



Trustee Report

2020-21



Contents

Statement from the Chair	4
Statement from the Chief Executive	5
Who We Are	7
Purpose	7
Steps To Work.....	7
Starting Point Recruitment.....	7
Statement of Public Benefit (Steps To Work).....	7
Our Vision.....	7
Our Mission.....	7
Our Values.....	7
Our Strategic Differentiators & USP.....	8
Objectives & Activities to Provide Public Benefit.....	8
Structure, Governance & Management.....	9
Governing Document	9
Organisational Structure	9
Appointment of Trustees.....	9
Trustees.....	10
Leadership Team.....	10
Extended Leadership Team.....	10
Wider Management Team.....	10
Registered Office	11
Independent Auditor.....	11
Our Programmes.....	12
Building Better Opportunities (BBO).....	12
BRIDGES	12
Evolve	12
Black Country Futures	13
Work & Health Programme (WHP).....	13
WHP Job Entry: Targeted Support (JETS).....	13
Kickstart Scheme	13
Connecting Communities.....	13
Helping Hands.....	13
Our Commitments.....	16
Our Commitment to Investors In People, Leaders In Diversity & Disability Confident.....	16
Our Commitment to Quality Standards (ISO 9001).....	16
Our Commitment to Environmentally Sustainable Development (ISO 14001).....	16
Information Security Management Systems (ISO 27001)	17
Business Continuity Management Systems (ISO 22301 & BS25999).....	17

Risks & Opportunities.....	18
Strategic Risks.....	18
Opportunities.....	18
Our Future	20
Reducing Our Financial Vulnerability	20
Increasing The Profitability of Our Trading Arm.....	20
Merging With Another Organisation.....	20
Addressing Our Pension Deficit	20
Strategic Objectives 2019-22.....	20
Financial Review.....	21
Summarised Accounts	22

Statement from the Chair

I reported last year that I was happy about the progress we were making. Imagine my delight in being able to tell everyone that in 2020-21 we delivered a Group profit - essentially a £940k turnaround in financial performance in two years - and this was during what became a year of lockdown. In September 2019, the Trustees approved the strategy to add £1m to reserves by April 2022 to improve our financial stability; our success in 2020-21 has meant that we are well on our way to achieving that outcome.

And it is not just finance: building a sustainable culture is important to me, and I was delighted when I found out that not only have we scored +67 using Net Promoter, but we also achieved a 96% survey completion rate! COVID-19 surprisingly helped us out. The focus we placed on the welfare and well-being of staff during the pandemic demonstrated that we live by our values. I am grateful to both the Leadership Team and the Wider Management Team for demonstrating that we are who we claim to be. Speaking on behalf the Trustees, we are very proud of all the team and their efforts, and how they have coped with the COVID-19 pandemic.

Despite the pandemic, all our projects are delivering above expectations. The new Kickstart and JETS programmes provide us with opportunities to help young people forge new careers and give those people made redundant because of COVID a chance to change their future employment prospects. JETS also gives us a chance to provide support digitally, a skillset that will be much in demand in the future.

I remain as confident of our future as I did when writing my statement last year. We understand all our liabilities and better understand how we can move to break-even on Steps To Work and bring in more record surpluses from Starting Point Recruitment. We have taken steps to strengthen our trading arm and safeguard its future regarding its ability to gift profit. Our challenge in 2021-22 and beyond is how we best use the surpluses generated by Starting Point Recruitment to help local people find sustainable, rewarding and meaningful jobs, and strengthen our capability to do that for the next 20 years.

Our transformation into a successful and sustainable organisation will be catalysed by the outcome of Restart, a new employability programme funded by the Department for Work & Pensions, and I look forward to hearing about the outcome of this tender opportunity.



Mike Gahir
Chair of the Board of Trustees

Statement from the Chief Executive

Making what is effectively almost a £1m turnaround in two years requires vision and execution. We have stabilised the organisation and have demonstrated all the hallmarks of having high potential.

Culture

As stated by the Chair, we achieved a Net Promoter Score and employee survey response rate that I must admit I have never considered possible. Our values are embedded and judging by the newcomers to the organisation, we are making good on harnessing an inclusive and productive workplace culture.

Talent

We have invested in management training for our Wider Management Team and will be commencing a series of Leadership Training programmes for our Leadership Team, Extended Leadership Team and Wider Management Team. This investment will prepare us for the opportunities ahead. The wider mix of talent available through judicious recruitment can only help us when it comes to some of the transformation ahead.

Brand

The Marketing Team have done an outstanding job at rebranding Steps To Work and will be doing the same for Starting Point Recruitment. It is important that we are recognised for what we can achieve and the role we play in transforming the employment prospects of thousands of our participants.

Pipeline

The BBO programmes due to expire in 2022 have been extended for another twelve months, We now know the programmes the Department for Work & Pensions will be running to reduce the impact of Covid-19: Kickstart, JETS and Restart. Our Business Development Team has positioned ourselves well as reliable and effective subcontractors to the Primes in contention for Restart. We will continue to deliver excellent services across the Black Country, Staffordshire and their surrounds, and our success in becoming the top sub-contractor on the Work and Health Programme – from bottom in 2019, means that we can become the preferred supplier on any employability programme. We must also turn our attention to our trading arm and its contracts which come up for renewal in the next financial year. Excellent service quality and responsiveness will pay dividends when we look at how we become self-financing.

Growth

Through Kickstart, JETS and Restart we will have surpassed our growth plans with over £10m of new business. We also expect to fulfil our current strategy of adding £1m to reserves by April 2022. This will put us in a strong position to manage the £5.3m Local Government Pension Scheme liability.

Equality, Diversity & Inclusion (EDI)

Our EDI strategy is being implemented. Our Chair won a Sunday Times Non-Executive Director of the Year award because of his work leading the cognitive diversity of the Board and the executive. We will continue to benchmark our teams and our governance against demographic norms and plan to address shortfalls. We will work externally with partners through Collaboration for Change to ensure that we implement best practice and give voice to those who are often underrepresented or overlooked.

Stakeholders

Although Covid-19 has slowed our stakeholder engagement, we have engaged with a wide group of stakeholders including local Members of Parliament, One Walsall and the Walsall Employment and Skills Board to gain their trust and understanding of how we can help overcome some of the challenges

we will all be facing post-pandemic. Economic forecasts remain pessimistic, and Brexit may possibly make things worse before they get better. Our aspirations are large, and they cannot be realised on our own. We continue to identify stakeholders from all of our touchpoints - from the worlds of politics, activism, supply chains, employers, funders - to name but a few. We have a better story to tell, and it is my job to tell that story to all.



Bhanu Dhir
Chief Executive Officer

Who We Are

At Steps To Work we believe that those who face the biggest barriers deserve the most help to build a brighter future. As a charity with over 20 years' experience, we are committed to driving positive change within the communities we serve through the delivery of employment support services. We support local unemployed residents to build their confidence, gain new skills, face their challenges, and ultimately obtain secure employment and financial stability.

