

Report and financial statements for the year ended 31 March 2023

Registration number 25597R

Second Step Limited

Report of the Board for the year ended 31 March 2023

CONTENTS

Report of the Board for the year ended 31 March 2023	1
Board statement of responsibilities	13
Independent auditor's report to the members of Second Step Limited	14
Statement of financial activities for the year ended 31 March 2023	18
Balance sheet as at 31 March 2023	19
Statement of Cash Flows for the year ended 31 March 2023	20
Notes to the financial statements for the year ended 31 March 2023	21

Second Step Limited

Report of the Board for the year ended 31 March 2023

Reference and Administrative Information

1. Non-Executive Board Members

Graham Russell	Chair of the Board
Oona Goldsworthy	Vice Chair
Neelu Agarwal	
Kelvin Blake	
Paddy Cooney	
Richard Gleave	
Sarah Mason	
Katie Norton	
Chris Roberts	
Tharsha Sivayokan	
David Sealey	(from 9 December 2023)
Monira Chowdhury	(from 9 December 2023)
Jason Burrowes	(from 23 September 2022)

2. Senior Leadership Team

Aileen Edwards*	Chief Executive
Andy Warren*	Director of Quality & Performance
Richard Carling*	Director of Finance & IT
Chris Kinston	Senior Operations Manager
Sophie Bailie	Senior Operations Manager
Emmie Davies	Senior Operations Manager
Ola Myszkowski	Head of HR

*Executive Board Members

3. Registered Office

9 Brunswick Square, Bristol, BS2 8PE

4. Registration Number

25597R

Registered under the Co-operative and Community Benefit Societies Act 2014.

5. Bankers

National Westminster Bank plc.
21a Somerset Square, Bristol, BS48 1RQ

6. Auditors

Azets
Ty Derw, Lime Tree Court
Cardiff Gate Business Park, Pontprennau
Cardiff
CF23 8AB

Report of the Board for the year ended 31 March 2023

Introduction

The Board presents their report and accounts for the year ended 31 March 2023. The accounts have been prepared in accordance with the accounting policies set out on pages 21-23. 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 (FRS 102) (effective 1 January 2019).

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 2023

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 Integrated Care Boards 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 Changing Futures in Bristol, a programme funded by central government and the National Lottery;
- A range of mental health services across Bristol, North Somerset and South Gloucestershire ranging from suicide prevention, crisis support to Wellbeing College activities.
- 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;

Report of the Board for the year ended 31 March 2023

- Open Mental Health - a partnership between 9 voluntary and community sector (VCS) organisations and Somerset Foundation Trust, providing support to adults in Somerset who are experiencing mental health problems;
- Help When You Need It - a community-based service for people with mental health issues and carers, providing short-term outcome focused interventions for adults.
- The Specialist Community Forensic Team which aims to reduce the length of stay for people in secure services, by helping people move back into the community.
- A team of Recovery Navigators to participate in multi-disciplinary teams supporting GPs to work with complex patients who do not meet the criteria for secondary mental health services.
- Volunteering and mentoring.

Performance Review and Achievements

2022-23 was another year of growth for Second Step. The Changing Futures programme built up to full strength during the year; our work as part of Open Mental Health in Somerset, an alliance of voluntary and community sector organisations continued to grow; and we started to deliver the Higher Needs Floating Support service in Bristol. The key highlights from our main services are described below.

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.

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. The college also takes referrals from primary care services in some areas, as well as from specialist services. During 2022-23 over 700 learners gave feedback on the courses they'd attended, and 83% reported they were better able to manage their mental health and wellbeing after attending the course.

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.

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

Report of the Board for the year ended 31 March 2023

financial, housing or employment pressures and who are not in touch with mental health services.

We also run the Beside Project which provides specialist Suicide Bereavement support. The service offers emotional and practical support to people aged 16+, family members, next of kin or loved ones. We work across Bristol, North Somerset, South Gloucestershire, Bath and North-East Somerset.

