

Report and financial statements for the year ended 31 March 2020

Registration number 25597R

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Report of the Board for the year ended 31 March 2020

Reference and Administrative Information

1. Non Executive Board Members

Graham Russell	Chair of the Board
Liz Hine	Vice-Chair of the Board
Carrie Pooler	
Paddy Cooney	
Richard Gleave	
Kelvin Blake	
Katie Norton	
Tharsha Sivayokan	
Chris Roberts	

2. Senior Leadership Team

Aileen Edwards*	Chief Executive
Andy Warren*	Director of Quality & Performance (from 4 November 2019)
Richard Carling*	Director of Finance & IT (from 7 October 2019)
Jess Slack*	Director of Finance & IT (until 31 August 2019)
Chris Kinston	Senior Operations Manager
Sophie Bailie	Senior Operations Manager
Jason Parker	Senior Operations Manager
Hannah Mahoney	Golden Key Programme Manager
Ola Myszkowski	Interim Head of HR

*Executive Board Members

3. Registered Office

9 Brunswick Square, Bristol, BS2 8PE

4. Registration Number

25597R

Registered as an exempt charity under the Co-operative and Community Benefit Societies Act 2014.

5. Bankers

National Westminster Bank plc.
21a Somerset Square, Bristol, BS19 2GE

6. Auditors

RSM UK Audit LLP
Registered Auditors
Hartwell House
55-61 Victoria Street
Bristol
BS1 6AD

Report of the Board for the year ended 31 March 2020

Introduction

The Board presents their report and accounts for the year ended 31 March 2020. The accounts have been prepared in accordance with the accounting policies set out on pages 20-22. The report and accounts comply with the Co-operative and Community Benefit Societies Act 2014 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard 102 applicable in the UK and Republic of Ireland published on 16 July 2014.

Public Benefit Statement

In setting our objectives and planning our activities the Board has given careful consideration to the Charity Commission's general guidance on public benefit. Details on how we have demonstrated public benefit can be found in our Performance Review and Achievements section on page 4.

About us and our objectives

Second Step is a leading mental health charity in the South West providing support, housing and hope to thousands of people with mental health problems. Based in Bristol, we also work in North Somerset, South Gloucestershire, Somerset and Bath and North East Somerset.

Second Step is an exempt charity. Its objects (as stated in our rules) shall be to carry on, for the benefit for the community:

- The business of providing and managing housing and social housing and providing assistance to help house people and associated facilities and amenities or services for poor people or for the relief of aged, disabled (whether physically or mentally) or chronically sick people;
- Any other charitable object that can be carried out from time-to-time by an Industrial and Provident Society.

Mission Statement

We promote mental health and wellbeing by supporting people and communities to build brighter futures.

Our vision and approach

We believe in a world where everyone affected by mental health problems can create a positive future. We support people in all aspects of their lives, and we do this in four main ways by helping people:

- Become mentally and physically healthy
- Have a home and decent housing
- Be part of their community
- Find a purpose through volunteering, developing skills and employment

Report of the Board for the year ended 31 March 2020

Our Values

Underpinning the vision and plan of action to achieve Second Step's objectives are clear values:

- **Believing in hope and courage** – Recovery becomes a reality when we are confident, courageous and inspire hope in one another. Change happens and we can achieve great things
- **Succeeding together** – We're at our best when we work together – staff, service users, carers and partners – making the most of each other's talents and strengths
- **Building Trust** – When we act with integrity, when we strive to be honest with ourselves and those around us, we can build strong bonds of trust
- **Celebrating Diversity** – We value our differences, understanding that being kind and respectful to each other makes us strong
- **Learning and growing** – By listening and thinking about how we can learn from our actions, we can help to create real change for ourselves and inspire those around us

Principle Activities

Second Step achieves its objectives by delivering support contracts for local authorities, NHS trusts and Clinical Commissioning Groups across the West of England, as well as undertaking pilot projects to identify new ways to support people and find ways to change the way the current system works.

Our key streams of activity are:

- Provision of Community Mental Health Services as part of Bristol Mental Health, a sub contractor for Avon and Wiltshire Mental Health Partnership NHS Trust (AWP);
- Lead contractor for the provision of the Community Rehabilitation Service part of Bristol Mental Health;
- Lead agency for a National Lottery Community Fund programme, Golden Key, in Bristol;
- Tenancy and mental health support; as well as managing 131 residential units on behalf of housing associations;
- A service providing innovative solutions for individuals with complex needs in Somerset, called Step Together;
- Floating support in Bath and North East Somerset and in Bristol; and
- Volunteering and mentoring.

Report of the Board for the year ended 31 March 2020

Performance Review and Achievements

2019-20 was a year of growth for Second Step, in terms of both the geography and type of services delivered. We started delivering Step Together, a support service for people with complex needs in Somerset, in April 2019. We also won some new contracts which will start in 2020-21.

1. Community Mental Health Services

Second Step is the lead partner in delivering the Community Rehabilitation Service across Bristol, sub-contracting some elements to Avon and Wiltshire Mental Health Partnership NHS Trust (AWP) and Missing Link. During the year we supported 173 individuals (2018-19: 151) against a target of 130 through accommodation and community support. 67% of clients discharged were discharged to GP services, which is a good result for services where people have long-term mental health needs.

Second Step is also a sub-contractor to AWP in the provision of Assessment and Recovery, Crisis and Early Intervention services. Second Step led in introducing and embedding psycho-social voluntary and community sector roles throughout these three teams. The service strives to achieve the best mental health and wellbeing for all the people of Bristol by ensuring everyone receives the treatment and support they need to take control of their own mental health and lead fulfilling lives.