As a commercial agency, we at Starting Point Recruitment (SPR) are proud of our unique approach that breaks the mould of traditional recruitment agencies: 100% of our annual profits are donated to employment support projects that help to positively transform the lives of local people. For almost 20 years, we have been providing recruitment services to major clients across the West Midlands. We build all of our candidate and client relationships on trust. Together we create futures that help communities and businesses succeed.

Purpose

Steps To Work

We believe that people with the biggest barriers deserve the most help to build a brighter future.

SPR

To donate 100% of our profits to charity and drive a responsible recruitment revolution.

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

To help local people, many of whom face multiple barriers, find sustainable, rewarding and meaningful jobs.

Our Mission

To create opportunities and change futures by forging connections between local people and businesses.

Our Values

Our core values represent our work ethic and unique organisational culture, forming our behaviours that influence every interaction with our customers:

Continuous Improvement

We embrace challenges, innovation, diversity and ingenuity to effectively develop ourselves, harness opportunities and strive for excellence.

Client Focus

By listening to and engaging with our clients, we are better able to understand their particular needs and develop appropriate solutions that will add value.

Innovation & Entrepreneurship

Favouring an unconventional approach, we value and respect the knowledge, ideas and opinions of others to overcome challenges and achieve results.

Cost Consciousness

Whether it relates to time, money or equipment, we take care to ensure resource expenditure is justified, thereby optimising efficiencies and reducing wastage.

Relentless Achievement

We are deeply passionate about what we do and always strive to achieve more, supporting people to overcome their barriers and realise their ambitions.

Relationship Orientation

As an organisation, we position people at the heart of everything we do, forging long-term relationships with all of our stakeholder groups by communicating with clarity.

Managed Risk

Championing ownership, we take pride in our work and responsibility for our actions, encouraging all members of staff to actively contribute towards the future of the organisation.

Our Strategic Differentiators & USP

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

Objectives & Activities To Provide Public Benefit

Steps To Work, through its activities aims to:

- Support those who face multiple barriers find sustainable, rewarding and meaningful jobs.
- Develop and deliver a wide range of employment programmes serving the Black Country and wider West Midlands region.
- Provide progression opportunities for local people of the West Midlands, including residents of Staffordshire, Dudley, Sandwell, Walsall and Wolverhampton.
- Develop collaborative partnerships with other local organisations to support the employability needs of residents.
- Provide local people with temporary agency worker opportunities through our trading arm.

Structure, Governance & 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 Officer and Leadership 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 with the support of the Leadership 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 that cover:

- Financial Transactions
- Business Development
- Business Management
- Contract & Service Level Agreement Obligations
- Resource Decisions, including People, Property and IT
- Marketing Activities
- Quality of Services
- Environmental Impact
- Health & Safety
- Safeguarding

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, whilst having the 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 that 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.

During 2020-21, our priority has been to ensure we have attracted new trustees with a range of skills and competences to the Steps To Work and SPR Boards to conform to the Charity Code of Governance's principles. We will continue to focus on best practice regarding diversity of representation and thinking. By the year end, 29% of our trustees were female and during 2021-22 we will be taking action as part of our Equality, Diversity & Inclusion strategy, and will specify 'cognitive diversity' objectives for governance.

Board of Trustees

Mike Gahir (Chair)	Director (Lakes Showering Spaces)
Sally Beavan	Regional M.D. & Head of Communities (Santander)
Paul Cadman	Serial Entrepreneur
Amy Deakin	Channel Partnerships Manager (Western Union)
Matt Green	Chief Executive Officer (Idex Consulting)
Ryan Hawley	Solicitor (Mills & Reeve LLP)
Ben Jones	Director of Energy Services
Darren Lake	Chief Executive Officer (Pure Cloud Solutions)
Rob Pollard	Director (Lightbox Digital)
Julie Teague	Group Chief Finance Officer (The Moot Group)
Sharon Thompson	Councillor (Birmingham City Council)

Leadership Team

Bhanu Dhir	Chief Executive Officer
Stephanie Hammond	Head of Operations
Caroline Hill	Head of Finance & Recruitment
Julie Pickering	Head of Business Development & Marketing
Crystina Woolley	Head of Quality & Talent Management

Extended Leadership Team

Tom Byrne	Marketing Manager
Simon Carter	Operations Manager (Steps To Work)
Cieran Donnelly	Operations Manager (SPR)
Raj Sarai	HR Manager

Wider Management Team

Michelle Bennett	Team Leader (JETS)
Clare Bullard	Senior Support Manager (WHP)
Gemma Calvin	Deputy Partnership Manager (BBO Bridges)
Janet Chell	Contract Co-ordinator (SPR)
Clare Collinson	Assistant Area Manager (WHP)
Zoe Cunningham	Area Manager (WHP)
Kate Dziuba	Partnership Co-ordinator (BBO Evolve)
Ayesha Farooq	Health, Safety & Wellbeing Officer
Veena Kaur	Team Leader (JETS)
Helen Kennedy	Partnership Co-ordinator (BBO Evolve)

Stacey Wain
Colleen White

Partnership Co-ordinator (BBO Bridges)
Partnership Co-ordinator (BBO Bridges)

Registered Office

Floor 9, Townend House
Park Street
Walsall
WS1 1NS

Independent Auditor

Dains LLP
15 Colmore Row
Birmingham
B3 2BH

Our Programmes

Building Better Opportunities (BBO)

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

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

The Bridges project has received over £17 million to deliver services across the Black Country; this is the largest amount of funding awarded across the country for the BBO programme. Evolve delivers services in the Staffordshire area and has received over £5 million in funding.

BRIDGES

The Building Reachable Individual Dreams Gaining Employment & Skills (BRIDGES) project is formed of 15 delivery partners, operating across the four Black Country boroughs of Dudley, Sandwell, Walsall and Wolverhampton. These partners provide a localised, multi-faceted, targeted and adaptable programme offering varied and individually tailored approaches and services to meet the needs of participants. 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 2023, with an additional grant allocation received to help continue the support that participants are already receiving throughout the region.

Between April 2020 and March 2021, 357 new starters engaged with the programme, each of them receiving individually tailored support; 115 participants have progressed into employment and 118 into education or training. Since July 2016 to March 2021, a total of 4,509 participants have been supported by Bridges, with 1,580 progressing into employment, education or training and a further 90 into independent job search.

Evolve

The Evolve programme, made up of 8 Partner organisations, supports participants who face multiple and complex barriers to employment and social inclusion. Steps To Work do not undertake active delivery role in this programme; we are the lead organisation responsible for managing the £5,460,656 grant. The project, which commenced in January 2017, is delivered across the Lichfield, Cannock, Tamworth and East Staffordshire Districts. Originally being funded by the European Social Fund and the

National Lottery Community Fund until 31st December 2019, we have had the news that this programme too has been extended until 2023.

