STEP BY STEP

Young People. Hard Times. Bright Futures.

ANNUAL REPORT AND FINANCIAL STATEMENTS 2025-26

TAKE A STAND AGAINST YOUTH HOMELESSNESS



Reg Charity No. 900308
Company Reg No. 02431825



STEP BY STEP PARTNERSHIP LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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The Directors of Step by Step Partnership (the Charity) for the purposes of the Companies Act, who are also Trustees of the Charity for the purposes of the Charities Act, submit their annual report and the financial statements for Step by Step for the year ended 31 March 2026. The Directors confirm that the annual report and financial statements of the Charity comply with current statutory requirements, the requirements of the Charity's governing documents and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities". A list of the board, officers and advisors can be found on page 14.



TRUSTEES' REPORT

YOUTH HOMELESSNESS IS RISING, becoming more complex and placing increasing pressure on already stretched systems. It is not an isolated issue but a structural challenge affecting thousands of children and young people across our communities.

Official figures show that around 1 in every 84 young people in our region (six counties) came forward to their local authority last year because they were homeless or at risk. Step by Step estimates that the true figure is closer to 1 in 40.

For many young people, homelessness does not mean the street. It means sofa surfing or staying in places that are unsafe, unstable or unsuitable, often with no real choice or security.

Too many young people reach a cliff edge at 18, losing support at the very point they need it most. Too many are navigating poor mental health, disrupted education, and unstable housing with limited safety nets. Those with care experience are disproportionately affected. The system too often responds only at crisis point.

This is not inevitable. It is solvable. But only if we act earlier, support longer, and think differently.

Step by Step exists to take a stand against youth homelessness.

We do this by providing safe accommodation, mental health support and practical pathways to independence for children and young people aged 6 to 25. Our work spans supported accommodation, supported lodgings, fostering, counselling and wellbeing, and targeted programmes that equip young people with the skills and confidence to move forward.

We are not simply a provider of services. We work alongside young people at critical moments, helping them move from instability towards independence, and from surviving to thriving.



OBJECTIVES & ACTIVITIES

Youth homelessness cannot be addressed through housing alone. It requires a coordinated, sustained response that tackles the root causes as well as the immediate need.

Our model is built on integration, bringing together accommodation, wellbeing and progression into a single, coherent journey for each young person.

That is why our services are designed to work together:

- Safe, supported accommodation for those at immediate risk
- Supported Lodgings and fostering placements that provide stable homes
- Counselling and wellbeing support to address mental health needs
- Programmes that support education, employment and life skills
- Pathways into independent living for young people transitioning out of support

Step by Step is the largest provider of Supported Lodgings in the country, delivering services across six counties. In 2025–26, our Supported Lodgings service was the first to be inspected under the new Ofsted framework and achieved the highest available rating, reflecting the quality and consistency of our provision.

This integrated model enables earlier intervention, reduces the likelihood of crisis, and delivers more sustainable, long-term outcomes.

ACHIEVEMENT & PERFORMANCE IN 2025–26

During the year, Step by Step supported 1,245 children and young people directly, with a further 4,765 reached through community engagement, education and outreach.

In total, 6,010 individuals benefited from our work.

- 252 young people accessed safe accommodation
- 606 young people received counselling and wellbeing support
- 263 young people were supported through our Launch programme

Also, 73% of young people in our accommodation services made positive progress.

These figures demonstrate both the scale of need and the effectiveness of an integrated approach. Behind each number is a young person whose trajectory has been changed, often at a pivotal moment. For many, this support represents the difference between ongoing instability and a clear pathway to independence.

A CLEAR SENSE OF DIRECTION

Step by Step operates in an increasingly challenging environment. Demand is rising. Public funding is constrained. The complexity of need continues to grow.

In response, we are not standing still. We have a clear multi-year direction focused on strengthening both our impact and our resilience.

We are committed to:

- Strengthening integrated services that respond to the full range of young peoples' needs
- Expanding access to safe, stable accommodation and support
- Increasing the availability and timeliness of mental health and wellbeing provision
- Investing in our people, partnerships and infrastructure to support sustainable growth
- Building a more diversified and resilient funding model.

Alongside service delivery, we will continue to contribute to wider sector conversations. We will use our frontline insight to inform better systems, better policy, and better outcomes for young people.

Our focus is on ensuring that more young people receive the right support, at the right time, in the right way. This is how we take a stand against youth homelessness in practice.



OUR PURPOSE AND PUBLIC BENEFIT

Step by Step is a charitable company limited by guarantee.

Our charitable purpose is to relieve the needs of children and young people who are homeless, at risk of homelessness, or experiencing hardship or distress, through the provision of accommodation, support, education and development opportunities.

We take a stand against youth homelessness by delivering integrated support that addresses both immediate need and the underlying causes of instability. This includes safe accommodation, mental health support, and pathways into education, employment and independent living.

In delivering this purpose, the Trustees have had due regard to the Charity Commission's guidance on public benefit. Our services are targeted at children and young people who are homeless, at risk of homelessness, or facing significant barriers to stability and independence. Through these activities, the Charity delivers clear and demonstrable public benefit by improving stability, wellbeing and long-term outcomes for vulnerable young people.

HOW WE TAKE A STAND

Our activities are designed to provide a coordinated response to youth homelessness, recognising that no single intervention is sufficient on its own.

ACCOMMODATION AND HOUSING SUPPORT

We provide safe, supported accommodation for young people who are homeless or at immediate risk. This includes Foyers, supported accommodation, and move-on housing for those transitioning towards independence.

SUPPORTED LODGINGS AND FOSTERING

We recruit, train and support hosts and foster carers who provide stable, family-based environments for young people. These placements offer not only a safe place to stay, but also consistency, guidance and a sense of belonging.

