,427	15,782,367	16,689,561
Expenditure on:						
Raising funds		-	-	13,706,802	13,706,802	15,004,970
Charitable activities	6,7	60,875	2,434,917	84,308	2,580,100	1,991,141
Total expenditure		60,875	2,434,917	13,791,110	16,286,902	16,996,111
Net income / (expenditure) before transfers						
Transfers between Funds	19	(60,875)	(692,977)	249,317	(504,535)	(306,550)
		45,118	692,977	(738,095)	-	-
Net expenditure before other recognised gains and losses		(15,757)	-	(488,778)	(504,535)	(306,550)
Actuarial gains on defined benefit pension schemes	17	-	-	200,000	200,000	238,000
Net movement in funds		(15,757)	-	(288,778)	(304,535)	(68,550)
Reconciliation of funds:						
Total funds brought forward		113,515	-	(493,888)	(380,373)	(311,823)
Total funds carried forward		97,758	-	(782,666)	(684,908)	(380,373)

All activities relate to continuing operations.

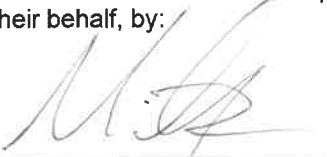
The notes on pages 43 to 59 form part of these financial statements.

Steps to Work (Walsall) Limited
(A company limited by guarantee)
Registered number: 03738249

Consolidated Balance Sheet
as at 31 March 2019

	Note	£	2019 £	£	2018 £
Fixed assets					
Tangible assets	12		97,758		113,515
Current assets					
Debtors	14	2,647,780		4,169,746	
Cash at bank and in hand		1,019,088		1,502,723	
			3,666,868	5,672,469	
Creditors: amounts falling due within one year	15	(2,025,534)		(3,598,357)	
Net current assets			1,641,334		2,074,112
Total assets less current liabilities			1,739,092		2,187,627
Defined benefit pension scheme liability	17		(2,424,000)		(2,568,000)
Net liabilities including pension scheme liabilities			(684,908)		(380,373)
Funds					
Designated funds	19		97,758		113,515
Unrestricted funds:					
Unrestricted funds excluding pension liability		1,641,334		2,074,112	
Pension reserve		(2,424,000)		(2,568,000)	
Total unrestricted funds			(782,666)		(493,888)
Total deficit			(684,908)		(380,373)

The financial statements were approved and authorised for issue by the Trustees on 3 October 2019 and signed on their behalf, by:


M Gahir
Trustee


The notes on pages 43 to 59 form part of these financial statements.

Steps to Work (Walsall) Limited
(A company limited by guarantee)
Registered number: 03738249

Company Balance Sheet
as at 31 March 2019

	Note	£	2019 £	£	2018 £
Fixed assets					
Tangible assets	12		97,758		113,515
Investments	13		1		1
			<u>97,759</u>		<u>113,516</u>
Current assets					
Debtors	14	1,012,432		1,280,585	
Cash at bank and in hand		930,551		1,492,698	
		<u>1,942,983</u>		<u>2,773,283</u>	
Creditors: amounts falling due within one year	15	(435,048)		(832,570)	
Net current assets			<u>1,507,935</u>		<u>1,940,713</u>
Total assets less current liabilities			<u>1,605,694</u>		<u>2,054,229</u>
Defined benefit pension scheme liability	17		(2,424,000)		(2,568,000)
Net assets including pension scheme liabilities			<u>(818,306)</u>		<u>(513,771)</u>
Charity Funds					
Designated funds	19		97,758		113,515
Unrestricted funds:	19				
Unrestricted funds excluding pension liability			1,507,936	1,940,714	
Pension reserve			(2,424,000)	(2,568,000)	
Total unrestricted funds			<u>(916,064)</u>	<u>(627,286)</u>	
Total deficit			<u>(818,306)</u>	<u>(513,771)</u>	

The financial statements were approved and authorised for issue by the Trustees on 3 October 2019 and signed on their behalf, by:



M Gahir
Trustee

The notes on pages 43 to 59 form part of these financial statements.