2. Golden Key

The Golden Key partnership was an eight-year project funded by the National Lottery Community Fund which concluded in June 2022. Second Step was the lead accountable agency for this partnership of 19 organisations from Bristol. Golden Key worked with its partners to improve services for Bristol citizens with the most complex needs.

The Service Coordinator Team (SCT) supported over 250 people with multiple disadvantages over the lifetime of the programme, working to improve these individuals' experiences with the services which exist to support them.

To support people who face severe multiple disadvantage in Bristol and further afield, and create widespread and long lasting change, we collected the learning from our work by tracking what worked well and what we could do more. We shared this learning with the wider system in a range of formats from reports and webinars to infographics and videos. These are available on the Golden Key Bristol website – <https://www.goldenkeybristol.org.uk>

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.

Both pathways at Level 1&2 have achieved well on the percentage of departures achieved being on a planned basis. 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

Report of the Board for the year ended 31 March 2023

service users with significant mental health issues but who require a low level of ongoing support.

4. Step Together

Step Together is a service providing innovative solutions for individuals with complex needs in Somerset. 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. Open Mental Health

Open Mental Health is an innovative service in Somerset which started in April 2020. It supports people to live a full life by enabling access to specialist mental health support, debt and employment advice, volunteering opportunities, community activities and exercise. The service is a partnership between nine voluntary and community sector (VCS) organisations and Somerset Foundation Trust. By working in partnership, the service aspires to a 'no wrong door' approach for anyone who needs help.

Second Step has several workstreams and connected services within Open Mental Health, including the Locality Lead for Sedgemoor, the Trauma-Informed Practice Lead for the VCS Alliance, delivering one to one and group support in Mendip and Sedgemoor localities, operating two crisis centres in Mendip and Sedgemoor, employing specialist Family Safeguarding Workers and Psychologist with Somerset County Council, Men's Suicide Community Development, and Peer-Led Suicide Prevention.

6. Floating Support and Help When You Need It

We continued to provide floating support services 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.

Help When You Need It is a community-based service for people with mental health issues and carers (predominantly under 55) in Bristol. It provides targeted short-term outcome focused interventions for adults with support needs that prevent and delay the need for longer term reliance on formal services.

Report of the Board for the year ended 31 March 2023

7. Specialist Community Forensic Team

We continued to deliver the Specialist Community Forensic Team which aims to reduce the length of stay for people in secure services, by helping them move back into the community.

The service provides treatment, support and coaching to people over 18 who have been discharged from secure inpatient units in Bristol. Commissioned by NHS England and NHS Improvement, the team aims to support people leaving secure care who may find it difficult to make the transition back into the community.

8. Primary Care

Second Step provides a team of Recovery Navigators to participate in multi-disciplinary teams supporting GPs to work with complex patients who do not meet the criteria for secondary mental health services. This service continued to grow during the year across Bristol, North Somerset and South Gloucestershire.

The teams often work with 'frequent attenders' who require 1:1 support to address complex social issues. Emotional and practical support is provided to individuals around their mental health needs to reduce anxiety, depression and other underlying mental health issues, as well as reducing the risks they present to themselves or others.

The service aims to meet the needs of patients who fall outside of the referral thresholds for talking therapy and secondary-care mental-health services. In the absence of an integrated care approach with other agencies, primary care often holds the risk associated with patients whose mental health remains poor but are not eligible for specialist services. As a consequence, the patients often become 'high intensity users'.

9. Changing Futures

We are the lead delivery partner for the Changing Futures programme in Bristol. This ambitious new programme supports people facing multiple disadvantages, including discrimination, homelessness, domestic abuse, mental health, drug and alcohol and interactions with the criminal justice system. This builds on our Golden Key Programme learning.

The programme's aims are:

- To improve the way that local systems and services work for people experiencing multiple disadvantage who are traditionally not well served by services.
- To use the learning from this to influence future government programmes and policy.
- Promoting equality and diversity and co-production with people with lived experience are central to the programme.