COUNSELLING AND WELLBEING

We deliver counselling and wellbeing services to support young people's mental health. This includes early intervention, trauma-informed support, and ongoing therapeutic provision tailored to individual need.

EDUCATION, EMPLOYMENT AND LIFE SKILLS

Through our Launch programme and wider support offer, we help young people build the skills, confidence and experience needed to move into education, employment and independent living.

EARLY INTERVENTION AND COMMUNITY ENGAGEMENT

We work with schools, communities and partner organisations to identify and support young people earlier, reducing the likelihood of crisis and long-term homelessness.

Together, these activities form an integrated model of support that enables young people to move from crisis towards stability and independence. This is how we take a stand against youth homelessness in practice.

WHAT CHANGED THIS YEAR

This year has been characterised by continued growth in demand, increasing complexity of need, and a sustained focus on delivering high-quality, integrated support.

EXPANDING REACH AND ACCESS

We increased our capacity to provide safe accommodation and support, through the opening of two additional move-on properties. These developments have expanded the number of young people able to access stable housing and progress towards independence.

We also extended our reach (4,765 2025/6, compared with 2,080 in 2024/5) through community engagement, education and partnership activity, helping to identify need earlier and intervene before crisis escalates.

STRENGTHENING INTEGRATED SUPPORT

We continued to strengthen the integration between accommodation, counselling and progression services, moving to one Head of Service from April 2026. This has enabled a more consistent journey for young people, reducing fragmentation and improving outcomes.

Our focus has been on ensuring that young people do not experience support as separate services, but as a coordinated system designed around their needs.

IMPROVING OUTCOMES FOR YOUNG PEOPLE

Positive progression rates across accommodation services remained strong, reflecting the effectiveness of a model that combines stability with practical and emotional support.

Young people engaged in counselling and wellbeing services reported improvements in confidence, resilience and mental health, supporting their ability to sustain accommodation and move forward.

INVESTING IN CAPACITY AND CAPABILITY

We have continued to invest in our people, systems and infrastructure to support sustainable growth. This includes strengthening our workforce, improving internal systems, and building the foundations for more efficient and effective delivery.

These investments are essential to maintaining quality while responding to rising demand and increasing complexity.

BUILDING PARTNERSHIPS AND INFLUENCE

We strengthened relationships with commissioners, partners and stakeholders across our region, supporting both service delivery and our wider contribution to conversations about youth homelessness.

During the year, we also delivered our first major public campaign, "18 isn't cheaper". The campaign challenged assumptions about the cost of supporting young people beyond the age of 18 and raised the profile of youth homelessness, positioning Step by Step as a confident and credible voice within the sector. It also strengthened our ability to engage the public, partners and decision-makers in a more visible and compelling way.

We continue to use our frontline insight to highlight the realities facing young people, ensuring that lived experience informs both local and wider system responses.

Taken together, these developments represent meaningful progress and a continued commitment to improving outcomes, strengthening delivery, and responding to the changing landscape.

This is how we continue to take a stand against youth homelessness.

PLANS FOR FUTURE PERIODS (LOOKING AHEAD)

The scale of the challenge is significant. The opportunity is equally clear.

We remain committed to taking a stand against youth homelessness. We will work with partners, funders, commissioners and communities to deliver meaningful, measurable change for children and young people.

The challenge is clear. Our response is deliberate. And the need for action has never been greater.

The sections that follow provide further detail on our activities, performance, governance and financial position, in line with our statutory reporting requirements.

PLANS FOR THE YEAR AHEAD

The year ahead will focus on translating this into practical delivery across our services and partnerships.

Demand for services continues to rise, with increasing complexity of need. In response, we will focus on targeted growth and innovation, ensuring that support remains accessible, effective, and responsive to the needs of young people.

Key priorities for the year ahead include:

- Expanding accommodation options, including increasing move-on provision and strengthening pathways beyond supported housing
- Strengthening Supported Lodgings and Fostering through continued recruitment, support for hosts and carers, and service development
- Improving accessibility to services such as Launch and counselling, including enhanced digital access and community-based delivery
- Building on our public profile following our first major campaign, strengthening engagement with donors, commissioners and communities
- Continuing to invest in our people, systems and infrastructure to support consistent, high-quality delivery
- Maintaining a strong focus on financial sustainability through diversification of income and disciplined cost management

We will continue to respond to regulatory frameworks, including Ofsted requirements, ensuring compliance is maintained while driving continuous improvement in the quality of support we provide.

Our focus remains clear: ensuring more young people receive the right support, at the right time, in the right way, and continuing to take a stand against youth homelessness.



FINANCIAL REVIEW

Step by Step is committed to ensuring that every pound is used effectively to support children and young people. Our focus is on delivering high-quality services while maintaining financial stability in an increasingly challenging funding environment.

FINANCIAL RESULTS FOR THE YEAR

Our Statement of Financial Activities is set out on page 21 and shows the net movement in funds for the year.

During the year, the group reported total income of £4,573,225, with expenditure of £4,519,156. Income was generated through a combination of statutory funding, fundraising, and other income streams.

Statutory income continues to form a significant proportion of our funding. However, we have continued to strengthen our fundraising and partnership activity to support a more balanced and resilient income mix.

Expenditure remains prioritised on frontline service delivery, ensuring the maximum possible investment benefits young people directly.

During the year a surplus of £54,069 was recorded for the group, comprising a surplus of £168,901 for Step by Step Partnership Ltd and a deficit of £114,832 for its wholly owned subsidiary, Step by Step Fostering Limited.

Income and expenditure are reviewed by the senior leadership team and Directors on a monthly finance call, with active cost management ensuring resources are directed where they deliver the greatest impact for young people. New contracts and fundraising opportunities are pursued strategically to strengthen income and reach. The Charity's subsidiary fostering agency has incurred set-up losses to date, reflecting Ofsted registration costs and the time required to recruit, approve and match foster carers. By year end, six young people were placed with Step by Step carers, one additional carer was approved and available, and further carers were progressing through assessment.