Similar to the aforementioned Bridges programme, Evolve seeks to support those who are amongst the most disadvantaged within the local community who are not in any form of employment, aged 16 years and over, and have significant barriers to employment. Between April 2020 and March 2021, 270 participants engaged with the Evolve programme, with 53 having progressed into employment and 98 into education or training. Since the project commenced, a total of 1,313 participants have been supported by Evolve, with 462 having progressed into employment, education or training and a further 57 into independent job search.

In total, Bridges and Evolve have supported a total of 5,822 participants between July 2016 to March 2021, with 2,042 - albeit 35% of participants - progressing into employment opportunities, education or training, and 147 moving into independent job search.

Black Country Futures

Funded by the National Lottery Community Fund, Black Country Futures was launched in May 2020 at the height of the COVID-19 pandemic. Providing support to Black Country residents aged 16 and above, this project serves to raise aspirations, develop personal and employability skills, and improve the economic stability of participants, enabling them to achieve their true potential.

Promoting an inclusive approach, the Project offers specialist support for those in need of extra assistance, including people at risk of redundancy or on zero-hour contracts, as well as individuals who are unable to access support elsewhere. By working closely with our 14 specialist delivery partners, Black Country Futures offers a wide range of support services that meet the specific needs and requirements of individual participants. This covers benefits advice, housing support, digital skills, and employability / skills training.

Since the project launched in May 2020, 855 participants have engaged with Black Country Futures, each of them receiving individually tailored support; of these, 108 have progressed into employment and 113 into education or training. In addition, 68% of participants reported that their confidence and motivation had increased as a result of the support they received, whilst 548 said that they feel more optimistic about their futures.

Work & Health Programme (WHP)

Co-financed by the European Social Fund, the Work & Health Programme is a Welfare to Work programme commissioned by the Department for Work & Pensions (DWP). It is designed to improve employment outcomes for individuals with physical and mental health conditions or disabilities, as well as those who have been unemployed for more than two years. As one of eight Delivery Partners, Steps To Work have been responsible for service provision across Sandwell and Dudley since January 2018.

The approach implemented by WHP is heavily tailored to meet the specific key life area needs of individual participants 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.

Figures representative for period from 1st April 2020 to 31st March 2021:

Referrals	490
Starts	405
Job Entry - 1st jobs	173
2nd Day Jobs	178
Total jobs	351

WHP Job Entry: Targeted Support (JETS)

As an extension to the aforementioned Work & Health Programme, Steps To Work are working as a localised sub-contractor to Shaw Trust for WHP JETS, a Government-funded scheme launched in November 2020 to support those left jobless as a result of the COVID-19 pandemic.

Through JETS, a maximum of 6-months 'light touch' employability support is being delivered to Black Country residents who have been out of work and in receipt of benefits for at least 13 weeks, with services being delivered digitally to groups of participants. This support includes interview coaching, wellbeing workshops, and sessions that focus on confidence building. For those who require additional guidance, more intensive one-to-one support is being provided within COVID-secure environments that adhere to social distancing guidelines and safety regulations.

Since November, 1,217 individuals have received support through JETS. As Steps To Work are a specialist intervention provider in the scheme, the organisation does not collect data relating to job outcomes or further training.

DWP Kickstart Scheme

Launched by the Department for Work & Pensions (DWP), the Kickstart Scheme is a £2 billion fund to create high quality 6-month work placements for young people aged 16 to 24. As an official Gateway for the Scheme, Steps To Work are helping employers across the country access Government funding to create these placement opportunities. This funding pays employers 100% of the National Minimum Wage for 25 hours per week, plus associated employer National Insurance contributions and minimum automatic enrolment contributions.

As part of their involvement in the Scheme, Steps To Work also deliver a wrap-around employment support programme to each young person during their placement. This includes a skills assessment, CV writing support and interview technique workshops, as well as sessions focused on teamwork, organisation, communication and employability skills.

To date, Steps To Work have supported 40 employers to create 420 placement opportunities for young people across a range of industry sectors, including rail, retail and recruitment. Of these placements, 230 have gone live, with 47 of these having already been filled.

Connecting Communities

The Connecting Communities programme, funded through the West Midlands Combined Authority, is a payment-by-results contract managed by Steps To Work with delivery being undertaken by Community Together CIC. The programme is delivered in Glascote, the most deprived area of Tamworth, and is open to people who live in or have a connection to that area.

Four cohorts of participants are included in the programme, including:

- Hardest to Help (unemployed for 2 years or longer);
- Hard to Reach (unemployed for 1 to 2 years);
- Rapid Progression (unemployed for less than a year);
- Employed Progression (those in work who wish to take on more hours or pay).

Between 1st April 2020 and 31st March 2021, there have been 203 new starts on the Connecting Communities programme, with there being 27 job outcomes, 15 job retentions and 6 progressions into work. Steps To Work has generated £12,594 in income from the WMCA Connecting Communities contract during 2020-21.

Since launching in 2018, the programme has engaged with 403 participants across the 4 aforementioned cohorts. There has been a real struggle to engage with the hard-to-reach participants, but the programme has exceeded by engaging the rapid progression cohort and with rapid progression job starts, thereby evidencing the positive impact it has had upon the labour market of Glascote.

Helping Hands

With the demand for already over-stretched local foodbanks being heightened during the COVID-19 pandemic, many of our Project participants have been unable to access such vital services or purchase essentials without additional support. With funding from the National Lottery Community Fund, Co-op Community Fund and Asda Foundation, Steps To Work established their Helping Hands initiative to deliver food hampers, medicine and other essential supplies directly to vulnerable Black Country residents who were having to shield. This funding also helped to cover utility bills for those who were significantly impacted throughout the pandemic.

Since November 2020, Helping Hands has spent over £8,000 on food and essential items for participants in need, supporting more than 200 vulnerable households within the community.

Our Commitments

Our Commitment to Investors In People, Leaders In Diversity & Disability Confident

At Steps To Work, we pride ourselves in being an employer who demonstrates fairness, equality and excellent communication, and supports its employees in their development. We are a Disability Confident Leader and hold Investors in People at Gold Standard and Leaders in Diversity Standards. These accreditations are beneficial to Steps To Work not only because they support our bid and tender applications, but they also help us to assess our practices on a continual basis and constantly strive to improve.



Our Commitment to Quality Standards (ISO 9001)

We are committed to using ISO 9001 to improve the quality-of-service provision 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 like HR and Finance.

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



Our Commitment to Environmentally 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 own and our partners' activities by placing the 'Environment' at the heart of our approach, complemented by the adoption of an Environmental Management System and objectives that are in line with the requirements of the ISO 14001 Standard.