As part of the AWP sub-contract, Second Step also runs the Bristol Wellbeing College, which provides a range of recovery, wellbeing and educational courses to service users of Bristol Mental Health services, and carers. During 2019-20 we delivered courses to 1,196 learners (445 unique learners). 94% of Wellbeing College learners reported an improvement in their mental health and wellbeing.

Second Step's contracts for Bristol Community Mental Health Services have been extended to September 2021 (they were originally due to finish in September 2019).

We also run the North Somerset Wellbeing Service which uses Wellbeing College style groups and courses as well as providing some one-to-one sessions. The service offers motivation and support to help people take a step forward in their recovery journey.

2. Golden Key

Golden Key is a partnership of 19 organisations from Bristol. Second Step is the lead accountable agency for this partnership. Golden Key works with its partners to improve services for Bristol citizens with the most complex needs. By working closely with these clients, we are able to see the system through their eyes and pinpoint areas where it is not working. We use this information to identify the changes services need to make for the better, both strategically and operationally.

Working to deliver systems change to improve services is a distinctive part of how Second Step operates across all its services.

The Golden Key partnership is an eight-year pilot funded by the National Lottery Community Fund. Its work is continuously and independently evaluated by both local

Report of the Board for the year ended 31 March 2020

and national evaluators. This is so lessons can be learned about how services can be made better for the most vulnerable – not just here in Bristol but across the whole of England. Golden Key completed its fifth year in June 2019.

The Service Coordinator Team (SCT) assists people with multiple disadvantages, aiming to improve these individuals' experiences with the services which already exist to support them. The SCT present cases to the Creative Solutions Board, a group of strategic leaders who meet on a monthly basis with the aim of working collaboratively to identify creative, long-term solutions for people with highly complex needs, and who present risks related to their mental and physical health, substance misuse, homelessness and offending. Between April 2019 and March 2020 the SCT worked with a total of 156 clients.

Housing First is a housing and support approach which gives people who have experienced homelessness and chronic health and social care needs a stable home from which to rebuild their lives. Housing First provides intensive, person-centred, holistic support that is open-ended. This year the total number of people housed by Housing First reached 22, with 782 face to face support sessions provided.

3. Homelessness Pathways, Supported Housing and Floating Support

Second Step is the lead contractor on Bristol City Council's Homelessness Mixed Pathway (working with three sub-contractors) and is a sub-contractor to the Salvation Army on the Men's Pathway.

The High Support Accommodation Service is split over three housing projects and works within the Bristol Homelessness Pathways - 19 flats are in the Male Pathway and 20 flats are in the Mixed Pathway. These services support rough sleepers and those classed as homeless with complex needs aged 22 and over.

The Supported Housing Service provides accommodation with medium levels of support and is a mix of shared and self-contained accommodation across the city. It is comprised of 61 units (40 in the Male and 21 in the Mixed Pathway). The service outcomes are to improve living skills and prepare for independent accommodation.

Across all our work in the homelessness pathways we have kept voids within target and are on target for planned departures from the Mixed Pathway. However, it continues to prove challenging (for all partners) to move tenants onto the next stages in the pathways, with a lack of alternative accommodation available, particularly for those with drug or alcohol issues.

We also provide Supported Housing for those in Long Term Accommodation, with 31 units of self-contained accommodation (including one BME scheme of 8 units) for service users with significant mental health issues but who only require a low level of on-going support.

4. Step Together

Step Together is a service providing innovative solutions for individuals with complex needs in Somerset, which we started to deliver in April 2019. The service operates on an outreach basis, working with individuals in the community.

Rather than being a provider of accommodation, this service works with a range of support services, landlords and housing providers to remove barriers and increase access to stable accommodation.

The Service focuses on a core group of adults with complex and multiple needs stemming from a combination of mental health needs, substance misuse and behaviours that often result in them being 'hard to reach'. Many of these adults are unable to find a sustainable housing solution and find themselves, "stuck in the system". Second Step enables people to maintain and improve their independence and wellbeing whilst also preventing them from needing to access more acute or crisis-based social care and health provisions. The service aims to prevent repeat homelessness as a result.

5. Psychologically Informed Therapies

We provided services as part of the national Improving Access to Psychological Therapies (IAPT) programme in North Somerset, Bristol and South Gloucestershire.

In North Somerset, this service was called Positive Step and was provided in partnership with AWP. We also provided Wellbeing Therapies in Bristol and South Gloucestershire under the "Any Qualified Provider" model. This worked on a spot purchase basis with the Bristol, North Somerset and South Gloucestershire Clinical Commissioning Group (BNSSG).

The IAPT services were retendered during 2018-19 across Bristol, North Somerset and South Gloucestershire as a single service; unfortunately we were not successful in retaining these services. We therefore transferred these services to another provider in August 2019.

6. Floating Support and Other Mental Health Services

We continued to provide floating support services in Bristol and in Bath and North East Somerset (BANES). The service offers tailored one-to-one practical and emotional support to help individuals to become as independent as possible, improve their wellbeing and reduce their need for longer term support. The service worked with 36 clients during the year, each receiving between 1 and 13 support hours per week. Most of this work is paid per hour of support delivered. It continues to be challenging to make this type of "spot" contract financially viable.

The Hope project is aimed at reducing male suicides by engaging with men aged between 30 and 64 who have self harmed and/or are in psychological distress due to financial, housing or employment pressures and who are not in touch with mental health services. During the year the service worked with 273 men and an initial

Report of the Board for the year ended 31 March 2020

evaluation by Bristol University found that the service to be very successful at reducing the risk of suicide.

