

Registered number: 03738249
Charity number: 1100403

Steps to Work

Trustees' report and financial statements

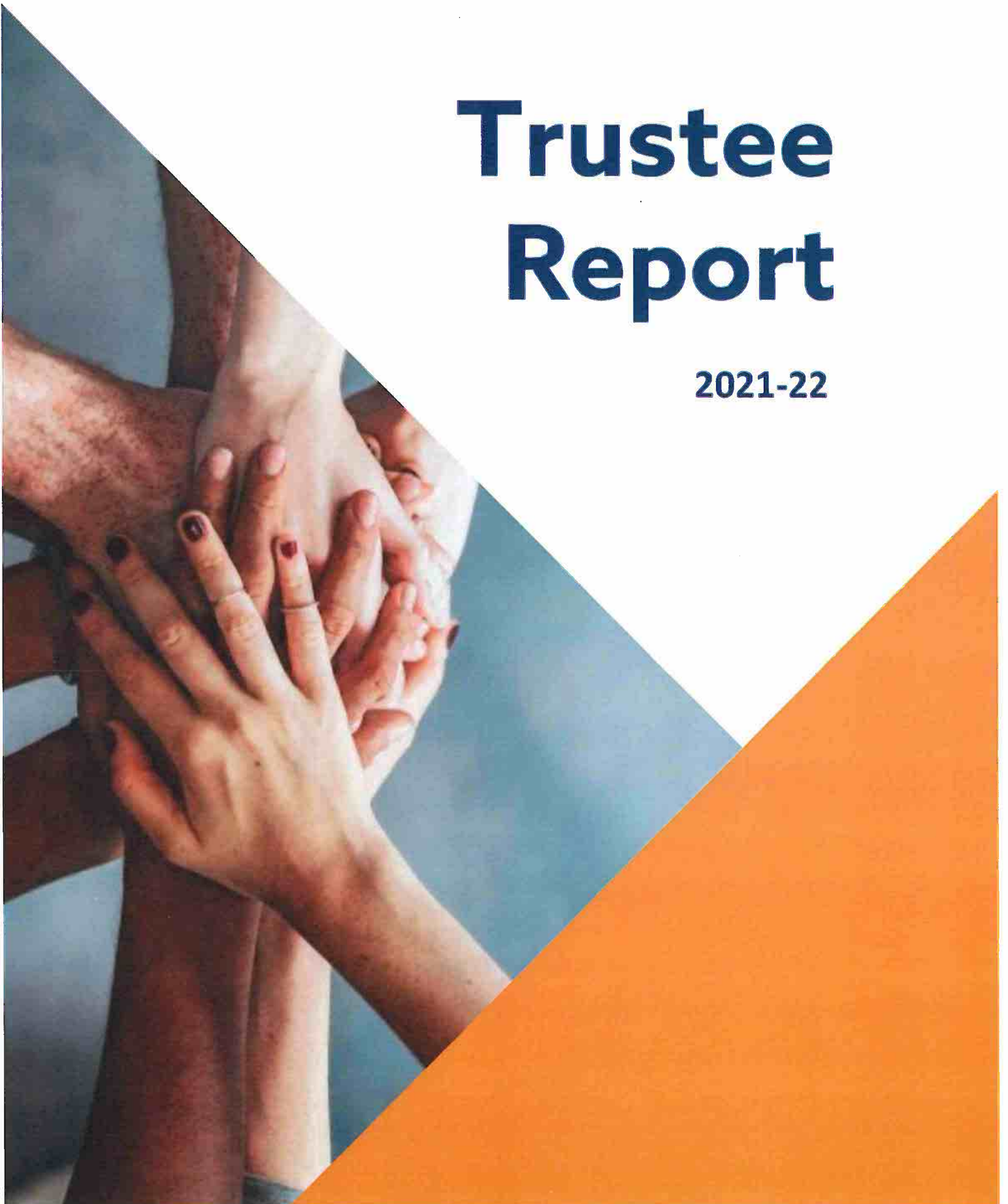
For the year ended 31 March 2022





Trustee Report

2021-22



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Statement from the Chair

I am delighted to have been appointed as Chair of the Board of Trustees at Steps To Work, having been a proud member of the Board since 2017. I would like to thank my predecessor, Mike Gahir, who has done an outstanding job in turning the charity around and leaving us in a stable position.

Compared to three years ago, this is a transformed organisation. We have turned around finances and culture. Our pipeline is more robust and our operational management is stronger. We have exceeded our target to increase financial reserves by £1m by March 2022, aligning with our strategic goal to become self-financing. It is remarkable that we are now able to report a positive balance sheet for the Group, in large part due to the reduction of our pension deficit. Importantly, the consolidated balance sheet now also reports net assets compared to previous years of net liabilities.