Report of the Board for the year ended 31 March 2023

10. 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. 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 £319,000 (2021-22 – £67,000).

This reflects our continued growth in delivering services while keeping our central costs very tight. It will allow us to make some proportional investments to improve the way we operate and deliver services.

Income for 2022-23 was £15.7m (2021-22 - £13.8m), an increase of 14%. The increase was due to a number of factors, but particularly:

- The Changing Futures programme that started in November 2021.
- Growth in the services we deliver as part of the Open Mental Health partnership in Somerset.
- The Higher Needs Floating Support Service which we took on during the year.

Expenditure for the year was £15.4m (2021-22 - £13.7m), an increase of 12%. This reflects the increase in direct costs to deliver the new and growing services.

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 Limited

Report of the Board for the year ended 31 March 2023

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 2022-23. This was reviewed in May 2023 and kept at the same level for 2023-24.

At 31 March 2023 we had £2.4m of Unrestricted Reserves (2022: £2.1m), 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. In May 2023 the Board approved the purchase and fit out of an office building in Bristol, which will have a total cost of nearly £1m, that will reduce our reserves by that amount.

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 2023) are:

- Our role in the Community Mental Health contract where we are a sub-contractor with AWP.
- High staff vacancies in some of our services.
- The impact of the cost-of-living crisis on service users and demand for our services.

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.

Plans for the Future

Though it was tough, and we continue to work through the legacy, Second Step learnt significantly from the covid pandemic. It is this learning that forms the core of our new Strategic Plan for 2023-26: the cultural shifts we want to embed to make us a more inclusive, trauma informed, and enabling organisation. We are committed also to ensuring co-production with our clients continues to drive improvement in services.

The new plan sets out 4 strategic priorities:

1. Building an inclusive culture where everyone thrives.
2. Embedding trauma-informed practices so people have the best experience and outcomes.
3. Valuing lived experience and working in partnership with our clients.
4. Being an enabling organisation where everyone contributes fully to improve services and the system.

Second Step Limited

Report of the Board for the year ended 31 March 2023

Our planned activities for 2023-24 include:

- Delivering high quality care and support across all of our services
- Working with commissioners and other providers to develop and implement the Community Mental Health Framework in Bristol, North Somerset and South Gloucestershire, playing an active role in the VCS alliance within that framework.
- Developing our team of Recovery Navigators to participate in multi-disciplinary teams supporting GPs to work with people with mental health needs.
- Strengthening client voice, internally and externally, through improved methods of engagement
- Implementing our Reward & Recognition Strategy to ensure we have a fairly paid and sustainable workforce.

Going concern

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. We have continued to win new contracts and our income is growing year on year.

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

Second Step Limited

Report of the Board for the year ended 31 March 2023

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 the 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.

Committees

There are three 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. The People (Workforce) Committee considers issues affecting staff and volunteers.

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 a 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.

Staff Recruitment and Training

Second Step will recruit the best person for each vacancy regardless of ethnic origin, religion, marital status, responsibilities for dependants, gender, sexual orientation, age, disability or other grounds of unfair discrimination and aims to give members of all communities the opportunity to apply for any vacancy.

Second Step has signed up to the Mindful Employer Charter and as such is committed to showing a positive and enabling attitude to applicants who have, or have had, mental health issues.

Second Step will ensure that throughout the process, people are judged only on their abilities. We use a range of recruitment techniques so that each applicant's skills, abilities and relevant

Second Step Limited

Report of the Board for the year ended 31 March 2023

work experience will be considered and their competence in key areas will be tested in more than one way as appropriate to the post.

All members of staff have equal access to learning and development opportunities regardless of racial group, religion or belief, gender, age, disability, sexual orientation or working hours.

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 22 September 2023 and signed on its behalf.

A handwritten signature in dark ink, appearing to read 'G.A. Russell', is written over a light blue circular stamp.