We delivered a number of other services during the year, including a continuation of the Bristol Ageing Better project, in partnership with Age UK, which provides talking therapies to people over 50 in their own homes who are lonely or isolated.

7. Volunteering

There is a range of volunteering opportunities for volunteers in Second Step which provide different experiences and give people the opportunity to build on different skill sets. These are:

- **One to one mentoring** – this is available for different lengths of time depending on the service it is in. Mentors support mentees to build their confidence and build links with the community.
- **Peer Mentoring** – this is only in Golden Key at the moment. Peer mentors provide similar support as above but with the element of lived experience.
- **Activities volunteer** – this is to support groups and activities. Volunteers may run sessions such as cooking, music etc. or help facilitate one being run by staff or professionals (such as yoga).
- **Course support** – this is to support course facilitators / tutors in wellbeing courses. This is currently a feature of our Wellbeing College. The volunteer welcomes participants, provides refreshments and supports the facilitator where needed.
- **Friends and Family feedback** – these volunteers provide telephone support to service users and carers to gather feedback around the services provided to them.

In 2019-20 we had 143 volunteers contributing 5,040 hours of support through a range of activities. Over half of the volunteers are peers who have their own direct experience of mental health problems.

Financial review

The Board reports a surplus for the year of £73,000 (2018-19 – surplus of £3,000). This is a modest amount in proportion to our income and reflects the small margins within which we are operating. We purposely operate to modest margins in order to ensure that our resources are being used to support service users, together with key investments to improve the way we operate.

Income for 2019-20 was £11.7m (2018-19 - £10.7m), an increase of 9%. The increase was mostly due to the new Step Together service, for which we received £690k income to provide support to individuals with complex needs in Somerset.

Report of the Board for the year ended 31 March 2020

Expenditure for the year was £11.6m (2018-19 - £10.7m), an increase of 9%. In addition to the increase in direct costs to deliver new services, the increase also reflects an investment in IT, office space, management capacity and new business. This increase has been driven by success in winning contracts, particularly in Somerset. We have continued to invest in IT systems to support our work, moving more of our services onto the client relationship management system, and moving to a new housing management system.

The balance sheet is in a very similar position to the previous year. The main difference is that debtors are higher and cash is lower by £1m, which is just due to the timing of payments for contracts.

Reserves Policy

Reserves are categorized into two main headings, Restricted and Unrestricted:

1. Restricted Funds – funds received under a restriction applied by the donor to spend on a particular activity or for the benefit of a certain group. These funds can only be spent on the specified purpose and are not available to cover general expenditure.
2. Unrestricted Funds – funds that have no restriction in how they can be spent. They are available for the organisation to spend on any type of expenditure that furthers the charity's objectives.

We need to maintain a level of unrestricted funds in order to ensure the continuing health of Second Step, invest in new assets, provide working capital to help cushion the impact of uneven cash flows, avoid unnecessary use of borrowing and to meet its contractual obligations to clients and staff in the event of termination (or part cessation) of contracts.

The Board is responsible for ensuring the adequacy of Unrestricted Reserves when it sets the budget for the next financial year. The reserves policy is reviewed at least annually and at any other time the Board considers appropriate.

Second Step has adopted a tiered approach to set a minimum level of Unrestricted Reserves:

1. Applying a risk identification approach to future service related cash flows;
2. Identifying specific liabilities that might crystallise in worst case scenarios; and
3. Allowing for investment in major projects.

Following the above procedure, Second Step set £1.2m as the minimum level of unrestricted free reserves for 2019-20. This was reviewed in May 2020 and kept at the same level for 2020-21.

At 31 March 2020 we had £2.1m of Unrestricted Reserves (2019: £2.0m) which is in excess of our minimum required of £1.2m per our Reserves Policy. This means that we have money that is available for business plan investments. The Board reviews these plans and anticipates using these reserves for investments in client management systems, office space

Report of the Board for the year ended 31 March 2020

and our housing strategy. Having additional reserves also enables us to implement new contracts quickly.

Risk Management

The Senior Leadership Team is responsible for ensuring there is a robust system of risk identification and recording across the organisation. Top risks are identified through this process and reported to the Board.

The top risks currently identified (June 2020) are;

- Changes in policy and financial pressures from government / local authority / NHS
- Increased complexity of need of our service users
- Mental health of service users deteriorates due to the covid-19 situation

Once risks have been identified, the Senior Leadership Team identifies actions that need to be taken to mitigate the risks. These are reviewed and monitored by the Board.

The covid-19 pandemic introduced new risks to the organisation, but we are in the fortunate position that it has a minimal financial impact on our services. The key risks it introduced and the ways in which we mitigated those risk are shown in the table below:

<i>Risk</i>	<i>Mitigating action</i>
Mental health of all service users deteriorates due to the covid-19 situation.	Regular prioritisation of service users to identify those at highest risk. Keep commissioners and other partners informed.
We are unable to source sufficient appropriate PPE for staff working face to face with service users.	New process to monitor requirements and stock of PPE across all services. Communicate with commissioners and partners about sourcing appropriate PPE. Store PPE securely, so it cannot be stolen.
High levels of staff absence due to Covid-19.	Regular review of staff allocations, to ensure they are allocated to highest priority services. Increase number of bank staff to support where needed.

Plans for the Future

Our Strategic Plan for 2019-2022 sets out our strategic priorities as follows.