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 focused 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 key areas, 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 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 our sites.



Information Security Management Systems (ISO 27001)

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 and Data Protection / GDPR.

Business Continuity Management Systems (ISO 22301)

We work towards the principles of the Business Continuity Management standard, as it provides the framework that enables Steps To Work to identify potential threats, as well as the impacts to business operations that those threats, if realised, might cause.

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 benefits that include:

- 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

Risks & Opportunities

Strategic Risks

Risk	Impact	Probability	Status	Forward Plan
If we do not deliver a £500k contribution to reserves during 2020/21, we will fail to strengthen our financial resilience and fail to deliver our agreed strategy.	H	L	Finance	Improve surplus on SPR; implement opportunities to create new business.
If we lose the MV contract with Walsall MBC, our cash flow may result in STW becoming non-viable.	H	L	SPR	The relationship with the contract management team is very good; children's services have committed to us; we are looking at ways to turn our agency staff into assets.
If the pandemic is not contained, staff might die.	H	L	HR	Rapid response to lockdown; slow response to return to office; purchase of disinfectant and PPE.
Funding for the two BBO Programmes (Bridges and Evolve) finish in September 2022.	H	H	Finance People	A new business development strategy is being implemented.
Our brand is invisible to customers, stakeholders and our own teams.	H	M	Marketing	Implementation of new brand strategy.
If we do not modify business processes following the pandemic we may lose ground.	H	M	Finance	Rattlesnake group review.
If the culture of the organisation is resistant to change, we are unlikely to seize opportunities and grow.	H	M	People	Monitor culture change through LT; implementation of HR strategy.
If we do not comply with the Charity Code of Governance, we will undermine our strategic aims.	H	L	Governance	Self-assessment and action plan; introduction of sub-committees and stakeholder structures.

Opportunities

Despite the COVID-19 pandemic and no-deal Brexit impacting significantly on the global economy, the Steps To Work group were successful in profit for the first time in the last decade, and continued with the positive transformation reported on in 2019-20. During 2020-21, we successfully contributed towards our 2019-22 strategic objectives by:

1. Strengthening our financial stability, adding £378k to the £1m reserves target.
2. Contingency and risk management, with minimal impact from the no-deal Brexit.
3. Outperforming competitors during the COVID-19 pandemic to secure number one position in the WHP supply chain.
4. Securing opportunities through JETS, the DWP Kickstart Scheme and the Restart Scheme.
5. Strengthening the trading arm capacity with talent management acquisition.

We are well positioned to take advantage of the following opportunities in 2021-22:

- Demonstration of thought leadership in EDI and the role of cognitive diversity in delivering superior performance.
- Modernisation efficiency and improved user experience through investment in appropriate software solutions and exploration of cloud technology.
- Continued success in securing contract opportunities for STW and SPR, including MV extension.
- Maximise our Social Value delivery and utilise our surplus to fulfil our purpose and deliver self-funded projects and initiatives.
- Extend brand reach and recognition for STW, SPR and all associated projects.
- Further development of our stakeholder and employer engagement strategies, including participation in the Walsall Skills Board.
- Continuous Improvement to aid growth, stabilise internal processes and eliminate waste.
- Establish a clear ongoing strategy for 2022-25.

Our Future

Compared to two years ago, this is a transformed organisation. We have turned around finances and culture. Our pipeline is more robust and our operational management is strong. Self-financing remains a long-term goal and as the differentiated business model brought about by combining Steps To Work and Starting Point Recruitment becomes clear, we remain committed to what we stated last year:

1. A non-project based Steps To Work that improves the employment capabilities of everyone we engage with;
2. A trading arm with effective employer engagement: loyal employer customers who rely on our thought leadership and expertise in deployment to enhance their own capabilities in a more uncertain future;
3. Partners that have the capacity to participate as equals within our supply chains.

Reducing Our Financial Vulnerability

Our target remains to increase financial reserves by £1m by March 2022.

Increasing The Profitability of Our Trading Arm

Covid-19 impacted upon the profitability of Starting Point Recruitment during 2020-21 with one-fifth of our agency workers being furloughed. Nevertheless, the profit achieved of £603k exceed that of the preceding year (£581k), which in itself was a record. During 2021-22 we will aim to deliver the £1m profit that eluded us during 2020-21 and look at how we can achieve a £1.5m profit during 2022-23, and a £4m annual surplus every year from 2025-26. This will mean acquiring more temporary agency worker contracts and using employer loyalty built through Steps To Work programmes as leverage for commercial recruitment.

Merging With Another Organisation

We failed in our first attempt at an acquisition, but we remain on the lookout for specialist recruitment services focusing on Equality, Diversity & Inclusion and Corporate Social Responsibility. We will also continue to look at other organisations with a similar ethos where added value can be gained through merger or strategic partnership and develop the capacity of partner organisations to recover our infrastructure cost and widen our capability.

Addressing Our Pension Deficit

Our pension deficit has increased from £1.9m to £3.6m from 2019-20 to 2020-21 because a change in financial assumptions made by the actuaries. We expect this deficit to reduce as interest rates rise. We know that we have a pension liability of £5.3m when we either close the LGPS scheme or the last person leaves. We have started talks with the West Midlands Pension Fund about making additional payments to pay the liability and any future deficit.

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 through employer engagement;
4. Prepare organisation for opportunities beyond April 2022;
5. Don't drop the ball on operational management.

Financial Review

NET Movement of Funds

During the period, the charity continued to comply with Financial Reporting Standard 102 and the Companies Act (2006); this has meant the pension reserve has increased from £1,956,000 to £3,579,000.

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 Funds at Year End

Unrestricted general funds have increased from £1,466,769 to £1,829,205 following the surplus before actuarial pension losses recorded in the year.

Grant Income

All 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 changing to cost recovery models during the COVID-19 pandemic.