On top of this, the profitability of Starting Point Recruitment during 2021-22 has exceeded all previous years. We are well positioned to deliver a profit of £1m profit that eluded us during 2021-22 and look at how we can achieve a £1.5m profit during 2023-24. We expect to start two new trading arms in 2022-23 - training and enterprise - and I look forward to reporting progress.

Despite the lasting impacts of the pandemic, our projects have continued to deliver above expectations. The DWP Kickstart Scheme has enabled us to provide placement opportunities to help hundreds of young people forge new careers, whilst our delivery of WHP JETS and the DWP Restart Scheme has allowed us to give those people made redundant because of COVID a chance to change their future employment prospects. I would like to extend my heartfelt thanks to all members of staff across the Steps To Work Group for their hard work and dedication in helping those who are amongst the vulnerable members of our communities.

Looking ahead, I am excited by the prospects ahead and will be working closely with the Board and Executive Team to engage with and develop 10,000 people, who will help us to win the war on talent at a time when employers are faced with widening skills gaps and struggling to recruit. In a post-pandemic and post-Brexit world, charities such as Steps To Work will collaborate and partner with others to ensure that employer needs for skilled employees are addressed, and that every individual has the opportunity to find sustainable, rewarding and meaningful work.

I want us to reach out to all communities and find the best way to progress hidden talent. This will mean investing in local communities and the organisations that support them. We must improve opportunities to marginalised and under supported groups including lone parents, people who have experienced domestic violence, the ex-military and ex-offenders.

Our 3-year strategy is to improve our sustainability and our impact, and I will be looking for the Executive to drive that agenda and more. I will bring all my resources to bear ensuring that opportunities remain open and that we can pay our part in bringing the charity sector together under a common cause.

Prof. Paul Cadman
Chair of the Board of Trustees

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

Steps To Work 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 Executive 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 Executive 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 2021-22, 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.

Restructure of Committees

During 2021-22, the Executive Team alongside the completion of the Strategic Plan for 2022-25 and the preparation of the Transformation Programme 2022-25, revisited the committee structure. The previous structure had serviced a period of stabilisation. The key themes for the next 3 years is growth and impact. To support this the committee structure is now:

- STW Board
- SPR Board
- Finance
- Oversight
- Foresight

Board of Trustees

Prof. Paul Cadman (Chair)	Serial Entrepreneur
Mike Gahir (Outgoing Chair)	Director (Lakes Showering Spaces)
Sally Beavan (Vice-Chair)	Head of Business Management & Credit Enablement (Santander)
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 - Resigned March 2022
Darren Lake	Chief Executive Officer (Pure Cloud Solutions)
Prof. Deborah Lock	Director of Business School (Birmingham City University) - Joined January 2022
Rob Pollard	Director (Lightbox Digital)
Julie Teague	Managing Director (Lightbox Digital)
Sharon Thompson	Councillor (Birmingham City Council) - Resigned September 2021

Trustees who joined the Board during 2021-22 will be ratified at the Steps To Work Group AGM in November 2022, including Interim Chair.

Restructure of Executive Team

During 2021-22, the Executive Team was formed with the headhunting of a Deputy CEO and Chief Operations Officer.

Executive Team

Bhanu Dhir	Chief Executive Officer
Caroline Hill	Chief Finance Officer
Andrew Shaw	Deputy Chief Executive Officer
Nadine Watts	Chief Operations Officer

Wider Management Team

Michelle Bennett	Team Leader (JETS)
Debbie Bridgen	Head of Finance & Payroll
Tom Byrne	Marketing Manager
Gemma Calvin	Operations Project Lead
Janet Chell	Contract Co-ordinator (SPR)
Zoe Cunningham	Performance Operations Manager

Cieran Donnelly
Peter Dutton
Kate Dziuba
Emily Edwards
Ayesha Farooq
Stephanie Hammond
Shelley Henlan
Jassi Kainth
Veena Kaur
Helen Kennedy
Diane Morris
Nikki Nahal
Raj Sarai
Stacey Wain
Sean Whiley
Colleen White
Crystina Woolley

Operations Manager (SPR)
Partnership Co-ordinator (BBO Evolve)
Area Manager (BBO)
Team Leader (Kickstart)
Health, Safety & Wellbeing Officer
Head of EDI & Community Impact
Area Manager (WHP)
Commercial Operations Manager (SPR)
Team Leader (JETS)
Partnership Co-ordinator (BBO Evolve)
Bid Manager
Assistant Manager (Restart)
HR Manager
Partnership Co-ordinator (BBO Bridges)
Head of Sales, Training & Development
Partnership Co-ordinator (BBO Bridges)
Head of Quality & Governance

Registered Office

Floor 6 Townend House
Park Street
Walsall
WS1 1NS

Independent Auditor

Dains Audit Limited (formerly 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 support services and interventions to participants who are positioned furthest away from the labour market who often face multiple barriers to employment.