Raising ambitions for people with mental health problems

People with mental health needs will have better lives through increased connections, improved access to stable housing and employment.

Report of the Board for the year ended 31 March 2020

Raising ambitions for people with complex needs

People with complex needs will have improved outcomes through innovative recovery support and interventions.

Raising ambitions for system change

We will create an organisational environment where Second Step service users and staff, together with our partners, challenge barriers to recovery and affect change collaboratively.

Raising ambitions for our team

We will ensure Second Step is a motivated, healthy and supportive place to work.

Raising ambitions as a regional player

We will be a responsive, efficient and influential regional organisation.

Our planned activities for 2020-21 include:

- Working with commissioners and other providers to respond to the mental health impact of the covid-19 pandemic and the increased demand on services that will result.
- Helping to deliver the Mental Health Transformation service in Somerset as part of an alliance of voluntary sector providers working in partnership with the Somerset Foundation Trust.
- Delivering the Safe Haven, a new crisis service in North Somerset
- Establishing consistent recovery outcome measures, including tracking employment and volunteering opportunities
- Continuing to develop client relationship management (CRM) systems
- Identifying new office space
- Strengthening client voice, internally and externally, through improved methods of engagement

Covid-19 and going concern

The covid-19 pandemic which hit the UK in March has affected all organisations to a lesser or greater extent. Second Step is in the fortunate position that our income all comes from contracts ultimately paid by either central or local governments. Our income is therefore secure and has not been impacted by the lockdown and resulting economic fall-out.

We continued to deliver our services throughout the lockdown, delivering support via phone and video calls where that was possible and appropriate. We didn't need to furlough any staff and have no plans for reducing any of our services.

Report of the Board for the year ended 31 March 2020

There is widely expected to be an increase in demand for mental health services as a result of the pandemic, and we have been working with commissioners to see how we can help meet this greater demand and where the funding could come from.

We are funded by several multi-year contracts with different bodies that finish at different times, and so are not overly dependent on any one source of income.

As a result of these factors, the Board are confident in asserting that Second Step remains a going concern.

Structure, Governance and Management

Governing documents

Second Step is registered as an exempt charity under the Co-operative and Community Benefit Societies Act 2014. It is governed by its Model Rules dated 21 November 2013. Second Step is a member of the National Housing Federation and has based its Model Rules on the National Housing Federation Model Rules (2011). Second Step's share capital is raised by the issue of shares and each share has the nominal value of one pound. There are currently 58 members and when a shareholder ceases to be a shareholder their share is cancelled.

Interested individuals can apply to become shareholders of Second Step by applying through the application process. New shareholders are approved by the Board. Our rules detail any exclusion.

The Board

The Board members (who are also the directors of Second Step for the purpose of company law) are listed on page 1. The Board meets at least four times every calendar year.

Board members are recruited to ensure a wide range of skills, qualities and experience are represented. This is assessed against a skills audit and equal opportunities monitoring. Advertising for potential new members is targeted to reach particular skills groups. Up to three Board places are reserved for current and former Second Step service users. These Board members are recruited via an interview process which mirrors the normal Board recruitment process.

Board training is provided where necessary to ensure Second Step has a sufficiently skilled Board to effectively deliver Second Step's aims and objectives.

All Board Members are required to disclose all relevant interests and register them with the Chief Executive and, in accordance with organisation's policy, withdraw from decisions where a conflict of interest arises. None of the Board members have interests with the business of Second Step, but any such interest would be disclosed.

Report of the Board for the year ended 31 March 2020

Committees

There are two Board sub-committees. The Business Development, Finance and Audit Committee considers new business opportunities, reviews quarterly financial information and approves investment decisions. The Service Quality Committee oversees operational performance reporting and quality.

Senior Leadership Team

The day to day management of the organisation is delegated to the Senior Leadership Team. Members of the Senior Leadership Team are listed on page 1.

Key Management Personnel Remuneration

The Board considers the Senior Leadership Team as the key management personnel of Second Step responsible for directing and running the operations on day to day basis. All Non Executive Board Members, except the Chair, give their time freely and no remuneration was paid during the year. Second Step has a paid Chair of the Board (see note 19 for Chair's fees).

The Chair's fees and the salaries of the Chief Executive and Senior Leadership Team are reviewed on average every three years by the Board in line with our Pay Policy. Our pay review process for these senior posts is informed by an external consultant through market testing; the salary is benchmarked against similar roles in similar activities so as to ensure that the remunerations are set fairly.

Board Responsibilities in Relation to Financial Statements

The Co-operative and Community Benefit Societies Act 2014 requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of Second Step and of its income and expenditure for that period.

In preparing these financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that Second Step will continue in business.

Report of the Board for the year ended 31 March 2020

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of Second Step and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. It has general responsibility for taking reasonable steps to safeguard the assets of Second Step and to prevent and detect fraud and other irregularities.

Disclosure of information to auditors

As far as each Board member is aware and has made enquiries of fellow board members, each member confirms that:

- to the best of their knowledge and belief there is no information that would be required by the auditors in connection with the preparation of this report of which Second Step's auditors are unaware; and
- each board member has taken all steps that they might reasonably have taken to be aware of relevant audit information and to establish that Second Step's auditors are aware of that information.

Approval

This report was approved by the Board on 25 September 2020 and signed on its behalf.