Summarised Accounts

Steps to Work (A Company Limited by Guarantee)

Consolidated Statement of financial activities (incorporating income and expenditure account) For the Year Ended 31 March 2021

	Note	Designated funds 2021 £	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income and endowments from:						
Donations and legacies	4	-	24,818	161,832	186,650	-
Charitable activities	5	-	2,281,764	1,000	2,282,764	1,632,667
Other trading activities:						
Trading activities	6	-	-	11,895,862	11,895,862	13,448,961
Investments	7	-	-	615	615	2,385
Total income and endowments		-	2,306,582	12,059,309	14,365,891	15,084,013
Expenditure on:						
Raising funds	8	-	-	11,534,584	11,534,584	12,821,998
Charitable activities	9	57,301	2,423,000	22,223	2,502,524	2,535,535
Total expenditure		57,301	2,423,000	11,556,807	14,037,108	15,357,533
Net income/ (expenditure)		(57,301)	(116,418)	502,502	328,783	(273,520)
Transfers between funds	22	38,648	116,418	(155,066)	-	-
Net movement in funds before other recognised gains and losses		(18,653)	-	347,436	328,783	(273,520)
Actuarial (losses)/gains on defined benefit pension schemes	20	-	-	(1,608,000)	(1,608,000)	543,000
Net movement in funds		(18,653)	-	(1,260,564)	(1,279,217)	289,480
Reconciliation of funds:						
Total funds brought forward	22	73,803	-	(489,231)	(415,428)	(684,908)
Net movement in funds		(18,653)	-	(1,260,564)	(1,279,217)	289,480
Total funds carried forward	22	55,150	-	(1,749,795)	(1,694,645)	(415,428)

Steps to Work
(A Company Limited by Guarantee)
Registered number: 03738249

Consolidated Balance Sheet
For the Year Ended 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	55,149	73,803
Current assets			
Stocks	16	5,596	-
Debtors	17	1,643,841	1,932,843
Cash at bank and in hand		2,039,514	1,358,824
		<u>3,688,951</u>	<u>3,291,667</u>
Creditors: amounts falling due within one year	18	(1,859,746)	(1,824,898)
Net current assets		<u>1,829,205</u>	<u>1,466,769</u>
Total assets less current liabilities		<u>1,884,354</u>	<u>1,540,572</u>
Defined benefit pension scheme liability	20	(3,579,000)	(1,956,000)
Total net assets		<u><u>(1,694,646)</u></u>	<u><u>(415,428)</u></u>
Charity funds			
Designated Funds	22	55,149	73,803
Unrestricted funds			
Unrestricted funds excluding pension liability	22	1,829,205	1,466,769
Pension reserve	22	(3,579,000)	(1,956,000)
Total unrestricted funds	22	<u>(1,749,795)</u>	<u>(489,231)</u>
Total funds		<u><u>(1,694,646)</u></u>	<u><u>(415,428)</u></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 2021 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 16 September 2021 and will soon be submitted to the Charity Commission and Companies House. They received an unqualified audit report from Dains LLP on 16 September 2021 and copies can be obtained from Steps To Work (Walsall).

On behalf of the Board of Trustees

Mike Gahir
Chair of the Board of Trustees
16 September 2021

Steps to Work

(A company limited by guarantee)

Statement of Trustees' responsibilities

For the year ended 31 March 2021

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report including the Strategic 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 . 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 Group and the charitable company and of their incoming resources and application of resources, including their income and expenditure, 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 (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the charitable company 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 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
(A company limited by guarantee)

Independent auditor's report to the Members of Steps to Work

Opinion

We have audited the financial statements of Steps to Work (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Charitable company balance sheet, the Consolidated statement of cash flows 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 2021 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

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Steps to Work
(A company limited by guarantee)

Independent auditor's report to the Members of Steps to Work (continued)

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.

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 including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the 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 including the Strategic report.

We have nothing to report in respect of the following matters in relation to which 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.

Steps to Work
(A company limited by guarantee)

Independent auditor's report to the Members of Steps to Work (continued)

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.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management around actual and potential litigation and claims;
- Enquiry of management to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing internal audit reports;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

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

A further description of our responsibilities 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.

Steps to Work
(A company limited by guarantee)

Independent auditor's report to the Members of Steps to Work (continued)

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

16 September 2021

Steps to Work
(A company limited by guarantee)

Consolidated Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 March 2021

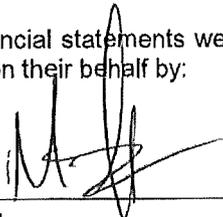
	Note	Designated funds 2021 £	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income and endowments from:						
Donations and legacies	4	-	24,818	161,832	186,650	-
Charitable activities	5	-	2,281,764	1,000	2,282,764	1,632,667
Other trading activities:	6					
Trading activities		-	-	11,895,861	11,895,861	13,448,961
Investments	7	-	-	615	615	2,385
Total income and endowments		-	2,306,582	12,059,308	14,365,890	15,084,013
Expenditure on:						
Raising funds	8	-	-	11,534,349	11,534,349	12,821,998
Charitable activities	9	57,301	2,423,000	22,458	2,502,759	2,535,535
Total expenditure		57,301	2,423,000	11,556,807	14,037,108	15,357,533
Net income/ (expenditure)		(57,301)	(116,418)	502,501	328,782	(273,520)
Transfers between funds	22	38,647	116,418	(155,065)	-	-
Net movement in funds before other recognised gains and losses		(18,654)	-	347,436	328,782	(273,520)
Actuarial (losses)/gains on defined benefit pension schemes	20	-	-	(1,608,000)	(1,608,000)	543,000
Net movement in funds		(18,654)	-	(1,260,564)	(1,279,218)	269,480
Reconciliation of funds:						
Total funds brought forward	22	73,803	-	(489,231)	(415,428)	(684,908)
Net movement in funds		(18,654)	-	(1,260,564)	(1,279,218)	269,480
Total funds carried forward	22	55,149	-	(1,749,795)	(1,694,646)	(415,428)

Steps to Work**(A company limited by guarantee)****Registered number: 03738249****Consolidated balance sheet****As at 31 March 2021**

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	55,149	73,803
Current assets			
Stocks	16	5,596	-
Debtors	17	1,643,841	1,932,843
Cash at bank and in hand		2,039,514	1,358,824
		<u>3,688,951</u>	<u>3,291,667</u>
Creditors: amounts falling due within one year	18	(1,859,746)	(1,824,898)
Net current assets		<u>1,829,205</u>	<u>1,466,769</u>
Total assets less current liabilities		<u>1,884,354</u>	<u>1,540,572</u>
Defined benefit pension scheme liability	20	(3,579,000)	(1,956,000)
Total net assets		<u>(1,694,646)</u>	<u>(415,428)</u>
Charity funds			
Designated Funds	22	55,149	73,803
Unrestricted funds			
Unrestricted funds excluding pension liability	22	1,829,205	1,466,769
Pension reserve	22	(3,579,000)	(1,956,000)
Total unrestricted funds	22	<u>(1,749,795)</u>	<u>(489,231)</u>
Total funds		<u>(1,694,646)</u>	<u>(415,428)</u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 16 September 2021 and signed on their behalf by:


M Gahir
Chair of the Board of Trustees

The notes on pages 10 to 33 form part of these financial statements.