Graham Russell
Chair of the Board

Second Step Limited

Board statement of responsibilities For the year ended 31 March 2023

The Board are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The Board are required to prepare financial statements for each financial year in accordance with 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).

The financial statements are required by law to give a true and fair view of the state of affairs of the society and of its excess of income over expenditure for that period. In preparing these financial statements, the Board are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the society will continue in business.

The Board are responsible for maintaining satisfactory systems of internal control and keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the society and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

SECOND STEP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SECOND STEP LIMITED FOR THE YEAR ENDED 31 MARCH 2023

Opinion

We have audited the financial statements of Second Step Limited (the "society") for the year ended 31st March 2023 which comprise statement of financial activity, the balance sheet, statement of cashflow and notes to the financial statements, including 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 society's affairs as at 31st March 2023 and of 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 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

In auditing the financial statements, we have concluded that the Board's 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 society's ability to continue as a going concern for a period of at least 12 months from the date when the financial statements are authorised for issue.

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

SECOND STEP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SECOND STEP LIMITED FOR THE YEAR ENDED 31 MARCH 2023

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 Board are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

the society has not kept proper books of account, and not maintained a satisfactory system of control over its transactions, in accordance with the requirements of the legislation;

the revenue account, any other accounts to which our report relates, and the balance sheet are not in agreement with the society's books of account; or

we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the Board

As explained more fully in the Board's responsibilities statement set out on page 13, the Board 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 Board 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 Board are 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 Board either intend to liquidate the society or to cease operations, or have no realistic alternative but to do so.

SECOND STEP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SECOND STEP LIMITED FOR THE YEAR ENDED 31 MARCH 2023

Auditor's responsibilities for the audit of the financial statements

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

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

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

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

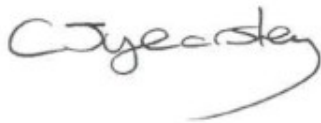
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities]. This description forms part of our auditor's report.

SECOND STEP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SECOND STEP LIMITED FOR THE YEAR ENDED 31 MARCH 2023

Use of our report

This report is made solely to the society's members, as a body, in accordance with 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 or assume 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 opinions we have formed.



Craig Yearsley
Azets Audit Services
Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Pontprennau
Cardiff
CF23 8AB

Date 11th October 2023

SECOND STEP LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2023

		Unrestricted funds 2023	Restricted funds 2023	Total funds 2023	<i>Total funds 2022</i>
	NOTES	£'000	£'000	£'000	£'000
INCOME:					
Income from charitable activities	2	15,022	579	15,601	13,824
Income from generated funds:					
Investment income	5	134	-	134	5
TOTAL INCOME		<u>15,156</u>	<u>579</u>	<u>15,735</u>	<u>13,829</u>
EXPENDITURE:					
Charitable activities	3	14,837	579	15,416	13,762
TOTAL EXPENDITURE		<u>14,837</u>	<u>579</u>	<u>15,416</u>	<u>13,762</u>
NET MOVEMENT IN FUNDS		319	-	319	67
TOTAL FUNDS BROUGHT FORWARD	15,16	2,094	-	2,094	2,027
TOTAL FUNDS CARRIED FORWARD	15,16	<u>2,413</u>	<u>-</u>	<u>2,413</u>	<u>2,094</u>

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 21 to 36 form part of these financial statements.

SECOND STEP LIMITED**BALANCE SHEET AT 31 MARCH 2023**

	NOTES	2023	2022
		£'000	£'000
FIXED ASSETS			
Intangible fixed assets	8	1	16
Tangible fixed assets	9	-	4
Fixed asset investments	10	16	16
		<u>19</u>	<u>36</u>
CURRENT ASSETS			
Debtors	11	2,003	2,045
Cash at bank and in hand		10,801	9,400
		<u>12,804</u>	<u>11,445</u>
CREDITORS: amounts falling due within one year	12	(10,273)	(9,252)
Net current assets		<u>2,531</u>	<u>2,193</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,548	2,229
Provisions for liabilities	13	(135)	(135)
NET ASSETS		<u>2,413</u>	<u>2,094</u>
CAPITAL & RESERVES			
Called up share capital	14	-	-
Restricted funds	15	-	-
Unrestricted funds	15	2,413	2,094
Total funds		<u>2,413</u>	<u>2,094</u>

The financial statements were approved by the Board on 22 September 2023.