Steps to Work (Walsall) Limited
(A company limited by guarantee)

Consolidated Statement of Cash Flows
for the year ended 31 March 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash used in operating activities	21	<u>(440,367)</u>	<u>(1,073,174)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		1,850	3,908
Purchase of fixed assets		<u>(45,118)</u>	<u>(116,998)</u>
Net cash used in investing activities		<u>(43,268)</u>	<u>(113,090)</u>
Change in cash and cash equivalents in the year		(483,635)	(1,186,264)
Cash and cash equivalents brought forward		<u>1,502,723</u>	<u>2,688,987</u>
Cash and cash equivalents carried forward		<u><u>1,019,088</u></u>	<u><u>1,502,723</u></u>

The notes on pages 43 to 59 form part of these financial statements.

Steps to Work (Walsall) Limited
(A company limited by guarantee)

Notes to the Financial Statements
for the year ended 31 March 2019

1. Accounting Policies

1.1 General information

Steps to Work (Walsall) Limited is a charitable company incorporated in England and Wales under Companies Act and registered as a charity with the Charity Commission. The address of the registered office is given in the company information section. The nature of the company's operations and its principal activities are set out in the Trustees' report.

1.2 Basis of preparation of financial statements

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) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Steps to Work (Walsall) Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the company alone as permitted by section 408 of the Companies Act 2006.

1.3 Basis of consolidation

The financial statements consolidate the accounts of Steps to Work (Walsall) Limited and all of its subsidiary undertakings ('subsidiaries').

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and expenditure account.

The income and expenditure account for the year dealt with in the accounts of the company was £(304,535) (2018 - £(68,551)).

1.4 Going concern

The Trustees have prepared cash flow forecasts through to 30 September 2020, incorporating known defined benefit pension scheme repayments, which demonstrates that the group continues to be able to meet its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements. With the above taken in to account, the Trustees consider that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

1.5 Company status

The company is a company limited by guarantee. The members of the company are the Trustees. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

Steps to Work (Walsall) Limited
(A company limited by guarantee)

Notes to the Financial Statements
for the year ended 31 March 2019

1. Accounting Policies (continued)

1.6 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.7 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust 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 company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company 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.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the company where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

1. Accounting Policies (continued)

1.8 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

1.9 Tangible fixed assets and depreciation

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold buildings	-	on a straight line basis over 3 years
Furniture, fittings and equipment	-	on a straight line basis over 3 years

1.10 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

1.11 Operating leases

Rentals under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

Steps to Work (Walsall) Limited
(A company limited by guarantee)

Notes to the Financial Statements
for the year ended 31 March 2019

1. Accounting Policies (continued)

1.12 Pensions

The company operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 31 March 2016.

The difference between the fair value of the assets held in the charity's defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the charity's balance sheet as a pension scheme asset or liability as appropriate. The carrying value of any resulting pension scheme asset is restricted to the extent that the charity is able to recover the surplus either through reduced contributions in the future or through refunds to the scheme.

Changes to the defined benefit scheme asset or liability arising from the factors other than cash contribution by the charity are charged to the consolidated statement of financial activity in accordance with Financial Reporting Standard 102.

1.13 Support cost apportionment

Support costs are allocated directly to the activity which they relate. Where support costs relate to several activities, they have been allocated to each of the activities. This is performed on the basis of the number of direct staff supported during the period in the relevant activity.

The number of staff involved in an activity is deemed to be the appropriate basis for allocating support costs as it closely reflects the resource usage of the support functions of the core activities. The number of staff working on a particular activity is determined by the estimated equivalent time devoted by a full time staff member to perform the task.

1.14 Interest receivable

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

1.15 Recognition of Liabilities

Liabilities are recognised on the accruals basis in accordance with normal accounting principles, modified where necessary in accordance with the guidance given in the Charities SORP (FRS 102) issued by the Charity Commission.

1.16 Debtors

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

1.17 Cash at Bank and in hand

Cash at bank and 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.

1. Accounting Policies (continued)

1.18 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.19 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.20 Taxation

The company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2. Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, which are described in note 1, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing the asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual values consider such things as future market conditions, the remaining life of the asset and projected disposal values.

Steps to Work (Walsall) Limited
(A company limited by guarantee)

Notes to the Financial Statements
for the year ended 31 March 2019

3. Net income from trading activities of subsidiary

The charity has a wholly owned trading subsidiary (Starting Point Recruitment Limited) which is incorporated in England, which provides a recruitment agency service.

A summary of its trading results are shown below.