To date, the Bridges project has received over £19 million to deliver services across the Black Country; this is the largest amount of funding awarded across the country for a BBO programme. Evolve delivers services in the Staffordshire area and has received over £6 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 work, aged 25 years and over, and face 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. In 2021, we were advised that the programme had been extended until 2023, with an additional grant allocation received to help continue the support that participants are already receiving throughout the region.

Between April 2021 and March 2022, 804 new starters engaged with the programme, each of them receiving individually tailored support; 191 participants have progressed into employment and 117 into education or training. Since July 2016 to March 2022, a total of 5,136 participants have been supported by Bridges, with 1,814 progressing into employment, education or training and a further 188 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. As of 2021, Steps To Work began to undertake an active delivery role in this programme, having previously been the lead organisation solely responsible for managing the £6,261,433 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, it was announced in 2021 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 face significant barriers to employment. Between April 2021 and March 2022, 232 participants engaged with the Evolve programme, with 69 having progressed into employment and 62 into education or training. Since the project commenced, a total of 1,545 participants

have been supported by Evolve, with 593 having progressed into employment, education or training and a further 83 into independent job search.

In total, Bridges and Evolve have supported a total of 6,681 participants between July 2016 to March 2022, with 2,407 - albeit 36% of participants - progressing into employment opportunities, education or training, and 271 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.

Between April 2021 and March 2022, 823 new starters commenced the programme, each of them receiving individually tailored support; 143 participants have progressed into employment and 147 into education or training. Since the project launched in May 2020, 1,678 participants have engaged with Black Country Futures; of these, 251 have progressed into employment and 260 into education or training.

In addition, 69% of participants reported that their confidence and motivation had increased as a result of the support they received, whilst 1,091 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 2021 to 31st March 2022:

Starts	422
Job Entry - 1st jobs	245
2nd Day Jobs	84
Total jobs	329

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.

Between April 2021 and March 2022, 28,504 individuals have received support via JETS, amounting to a total of 36,574 since delivery began in November 2021. 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.

With the Scheme now entering its final months, Steps To Work have supported 63 employers to fill 247 placement opportunities for young people across a range of industry sectors, including rail, retail and recruitment. Of these placements, 80 young people have managed to sustained permanent employment within their placement company.

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 2021 and 31st March 2022, there have been 35 new starts on the Connecting Communities programme, with there being 25 job outcomes, 43 job retentions and 15 progressions into work. Steps To Work has generated £10,187 in income from the WMCA Connecting Communities contract during 2021-22.

Since launching in 2018, the programme has engaged with 438 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.

DWP Restart Scheme

Launched by the Department for Work & Pensions (DWP) in July 2021 as part of the Government's 'Plan for Jobs', the Restart Scheme is a £2.9bn programme designed to help the millions of people across the country whose employment prospects have been directly impacted by the COVID-19 pandemic.

As a localised sub-contractor to Serco, Steps To Work are providing Universal Credit claimants who have been out of work for at least 9 months with enhanced support to find jobs within their local area. The Scheme offers up to 12 months of tailored support to each participant, which involves working with them to identify their goals and aspirations based on previous experience, helping them to develop a work plan that highlights training and development opportunities, supporting their mental and physical health and wellbeing, and ensuring they retain their job and progress within their new role.

Since launching in July 2021, 646 individuals have received support via the Restart Scheme after being referred to Steps To Work by their JCP Work Coaches. Between July 2021 and 31st March 2022, 166 of these have secured job opportunities with 32 having achieved sustained employment.

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.



Certificate No:375482021

Our Commitment to Environmentally Sustainable Development

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)

ISO 27001 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 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.
Funding for the two BBO Programmes (Bridges and Evolve) finishes in April 2023.	M	H	Finance People	The needs of the economically inactive are not declining. We will fund continuation of service from reserves.
Our brand is invisible to customers, stakeholders and our own teams.	H	M	Marketing	Implementation of new brand strategy with external support.
If we do not modify business processes following the pandemic, we may lose ground.	H	M	Finance	Implementation of a new business model.
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 SLT; implementation of HR strategy. Implementation of new values 2022-23
If we do not comply with the Charity Code of Governance, we will undermine our strategic aims.	H	L	Governance	Continuous improvement managed by Oversight Committee.

Opportunities

Despite the ongoing COVID-19 pandemic significantly impacting upon the global economy, the Steps To Work Group were once again successful in profit and continued with the positive transformation reported on in 2020-21. During 2021-22, we successfully contributed towards our 2019-22 strategic objectives by:

1. Adding £1.2m to reserves, thereby beating the strategic target.
2. Development of new business opportunities in enterprise, apprenticeships and supporting education.
3. Continuing to outperform competitors on WHP and Restart.
4. Strengthening our trading arm capacity.

We are well positioned to take advantage of the following opportunities in 2022-23:

- 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 commercial opportunities for SPR.
- 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.
- Continuous Improvement to aid growth, stabilise internal processes and eliminate waste.
- Implement a clear ongoing strategy for 2022-25 based on improving sustainability and increasing our impact.