Graham Russell
Chair of the Board

SECOND STEP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SECOND STEP LIMITED FOR THE YEAR ENDED 31 MARCH 20

Opinion

We have audited the financial statements of Second Step Limited (the 'Society') for the year ended 31 March 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Society's affairs as at 31 March 2020 and of its income and expenditure for the year then ended; and
- comply with the requirements of the Co-operative and Community Benefit Societies Act 2014.

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 Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The committee of management is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does

SECOND STEP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SECOND STEP LIMITED FOR THE YEAR ENDED 31 MARCH 20

not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- proper books of account have not been kept by the Society in accordance with section 75; or
- a satisfactory system of control over transactions has not been maintained by the Society in accordance with section 75; or
- the revenue account, and the balance sheet are not in agreement with the books of account of the Society; or
- we have not obtained all the information and explanations which, to the best of our knowledge and belief, we consider necessary for the purposes of our audit.

Responsibilities of the Committee of Management

As explained more fully in the Statement of the Committee of Management's Responsibilities set out on page 12, the committee is 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 committee 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 committee is responsible for assessing the Society'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 committee either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or

SECOND STEP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SECOND STEP LIMITED FOR THE YEAR ENDED 31 MARCH 20

error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

This report is made solely to the Society's members, as a body, in accordance with the provisions of section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Society'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 responsibility to anyone other than the Society and the Society's members as a body, for our audit work, for this report or for the opinion we have formed.

RSM UK Audit LLP

RSM UK AUDIT LLP
Statutory Auditor
Chartered Accountants
Hartwell House
55-61 Victoria Street
Bristol
BS1 6AD

Date 28.9.20

SECOND STEP LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 20

		Unrestricted funds 2020	Restricted funds 2020	Total funds 2020	<i>Total funds 2019</i>
	NOTES	£'000	£'000	£'000	£'000
INCOME:					
Income from charitable activities	2	10,212	1,427	11,639	<i>10,653</i>
Income from generated funds:					
Investment income	5	12	-	12	<i>5</i>
TOTAL INCOME		<u>10,224</u>	<u>1,427</u>	<u>11,651</u>	<i><u>10,658</u></i>
EXPENDITURE:					
Charitable activities	3	10,151	1,427	11,578	<i>10,654</i>
TOTAL EXPENDITURE		<u>10,151</u>	<u>1,427</u>	<u>11,578</u>	<i><u>10,654</u></i>
Net (Expenditure) / Income before gain/losses on investments		73	0	73	<i>3</i>
Transfer between funds		-	-	-	<i>-</i>
NET MOVEMENT IN FUNDS		<u>73</u>	<u>0</u>	<u>73</u>	<i><u>3</u></i>
TOTAL FUNDS BROUGHT FORWARD		2,003	62	2,065	<i>2,062</i>
TOTAL FUNDS CARRIED FORWARD		<u>2,077</u>	<u>62</u>	<u>2,139</u>	<i><u>2,065</u></i>

The statement of financial activities includes all gains and losses recognised in the year.

The net movement in funds for the year relate wholly to continuing activities.

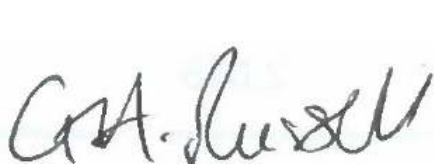
The notes on pages 20 to 36 form part of these financial statements.

SECOND STEP LIMITED

BALANCE SHEET AT 31 MARCH 2020

	NOTES	2020	2019
		£'000	£'000
FIXED ASSETS			
Intangible fixed assets	8	53	59
Tangible fixed assets	9	27	17
Fixed asset investments	10	16	16
		<u>96</u>	<u>92</u>
CURRENT ASSETS			
Debtors	11	1,720	700
Cash at bank and in hand		3,314	4,452
		<u>5,034</u>	<u>5,152</u>
CREDITORS: amounts falling due within one year	12	(2,856)	(3,039)
Net current assets		<u>2,178</u>	<u>2,113</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,274	2,205
Provisions for liabilities	13	(135)	(140)
NET ASSETS		<u>2,139</u>	<u>2,065</u>
CAPITAL & RESERVES			
Called up share capital	14	0	0
Restricted funds	15	62	62
Unrestricted funds	15	2,077	2,003
Net funds		<u>2,139</u>	<u>2,065</u>

The financial statements were approved by the Board on 25 September 2020.



Graham Russell – Chair



Chris Roberts – Board Member



Richard Carling – Company Secretary

The notes on pages 20 to 36 form part of the financial statements.

SECOND STEP LIMITED**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 MARCH 2020**

	NOTES	2020 £'000	2019 £'000
NET CASH USED IN OPERATING ACTIVITIES:	20	<u>(1,092)</u>	<u>803</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest income on investing activities		12	5
Investment in Social Impact bond		-	-
Purchase of tangible and intangible fixed assets		(57)	(37)
NET CASH FROM INVESTING ACTIVITIES:		<u>(45)</u>	<u>(32)</u>
CHANGES IN CASH EQUIVALENTS IN THE YEAR:		<u>(1,138)</u>	<u>771</u>
CASH AND CASH EQUIVALENTS BROUGHT FORWARD:		4,452	3,681
CASH AND CASH EQUIVALENTS CARRIED FORWARD:		<u>3,314</u>	<u>4,452</u>

The notes on pages 20 to 36 form part of the financial statements.

SECOND STEP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1. PRINCIPAL ACCOUNTING POLICIES

Second Step Limited is registered under the Co-operative and Community Benefit Societies Act 2014.

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies is set out below.

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The financial statements are presented in Sterling (£) and rounded to the nearest thousand pounds.

Second Step Limited meets the definition of a public benefit entity under FRS 102.