FINANCIAL SUSTAINABILITY

The Charity remains financially stable, supported by appropriate levels of reserves and careful financial planning. Trustees continue to monitor financial performance closely, ensuring that resources are aligned with strategic priorities.

We recognise the ongoing challenges within the wider funding landscape, including pressures on public sector budgets and increased demand for services. In response, we are taking a measured approach to growth, ensuring that expansion is sustainable and aligned with our mission.

GOING CONCERN

In determining that the Charity continues to be a going concern for the purposes of preparing these financial statements, the Trustees have considered the following:

- The financial performance of the Charity since 31 March 2026 and current balance sheet position.
- 2026/27 Budgets and forecasts of performance of the Charity to 31 July 2027, including cash flow.
- The new contract opportunities and investments that are being progressed.

Through this review, the Trustees have assessed that the Charity continues to be a going concern.

VALUE FOR MONEY AND IMPACT

Step by Step is committed to delivering strong value for money. Independent analysis indicates that for every £1 invested, the Charity delivers a social return of £6.80 through improved outcomes for young people.

Our focus on early intervention and integrated support not only improves individual outcomes but also reduces longer-term costs to the public purse.

RISK AND FINANCIAL MANAGEMENT

Trustees regularly review financial risks, including safeguarding income volatility, cost pressures, and changes in commissioning. Appropriate controls and monitoring processes are in place to seek to ensure that risks are identified and managed effectively.

We continue to strengthen our financial systems and reporting, enabling timely and informed decision-making across the organisation.

Overall, Step by Step remains in a strong financial position, with a clear focus on sustainability, accountability, and maximising impact.

RESERVES POLICY

The Trustees' policy is to establish and maintain a level of reserves that ensures resilience and adequate financial resources to sustain ongoing social impact and public benefit. This includes ensuring that funds are available to meet current and known liabilities, continue the delivery of high-quality services, and respond to financial risks and future uncertainties.

The Trustees regularly review reserves, including those held within the Charity's wholly owned subsidiary, to ensure that total group reserves are sufficient to cover:

- Six to nine months of budgeted expenditure, less committed income for the following twelve months. This equates to a target range of £479k to £781k.
- Planned development and committed capital expenditure over at least the next twelve months, currently estimated at £684k.
- Fixed asset designations in line with SORP requirements, currently £971k.

Total reserves at 31 March 2026 were £2,352,695, comprising designated funds of £1,654,591 and unrestricted funds of £698,104.

After allowing for restricted and designated funds, free reserves were £698,104 at the year end. Free reserves represent funds that are not restricted by funders or designated by the Trustees for specific purposes.

Reserves are within the target range set out in the Reserves Policy. The Trustees consider this level of reserves to be appropriate in supporting the Charity's current operations and future commitments, and will continue to monitor this position closely.

INVESTMENT POLICY

All investment decisions are taken in the best interests of the Charity achieving its charitable purpose and follow the Charity Commission's guidance on investment matters as stated in their publication "Investing Charity Money: a guide for Trustees".

The purpose of financial investment is to yield the best financial return within the level of risk considered to be acceptable. As such, investments by the Charity are subject to risk assessment as part of the formulation of financial investment cases. These may vary from very low risk investments e.g., cash reserves investment to support the Reserves Policy invested under FSCS guarantees, through to relatively high-risk assessments e.g. funding new services with the objective of creating new income streams and surplus to support the charitable purpose.

The Trustees have invested in a wholly owned trading subsidiary, Step by Step Fostering Ltd, which supports the diversification of income and is intended to contribute to the long-term financial sustainability of the Charity. This investment is aligned with the Charity's mission, enabling the development of services that both deliver impact and generate income to reinvest in core activities.

The performance of the subsidiary is monitored regularly by the Trustees, ensuring that it operates in line with the Charity's values and financial expectations. Any surpluses generated will be used to support the Charity's work with children and young people.

FUNDRAISING STANDARDS AND COMPLIANCE

Step by Step is committed to fundraising in a way that is transparent, respectful and aligned with best practice.

The Charity adheres to the Code of Fundraising Practice and relevant regulatory guidance. We do not engage in practices that place undue pressure on individuals and are committed to protecting vulnerable people.

Fundraising activities are carried out by appropriately trained staff and, where applicable, trusted partners. The Charity maintains oversight of all fundraising activity to ensure it is conducted in line with our values and legal obligations.

We take any concerns about fundraising seriously. During the year, the Charity received no complaints relating to fundraising activity.

The Trustees have oversight of fundraising practices and regularly review policies and performance to ensure continued compliance and public trust.



PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees recognise that effective risk management is essential to delivering safe, sustainable and high-quality services. A structured risk management framework is in place, with risks reviewed regularly by the Board and senior leadership team.

The principal risks facing the Charity are:

- Safeguarding risk: The welfare and safety of young people, particularly those with complex needs or engaging in risk-taking behaviours. This is mitigated through robust safeguarding policies, regular training, external audits, and strong governance oversight.
- Income volatility: Dependence on statutory funding, fundraising, and commissioning arrangements which may change or reduce. This is managed through diversified income streams, active contract management, and ongoing fundraising development.
- Demand exceeding capacity: Increasing demand and complexity of need may outstrip available services. This is mitigated through targeted growth, prioritisation frameworks, and continued investment in capacity.
- Workforce capacity and capability: Challenges in recruiting and retaining skilled staff and volunteers. This is addressed through competitive remuneration, training, wellbeing support, and workforce development.
- Regulatory and compliance risk: Regulatory frameworks, including Ofsted requirements, may impact service delivery. This is managed through proactive compliance monitoring, policy reviews, and continuous quality improvement.