Our Future

Compared to three years ago, this is a transformed organisation. We have turned around finances and culture. Our pipeline is more robust and our operational management is stronger. 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. Trading arms 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

We have exceeded our target to increase financial reserves by £1m by March 2022.

Increasing The Profitability of Our Trading Arms

The profitability of Starting Point Recruitment during 2021-22 has exceeded all previous years. We are well positioned to deliver a profit of £1m profit that eluded us during 2021-22 and look at how we can achieve a £1.5m profit during 2023-24. We expect to start two new trading arms in 2022-23: training and enterprise and I look forward to reporting progress.

Merging With Another Organisation

Our strengthened financial position will enable us to consider this as an opportunity, should suitable partners be identified. In addition, we need to partner with more and more not for profit organisations to create a value chain across the West Midlands.

Addressing Our Pension Deficit

Our pension deficit has decreased significantly from 2020-21 to 2021-22, a reversal of the previous year's set back. Whilst we have a potential liability that would crystallise at the point we either close the LGPS scheme or the last person leaves. The Board are alive to the issue and are considering their strategy.

Strategic Objectives 2022-2025

1. Improve our sustainability through the addition of new trading arms;
2. Increase our impact through reaching out into communities and establishing a network of hubs;
3. Establish opportunities through the UK Shared Prosperity Fund;
4. Complete our business model that reaches into communities and develops a loyal band of employer customers;
5. Preparing for challenges beyond 2025.

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 decreased from £3,579,000 to £2,458,000

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 £1,829,205 to £2,600,327 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.

NET Incoming Resources

An Increase has been seen in the net incoming resources due to new contracts being undertaken by the parent charity.

Resources Expended

Total resources expended during the period have increased due to new projects beginning in the charitable parent.

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 2022

	Note	Designated funds 2022 £	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income and endowments from:						
Donations and legacies	4	-	-	5,329	5,329	186,650
Charitable activities	5	-	4,816,935	2,850	4,819,785	2,282,764
Trading activities	6	-	-	12,204,160	12,204,160	11,895,861
Investments	7	-	-	130	130	615
Total income and endowments		-	4,816,935	12,212,469	17,029,404	14,365,890
Expenditure on:						
Raising funds	8	-	-	11,258,563	11,258,563	11,534,349
Charitable activities	9	68,555	4,641,944	97,620	4,808,119	2,502,759
Total expenditure		68,555	4,641,944	11,356,183	16,066,682	14,037,108
Net income/ (expenditure)		(68,555)	174,991	856,286	962,722	328,782
Transfers between funds	22	341,155	(174,991)	(166,164)	-	-
Net movement in funds before other recognised gains and losses		272,600	-	690,122	962,722	328,782
Actuarial gains/(losses) on defined benefit pension schemes	20	-	-	1,202,000	1,202,000	(1,608,000)
Net movement in funds		272,600	-	1,892,122	2,164,722	(1,279,218)
Reconciliation of funds:						
Total funds brought forward	22	55,149	-	(1,749,795)	(1,694,646)	(415,428)
Net movement in funds		272,600	-	1,892,122	2,164,722	(1,279,218)
Total funds carried forward	22	327,749	-	142,327	470,076	(1,694,646)

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

Consolidated balance sheet
As at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	14	100,896	55,149
Current assets			
Stocks	16	11,555	5,596
Debtors	17	1,927,314	1,643,841
Cash at bank and in hand		3,292,606	2,039,514
		<u>5,231,475</u>	<u>3,688,951</u>
Creditors: amounts falling due within one year	18	(2,404,294)	(1,859,746)
Net current assets		<u>2,827,181</u>	<u>1,829,205</u>
Total assets less current liabilities		<u>2,928,076</u>	<u>1,884,354</u>
Defined benefit pension scheme liability	20	(2,458,000)	(3,579,000)
Total net assets		<u><u>470,076</u></u>	<u><u>(1,694,646)</u></u>
Charity funds			
Designated Funds	22	327,749	55,149
Restricted funds:			
Unrestricted funds excluding pension liability	22	2,800,327	1,829,205
Pension reserve	22	(2,458,000)	(3,579,000)
Total unrestricted funds	22	<u>142,327</u>	<u>(1,749,795)</u>
Total funds		<u><u>470,076</u></u>	<u><u>(1,694,646)</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 2022 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 14 October 2022 and will soon be submitted to the Charity Commission and Companies House. They received an unqualified audit report from Dains Audit Limited on 14 October 2022 and copies can be obtained from Steps To Work.

Disclosure of Information to Auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Auditor

The trustees, having been notified of the cessation of the partnership known as Dains LLP, resolved that MHA MacIntyre Hudson be appointed as successor auditor with effect from 1st April 2022. This is in accordance with section 485 of the Companies Act 2006.