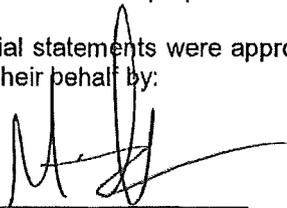
Steps to Work
(A company limited by guarantee)
Registered number: 03738249

Charity balance sheet
As at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	55,149	73,803
Investments	15	1	1
		<u>55,150</u>	<u>73,804</u>
Current assets			
Stocks	16	5,596	-
Debtors	17	1,098,282	799,797
Cash at bank and in hand		1,137,446	854,985
		<u>2,241,324</u>	<u>1,654,782</u>
Creditors: amounts falling due within one year	18	(545,517)	(321,412)
Net current assets		<u>1,695,807</u>	<u>1,333,370</u>
Total assets less current liabilities		<u>1,750,957</u>	<u>1,407,174</u>
Defined benefit pension scheme liability	20	(3,579,000)	(1,956,000)
Total net assets		<u><u>(1,828,043)</u></u>	<u><u>(548,826)</u></u>
Charity funds			
Designated funds		55,149	73,803
Unrestricted funds			
Unrestricted funds excluding pension liability		1,689,267	1,333,371
Pension reserve		(3,579,000)	(1,956,000)
Total unrestricted funds		<u>(1,883,192)</u>	<u>(622,629)</u>
Total funds		<u><u>(1,828,043)</u></u>	<u><u>(548,826)</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 16 September 2021 and signed on their behalf by:



M Gahir
Chair of the Board of Trustees

The notes on pages 10 to 33 form part of these financial statements.

Steps to Work
(A company limited by guarantee)

Consolidated statement of cash flows
For the year ended 31 March 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities	25	<u>718,723</u>	<u>383,055</u>
Cash flows from investing activities			
Dividends, interests and rents from investments		615	2,385
Purchase of fixed assets		<u>(38,648)</u>	<u>(45,704)</u>
Net cash used in investing activities		<u>(38,033)</u>	<u>(43,319)</u>
Change in cash and cash equivalents in the year		680,690	339,736
Cash and cash equivalents at the beginning of the year		<u>1,358,824</u>	<u>1,019,088</u>
Cash and cash equivalents at the end of the year	26	<u><u>2,039,514</u></u>	<u><u>1,358,824</u></u>

The notes on pages 10 to 33 form part of these financial statements

Steps to Work
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

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.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Steps to Work 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.

2.2 Basis of consolidation

The Consolidated Statement of Financial Activities (SOFA) and Consolidated 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.

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

The income and expenditure account for the year dealt with in the accounts of the company showed a deficit before actuarial losses of £277,243 (2020 - deficit of £859,526).

2.3 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.

2.4 Going concern

The Trustees have prepared cash flow forecasts through to 30 September 2022, 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.

Steps to Work
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

2. Accounting policies (continued)

2.5 Income

All income is recognised once the charitable 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.

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.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably;
- and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.6 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.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

2.7 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.

Steps to Work
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

2. Accounting policies (continued)

2.8 Government grants

The Coronavirus Job Retention Scheme income and the Coronavirus Initial Response Fund grant is accounted for under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the Consolidated Statement of Financial Activities in the same period as the related expenditure.

2.9 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.10 Taxation

The charitable 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 charitable 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.

2.11 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives are as follows:

Leasehold land and buildings	-	3 years
Furniture, fittings and equipment	-	3 years

2.12 Investments

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

2.13 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs.

2.14 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.

2. Accounting policies (continued)

2.15 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.

2.16 Liabilities

Liabilities and provisions 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 charitable 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 in the Consolidated statement of financial activities within interest payable and similar charges.

2.17 Financial instruments

The Group 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.

2.18 Operating leases

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

2.19 Pensions

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

The Group also operates a defined benefit pension scheme and the pension charge is based on a full actuarial valuation dated 31 March 2021.

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 factors other than cash contribution by the charity are charged to the Consolidated Statement of Financial Activities in accordance with Financial Reporting Standard 102.

2. Accounting policies (continued)

2.20 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 Group 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 Group 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.

Investment income, gains and losses are allocated to the appropriate fund.

3. 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
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

4. Income from donations and legacies

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Government grants				
Coronavirus Job Retention Scheme income	16,818	161,832	178,650	-
Coronavirus Initial Response Grant	8,000	-	8,000	-
	<u>24,818</u>	<u>161,832</u>	<u>186,650</u>	<u>-</u>

The Group furloughed certain employees under the government's Coronavirus Job Retention Scheme. The funding received of £178,650 relates to claims made in respect of the year.

The Group received £8,000 from the Coronavirus Response Fund designed to support the work of charities during the coronavirus outbreak in particular those providing key services and supporting vulnerable people during the crisis.

5. Income from charitable activities

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Support for the unemployed	2,281,764	1,000	2,282,764
	<u>2,281,764</u>	<u>1,000</u>	<u>2,282,764</u>

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Support for the unemployed	1,624,173	8,494	1,632,667
	<u>1,624,173</u>	<u>8,494</u>	<u>1,632,667</u>

Steps to Work
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2021 £	Total funds 2021 £
Trading subsidiary sales	11,895,861	11,895,861

	Unrestricted funds 2020 £	Total funds 2020 £
Trading subsidiary sales	13,448,961	13,448,961

7. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Investment income	615	615

	Unrestricted funds 2020 £	Total funds 2020 £
Investment income	2,385	2,385

Steps to Work
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

8. Expenditure on raising funds

Trading subsidiary expenses

	Unrestricted funds 2021 £	Total funds 2021 £
Cost of sales	11,241,778	11,241,778
Administration expenses	125,468	125,468
Administration staff costs	167,103	167,103
	<hr/> 11,534,349 <hr/>	<hr/> 11,534,349 <hr/>

	Unrestricted funds 2020 £	Total funds 2020 £
Cost of sales	12,397,672	12,397,672
Administration expenses	174,093	174,093
Administration staff costs	250,233	250,233
	<hr/> 12,821,998 <hr/>	<hr/> 12,821,998 <hr/>

Steps to Work
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

9. Analysis of expenditure on charitable activities

Summary by fund type

	Designated funds 2021 £	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Support for the unemployed	57,301	2,423,000	22,458	2,502,759

	Designated funds 2020 £	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Support for the unemployed	69,642	2,420,865	45,028	2,535,535

10. Analysis of expenditure by activities

	Direct costs 2021 £	Support costs 2021 £	Total funds 2021 £
Support for the unemployed	1,956,365	546,393	2,502,758

	Direct costs 2020 £	Support costs 2020 £	Total funds 2020 £
Support for the unemployed	2,105,997	429,538	2,535,535

Steps to Work
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

10. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2021 £	Total funds 2020 £
Direct salary costs	1,388,691	1,431,981
Beneficiary related costs	104,167	128,160
Advertising and promotion	40,559	24,872
Premises costs	365,647	451,325
Depreciation	57,301	69,659
	1,956,365	2,105,997

Analysis of support costs

	Total funds 2021 £	Total funds 2020 £
Management	270,363	170,415
Finance	60,959	51,827
Marketing	43,251	28,472
Human resources	58,943	55,967
Other	90,418	94,607
Governance costs	22,459	28,250
	546,393	429,538