The Trustees are satisfied that appropriate systems and controls are in place to identify, monitor and manage these risks effectively.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Strong governance is essential to delivering safe, effective services for children and young people.

Step by Step Partnership Ltd is governed by a Board of Trustees who are responsible for the overall strategic direction, financial oversight, and ensuring that the Charity operates in line with its purpose and legal obligations.

GOVERNANCE AND MANAGEMENT FRAMEWORK

Step by Step Partnership Ltd is a charitable company limited by guarantee governed by its Memorandum and Articles of Association.

The Board of Trustees is responsible for the overall governance of the Charity, including setting strategic direction, approving budgets, and monitoring performance and risk. Day-to-day management is delegated to the Chief Executive and senior leadership team, who are responsible for the delivery of services and implementation of strategy.

The Charity operates alongside its wholly owned subsidiary, Step by Step Fostering Ltd, which is governed through appropriate oversight arrangements to ensure alignment with the Charity's purpose and objectives.

TRUSTEES AND STRUCTURE

The Board brings a diverse range of skills and experience, supporting effective decision-making and robust oversight. Trustees meet regularly to review performance, monitor risk, and ensure alignment with the organisation's strategic direction.

Trustees are recruited through a structured process designed to identify individuals with the skills and experience required by the Board. New Trustees are appointed by the Board in accordance with the Charity's governing document.

All new Trustees follow an induction programme, including information on the Charity's services, governance, safeguarding, and legal responsibilities. Ongoing training and development is provided to ensure Trustees remain effective in their role.

SAFEGUARDING AND OVERSIGHT

Safeguarding remains a central priority for the organisation. Trustees receive regular updates on safeguarding practice, risks, and incidents, ensuring that appropriate systems and controls are in place.

LEADERSHIP AND ACCOUNTABILITY

The senior leadership team is responsible for the day-to-day management of the organisation, implementing strategy and ensuring the effective delivery of services.

Clear lines of accountability are in place, supported by robust governance processes and regular reporting.

Volunteers play a valuable role in supporting community engagement, including events, outreach and talks. As our external engagement continues to grow, we are increasing the number of volunteers to extend our reach and support delivery.

Together, these arrangements ensure that Step by Step operates with transparency, accountability, and a clear focus on delivering positive outcomes for young people.

LEGAL AND ADMINISTRATIVE DETAILS

The following information is provided in line with statutory reporting requirements.

Charity Name: Step by Step Partnership Ltd

Company Registration Number: 02431825

Charity Number: 900308

Registered Office: 36 Crimea Road, Aldershot, Hampshire GU11 1UD

TRUSTEES (DIRECTORS)

- Mr A Mitchell, Deputy Chair until end of April 2025. Chair from May 2025
- Mr K Gathergood, Chair (retired May 2025)
- Mr S Mylvaganam, Treasurer
- Sir J Portal
- Mrs C Skerry
- Mr J Mowat
- Mrs L Barnes
- Mrs C Gallagher
- Mrs R Ward (appointed May 2025)

Company Secretary: Mrs L Barnes

SENIOR LEADERSHIP TEAM

- Mrs D Moreton, Chief Executive
- Mrs K Headen, Head of Services (from April 2026), previous role Head of Supported Lodgings and Fostering
- Mrs A Thurlow, Head of Finance
- Mrs A Chiu, Head of Fundraising
- Mrs N Goom, Head of Strategic Marketing and External Affairs
- Mrs R Palmer, Head of HR
- Mrs M Harris, Head of Wellbeing & Foyers (resigned April 2026)

Auditors: Moore Kingston Smith, 5 Godalming Business Centre, Woolsack Way, Godalming, Surrey GU7 1XW

Bankers: Lloyds Bank Plc, 25 Gresham Street, London EC2V 7HN

Solicitors: Moore Barlow LLP, Concord House, 165 Church Street East, Woking GU21 6HJ

Subsidiary: Step by Step Fostering Limited (wholly owned). Company reg number 13672670.

REMUNERATION OF KEY MANAGEMENT PERSONNEL

The remuneration framework for key management personnel is set by the Board of Trustees, taking into account the responsibilities of the role, market comparators, and the financial position of the Charity. The Trustees aim to ensure that remuneration is fair, reasonable, and aligned with the Charity's values and objectives.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are the Directors of Step by Step Partnership Ltd for the purposes of company law) are responsible for preparing the Trustees' Report and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements, for each financial year, which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the Charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and 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 Charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose, with reasonable accuracy, at any time, the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the Charity's Auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

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



Members of the Charity guarantee to contribute an amount not exceeding £1 to the assets of the Charity in the event of winding up. The total number of such guarantees at 31 March 2026 was 22 (2025:24). The Trustees are members of the Charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the Charity.

AUDITOR

Moore Kingston Smith was appointed as auditor during the year and has expressed its willingness to continue in that capacity.

The Trustees' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

APPROVAL OF THE TRUSTEES' REPORT

The Trustees' Report was approved by the Board of Trustees on 27 July 2026 and signed on its behalf by:



Andrew Mitchell, Chair of Trustees



AUDITOR'S REPORT

OPINION

We have audited the financial statements of Step by Step Partnership Ltd (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2026 which comprise the consolidated statement of financial activities, the consolidated and parent charitable company balance sheets, the consolidated cash flow statement 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, including 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 of the state of the group and the parent charitable company's affairs as at 31 March 2026 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or the

parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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 this gives rise to a material

misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' annual report, which includes the directors' report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors report included within the trustees' annual report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption from preparing a strategic report.

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

EXPLANATION AS TO WHAT EXTENT THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD.

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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council and UK taxation legislation.

We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.

We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.

We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.

We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business and we addressed whether judgements made in making accounting estimates gave rise to potential indication of management bias.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and, in respect of the consolidated financial statements, to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which 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 any party other than the charitable company, the charitable company's members, as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinion we have formed.