On Behalf of the Board of Trustees

Prof. Paul Cadman
Chair of the Board of Trustees
23 November 2022



Steps To Work & Starting Point Recruitment,
Floor 6, Townend House, Park Street,
Walsall, WS1 1NS

01922 627555

www.stepstowork.co.uk | www.startingpointrecruitment.co.uk

Charity Number: 1100403

Steps to Work
(A company limited by guarantee)

Statement of Trustees' responsibilities
For the year ended 31 March 2022

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 year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 2022 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 2022 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 other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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.

Responsibilities of trustees

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

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

Steps to Work
(A company limited by guarantee)

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

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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the financial reporting legislation, Companies Act 2006, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

Steps to Work
(A company limited by guarantee)

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

Auditor's responsibilities for the audit of the financial statements (continued)

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.

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.

Dains Audit Limited

Andrew Morris FCA (Senior statutory auditor)

for and on behalf of
Dains Audit Limited

Statutory Auditor
Chartered Accountants

Birmingham

23 November 2022

Steps to Work
(A company limited by guarantee)

Consolidated Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 March 2022

	Note	Designated funds 2022 £	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income and endowments from:						
Donations and legacies	4	-	-	5,329	5,329	186,650
Charitable activities	5	-	4,816,935	2,850	4,819,785	2,282,764
Trading activities	6	-	-	12,204,160	12,204,160	11,895,861
Investments	7	-	-	130	130	615
Total income and endowments		-	4,816,935	12,212,469	17,029,404	14,365,890
Expenditure on:						
Raising funds	8	-	-	11,258,563	11,258,563	11,534,349
Charitable activities	9	68,555	4,641,944	97,620	4,808,119	2,502,759
Total expenditure		68,555	4,641,944	11,356,183	16,066,682	14,037,108
Net income/ (expenditure)		(68,555)	174,991	856,286	962,722	328,782
Transfers between funds	22	341,155	(174,991)	(166,164)	-	-
Net movement in funds before other recognised gains and losses		272,600	-	690,122	962,722	328,782
Actuarial gains/(losses) on defined benefit pension schemes	20	-	-	1,202,000	1,202,000	(1,608,000)
Net movement in funds		272,600	-	1,892,122	2,164,722	(1,279,218)
Reconciliation of funds:						
Total funds brought forward	22	55,149	-	(1,749,795)	(1,694,646)	(415,428)
Net movement in funds		272,600	-	1,892,122	2,164,722	(1,279,218)
Total funds carried forward	22	327,749	-	142,327	470,076	(1,694,646)

Steps to Work**(A company limited by guarantee)****Registered number: 03738249****Consolidated balance sheet****As at 31 March 2022**

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	14	100,895	55,149
Current assets			
Stocks	16	11,555	5,596
Debtors	17	1,927,314	1,643,841
Cash at bank and in hand		3,292,606	2,039,514
		<u>5,231,475</u>	<u>3,688,951</u>
Creditors: amounts falling due within one year	18	(2,404,294)	(1,859,746)
Net current assets		<u>2,827,181</u>	<u>1,829,205</u>
Total assets less current liabilities		<u>2,928,076</u>	<u>1,884,354</u>
Defined benefit pension scheme liability	20	(2,458,000)	(3,579,000)
Total net assets		<u><u>470,076</u></u>	<u><u>(1,694,646)</u></u>
Charity funds			
Designated Funds	22	327,749	55,149
Unrestricted funds excluding pension liability	22	2,600,327	1,829,205
Pension reserve	22	(2,458,000)	(3,579,000)
Total unrestricted funds	22	<u>142,327</u>	<u>(1,749,795)</u>
Total funds		<u><u>470,076</u></u>	<u><u>(1,694,646)</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 23 November 2022 and signed on their behalf by:


pccadman (Nov 23, 2022 11:16 GMT)

P Cadman
Chair of the Board of Trustees

The notes on pages 10 to 32 form part of these financial statements.

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

Charity balance sheet
As at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	14	100,895	55,149
Investments	15	1	1
		<u>100,896</u>	<u>55,150</u>
Current assets			
Stocks	16	11,555	5,596
Debtors	17	1,770,350	1,098,282
Cash at bank and in hand		1,745,716	1,137,446
		<u>3,527,621</u>	<u>2,241,324</u>
Creditors: amounts falling due within one year	18	(833,838)	(545,517)
Net current assets		<u>2,693,783</u>	<u>1,695,807</u>
Total assets less current liabilities		<u>2,794,679</u>	<u>1,750,957</u>
Defined benefit pension scheme liability	20	(2,458,000)	(3,579,000)
Total net assets		<u><u>336,679</u></u>	<u><u>(1,828,043)</u></u>
Charity funds			
Designated funds		327,749	55,149
Unrestricted funds			
Unrestricted funds excluding pension liability		2,466,930	1,695,808
Pension reserve		(2,458,000)	(3,579,000)
		<u>8,930</u>	<u>(1,883,192)</u>
Total funds		<u><u>336,679</u></u>	<u><u>(1,828,043)</u></u>

The charitable company's net movement in funds for the year was £2,164,722 (2021 - £(1,279,217)).