Graham Russell – Chair



Chris Roberts – Board Member



Richard Carling – Company Secretary

The notes on pages 21 to 36 form part of the financial statements.

SECOND STEP LIMITED**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 MARCH 2023**

	NOTES	2023 £'000	2022 £'000
NET CASH USED IN OPERATING ACTIVITIES:	20	<u>1,267</u>	<u>5,431</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest income on investing activities		134	5
Investment in Social Impact bond		-	-
Purchase of tangible and intangible fixed assets		-	-
NET CASH FROM INVESTING ACTIVITIES:		<u>134</u>	<u>5</u>
CHANGES IN CASH EQUIVALENTS IN THE YEAR:		<u><u>1,401</u></u>	<u><u>5,436</u></u>
CASH AND CASH EQUIVALENTS BROUGHT FORWARD:		9,400	3,964
CASH AND CASH EQUIVALENTS CARRIED FORWARD:		<u><u>10,800</u></u>	<u><u>9,400</u></u>

The notes on pages 21 to 36 form part of the financial statements.

SECOND STEP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1. PRINCIPAL ACCOUNTING POLICIES

Company information

Second Step Limited is registered under the Co-operative and Community Benefit Societies Act 2014. The company is incorporated in England and Wales and its registered office is 9 Brunswick Square, Bristol, BS2 8PE.

A summary of the principal 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 charity's governing document, and "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 statements are presented in Sterling (£) which is the functional currency of the company 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.

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.

(c) 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 company 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.

SECOND STEP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

(d) 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 the services to which it relates are delivered. Any income deferred to the following year is shown under creditors and none is expected to be deferred beyond one year.

(e) 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.

Charitable expenditure comprises those costs incurred by the organisation in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the organisation and include the audit fees and costs linked to the strategic management of the organisation.

Support costs include central functions and have been allocated to activity cost category on a basis consistent with the use of resources.

Grants payable are payments made to third parties in the furtherance of the objectives of the organisation. The grants are recognised where the board have agreed to pay the grant and the recipient has a reasonable expectation that they will receive a grant, provided they comply with the terms of the agreement.

(f) 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.

(g) 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

SECOND STEP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

(h) 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

At each reporting end date, the organisation reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

(i) Joint ventures

Entities in which the charity has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

The investment is initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in net income/(expenditure) for the year.

(j) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

(k) 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.

(l) Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the organisation is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

(m) 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

SECOND STEP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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. Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

(n) 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.

(o) Operating leases

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

(p) 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. We are planning to leave our main Bristol office in the coming year, and so the dilapidations liability is expected to be confirmed during the financial year 2023-24.

We make a judgement on the recoverability of tenant debtors. We have provided against all outstanding debtor balances relating to previous tenants and 50% of outstanding debtor balances relating to existing tenants. This is considered a prudent approach based on our experience of recoverability. We expect this to continue to be an issue in the coming year due to the cost of living crisis and increase in energy costs.

SECOND STEP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

2. INCOME FROM CHARITABLE ACTIVITIES

	2023	2022
	£'000	£'000
Community Mental Health Services	5,787	5,042
Homelessness & Complex Needs	3,434	2,761
Housing Management	2,102	2,078
Community and Wellbeing	2,252	2,177
Changing Futures	1,354	-
Golden Key (BIG Lottery Grant)	579	1,580
Other Services	93	186
	15,601	13,824

Within the income shown above there was restricted income of £579,000 (2022 - £1,380,000), primarily relating to income receivable from the BIG Lottery (for the Golden Key project).