(b) Going Concern

After reviewing the organisation's forecasts and projections, the board has a reasonable expectation that the organisation has adequate resources to continue in operational existence for the foreseeable future. The organisation therefore continues to adopt the going concern basis in preparing its financial statements.

The covid-19 pandemic which hit the UK in March has affected all organisations to a lesser or greater extent. Second Step is in the fortunate position that our income all comes from contracts ultimately paid by either central or local governments. Our income is therefore secure and has not been impacted by the lockdown and resulting economic fall-out.

We continued to deliver our services throughout the lockdown, delivering support via phone and video calls where that was possible and appropriate. We didn't need to furlough any staff and have no plans for reducing any of our services.

There is widely expected to be an increase in demand for mental health services as a result of the pandemic, and we have been working with commissioners to see how we can help meet this greater demand and where the funding could come from.

We are funded by several multi-year contracts with different bodies that finish at different times, and so are not overly dependent on any one source of income.

The most significant financial risk is that we have high levels of staff absence that results in additional costs to maintain services. Any significant high level of absence would be time-limited, however, and the potential financial cost is included within the calculation used to determine our target level of reserves.

As a result of these factors, the Board are confident in asserting that Second Step remains a going concern.

SECOND STEP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(c) Income

Income represents commercially agreed contract values for provision of services, rental and service charge income receivable, net of rent and service charge losses from voids, fees and grants from local authorities and other income.

Income is recognised in the period to which they relate. Any income deferred to the following year is shown under creditors and none is expected to be deferred beyond one year.

(d) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

(e) Intangible Fixed assets

Intangible Fixed assets are stated at cost, less accumulated amortisation. The minimum value of an item recognised as an Intangible fixed asset is £1,000. Amortisation of the intangible assets is provided at the following annual rates to write off each item over its expected useful life, as follows:

Software implementation	Three years
-------------------------	-------------

(f) Tangible fixed assets

Tangible fixed assets are stated at cost, less accumulated depreciation. The minimum value of an item capitalised as a tangible fixed asset is £1,000. Depreciation is provided at the following annual rates in order to write off each asset over its expected useful life, as follows:

Office equipment	Five years
IT equipment	Three years
Fixtures, fittings and furnishings	Two years
Leasehold improvements	the remaining term of the lease

(g) Fund accounting

General funds are unrestricted which are available for use at the discretion of the Board of directors in furtherance of the general objectives of the charity and which have not been designated for other purpose. Restricted funds represent income contributions which are restricted to a particular purpose, in accordance with the donor's wishes.

(h) Provisions for liabilities

In calculating the expected dilapidations provision, the Board make judgements based on the expected obligation of the organisation using historic data and experience.

Provisions are made against operating leases where the unavoidable cost of meeting the lease obligation exceeds the economic benefits received.

SECOND STEP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(i) Operating leases

Rentals payable under operating leases are charged to the income and expenditure account as incurred over the term of the lease.

(j) Pension costs

All employees on a permanent or fixed term contract are entitled to become members of the Second Step Group Personal Pension Plan, which is a defined contribution scheme. Depending on the employee's level of contribution, Second Step contributes a percentage (currently 6%) of the member's basic gross salary into the scheme (or into previous schemes run by or approved by Second Step). The pension charge represents the amounts payable by Second Step to the schemes in respect of the year. The assets of the schemes are held separately from those of Second Step in independently administered funds.

(k) Cost Allocation Principles

Costs not directly incurred within the contract streams, other than organisational development and governance, are allocated to contract based on direct costs incurred within those contracts.

(l) Financial Instruments

Second Step 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.

(m) Judgements and key sources of estimation uncertainty

In the application of the accounting policies the board are required to make judgements, estimates and assumptions about the carrying value 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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Where we have leases on properties with liabilities for dilapidations, an estimate is made of the likely dilapidations cost at the end of the lease, and that cost is spread across the life of the lease. A charge is made each year to a dilapidations provision so that the provision would cover the estimated cost at the end of the lease.

SECOND STEP LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2020****2. INCOME FROM CHARITABLE ACTIVITIES**

	2020 £'000	2019 £'000
Community Mental Health Services	4,791	4,560
Supporting People and Homelessness Prevention Services	3,310	2,602
Housing Management	1,110	1,165
Psychologically informed therapies	336	677
Golden Key (BIG Lottery Grant)	1,569	1,158
Other Services	523	491
	11,639	10,653

Within the income shown above there was restricted income of £1,427,000 (2019 - £1,203,000), primarily relating to income receivable from the BIG Lottery (for the Golden Key project) and the Oak Foundation.

3. ANALYSIS OF CHARITABLE EXPENDITURE

	Charitable Activity £'000	Support and Governance Cost £'000	TOTAL 2020 £'000	TOTAL 2019 £'000
Community Mental Health Services	3,124	920	4,044	4,025
Supporting People and Homelessness Prevention Services	2,947	704	3,651	2,817
Housing Management	1,099	60	1,159	1,314
Psychologically informed therapies	247	101	348	764
Golden Key (BIG Lottery Grant)	1,344	477	1,821	1,243
Other Services	399	156	555	491
	9,160	2,418	11,578	10,654

Within the expenditure shown above there was restricted expenditure of £1,427,000 (2019 - £1,178,000) related to expenditure predominantly on the Golden Key project and the Oak Foundation.