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 23 November 2022 and signed on their behalf by:


pincadman (11 Nov 23, 2022 11:16 GMT)

P Cadman
Chair of the Board of Trustees

The notes on pages 10 to 32 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 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash used in operating activities	25	<u>1,367,263</u>	<u>718,723</u>
Cash flows from investing activities			
Dividends, interests and rents from investments		130	615
Purchase of fixed assets		<u>(114,301)</u>	<u>(38,648)</u>
Net cash used in investing activities		<u>(114,171)</u>	<u>(38,033)</u>
Change in cash and cash equivalents in the year		1,253,092	680,690
Cash and cash equivalents at the beginning of the year		<u>2,039,514</u>	<u>1,358,824</u>
Cash and cash equivalents at the end of the year	26	<u><u>3,292,606</u></u>	<u><u>2,039,514</u></u>

The notes on pages 10 to 32 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 2022

1. General information

Steps to Work 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 2019), 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.

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

The charitable 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.

2.2 Company result

The income and expenditure account for the year dealt with in the financial statements of the charitable company showed a surplus before actuarial losses of £962,722 (2021 - a surplus before actuarial losses of £328,782).

2.3 Company status

The charitable 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

After making appropriate enquiries, the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

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.

2. Accounting policies (continued)

2.8 Government grants

Grants are 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 financial 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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

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.

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 2022.

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 2, 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.

Critical accounting estimates and assumptions:

Defined benefit pension scheme liability

The present value of the defined benefit pension scheme liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability.

Critical areas of judgement:

Depreciation

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.

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4. Income from donations and legacies

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Government grants			
Coronavirus Job Retention Scheme income	-	5,329	5,329
Coronavirus Initial Response Grant	-	-	-
	<u>-</u>	<u>5,329</u>	<u>5,329</u>
	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
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>

The Group furloughed certain employees under the government's Coronavirus Job Retention Scheme. The funding received of £5,329 (2021 - £178,650) relates to claims made in respect of the year.

The Group received funding of £Nil (2021 - £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 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Support for the unemployed	<u>4,816,935</u>	<u>2,850</u>	<u>4,819,785</u>
	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Support for the unemployed	<u>2,281,764</u>	<u>1,000</u>	<u>2,282,764</u>

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6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2022 £	Total funds 2022 £
Trading subsidiary revenue	12,204,160	12,204,160

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

7. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £
Investment income	130	130

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

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8. Expenditure on raising funds

Trading subsidiary expenditure

	Unrestricted funds 2022 £	Total funds 2022 £
Cost of sales	10,867,776	10,867,776
Administration expenses	140,581	140,581
Administration staff costs	250,206	250,206
	<u>11,258,563</u>	<u>11,258,563</u>

	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
	<u>11,534,349</u>	<u>11,534,349</u>

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9. Analysis of expenditure on charitable activities

Summary by fund type

	Designated funds 2022 £	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Support for the unemployed	68,555	4,641,944	97,620	4,808,119
	Designated funds 2021 £	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Support for the unemployed	57,301	2,408,000	37,458	2,502,759

10. Analysis of expenditure by activities

	Direct costs 2022 £	Support costs 2022 £	Total funds 2022 £
Support for the unemployed	4,248,284	559,835	4,808,119
	Direct costs 2021 £	Support costs 2021 £	Total funds 2021 £
Support for the unemployed	1,956,365	546,393	2,502,758

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10. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2022 £	Total funds 2021 £
Depreciation	68,555	57,301
Salary and temporary workers costs	3,231,254	1,388,691
Beneficiary related costs	289,977	104,167
Advertising and promotion	67,307	40,559
Premises costs	591,191	365,647
	<u>4,248,284</u>	<u>1,956,365</u>

Analysis of support costs

	Total funds 2022 £	Total funds 2021 £
Management	275,505	270,363
Finance	92,804	60,959
Marketing	44,160	43,251
Human resources	51,705	58,943
Other	79,042	90,418
Governance costs	16,619	22,459
	<u>559,835</u>	<u>546,393</u>

11. Auditor's remuneration

	2022 £	2021 £
Fees payable to the charitable company's auditor for the audit of the charitable company's annual accounts	14,495	13,800
Fees payable to the charitable company's auditor in respect of:		
Corporation tax compliance	<u>1,050</u>	<u>1,000</u>

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12. Staff costs

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	2,680,949	1,981,187	2,223,424	1,805,753
Social security costs	208,266	156,529	183,382	144,433
Pension	128,971	113,158	122,924	104,361
	<u>3,018,186</u>	<u>2,250,874</u>	<u>2,529,730</u>	<u>2,054,547</u>

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

	Group 2022 No.	Group 2021 No.	Company 2022 No.	Company 2021 No.
Project officer	40	22	40	22
Employment agency	9	7	-	-
Administration and finance	40	38	40	38
	<u>89</u>	<u>67</u>	<u>80</u>	<u>60</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2022 No.	Group 2021 No.
In the band £70,001 - £80,000	1	-
In the band £90,001 - £100,000	1	-

The amount of employee benefits received by key management personnel for their services to the charity totalled £250,560 (2021 - £230,207).