Profit and loss account

	2019 £	2018 £
Turnover	14,081,450	15,281,579
Cost of sales	(13,277,515)	(14,688,041)
Gross profit	803,935	593,538
Administrative expenses	(533,187)	(426,675)
Operating profit	200,079	166,863
Interest receivable	454	48
Profit on ordinary activities before taxation	271,202	166,911
Profit for the financial year	271,202	166,911
Retained earnings at the beginning of the year	133,398	133,398
Payment under gift aid to Steps to Work (Walsall) Limited	(271,202)	(166,911)
Retained earnings at the end of the year	<u>133,398</u>	<u>133,398</u>

Balance sheet

	2019 £	2018 £
Current assets	2,549,898	3,960,600
Creditors: amounts falling due within one year	(2,416,499)	(3,827,201)
Net assets	<u>133,399</u>	<u>133,399</u>
Called up share capital	1	1
Profit and loss account	133,398	133,398
Shareholders' funds	<u>133,399</u>	<u>133,399</u>

Creditors amounts falling due within one year shown above include £826,103 owed to the charity (2018 - £1,061,415).

Steps to Work (Walsall) Limited
(A company limited by guarantee)

Notes to the Financial Statements
for the year ended 31 March 2019

4. Investment income

	Designated funds 2019 £	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Interest receivable	-	-	1,850	1,850	3,908
Total 2018	-	-	3,908	3,908	

5. Income from charitable activities

	Designated funds 2019 £	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Support for the unemployed	-	1,741,940	46,092	1,788,032	1,447,476
Total 2018	-	1,447,476	-	1,447,476	

6. Analysis of expenditure on charitable activities

	Designated funds 2019 £	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Support for the unemployed	60,875	2,434,917	33,958	2,529,750	1,978,241
Total 2018	15,409	1,447,476	515,356	1,978,241	

Steps to Work (Walsall) Limited
(A company limited by guarantee)

Notes to the Financial Statements
for the year ended 31 March 2019

7. Governance costs

	Designated funds 2019 £	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Auditors' remuneration	-	-	13,000	13,000	11,650
Production of annual report	-	-	1,250	1,250	1,250
Consultancy fees	-	-	36,100	36,100	-
	-	-	50,350	50,350	12,900

8. Direct costs

	2019 Unemployed £	Total 2019 £	Total 2018 £
Direct salary costs	1,458,956	1,458,956	1,158,267
Support costs	426,291	426,291	374,015
Beneficiary related costs	111,995	111,995	52,134
Advertising & promotion	43,723	43,723	21,930
Premises costs	449,283	449,283	346,740
Depreciation	39,502	39,502	25,155
	2,529,750	2,529,750	1,978,241
Total 2018	1,978,241	1,978,241	

9. Support costs breakdown

The Charity allocates its support costs between the charitable activities undertaken as shown below. Support costs are apportioned on staff time based upon the ESF methodology.

Support costs

	2019 Unemployed £	2019 Total £	2018 Total £
Management	227,736	227,736	219,125
Finance	67,973	67,973	48,793
Marketing	24,167	24,167	22,074
Human resources	53,290	53,290	47,911
Other	53,125	53,125	36,112
Total	426,291	426,291	374,015

Steps to Work (Walsall) Limited
(A company limited by guarantee)

Notes to the Financial Statements
for the year ended 31 March 2019

10. Net income/(expenditure)

This is stated after charging:

	2019	2018
	£	£
Depreciation of tangible fixed assets: - owned by the charitable group	60,875	25,156
Auditor's remuneration - audit	13,000	13,000
Hire of equipment and other assets - operating leases	130,206	60,342

11. Staff costs

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Salaries and wages	1,939,527	1,522,153	1,564,927	1,206,082
Social security	181,006	145,541	153,729	121,518
Pension	100,402	141,023	86,015	122,869
Total	2,220,935	1,808,717	1,804,671	1,450,469

The average number of employees of the group and charity during the year was as follows:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Project officer	35	28	35	28
Employment agency	14	14	-	-
Administration and finance	28	25	28	25
Total	77	67	63	53

One employee earned £90,000 - £100,000 in 2019 with pension contribution being £1,461 (2018 - one employee earned £60,000 - £70,000 with pension contribution being £1,300).

Included in the staff costs is non-statutory/non-contractual severance payment of £23,100 (2018 - £Nil) to one individual. The payment was made on 8 March 2019.