SECOND STEP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

Note 3 continued

The breakdown of support costs and how these were allocated between governance and other support costs is shown in the table below:

SUPPORT & GOVERNANCE COSTS ALLOCATIONS

	2020	2019	
	£'000	£'000	Basis of apportionment
Staff Costs	1,643	1,340	Staff costs
Office Rental and Costs	212	163	Staff costs
Telephone & internet Charges	27	29	Staff costs
Repairs & Decorations	36	27	Staff costs
Insurance	41	37	Staff costs
IT Costs	186	140	Staff costs
Publicity	34	30	Staff costs
Depreciation & Dilapidation	68	78	Staff costs
Service User Participation and Other Costs	10	9	Staff costs
Consultancy Costs	138	54	Staff costs
	2,395	1,908	
Governance Costs	2020	2019	
	£'000	£'000	
Annual Audit Services	15	14	
Board Travel Expenses	1	1	
Training for Board	1	-	
Chair's Fee	6	6	
	23	21	
Total allocated Support and Governance Costs	2,418	1,929	

During the year, three board members claimed travel expenses.

Support Costs comprise central management costs which are not directly attributable to the activity streams. The support and governance costs were apportioned among the activity streams based on staff costs incurred during the period.

SECOND STEP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

4. NET INCOME / (EXPENDITURE)

This is arrived at after charging:

	2020 £'000	2019 £'000
Auditors' remuneration for audit services	15	15
Losses from bad debts	40	10
Depreciation	53	141
Operating leases - land and buildings	71	102
Operating leases - other	2	2

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2020 £'000	2019 £'000
Income from Cash and Investments	12	5

6. STAFF COSTS AND REMUNERATIONS OF KEY MANAGEMENT PERSONNEL

The average monthly number of persons employed by the Association during the year, expressed as number of people employed, was:

	2020 No.	2019 No.
Direct staff	174	162
Administrative staff	35	34
Management	44	36
Total Staff	253	232

Total salary costs were:

	2020 £'000	2019 £'000
Wages and salaries	5,429	5,010
National Insurance Costs	437	386
Pension Contributions	259	233
Total Staff	6,125	5,629

SECOND STEP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

6. STAFF COSTS AND REMUNERATIONS OF KEY MANAGEMENT PERSONNEL (continued)

In addition, £341,000 (2018-19: £239,000) was paid for agency staff and £259,000 (2018-19: £132,000) for secondee staff.

The board considers its key management personnel to be the Chair and the Senior Leadership Team. The total employee benefits (including employer pension contributions) of these key management personnel was £431,000 (2018-19 - £415,000).

	2020 No.	2019 No.
Management personnel paid between £60,000-£70,000	-	1
Management personnel paid between £70,000-£80,000	1	1

7. PENSIONS

The pension cost charge represents contributions payable by Second Step to personal pension plans (See note 1j). Contributions totalling £33,000 (2018-19 - £31,000) were payable to the pension schemes at the year end and are included in creditors.

If an employee's costs are attributed to restricted funds, then the relevant pension contributions and liabilities are also included in restricted funds.

SECOND STEP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

8. INTANGIBLE FIXED ASSETS

	Software Licences £'000
Cost	
At 1st April	201
Additions	32
As at 31st March	<u><u>233</u></u>
Depreciation	
At 1st April	142
Charge for the year	38
As at 31st March	<u><u>180</u></u>
Net Book Value	
At start of the year:	<u>59</u>
At year end:	<u><u>53</u></u>

SECOND STEP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

9. TANGIBLE FIXED ASSETS

	Leasehold improvements £'000	Fixtures, fittings and furnishings £'000	IT & Office equipment £'000	TOTAL £'000
Cost				
At 1st April	203	128	324	655
Additions	-	-	25	25
As at 31st March	203	128	349	680
Depreciation				
At 1st April	203	128	307	638
Charge for the year	-	-	15	15
As at 31st March	203	128	322	653
Net Book Value				
At start of the year:	-	-	17	17
At year end:	-	-	27	27

SECOND STEP LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2020****10. FIXED ASSET INVESTMENTS**

	£'000
Cost	
At 1st April	16
Additions	-
Disposals	-
As at 31st March	<u><u>16</u></u>
Impairment	
At 1st April	-
Disposals	-
As at 31st March	<u><u>-</u></u>
Fair value of investments:	
At start of the year:	<u>16</u>
At year end:	<u><u>16</u></u>

The investment of £16,000 consists of Second Step's share of investment in a Special Purpose Vehicle named "Social Impact Bristol Ltd", which has been set up to administer a Social Impact Bond. This Special Purpose Vehicle is a joint venture between Second Step and two other partners.

The net assets / (liabilities) and net results of the joint venture are as follows:

	2020	2019
	£'000	£'000
Current Assets	480	410
Creditors: amounts falling due within one year	(340)	(127)
Creditors: amounts falling due after more than one year	(84)	(225)
Net Assets / (Liabilities) as at 31st March	<u>56</u>	<u>58</u>
Net Assets / (Liabilities) attributable to Second Step	<u><u>19</u></u>	<u><u>19</u></u>
Turnover	374	332
Net expenses	(225)	(241)
Surplus / (Deficit) for the period 1st April - 31st March	<u>149</u>	<u>91</u>
Surplus (Deficit) for the year attributable to Second Step	<u><u>50</u></u>	<u><u>30</u></u>

SECOND STEP LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2020**

11. DEBTORS

	2020 £'000	2019 £'000
Rent and charges	72	43
Less: provision for doubtful debts	(46)	(34)
	<u>26</u>	<u>9</u>
 Prepayments	 86	 131
Trade debtors	1,283	420
Accrued Income	217	111
Other debtors	108	29
	<u>1,720</u>	<u>700</u>