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 March 2022, no Trustee expenses have been incurred (2021 - £NIL).

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For the year ended 31 March 2022

14. Tangible fixed assets

Group

	Leasehold land and buildings £	Furniture, fixtures and fittings £	Total £
Cost			
At 1 April 2021	19,139	469,605	488,744
Additions	8,100	106,201	114,301
At 31 March 2022	27,239	575,806	603,045
Depreciation			
At 1 April 2021	17,042	416,553	433,595
Charge for the year	4,371	64,184	68,555
At 31 March 2022	21,413	480,737	502,150
Net book value			
At 31 March 2022	5,826	95,069	100,895
At 31 March 2021	2,097	53,052	55,149

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14. Tangible fixed assets (continued)

Company

	Leasehold land and buildings £	Furniture, fixtures and fittings £	Total £
Cost			
At 1 April 2021	19,139	439,320	458,459
Additions	8,100	106,201	114,301
At 31 March 2022	<u>27,239</u>	<u>545,521</u>	<u>572,760</u>
Depreciation			
At 1 April 2021	17,042	386,268	403,310
Charge for the year	4,371	64,184	68,555
At 31 March 2022	<u>21,413</u>	<u>450,452</u>	<u>471,865</u>
Net book value			
At 31 March 2022	<u>5,826</u>	<u>95,069</u>	<u>100,895</u>
At 31 March 2021	<u>2,097</u>	<u>53,052</u>	<u>55,149</u>

15. Fixed asset investments

Company	Investments in subsidiary company £
Cost	
At 1 April 2021	1
At 31 March 2022	<u>1</u>

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15. Fixed asset investments (continued)

Principal subsidiaries

The following was a subsidiary undertaking of the charitable company:

Name	Company number	Registered office	Class of shares	Holding
Starting Point Recruitment Limited	04560776	Floor 6 Townend House Park Street 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	13,307,604	(12,505,987)	801,617	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.

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16. Stocks

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Goods for resale	11,555	5,596	11,555	5,596

17. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade debtors	1,035,140	1,237,500	251,121	343,551
Amounts owed by group undertakings	-	-	770,080	673,725
Other debtors	493,188	-	484,098	-
Prepayments and accrued income	398,986	406,341	265,051	81,006
	1,927,314	1,643,841	1,770,350	1,098,282

18. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade creditors	1,363,590	792,908	510,426	90,334
Other taxation and social security	540,842	599,505	172,872	303,136
Other creditors	5,390	106,389	-	95,132
Accruals and deferred income	494,472	360,944	150,540	56,915
	2,404,294	1,859,746	833,838	545,517

19. Contingent liabilities

The income claims of the charity are subject to periodic audits 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 clawback provision is made in the financial statements.

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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 £117,431 (2021 - £89,595). Contributions of £10,762 (2021 - £10,799) 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 2022 by a qualified independent actuary on a Financial Reporting Standard 102 basis. The major assumptions at 31 March 2022 used by the actuary were:

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

	At 31 March 2022 %	At 31 March 2021 %
Discount rate	2.75	2.05
Future salary increases	4.15	3.85
Future pension increases	3.15	2.85
	At 31 March 2022 Years	At 31 March 2021 Years
Mortality rates (in years)		
- for a male aged 65 now	21.2	21.6
- at 65 for a male aged 45 now	22.9	23.9
- for a female aged 65 now	23.6	23.4
- at 65 for a female aged 45 now	25.4	25.8

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20. Pension commitments (continued)

Sensitivity analysis

	At 31 March 2022 £	At 31 March 2021 £
Discount rate +0.1%	(196,000)	232,000
Discount rate -0.1%	196,000	(239,000)
Salary increase +0.1%	20,000	(218,000)
Salary increase -0.1%	(20,000)	212,000
Pension increase + deferred revaluation +0.1%	175,000	(19,000)
Pension increase + deferred revaluation -0.1%	(175,000)	18,000
Life expectancy +1 year	342,000	(398,000)
Life expectancy -1 year	(342,000)	381,000

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

	At 31 March 2022 £	At 31 March 2021 £
Equities	4,083,000	3,283,000
Gilts	-	555,000
Other bonds	1,341,000	214,000
Property	427,000	403,000
Cash	243,000	333,000
Other	-	785,000
Total fair value of assets	6,094,000	5,573,000

The actual return on scheme assets was £461,000 (2021 - £895,000).