The trustees received no emoluments or expenses.

Steps to Work (Walsall) Limited
(A company limited by guarantee)

Notes to the Financial Statements
for the year ended 31 March 2019

12. Tangible fixed assets

Group	Leasehold land and buildings £	Furniture, fittings and equipment £	Total £
Cost			
At 1 April 2018	322,976	316,139	639,115
Additions	-	45,118	45,118
Disposals	(36,357)	-	(36,357)
At 31 March 2019	<u>286,619</u>	<u>361,257</u>	<u>647,876</u>
Depreciation			
At 1 April 2018	322,976	202,624	525,600
Charge for the year	-	60,875	60,875
On disposals	(36,357)	-	(36,357)
At 31 March 2019	<u>286,619</u>	<u>263,499</u>	<u>550,118</u>
Net book value			
At 31 March 2019	<u>-</u>	<u>97,758</u>	<u>97,758</u>
At 31 March 2018	<u>-</u>	<u>113,515</u>	<u>113,515</u>
	Leasehold land and buildings £	Furniture, fittings and equipment £	Total £
Company			
Cost			
At 1 April 2018	322,976	285,854	608,830
Additions	-	45,118	45,118
Disposals	(36,357)	-	(36,357)
At 31 March 2019	<u>286,619</u>	<u>330,972</u>	<u>617,591</u>
Depreciation			
At 1 April 2018	322,976	172,339	495,315
Charge for the year	-	60,875	60,875
On disposals	(36,357)	-	(36,357)
At 31 March 2019	<u>286,619</u>	<u>233,214</u>	<u>519,833</u>
Net book value			
At 31 March 2019	<u>-</u>	<u>97,758</u>	<u>97,758</u>
At 31 March 2018	<u>-</u>	<u>113,515</u>	<u>113,515</u>

Steps to Work (Walsall) Limited
(A company limited by guarantee)

Notes to the Financial Statements
for the year ended 31 March 2019

13. Fixed asset investments

Company	Shares in group undertakings	
Cost	£	
At 1 April 2018 and 31 March 2019	<u>1</u>	
Company investments at cost comprise:	2019	2018
	£	£
Share in Starting Point Recruitment Limited	<u>1</u>	<u>1</u>

The parent company holds the whole of the equity share capital of Starting Point Recruitment Limited a company incorporated in England and Wales. Its principal activity is to develop and deliver a professional and supportive "employment business" to both its temporary workers and its customers.

14. Debtors

	<u>Group</u>		<u>Company</u>	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	1,999,247	1,616,665	58,908	51,362
Amounts owed by group undertakings	-	-	826,013	1,061,415
VAT recoverable	1,557	162,811	1,557	10,476
Prepayments and accrued income	646,976	2,390,270	125,954	157,332
	<u>2,647,780</u>	<u>4,169,746</u>	<u>1,012,432</u>	<u>1,280,585</u>

15. Creditors: Amounts falling due within one year

	<u>Group</u>		<u>Company</u>	
	2019	2018	2019	2018
	£	£	£	£
Trade creditors	1,418,179	2,672,276	111,151	121,670
Other taxation and social security	191,909	30,208	-	-
Other creditors	305,175	696,680	230,970	688,398
Accruals and deferred income	110,271	199,193	92,927	22,502
	<u>2,025,534</u>	<u>3,598,357</u>	<u>435,048</u>	<u>832,570</u>

Steps to Work (Walsall) Limited
(A company limited by guarantee)

Notes to the Financial Statements
for the year ended 31 March 2019

16. Contingent liabilities

The income claims of the company are subject to periodic audit by the awarding organisations. These audits could result in income previously claimed having to be repaid. The Trustees do not consider that any material liability would arise as a result of the reviews and accordingly no provision is made in the financial statements.

17. Pension commitments

The company belongs to the West Midlands Metropolitan Authorities Pension Fund which is a defined benefit pension scheme. The assets of the scheme are held separately from those of the company in independently administered funds.

A full actuarial valuation of the defined benefit scheme was carried out at 31 March 2016. The company's share of the assets and liabilities of the scheme since joining have been estimated at 31 March 2019 by a qualified independent actuary on a Financial Reporting Standard 102 basis. The major assumptions at 31 March 2019 used by the actuary were:

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages) :

	2019	2018
Discount rate at 31 March	2.45 %	2.60 %
Future salary increases	3.90 %	3.80 %
Future pension increases	2.40 %	2.30 %

These assumptions are set with reference to market conditions at 31 March 2019.