3. ANALYSIS OF CHARITABLE EXPENDITURE

	Charitable activities	Support and Governance Cost	TOTAL 2023	TOTAL 2022
	£'000	£'000	£'000	£'000
Community Mental Health Services	4,305	839	5,144	4,349
Homelessness & Complex Needs	2,932	496	3,428	2,791
Community and Wellbeing	1,777	503	2,280	2,259
Housing Management	2,196	314	2,510	2,540
Changing Futures	1,097	271	1,368	-
Golden Key (BIG Lottery Grant)	467	111	578	1,734
Other Services	85	23	108	89
	12,859	2,557	15,416	13,762

Within the expenditure shown above there was restricted expenditure of £579,000 (2022 - £1,380,000) related to expenditure on the Golden Key project.

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

SECOND STEP LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2023****SUPPORT & GOVERNANCE COSTS ALLOCATIONS**

	2023	2022	
	£'000	£'000	Basis of apportionment
Staff Costs	1,756	1,753	Staff costs
Office Rental and Costs	240	233	Staff costs
Telephone & internet Charges	43	35	Staff costs
Repairs & Decorations	10	2	Staff costs
Insurance	42	56	Staff costs
IT Costs	271	208	Staff costs
Publicity	27	33	Staff costs
Depreciation & Dilapidation	18	30	Staff costs
Service User Participation and Other Costs	12	16	Staff costs
Consultancy Costs	116	144	Staff costs
	2,535	2,510	
Governance Costs	2023	2022	
	£'000	£'000	
Annual Audit Services	16	21	
Board Travel Expenses	-	-	
Training for Board	1	4	
Chair's Fee	6	6	
	23	31	
Total allocated Support and Governance Costs	2,557	2,541	

During the year, no board members claimed travel expenses (2022: three).

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 2023

4. NET INCOME / (EXPENDITURE)

This is arrived at after charging:

	2023 £'000	2022 £'000
Auditors' remuneration for audit services	13	19
Losses from bad debts	38	22
Depreciation	19	31
Operating leases - land and buildings	123	123
Operating leases - other	9	2

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2023 £'000	2022 £'000
Income from Cash and Investments	134	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:

	2023 No.	2022 No.
Direct staff	264	251
Administrative staff	28	26
Management	27	26
Total Staff	319	303

Total salary costs were:

	2023 £'000	2022 £'000
Wages and salaries	7,545	6,887
National Insurance Costs	665	577
Pension Contributions	373	353
Total Staff	8,583	7,817

SECOND STEP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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

In addition, £849,000 (2021-22: £659,000) was paid for agency staff and £317,000 (2021-22: £185,000) 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 £478,000 (2021-22 - £512,000).

	2023 No.	2022 No.
Staff paid between £60,000-£70,000	1	2
Staff paid between £70,000-£80,000	1	1

Pension contributions regarding employees paid > £60,000 totalled: £8,609 (2022: £12,307).

Board remuneration

A fee of £6k was paid to the Chair of the Board (Graham Russell) in 2022-23 (£6k in 2021-22), under the existing Rules of the Society.

Redundancy and other payments

Contained in wages and salary costs above are redundancy and ex-gratia payments totalling £29,701 (2022: £nil). There were no amounts outstanding at the year-end (2022: £nil).

7. PENSIONS

The pension cost charge represents contributions payable by Second Step to personal pension plans (See note 1j). Contributions totalling £55,000 (2021-22 - £47,000) 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 2023**

8. INTANGIBLE FIXED ASSETS

	Software Licences £'000
Cost	
At 1st April	119
Additions	-
Disposals	-
As at 31st March	119
Amortisation	
At 1st April	103
Charge for the year	15
Disposals	-
As at 31 st March	118
Net Book Value	
At start of the year:	16
At year end:	1