Peter Conneely (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

5 Godalming Business Centre
Woolsack Way
Godalming
GU7 1XW

Date: 30/7/2026

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES – FOR THE YEAR ENDED 31 MARCH 2026

	Note	Unrestricted £	Designated £	Restricted £	2026 Total £	Unrestricted £	Designated £	Restated - Restricted £	2025 Total £
INCOME FROM:									
Donations and legacies	2	417,455	—	431,649	**849,104**	305,618	—	485,203	790,821
Charitable activities:									
Accommodation	3	3,301,814	—	—	**3,301,814**	3,110,416	—	—	3,110,416
Counselling & support	3	394,765	—	—	**394,765**	377,832	—	—	377,832
Development projects	3	—	—	—	—	—	—	—	—
Investments		27,542	—	—	**27,542**	42,947	—	—	42,947
Total income		**4,141,576**	—	**431,649**	**4,573,225**	**3,836,813**	**—**	**485,203**	**4,322,016**
EXPENDITURE ON:									
Raising funds	5	268,628	—	—	**268,628**	262,001	—	—	262,001
Charitable activities:									
Accommodation	5	3,174,387	—	190,940	**3,365,327**	2,947,816	—	251,286	3,199,102
Counselling & support	5	558,541	—	207,496	**766,037**	460,329	—	198,305	658,634
Development projects	5	97,304	—	21,860	**119,164**	80,978	—	35,612	116,590
Total expenditure		**4,098,860**	—	**420,296**	**4,519,156**	**3,751,124**	**—**	**485,203**	**4,236,327**
NET INCOME / (EXPENDITURE) FOR THE YEAR	**6**	**42,716**	—	**11,353**	**54,069**	**85,689**	**—**	**—**	**85,689**
Transfers between funds		33,695	(22,342)	(11,353)	**—**	(106,011)	106,011	—	—
Net income / (expenditure) before other recognised gains and loses		**76,411**	**(22,342)**	—	**54,069**	**(20,322)**	**106,011**	**—**	**85,689**
NET MOVEMENT IN FUNDS		**76,411**	**(22,342)**	—	**54,069**	**(20,322)**	**106,011**	**—**	**85,689**
Total funds brought forward		621,693	1,676,933	—	2,298,626	642,015	1,570,922	—	2,212,937
TOTAL FUNDS CARRIED FORWARD		**698,104**	**1,654,591**	—	**2,352,695**	**621,693**	**1,676,933**	**—**	**2,298,626**

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 19a to the financial statements.

BALANCE SHEETS – AS AT 31 MARCH 2026

	Note	The Group 2026 £	The Group 2025 £	The Charity 2026 £	The Charity 2025 £
FIXED ASSETS					
Tangible assets	11	**970,937**	994,846	**970,937**	994,846
Investments	12	**–**	–	**1**	1
Total fixed assets		**970,937**	**994,846**	**970,938**	**994,847**
CURRENT ASSETS					
Debtors	14	**319,906**	288,358	**751,390**	576,968
Short term deposits		**250,000**	250,000	**250,000**	250,000
Cash at bank and in hand		**1,475,778**	1,316,922	**1,394,475**	1,262,475
Total current assets		**2,045,684**	**1,855,280**	**2,395,865**	**2,089,443**
LIABILITIES					
Creditors: amounts falling due within one year	15	**(663,926)**	(551,500)	**(655,235)**	(541,623)
Net current assets		**1,381,758**	**1,303,780**	**1,740,630**	**1,547,820**
TOTAL NET ASSETS		**2,352,695**	**2,298,626**	**2,711,568**	**2,542,667**
FUNDS	19				
Restricted income funds		**–**	–	**–**	–
Unrestricted income funds:					
Designated funds		**1,654,591**	1,676,933	**1,654,591**	1,676,933
General funds		**698,104**	621,693	**1,056,977**	865,734
Total unrestricted funds		**2,352,695**	**2,298,626**	**2,711,568**	**2,542,667**
TOTAL FUNDS		**2,352,695**	**2,298,626**	**2,711,568**	**2,542,667**

Approved by the trustees on 27 July 2026
and signed on their behalf by:

S Nylvaganam
(Treasurer/Director)

A Mitchell
(Chair/Director)

CONSOLIDATED STATEMENT OF CASH FLOWS – FOR THE YEAR ENDED 31 MARCH 2026

	2026 £	2025 £
Cash flows from operating activities		
Net income / (expenditure) for the reporting period	**54,069**	85,689
Depreciation charges	**45,740**	36,406
Dividends, interest and rent from investments	**(27,542)**	(42,947)
(Profit)/loss on the disposal of fixed assets	**—**	—
(Increase)/decrease in debtors	**(31,548)**	(18,908)
Increase/(decrease) in creditors	**112,426**	(138,259)
Net cash provided by / (used in) operating activities	**153,145**	**(78,019)**
Cash flows from investing activities		
Dividends, interest and rents from investments	**27,542**	42,947
Proceeds from the sale of fixed assets	**—**	—
Transfer to short term deposit account	**—**	—
Purchase of fixed assets	**(21,831)**	(424,330)
Net cash provided by / (used in) investing activities	**5,711**	**(381,383)**
Change in cash and cash equivalents in the year	**158,856**	(459,402)
Cash and cash equivalents at the beginning of the year	**1,316,922**	1,776,324
Change in cash and cash equivalents due to exchange rate movements	**—**	—
Cash and cash equivalents at the end of the year	**1,475,778**	**1,316,922**

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED 31 MARCH 2026

NOTE 1 - ACCOUNTING POLICIES

a) Statutory information

Step by Step Partnership Ltd is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address and principal place of business is 36 Crimea Road, Aldershot, Hampshire, GU11 1UD.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