12. CREDITORS

	2020 £'000	2019 £'000
Deferred income	1,943	2,057
Trade creditors	322	259
Other taxes and national insurance costs	105	96
Accruals	264	343
Other creditors	222	283
	<u>2,856</u>	<u>3,039</u>

Reconciliation of Deferred Income:

Deferred Income brought forward	2,057	1,523
Released	(2,016)	(1,190)
Deferred	1,902	1,724
	<u>1,943</u>	<u>2,057</u>

SECOND STEP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

13. PROVISION FOR LIABILITIES

	Onerous Lease	Dilapidations £'000	Total £'000
At 1st April	18	122	140
Released in the year	(18)	-	(18)
Additional provision in year	-	13	13
Provisions carried forward	<u>-</u>	<u>135</u>	<u>135</u>

The dilapidations provision is held against liabilities arising from full repairing leases which expire in 2021. The onerous lease provision relates to a lease which expired in September 2019.

14. NON EQUITY SHARE CAPITAL

Shares of £1 each in issue to persons who are current members:

	2020 No.	2019 No.
Shares in issue brought forward	58	53
Issued in period	-	5
Redeemed in period	-	-
Shares in issue carried forward	<u>58</u>	<u>58</u>

The shares provide members with the right to vote at general meetings, but do not provide any rights to dividends or distributions on a winding up, and they are not redeemable.

SECOND STEP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

15. FUNDS

Prior year:

	As at 1st April 2018	Income	Expenditure	Transfers	Net gains and losses	As at 31st March 2019
	£'000	£'000	£'000	£'000	£'000	£'000
Restricted funds						
- Golden Key	-	1,120	(1,120)	-	-	-
- Oak	37	83	(57)	-	25	62
Unrestricted funds	2,025	9,455	(9,476)	-	(22)	2,003
Total funds	2,062	10,658	(10,654)	-	3	2,065

Current year:

	As at 1st April 2019	Income	Expenditure	Transfers	Net gains and Losses	As at 31st March 2020
	£'000	£'000	£'000	£'000	£'000	£'000
Restricted funds						
- Golden Key	-	1,424	(1,424)	-	(0)	(0)
- Oak and other	62	3	(3)	-	0	62
Unrestricted funds	2,003	10,224	(10,151)	-	73	2,077
Total funds	2,065	11,651	(11,578)	-	73	2,139

SECOND STEP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
Intangible fixed assets	53	-	53
Tangible fixed assets	27	-	27
Fixed asset investment	16	-	16
Debtors	1,666	53	1,719
Cash at bank and in hand	2,735	579	3,314
Other net current assets/(liabilities)	(2,288)	(570)	(2,858)
Provisions for liabilities	(135)	-	(135)
Total	2,074	62	2,136

Analysis of group net assets between funds - previous year

	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
Intangible fixed assets	59	-	59
Tangible fixed assets	17	-	17
Fixed asset investment	16	-	16
Debtors	685	15	700
Cash at bank and in hand	3,193	1,259	4,452
Other net current assets/(liabilities)	(1,827)	(1,212)	(3,039)
Provisions for liabilities	(140)	-	(140)
Total	2,003	62	2,065

17. TAXATION

Because of its charitable status Second Step is exempt from corporation tax in respect of any surplus which is applied to its charitable objects.

SECOND STEP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

18. OPERATING LEASE COMMITMENTS

As at the year end Second Step had total future minimum lease payments under non-cancellable operating leases as follows:

	2020 £'000	2019 £'000
Amounts due:		
1 year	17	82
2-5 years	-	13
	<u>17</u>	<u>95</u>

19. RELATED PARTY TRANSACTIONS

A fee of £6k was paid to the Chair of the Board (Graham Russell) in 2019-20 (£6k in 2018-19), under the existing Rules of the Society. There were no other transactions with the related parties.

20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £'000	2019 £'000
Net movement in funds	73	3
Add back depreciation charge	53	141
Increase/(decrease) in provision	(5)	35
Deduct Interest Income shown in investing activities	(12)	(5)
Deduct gains / add back losses on investments	-	-
(Increase)/decrease in Debtors	(1,020)	140
Increase/(decrease) in Creditors	(181)	488
Net cash used in operating activities	<u>(1,092)</u>	<u>803</u>

SECOND STEP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

21. PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

		Unrestricted funds 2019	Restricted funds 2019	Total funds 2019	<i>Total funds 2018</i>
	NOTES	£'000	£'000	£'000	<i>£'000</i>
INCOME:					
Income from charitable activities	2	9,450	1,203	10,653	<i>10,241</i>
Income from generated funds:					
Investment income	5	5	-	5	<i>1</i>
TOTAL INCOME		9,455	1,203	10,658	<i>10,242</i>
EXPENDITURE:					
Charitable activities	3	9,476	1,178	10,654	<i>9,962</i>
TOTAL EXPENDITURE		9,476	1,178	10,654	<i>9,962</i>
Net Income/(Expenditure) before gain/losses on investments		(22)	25	3	<i>280</i>
Transfer between funds		-	-	-	<i>-</i>
NET MOVEMENT IN FUNDS		(22)	25	3	<i>280</i>
TOTAL FUNDS BROUGHT FORWARD		2,025	37	2,062	<i>1,781</i>
TOTAL FUNDS CARRIED FORWARD		2,003	62	2,065	<i>2,061</i>

Second Step

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**Second Step is an exempt charity regulated by the Financial
Conduct Authority Reg no: 25597R**