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

Steps to Work
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

11. Auditor's remuneration

	2021 £	2020 £
Fees payable to the charitable company's auditor for the audit of the charitable company's annual accounts	13,800	13,400
Fees payable to the charitable company's auditor in respect of: Corporation tax compliance	1,000	975
	<u>1,000</u>	<u>975</u>

12. Staff costs

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	1,981,187	1,833,248	1,805,753	1,578,568
Social security costs	156,529	144,307	144,433	127,195
Pension	113,158	99,550	104,361	91,181
	<u>2,250,874</u>	<u>2,077,105</u>	<u>2,054,547</u>	<u>1,796,944</u>

The average number of persons employed by the charitable company during the year was as follows:

	Group 2021 No.	Group 2020 No.	Company 2021 No.	Company 2020 No.
Project officer	22	27	22	27
Employment agency	7	10	-	-
Administration and finance	38	30	38	30
	<u>67</u>	<u>67</u>	<u>60</u>	<u>57</u>

No employee received employee benefits (excluding employer pension costs) amounting to more than £60,000 in either year.

The amount of employee benefits received by key management personnel for their services to the charity totalled £230,207 (2020 - £141,415).

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 March 2021, no Trustee expenses have been incurred (2020 - £NIL).

Steps to Work
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

14. Tangible fixed assets

Group

	Leasehold land and buildings £	Furniture, fixtures and fittings £	Total £
Cost			
At 1 April 2020	19,139	430,957	450,096
Additions	-	38,648	38,648
At 31 March 2021	19,139	469,605	488,744
Depreciation			
At 1 April 2020	14,946	361,347	376,293
Charge for the year	2,096	55,206	57,302
At 31 March 2021	17,042	416,553	433,595
Net book value			
At 31 March 2021	2,097	53,052	55,149
At 31 March 2020	4,193	69,610	73,803

Steps to Work
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

14. Tangible fixed assets (continued)

Company

	Leasehold land and buildings £	Furniture, fixtures and fittings £	Total £
Cost			
At 1 April 2020	19,139	400,672	419,811
Additions	-	38,648	38,648
At 31 March 2021	<u>19,139</u>	<u>439,320</u>	<u>458,459</u>
Depreciation			
At 1 April 2020	14,946	331,062	346,008
Charge for the year	2,096	55,206	57,302
At 31 March 2021	<u>17,042</u>	<u>386,268</u>	<u>403,310</u>
Net book value			
At 31 March 2021	<u>2,097</u>	<u>53,052</u>	<u>55,149</u>
At 31 March 2020	<u>4,193</u>	<u>69,610</u>	<u>73,803</u>

Steps to Work
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

15. Fixed asset investments

Company	Investments in subsidiary companies £
Cost	
At 1 April 2020	1
At 31 March 2021	<u>1</u>
Net book value	
At 31 March 2021	<u>1</u>
<i>At 31 March 2020</i>	<u>1</u>

Steps to Work
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

15. Fixed asset investments (continued)

Principal subsidiaries

The following was a subsidiary undertaking of the charitable company included in the consolidation:

Name	Company number	Registered office	Class of shares	Holding
Starting Point Recruitment Limited	04560776	Floor 9 Townend House Wisemore Walsall England WS1 1NS	Ordinary	100%

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit for the year £	Net assets £
Starting Point Recruitment Limited	12,256,644	11,650,319	606,325	133,399

Starting Point Recruitment Limited is 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.

Steps to Work
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

16. Stocks

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Goods for resale	5,596	-	5,596	-

17. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	1,237,500	1,526,316	343,551	64,840
Amounts owed by group undertakings	-	-	673,725	657,456
Other debtors	-	8,565	-	8,565
Prepayments and accrued income	406,341	397,962	81,006	68,936
	1,643,841	1,932,843	1,098,282	799,797

18. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade creditors	792,908	932,058	90,334	61,777
Other taxation and social security	599,505	328,654	303,136	-
Other creditors	106,389	249,227	95,132	237,999
Accruals and deferred income	360,944	314,959	56,916	21,635
	1,859,746	1,824,898	545,517	321,412

19. Contingent liabilities

The income claims of the charity 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.

Steps to Work
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

20. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension charge represents contributions payable by the group to the fund and amounted to £89,595 (2020 - £79,410). Contributions of £10,799 (2020 - £9,577) were payable to the fund at the balance sheet date and are included in creditors.

The Group operates a defined benefit pension scheme.

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.

The full actuarial valuation of the defined benefit scheme was carried out at 31 March 2019, to review the financial position of the Fund and to set appropriate contribution rates for each employer in the Fund for the period 1 April 2020 and 31 March 2023 as required under Regulation 62 of the Local Government Pension Scheme Regulations 2013.

The company's share of the assets and liabilities of the scheme since joining have been estimated at 31 March 2021 by a qualified independent actuary on a Financial Reporting Standard 102 basis. The major assumptions at 31 March 2021 used by the actuary were:

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

	At 31 March 2021 %	At 31 March 2020 %
Discount rate	2.05	2.35
Future salary increases	3.85	2.80
Future pension increases	2.85	1.80

	At 31 March 2021 Years	At 31 March 2020 Years
Mortality rates (in years)		
- for a male aged 65 now	21.6	21.9
- at 65 for a male aged 45 now	23.9	23.8
- for a female aged 65 now	23.4	24.1
- at 65 for a female aged 45 now	25.8	26.0

Steps to Work
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

20. Pension commitments (continued)

Sensitivity analysis

	At 31 March 2021 £	At 31 March 2020 £
Discount rate +0.1%	232,000	166,000
Discount rate -0.1%	(239,000)	(171,000)
Salary increase +0.1%	(19,000)	(13,000)
Salary decrease -0.1%	18,000	12,000
Pension increase + deferred revaluation +0.1%	(218,000)	(159,000)
Pension increase + deferred revaluation -0.1%	212,000	155,000
Life expectancy +1 year	(398,000)	(241,000)
Life expectancy -1 year	381,000	232,000

The Group's share of the assets in the scheme was:

	At 31 March 2021 £	At 31 March 2020 £
Equities	3,283,000	2,627,000
Gilts	555,000	537,000
Other bonds	214,000	193,000
Property	403,000	411,000
Cash	333,000	166,000
Other	785,000	683,000
Total fair value of assets	5,573,000	4,617,000

The actual return on scheme assets was £895,000 (2020 - £(196,000)).