These financial statements consolidate the results of the charity and its wholly-owned subsidiary Step by Step Fostering Limited on a line by line basis. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two entities are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006. A summary of the result for the year is disclosed in the notes to the accounts.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is a treated as a contingent asset and disclosed if material.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Interest receivable

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

NOTE 1 - ACCOUNTING POLICIES (CONTINUED)

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

i) Expenditure and irrecoverable VAT

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. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity in seeking voluntary contributions, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering accommodation and support services, welfare, guidance and counselling actvities undertaken to further the purposes of the charity and their associated support
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

- Supported Accommodation 60%
- Counselling & Support 24%
- Cost of raising funds 5%
- Growth & Development 11%

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

i) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The annual depreciation rates in use are as follows:

- Freehold property 2% straight line
- Computer equipment 33% straight line
- Furniture and fittings 10% - 20% straight line

m) Investments in subsidiaries

Investments in subsidiaries are at cost.

NOTE 1 - ACCOUNTING POLICIES (CONTINUED)

n) Debtors

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

o) Short term deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

p) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

q) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

r) Financial instruments

The charity 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.

s) Pensions

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

NOTE 2 – INCOME FROM DONATIONS AND LEGACIES

	Unrestricted £	Restricted £	2026 Total £	Unrestricted £	Restated - Restricted £	2025 Total £
Churches	9,330	-	**9,330**	13,386	-	13,386
Corporates	102,201	125,093	**227,294**	45,948	201,472	247,420
Community Organisations	18,893	6,699	**25,592**	28,917	4,000	32,917
Individuals	131,653	14,450	**146,103**	79,391	13,652	93,043
Trusts and Grants	153,927	271,911	**425,838**	136,618	263,234	399,852
Local Authority Grants	—	13,496	**13,496**	71	2,845	2,916
Legacies	—	—	—	—	—	—
Events	1,451	—	**1,451**	1,287	—	1,287
Other	—	—	—	—	—	—
Total	**417,455**	**431,649**	**849,104**	**305,618**	**485,203**	**790,821**

NOTE 3 – INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted £	Restricted £	2026 Total £	Unrestricted £	Restricted £	2025 Total £
Accommodation	3,301,814	190,940	**3,492,754**	3,110,416	251,286	3,361,702
Counselling & Support	394,765	207,496	**602,261**	377,832	198,305	576,137
Development projects	—	21,860	**21,860**	—	35,612	35,612
Total	**3,696,579**	**420,296**	**4,116,875**	**3,488,248**	**485,203**	**3,973,451**

NOTE 4 – INCOME FROM CHARITABLE ACTIVITIES BY FUNDER

	Unrestricted £	Restricted £	2026 Total £	Unrestricted £	Restated - Restricted £	2025 Total £
Contract Income						
Local Authority Contracts	3,454,377	—	**3,454,377**	3,285,806	—	3,285,806
Rent and Personal Charges	242,202	—	**242,202**	202,442	—	202,442
Sundry Income	—	—	**—**	—	—	—
Sub-total	**3,696,579**	—	**3,696,579**	**3,488,248**	—	**3,488,248**
Total income from charitable activities	**3,696,579**	—	**3,696,579**	**3,488,248**	—	**3,488,248**

NOTE 5A – ANALYSIS OF EXPENDITURE (CURRENT YEAR 2026)

		Charitable Activities						
	Raising funds	Accommodation	Counselling & Support	Growth & Development	Governance costs	Support costs	2026 Total	2025 Total
	£	£	£	£	£	£	£	£
Staff costs (Note 7)	179,228	1,508,136	350,020	35,398	57,645	471,735	**2,602,162**	2,376,729
Direct Costs	51,966	1,425,685	244,850	711	22,460	—	**1,745,672**	1,622,708
Support – Other staff costs	—	—	—	—	—	56,231	**56,231**	52,555
Support – Administrative running costs	—	—	—	—	—	51,961	**51,961**	51,040
Support – Building maintenance costs	—	—	—	—	—	6,867	**6,867**	8,813
Support – Marketing costs	—	—	—	—	—	29,114	**29,114**	76,489
Support – Legal & Professional Fees	—	—	—	—	—	27,088	**27,088**	47,993
Support – Misc	—	—	—	—	—	61	**61**	—
Sub-total	**231,194**	**2,933,821**	**594,870**	**36,109**	**80,105**	**643,057**	**4,519,156**	4,236,327
Support costs	29,264	379,277	151,461	83,055	—	(643,057)	—	—
Governance costs	8,170	52,229	19,706	—	(80,105)	—	—	—
Total expenditure 2026	**268,628**	**3,365,327**	**766,037**	**119,164**	—	—	**4,519,156**	
Total expenditure 2025	262,001	3,199,102	658,634	116,590	—	—	**—**	4,236,327

NOTE 5B – ANALYSIS OF EXPENDITURE (PRIOR YEAR 2025)

		Charitable Activities					
	Raising funds	Accommodation	Counselling & Support	Growth & Development	Governance costs	Support costs	2025 Total
	£	£	£	£	£	£	£
Staff costs (Note 7)	162,115	1,387,202	333,186	22,889	64,697	406,640	2,376,729
Direct Costs	64,640	1,376,563	154,833	6,729	19,943	—	1,622,708
Support – Other staff costs	—	—	—	—	—	52,555	52,555
Support – Administrative running costs	—	—	—	—	—	51,040	51,040
Support – Building maintenance costs	—	—	—	—	—	8,813	8,813
Support – Marketing costs	—	—	—	—	—	76,489	76,489
Support – Legal & Professional Fees	—	—	—	—	—	47,993	47,993
Support - Misc	—	—	—	—	—	—	—
Sub-total	**226,755**	**2,763,765**	**488,019**	**29,618**	**84,640**	**643,530**	**4,236,327**
Support costs	29,240	377,069	150,249	86,972	—	(643,530)	—
Governance costs	6,006	58,268	20,366	—	(84,640)	—	—
Total expenditure 2025	**262,001**	**3,199,102**	**658,634**	**116,590**	—	—	**4,236,327**