The estimate of the duration of the Employer's liabilities is 25 years.

The assets in the scheme and the expected rates of return were:

	Fair value at 31 March 2019 £	Fair value at 31 March 2018 £
Equities	2,726,000	2,746,000
Gilts	354,000	314,000
Other bonds	180,000	164,000
Property	422,000	331,000
Cash	245,000	106,000
Other	783,000	636,000
Total market value of assets	<u>4,710,000</u>	<u>4,297,000</u>

The actual return on scheme assets was £346,000 (2018 - £3,000).

Steps to Work (Walsall) Limited
(A company limited by guarantee)

Notes to the Financial Statements
for the year ended 31 March 2019

17. Pension commitments (continued)

The amounts recognised in the Statement of financial activities are as follows:

	2019 £	2018 £
Current service cost	106,000	122,000
Net interest on the defined liability	65,000	75,000
Administration expenses	2,000	2,000
	<u>173,000</u>	<u>199,000</u>
Actual return on scheme assets	<u>346,000</u>	<u>3,000</u>

Movements in the present value of the defined benefit obligation were as follows:

	2019 £	2018 £
Opening defined benefit obligation	6,865,000	6,957,000
Interest cost	178,000	194,000
Contributions by scheme participants	20,000	21,000
Actuarial losses/(gains)	33,000	(354,000)
Current service cost	106,000	122,000
Benefits paid	(68,000)	(75,000)
	<u>7,134,000</u>	<u>6,865,000</u>

Changes in the fair value of scheme assets were as follows:

	2019 £	2018 £
Opening fair value of scheme assets	4,297,000	4,230,000
Return on assets less interest	233,000	(116,000)
Interest income	113,000	119,000
Contributions by employer	117,000	120,000
Contributions by scheme participants	20,000	21,000
Benefits paid	(68,000)	(75,000)
Administration expenses	(2,000)	(2,000)
	<u>4,710,000</u>	<u>4,297,000</u>

The group expects to contribute £120,000 to its Defined benefit pension scheme in 2020.

Steps to Work (Walsall) Limited
(A company limited by guarantee)

Notes to the Financial Statements
for the year ended 31 March 2019

17. Pension commitments (continued)

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

	2019 £	2018 £	2017 £	2016 £	2015 £
Defined benefit obligation	(7,134,000)	(6,865,000)	(6,957,000)	(4,964,000)	(5,240,000)
Scheme assets	4,710,000	4,297,000	4,230,000	3,379,000	3,318,000
Deficit	<u>(2,424,000)</u>	<u>(2,568,000)</u>	<u>(2,727,000)</u>	<u>(1,585,000)</u>	<u>(1,922,000)</u>
Experience adjustments on scheme liabilities	(33,000)	354,000	(1,769,000)	540,000	(1,086,000)
Experience adjustments on scheme assets	-	-	77,000	-	-

The assumed life expectations on retirement age 65 are:

	2019 years	2018 years
Retiring today		
Males	21	22
Females	23	24
Retiring in 20 years		
Males	23	24
Females	25	27

Sensitivity analysis

	2019 £	2018 £
Discount rate +0.1%	334,000	164,000
Discount rate -0.1%	(175,000)	(168,000)
Salary increase +0.1%	(17,000)	(16,000)
Salary increase -0.1%	17,000	16,000
Pension increase +0.1%	(157,000)	(152,000)
Pension increase -0.1%	153,000	148,000
Life expectancy +1 year	(251,000)	(244,000)
Life expectancy - 1 year	243,000	235,000

Steps to Work (Walsall) Limited
(A company limited by guarantee)

Notes to the Financial Statements
for the year ended 31 March 2019

18. Operating lease commitments

At 31 March 2019 the Group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		2019	Other
	2019	2018		
Group and charity	£	£	£	£
Expiry date:				
Within 1 year	-	-	119,449	130,025
In two to five years	-	-	61,222	180,361