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

	2021 £	2020 £
Current service cost	91,000	94,000
Past service cost	-	69,000
Net interest on defined liability	45,000	58,000
Administrative expenses	3,000	3,000
Total amount recognised in the Consolidated statement of financial activities	139,000	224,000

Steps to Work
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

20. Pension commitments (continued)

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

	2021 £	2020 £
Opening defined benefit obligation	6,573,000	7,134,000
Interest cost	154,000	174,000
Current service cost	91,000	94,000
Past service cost	-	69,000
Contributions by scheme participants	18,000	17,000
Actuarial losses/(gains)	2,394,000	(803,000)
Benefits paid	(78,000)	(112,000)
Closing defined benefit obligation	9,152,000	6,573,000

Movements in the fair value of the Group's share of scheme assets were as follows:

	2021 £	2020 £
Opening fair value of scheme assets	4,617,000	4,710,000
Actuarial gains/(losses)	786,000	(260,000)
Interest income	109,000	116,000
Contributions by employer	124,000	149,000
Contributions by scheme participants	18,000	17,000
Benefits paid	(78,000)	(112,000)
Administration expenses	(3,000)	(3,000)
Closing fair value of scheme assets	5,573,000	4,617,000

21. Operating lease commitments

At 31 March 2021 the Group and the charitable company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Not later than 1 year	59,847	133,455	59,847	133,455
Later than 1 year and not later than 5 years	77,916	65,463	77,916	65,462
	137,763	198,918	137,763	198,917

Steps to Work
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

22. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 March 2021 £
Unrestricted funds						
General Funds	1,466,769	12,059,308	(11,541,807)	(155,065)	-	1,829,205
Pension reserve	(1,956,000)	-	(15,000)	-	(1,608,000)	(3,579,000)
	<u>(489,231)</u>	<u>12,059,308</u>	<u>(11,556,807)</u>	<u>(155,065)</u>	<u>(1,608,000)</u>	<u>(1,749,795)</u>
Designated funds						
Fixed assets	<u>73,803</u>	<u>-</u>	<u>(57,301)</u>	<u>38,647</u>	<u>-</u>	<u>55,149</u>
Restricted funds						
Support for the unemployed	<u>-</u>	<u>2,306,582</u>	<u>(2,423,000)</u>	<u>116,418</u>	<u>-</u>	<u>-</u>
Total of funds	<u><u>(415,428)</u></u>	<u><u>14,365,890</u></u>	<u><u>(14,037,108)</u></u>	<u><u>-</u></u>	<u><u>(1,608,000)</u></u>	<u><u>(1,694,646)</u></u>

Restricted funds represent the funds of the parent charitable company that are applied specifically to projects in helping people into employment.

Steps to Work
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

22. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2019	Income	Expenditure	Transfers in/(out)	Gains/ (Losses)	Balance at 31 March 2020
	£	£	£	£	£	£
Unrestricted funds						
General Funds	1,641,334	13,459,840	(12,792,026)	(842,379)	-	1,466,769
Pension reserve	(2,424,000)	-	(75,000)	-	543,000	(1,956,000)
	<u>(782,666)</u>	<u>13,459,840</u>	<u>(12,867,026)</u>	<u>(842,379)</u>	<u>543,000</u>	<u>(489,231)</u>
Designated funds						
Fixed assets	<u>97,758</u>	<u>-</u>	<u>(69,642)</u>	<u>45,687</u>	<u>-</u>	<u>73,803</u>
Restricted funds						
Support for the unemployed	<u>-</u>	<u>1,624,173</u>	<u>(2,420,865)</u>	<u>796,692</u>	<u>-</u>	<u>-</u>
Total of funds	<u><u>(684,908)</u></u>	<u><u>15,084,013</u></u>	<u><u>(15,357,533)</u></u>	<u><u>-</u></u>	<u><u>543,000</u></u>	<u><u>(415,428)</u></u>

Steps to Work
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

23. Summary of funds

Summary of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
General funds	(489,231)	12,059,308	(11,556,807)	(155,065)	(1,608,000)	(1,749,795)
Designated Funds	73,803	-	(57,301)	38,647	-	55,149
Restricted funds	-	2,306,582	(2,423,000)	116,418	-	-
	<u>(415,428)</u>	<u>14,365,890</u>	<u>(14,037,108)</u>	<u>-</u>	<u>(1,608,000)</u>	<u>(1,694,646)</u>

Summary of funds - prior year

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2020 £
General funds	(782,666)	13,459,840	(12,867,026)	(842,379)	543,000	(489,231)
Designated Funds	97,758	-	(69,642)	45,687	-	73,803
Restricted funds	-	1,624,173	(2,420,865)	796,692	-	-
	<u>(684,908)</u>	<u>15,084,013</u>	<u>(15,357,533)</u>	<u>-</u>	<u>543,000</u>	<u>(415,428)</u>

24. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Designated funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	55,149	-	55,149
Current assets	-	3,688,951	3,688,951
Creditors due within one year	-	(1,859,746)	(1,859,746)
Provisions for liabilities and charges	-	(3,579,000)	(3,579,000)
Total	<u>55,149</u>	<u>(1,749,795)</u>	<u>(1,694,646)</u>

Steps to Work
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

24. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Designated funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	73,803	-	73,803
Current assets		3,291,667	3,291,667
Creditors due within one year	-	(1,824,898)	(1,824,898)
Provisions for liabilities and charges	-	(1,956,000)	(1,956,000)
Total	<u>73,803</u>	<u>(489,231)</u>	<u>(415,428)</u>

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

	Group 2021 £	Group 2020 £
Net income/expenditure for the year (as per Statement of Financial Activities)	<u>328,782</u>	<u>(273,520)</u>
Adjustments for:		
Depreciation charges	57,302	69,659
Dividends, interests and rents from investments	(615)	(2,385)
Defined benefit pension contributions	(124,000)	(149,000)
Pension cost borne by pension fund	139,000	224,000
Decrease in debtors	289,002	714,937
Increase/(decrease) in creditors	34,848	(200,636)
(Increase) in stocks	(5,596)	-
Net cash provided by operating activities	<u>718,723</u>	<u>383,055</u>

26. Analysis of cash and cash equivalents

	Group 2021 £	Group 2020 £
Cash in hand	<u>2,039,514</u>	<u>1,358,824</u>
Total cash and cash equivalents	<u>2,039,514</u>	<u>1,358,824</u>

Steps to Work
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

27. Analysis of changes in net debt

	At 1 April 2020	Cash flows	At 31 March 2021
	£	£	£
Cash at bank and in hand	1,358,824	680,690	2,039,514

28. Related party transactions

As a result of management charges, commercial recharges and gift aid distributions, the Charity had a debtor with its subsidiary undertaking, Starting Point Recruitment Limited, at the balance sheet date of £673,725 (2020 - £657,456).

The group is related to PCS Mobile Solutions, PCS IT Services and Pure Cloud Solutions Ltd since Trustee D Lake is a Director of these companies. During the year, the group incurred expenditure with these companies of £5,554, £5,172 and £152,677 respectively. At the balance sheet date, trade creditors of £24,468 were due to these companies.