NOTE 6 – NET INCOME / (EXPENDITURE) FOR THE YEAR

This is stated after charging/ (crediting):

	2026 £	2025 £
Depreciation	**45,740**	36,406
Loss or profit on disposal of fixed assets	**—**	—
Operating lease rentals - property	**30,766**	30,766
Operating lease rentals - other	**434**	696
Auditor's remuneration (exluding VAT) - audit	**15,000**	15,000
Auditor's remuneration (exluding VAT) - Tax Advisory	**2,000**	1,320
Auditor's remuneration (exluding VAT) - other services	**1,250**	—

NOTE 7 – STAFF COSTS

	2026 £	2025 £
Salaries and wages	**2,280,476**	2,132,149
Social security costs	**257,904**	184,029
Employer's contribution to defined contribution pension schemes	**63,782**	60,551
Total	**2,602,162**	**2,376,729**

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

Employees receiving benefits between:	2026 No.	2025 No.
£60,000 – £69,999	**2**	1
£70,000 – £79,999	**1**	—
£80,000 – £89,999	—	1

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £502,732 (2025: £454,826).
The charity trustees were neither paid nor received any benefits from employment with the charity in the year (2025: £Nil).
No charity trustee received payment for professional or other services supplied to the charity (2025: £Nil).
The charity trustees were not reimbursed for any expenses incurred during the year (2025: £Nil).

NOTE 8 – STAFF NUMBERS

The average number of employees (head count based on number of staff employed) during the year was 84 (2025: 84).

Staff are split across the activities of the charity as follows (full time equivalent basis):

Staff numbers (full time equivalent)	2026 No.	2025 No.
Governance, Management and Admin	**9.4**	10.6
Fundraising and Marketing	**7.8**	6.7
Accommodation and other Service Staff	**46.1**	46.2
Total	**63.3**	**63.5**

NOTE 9 - RELATED PARTY TRANSACTIONS

There are no related party transactions to disclose for 2026 (2025: none).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

NOTE 10 - TAXATION

The charity is exempt from corporation tax because all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary, Step by Step Fostering Limited, will distribute under Gift Aid available profits to the parent charity.

NOTE 11 – TANGIBLE FIXED ASSETS (GROUP)

	Freehold property £	Computer equipment £	Furniture & fittings £	Total £
COST OR VALUATION				
At the start of the year	975,522	146,573	12,920	**1,135,015**
Additions in year	—	13,022	8,809	**21,831**
Disposals in year	—	(8,690)	—	**(8,690)**
At the end of the year	**975,522**	**150,905**	**21,729**	**1,148,156**
DEPRECIATION				
At the start of the year	27,334	108,614	4,221	**140,169**
Charge for the year	19,510	23,341	2,889	**45,740**
Eliminated on disposal	—	(8,690)	—	**(8,690)**
At the end of the year	**46,844**	**123,265**	**7,110**	**177,219**
NET BOOK VALUE				
At the end of the year	**928,678**	**27,640**	**14,619**	**970,937**
At the start of the year	948,188	37,959	8,699	**994,846**

NOTE 11 – TANGIBLE FIXED ASSETS (CHARITY)

	Freehold property £	Computer equipment £	Fixtures and fittings £	Total £
COST OR VALUATION				
At the start of the year	975,522	145,028	12,920	**1,133,470**
Additions in year	—	13,022	8,809	**21,831**
Disposals in year	—	(7,447)	—	**(7,447)**
At the end of the year	**975,522**	**150,603**	**21,729**	**1,147,854**
DEPRECIATION				
At the start of the year	27,334	107,069	4,221	**138,624**
Charge for the year	19,510	23,341	2,889	**45,740**
Eliminated on disposal	—	(7,447)	—	**(7,447)**
At the end of the year	**46,844**	**122,963**	**7,110**	**176,917**
NET BOOK VALUE				
At the end of the year	**928,678**	**27,640**	**14,619**	**970,937**
At the start of the year	948,188	37,959	8,699	994,846

All of the above assets are used for charitable purposes



NOTE 12 – SUBSIDIARY UNDERTAKING (STEP BY STEP FOSTERING LIMITED)

The charity owns the whole of the issued ordinary share capital of Step by Step Fostering Limited, a company registered in England. The company number is 13672670. The registered office address is 36 Crimea Road, Aldershot, Hampshire, GU11 1UD.

The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits will be distributed under Gift Aid to the parent charity.

The trustees Andrew Mitchell, James Mowat, Sir Jonathan Portal, Lucy Barnes, Rebecca Ward and Caroline Skerry are also directors of the subsidiary. Sashi Mylvaganam and Clare Gallagher are trustees of the charity but not directors of the subsidiary. Matthew Reeves is a director of the subsidiary but not a trustee of the charity.

A summary of the results of the subsidiary is shown below:

	2026 £	2025 £
Turnover	**165,668**	127,742
Cost of sales	**(78,516)**	(60,433)
Gross profit/(loss)	**87,152**	**67,309**
Administrative expenses	**(197,192)**	(155,827)
Other operating income	**—**	—
Profit/(loss) before interest and taxation	**(110,040)**	**(88,518)**
Interest receivable and similar income	**—**	—
Interest payable and similar charges	**(4,792)**	—
Profit/(loss) on ordinary activities before taxation	**(114,832)**	**(88,518)**
Taxation on profit on ordinary activities	**—**	—
Profit/(loss) for the financial year	**(114,832)**	**(88,518)**
Retained Earnings		
Total retained earnings brought forward	**(244,041)**	(155,523)
Profit/(loss) for the financial year	**(114,832)**	(88,518)
Distribution under Gift Aid to parent charity	**—**	—
Total retained earnings carried forward	**(358,873)**	**(244,041)**
The aggregate of the assets, liabilities and reserves was:		
Assets	**103,761**	76,036
Liabilities	**(462,633)**	(320,076)
Reserves	**(358,872)**	**(244,040)**

Amounts owed to the parent undertaking are shown in note 14.