SECOND STEP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

9. TANGIBLE FIXED ASSETS

	Leasehold improvements £'000	Fixtures, fittings and furnishings £'000	IT & Office equipment £'000	TOTAL £'000
Cost				
At 1 st April	115	-	61	176
Additions	-	-	-	-
Disposals	-	-	(15)	(15)
As at 31st March	115	-	46	161
Depreciation				
At 1st April	115	-	57	172
Charge for the year	-	-	4	4
Disposals	-	-	(15)	(15)
As at 31st March	115	-	46	161
Net Book Value				
At start of the year:	-	-	4	4
At year end:	-	-	-	-

SECOND STEP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

10. FIXED ASSET INVESTMENTS

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

The investment of £16,000 consists of Second Step's share of investment in a Special Purpose Vehicle named "Social Impact Bristol Limited" – company number 11081814, registered office- 2nd Floor, 110 Cannon Street, London, EC4N 6EU which was set up to administer a Social Impact Bond. This Special Purpose Vehicle is a joint venture between Second Step and two other partners. The contract it was set up to deliver ended in March 2022, so there was no activity during the financial year. It is due to be disbanded in September 2023 and the assets distributed among the partners.

The net assets and net results of the joint venture are as follows:

	2023 £'000	2022 £'000
Current Assets	48	48
Creditors: amounts falling due within one year	-	-
Creditors: amounts falling due after more than one year	-	-
Net Assets / (Liabilities) as at 31st March	<u>48</u>	<u>48</u>
Net Assets / (Liabilities) attributable to Second Step	<u>16</u>	<u>16</u>
Turnover	-	-
Net expenses	-	-
Surplus / (Deficit) for the period 1st April - 31st March	<u>-</u>	<u>-</u>
Surplus (Deficit) for the year attributable to Second Step	<u>-</u>	<u>-</u>

SECOND STEP LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2023**

11. DEBTORS

	2023 £'000	2022 £'000
Rent and charges	90	73
Less: provision for doubtful debts	(77)	(51)
	<u>13</u>	<u>22</u>
 Prepayments	 141	 115
Trade debtors	1,579	1,586
Accrued Income	212	299
Other debtors	58	23
	<u>2,003</u>	<u>2,045</u>

12. CREDITORS

	2023 £'000	2022 £'000
Deferred income	8,860	8,223
Trade creditors	525	277
Other taxes and national insurance costs	158	144
Accruals	383	384
Other creditors	347	224
	<u>10,273</u>	<u>9,252</u>

Reconciliation of Deferred Income:

Deferred Income brought forward	8,223	2,261
Released	(7,220)	(1,911)
Deferred	7,857	7,873
	<u>8,860</u>	<u>8,223</u>

SECOND STEP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

13. PROVISION FOR LIABILITIES

	Dilapidations £'000	Total £'000
At 1st April	135	135
Released in the year	-	-
Additional provision in year	-	-
Provisions carried forward	135	135

The dilapidations provision is held against liabilities arising from full repairing leases which expire in 2023.

14. NON EQUITY SHARE CAPITAL

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

	2023 No.	2022 No.
Shares in issue brought forward	51	58
Issued in period	-	3
Redeemed in period	-	(10)
Shares in issue carried forward	51	51

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 2023

15. FUNDS

Prior year:

	As at 1st April 2021	Income	Expenditure	Transfers	Net gains and Losses	As at 31st March 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Restricted funds						
- Golden Key	-	1,380	(1,380)	-	-	-
Unrestricted funds	2,027	12,449	(12,382)	-	67	2,094
Total funds	2,027	13,829	(13,762)	-	67	2,094

Current year:

	As at 1st April 2022	Income	Expenditure	Transfers	Net gains and Losses	As at 31st March 2023
	£'000	£'000	£'000	£'000	£'000	£'000
Restricted funds						
- Golden Key	-	579	(579)	-	-	-
Unrestricted funds	2,094	15,156	(14,837)	-	319	2,413
Total funds	2,094	15,735	(15,416)	-	319	2,413

Details of the Golden Key project can be found within the board report.