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

	2022 £	2021 £
Current service cost	127,000	91,000
Net interest on defined liability	73,000	45,000
Administrative expenses	-	3,000
Total amount recognised in the Consolidated statement of financial activities	200,000	139,000

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20. Pension commitments (continued)

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

	2022 £	2021 £
Opening defined benefit obligation	9,152,000	6,573,000
Past service cost	-	18,000
Actuarial (gains)/losses	(856,000)	2,394,000
Benefits paid	(76,000)	(78,000)
Interest cost	188,000	154,000
Current service cost	127,000	91,000
Closing defined benefit obligation	8,535,000	9,152,000

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

	2022 £	2021 £
Opening fair value of scheme assets	5,573,000	4,617,000
Interest income	115,000	109,000
Actuarial gains	346,000	786,000
Contributions by employer	119,000	124,000
Contributions by scheme participants	-	18,000
Benefits paid	(76,000)	(78,000)
Administration expenses	-	(3,000)
Closing fair value of scheme assets	6,077,000	5,573,000

21. Operating lease commitments

At 31 March 2022 the Group and the charitable company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Not later than 1 year	44,523	59,847	44,523	59,847
Later than 1 year and not later than 5 years	33,392	77,916	33,392	77,916
	77,915	137,763	77,915	137,763

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22. Statement of funds

Statement of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 March 2022 £
Unrestricted funds						
General Funds	1,829,205	12,212,469	(11,275,183)	(166,164)	-	2,600,327
Pension reserve	(3,579,000)	-	(81,000)	-	1,202,000	(2,458,000)
	<u>(1,749,795)</u>	<u>12,212,469</u>	<u>(11,356,183)</u>	<u>(166,164)</u>	<u>1,202,000</u>	<u>142,327</u>
Designated funds						
Fixed assets	55,149	-	(68,555)	114,301	-	100,895
Redundancy	-	-	-	226,854	-	226,854
	<u>55,149</u>	<u>-</u>	<u>(68,555)</u>	<u>341,155</u>	<u>-</u>	<u>327,749</u>
Restricted funds						
Support for the unemployed	-	4,816,935	(4,641,944)	(174,991)	-	-
Total of funds	<u>(1,694,646)</u>	<u>17,029,404</u>	<u>(16,066,682)</u>	<u>-</u>	<u>1,202,000</u>	<u>470,076</u>

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

Designated funds comprise amounts tied up in fixed assets and amounts ringfenced to cover potential future redundancy costs on completion of specific projects.

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22. Statement of funds (continued)

Statement of funds - prior 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>(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>

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23. Summary of funds

Summary of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
General funds	(1,749,795)	12,212,469	(11,356,183)	(166,164)	1,202,000	142,327
Designated funds	55,149	-	(68,555)	341,155	-	327,749
Restricted funds	-	4,816,935	(4,641,944)	(174,991)	-	-
	<u>(1,694,646)</u>	<u>17,029,404</u>	<u>(16,066,682)</u>	<u>-</u>	<u>1,202,000</u>	<u>470,076</u>

Summary of funds - prior 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>

24. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Designated funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	100,895	-	100,895
Current assets	226,854	5,004,621	5,231,475
Creditors due within one year	-	(2,404,294)	(2,404,294)
Provisions for liabilities and charges	-	(2,458,000)	(2,458,000)
Total	<u>327,749</u>	<u>142,327</u>	<u>470,076</u>

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24. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior 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	55,149	(1,749,795)	(1,694,646)

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

	Group 2022 £	Group 2021 £
Net income for the year (as per Statement of Financial Activities)	962,722	328,782
Adjustments for:		
Depreciation charges	68,555	57,302
Dividends, interests and rents from investments	(130)	(615)
Defined benefit pension contributions	(119,000)	(124,000)
Pension cost borne by pension fund	200,000	139,000
Increase in debtors	(283,473)	289,002
Increase in creditors	544,548	34,848
(Increase) in stocks	(5,959)	(5,596)
Net cash provided by operating activities	1,367,263	718,723

26. Analysis of cash and cash equivalents

	Group 2022 £	Group 2021 £
Cash in hand	3,292,606	2,039,514
Total cash and cash equivalents	3,292,606	2,039,514

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27. Analysis of changes in net debt

	At 1 April 2021	Cash flows	At 31 March 2022
	£	£	£
Cash at bank and in hand	<u>2,039,514</u>	<u>1,253,092</u>	<u>3,292,606</u>

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 £770,080 (2021 - £673,725).

The group is related to PCS Mobile Solutions, PCS IT Services and Pure Cloud Solutions Ltd since Trustee D Lake is a Director at each of these companies. During the year, the group incurred expenditure with these companies of £17,501, £Nil and £361,395 respectively (2021 - £5,554, £5,172 and £152,677 respectively). At the balance sheet date, trade creditors of £39,418 (2021 - £24,468) were due to these companies.