19. Statement of funds

Statement of funds - current year

	Balance at	Income	Expenditure	Transfers	Gains/	Balance at
	1 April 2018	£	£	in/(out)	(Losses)	31 March
	£	£	£	£	£	2019
						£
Unrestricted funds						
General funds	2,074,112	14,040,427	(13,735,110)	(738,095)	-	1,641,334
Pension reserve	(2,568,000)	-	(56,000)	-	200,000	(2,424,000)
	<u>(493,888)</u>	<u>14,040,427</u>	<u>(13,791,110)</u>	<u>(738,095)</u>	<u>200,000</u>	<u>(782,666)</u>
Designated funds						
Fixed assets	113,515	-	(60,875)	45,118	-	97,758
Restricted funds						
Support for the unemployed	-	1,741,940	(2,434,917)	692,977	-	-
Total of funds	<u>(380,373)</u>	<u>15,782,367</u>	<u>(16,286,902)</u>	<u>-</u>	<u>200,000</u>	<u>(684,908)</u>

Steps to Work (Walsall) Limited
(A company limited by guarantee)

Notes to the Financial Statements
for the year ended 31 March 2019

19. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 March 2018 £
Unrestricted funds						
General funds	2,393,504	15,242,085	(15,454,226)	(107,251)	-	2,074,112
Pension reserve	(2,727,000)	-	(79,000)	-	238,000	(2,568,000)
	<u>(333,496)</u>	<u>15,242,085</u>	<u>(15,533,226)</u>	<u>(107,251)</u>	<u>238,000</u>	<u>(493,888)</u>
Designated funds						
	<u>21,673</u>	<u>-</u>	<u>(15,409)</u>	<u>107,251</u>	<u>-</u>	<u>113,515</u>
Restricted funds						
Support for the unemployed	-	1,447,476	(1,447,476)	-	-	-
Total of funds	<u>(311,823)</u>	<u>16,689,561</u>	<u>(16,996,111)</u>	<u>-</u>	<u>238,000</u>	<u>(380,373)</u>

Summary of funds - current year

	Balance at 1 April 2018 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 March 2019 £
General funds	(493,888)	14,040,427	(13,791,110)	(738,095)	200,000	(782,666)
Designated funds	113,515	-	(60,875)	45,118	-	97,758
Restricted funds	-	1,741,940	(2,434,917)	692,977	-	-
	<u>(380,373)</u>	<u>15,782,367</u>	<u>(16,286,902)</u>	<u>-</u>	<u>200,000</u>	<u>(684,908)</u>

Summary of funds - prior year

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 March 2018 £
General funds	(333,496)	15,242,085	(15,533,226)	(107,251)	238,000	(493,888)
Designated funds	21,673	-	(15,409)	107,251	-	113,515
Restricted funds	-	1,447,476	(1,447,476)	-	-	-
	<u>(311,823)</u>	<u>16,689,561</u>	<u>(16,996,111)</u>	<u>-</u>	<u>238,000</u>	<u>(380,373)</u>

Steps to Work (Walsall) Limited
(A company limited by guarantee)

Notes to the Financial Statements
for the year ended 31 March 2019

20. Analysis of net assets between funds

	Designated funds 2019 £	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Tangible fixed assets	97,758	-	-	97,758	113,515
Current assets	-	-	3,666,869	3,666,869	5,672,470
Creditors due within one year	-	-	(2,025,535)	(2,025,535)	(3,598,358)
Provisions for liabilities and charges	-	-	(2,424,000)	(2,424,000)	(2,568,000)
	<u>97,758</u>	<u>-</u>	<u>(782,666)</u>	<u>(684,908)</u>	<u>(380,373)</u>

21. Reconciliation of net movement in funds to net cash flow from operating activities

	Group	
	2019 £	2018 £
Net expenditure for the year (as per Statement of Financial Activities)	(504,535)	(306,550)
Adjustment for:		
Depreciation charges	60,875	25,156
Dividends, interest and rents from investments	(1,850)	(3,908)
Defined benefit pension contributions	(117,000)	(120,000)
Pension cost borne by pension fund	173,000	199,000
Decrease/(increase) in debtors	1,521,966	(2,183,078)
(Decrease)/increase in creditors	(1,572,823)	1,316,206
Net cash used in operating activities	<u>(440,367)</u>	<u>(1,073,174)</u>

22. Analysis of cash and cash equivalents

	Group	
	2019 £	2018 £
Cash in hand	1,019,088	1,502,723
Total	<u>1,019,088</u>	<u>1,502,723</u>