All expenditure on Golden Key was spent on delivering activities with no grants paid to individuals or institutions.

SECOND STEP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
Intangible fixed assets	1	-	1
Tangible fixed assets	-	-	-
Fixed asset investment	16	-	16
Debtors	2,003	-	2,003
Cash at bank and in hand	10,801	-	10,801
Other net current assets/(liabilities)	(10,273)	-	(10,273)
Provisions for liabilities	(135)	-	(135)
Total	2,413	-	2,413

Analysis of group net assets between funds - previous year

	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
Intangible fixed assets	16	-	16
Tangible fixed assets	4	-	4
Fixed asset investment	16	-	16
Debtors	2,045	-	2,045
Cash at bank and in hand	9,121	279	9,400
Other net current assets/(liabilities)	(8,973)	(279)	(9,252)
Provisions for liabilities	(135)	-	(135)
Total	2,094	-	2,094

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 2023

18. OPERATING LEASE COMMITMENTS

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

	2023 £'000	2022 £'000
Amounts due:		
1 year	107	100
2-5 years	28	-
	135	100

19. RELATED PARTY TRANSACTIONS

There were no other transactions with the related parties in the current or prior year.

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

	2023 £'000	2022 £'000
Net movement in funds	319	67
Add back depreciation and amortisation charge	19	29
Increase/(decrease) in provisions	-	-
Deduct Interest Income shown in investing activities	(134)	(5)
Deduct gains / add back losses on investments	-	-
Increase in Debtors	42	(662)
Increase (Decrease) in Creditors	1,021	6,000
Net cash used in operating activities	1,267	5,429

SECOND STEP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

21. PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

		Unrestricted funds 2022	Restricted funds 2022	Total funds 2022	<i>Total funds 2021</i>
	NOTES	£'000	£'000	£'000	<i>£'000</i>
INCOME:					
Income from charitable activities	2	12,444	1,380	13,824	<i>12,531</i>
Income from generated funds:					
Investment income	5	5	-	5	<i>7</i>
TOTAL INCOME		<u>12,449</u>	<u>1,380</u>	<u>13,829</u>	<i><u>12,538</u></i>
EXPENDITURE:					
Charitable activities	3	12,382	1,380	13,762	<i>12,650</i>
TOTAL EXPENDITURE		<u>12,382</u>	<u>1,380</u>	<u>13,762</u>	<i><u>12,650</u></i>
Net (Expenditure) / Income before gain/losses on investments		67	-	67	<i>(112)</i>
NET MOVEMENT IN FUNDS		<u>67</u>	<u>-</u>	<u>67</u>	<i><u>(112)</u></i>
TOTAL FUNDS BROUGHT FORWARD		<u>2,027</u>	<u>-</u>	<u>2,027</u>	<i><u>2,139</u></i>
TOTAL FUNDS CARRIED FORWARD		<u>2,094</u>	<u>-</u>	<u>2,094</u>	<i><u>2,027</u></i>

Second Step


Aileen Edwards
Chief Executive Second Step
Tel: 0117 909 6630
Email: aileen.edwards@second-step.co.uk

9 Brunswick Square
Bristol BS2 8PE
Tel: 0117 909 6630
Email: admin@second-step.co.uk

Second Step Bath & North East Somerset
South Vaults
Green Park Station
Bath
BA1 1JB
Tel: 01225 750926 / 750927
Email: banesinfo@second-step.co.uk

Second Step North Somerset
Boulevard
Weston-Super-Mare
North Somerset
BS23 1NA
Tel: 0333 023 3504
Email: NSWellbeing@second-step.co.uk

Second Step Somerset
The Great Western Hotel, Station Approach
Taunton
TA1 1QW
Tel: 0333 023 5405
Email: steptgether@second-step.co.uk

 @wearesecondstep
www.second-step.co.uk

Second Step is a registered society under the Co-operative and Community Benefit Societies Act 2014 (registration number 25597R)