NOTE 13 – PARENT CHARITY GROSS INCOME AND RESULT

	2026 £	2025 £
Gross income	**4,412,349**	4,194,274
Result for the year	**168,901**	174,207

NOTE 14 – DEBTORS

	The Group 2026 £	2025 £	The Charity 2026 £	2025 £
Trade debtors	**219,308**	182,203	**204,864**	169,573
Other debtors	**480**	360	**—**	—
Amounts due from group undertakings	**—**	—	**453,942**	310,199
Prepayments	**89,828**	98,921	**83,144**	93,298
Accrued Income	**10,290**	6,874	**9,440**	3,898
Total	**319,906**	**288,358**	**751,390**	**576,968**

Included in Debtors above for the charity is an amount of £453,942 (2025 - £310,199) which is likely to be repaid after more than one year.

NOTE 15 – CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	The Group 2026 £	2025 £	The Charity 2026 £	2025 £
Trade creditors	**176,754**	163,430	**170,006**	155,499
Taxation and social security	**53,224**	42,988	**53,224**	42,988
Other creditors	**17,195**	4,095	**17,195**	4,095
Amounts due to group undertakings	**—**	—	**—**	—
Accruals	**85,543**	65,647	**83,600**	63,701
Deferred income (note 16)	**331,210**	275,340	**331,210**	275,340
Total	**663,926**	**551,500**	**655,235**	**541,623**

NOTE 16 – DEFERRED INCOME

Deferred income comprises of multi-year grant funding and contract income received in advance.

	The Group		The Charity	
	2026 £	2025 £	2026 £	2025 £
Balance at the beginning of the year	**275,340**	410,064	**275,340**	410,064
Amount released to income in the year	**(271,479)**	(408,008)	**(271,479)**	(408,008)
Amount deferred in the year	**327,349**	273,284	**327,349**	273,284
Balance at the end of the year	**331,210**	**275,340**	**331,210**	**275,340**

NOTE 17 – PENSION SCHEME

The charity operates a Defined Contribution Scheme. Amounts paid into the scheme were £50,814 (2025: £73,916).
Amounts outstanding at the end of the year were £12,967 (2025: £Nil).
The 2025 figure included contributions relating to March 2025 which were accrued in the 2025 accounts.

NOTE 18A – ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS (CURRENT YEAR 2026)

	General unrestricted £	Designated funds £	Restricted funds £	Total funds £
Tangible fixed assets	—	970,937	—	**970,937**
Net current assets	1,362,030	683,654	—	**2,045,684**
Creditors due within one year	(663,926)	—	—	**(663,926)**
Net assets at 31 March 2026	**698,104**	**1,654,591**	—	**2,352,695**

NOTE 18B – ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS (PRIOR YEAR 2025)

	General unrestricted £	Designated funds £	Restricted funds £	Total funds £
Tangible fixed assets	—	994,846	—	**994,846**
Net current assets	1,173,193	682,087	—	**1,855,280**
Creditors due within one year	(551,500)	—	—	**(551,500)**
Net assets at 31 March 2025	**621,693**	**1,676,933**	**—**	**2,298,626**

NOTE 19A – MOVEMENTS IN FUNDS (CURRENT YEAR 2026)

	At 1 April 2025 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2026 £
RESTRICTED FUNDS					
Supported Accommodation	—	190,940	(190,940)	—	—
Counselling & Support Services	—	207,496	(207,496)	—	—
Development Projects	—	21,860	(21,860)	—	—
Capital Grants	—	11,353	—	(11,353)	—
Total restricted funds	—	**431,649**	**(420,296)**	**(11,353)**	—
UNRESTRICTED FUNDS					
Deisgnated Funds					
Capital & Maintenance Fund	85,000	—	—	25,000	110,000
Development Capital Fund	597,086	—	—	(23,432)	573,654
Fixed Asset Fund	994,847	—	—	(23,910)	970,937
Total designated funds	**1,676,933**	—	—	**(22,342)**	**1,654,591**
General funds	**621,693**	**4,141,576**	**(4,098,860)**	**33,695**	**698,104**
Total unrestricted funds	**2,298,626**	**4,141,576**	**(4,098,860)**	**11,353**	**2,352,695**
TOTAL FUNDS	**2,298,626**	**4,573,225**	**(4,519,156)**	—	**2,352,695**

The narrative to explain the purpose of each fund is given at the top of page 34.

NOTE 19B – MOVEMENTS IN FUNDS (PRIOR YEAR 2025)

	At 1 April 2024 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2025 £
RESTRICTED FUNDS					
Supported Accommodation	—	251,286	(251,286)	—	—
Counselling & Support Services	—	198,305	(198,305)	—	—
Development Projects	—	**35,612**	**(35,612)**	—	—
Total restricted funds	—	**485,203**	**(485,203)**	—	—
DESIGNATED FUNDS					
Capital & Maintenance Fund	45,000	—	—	40,000	85,000
Development Capital Fund	919,000	—	—	(321,914)	597,086
Fixed Asset Fund	**606,922**	—	—	**387,925**	**994,847**
Total designated funds	**1,570,922**	—	—	**106,011**	**1,676,933**
General funds	**642,015**	**4,322,016**	**(4,236,327)**	**(106,011)**	**621,693**
Total unrestricted funds	**2,212,937**	**4,322,016**	**(4,236,327)**	—	**2,298,626**
TOTAL FUNDS	**2,212,937**	**4,807,219**	**(4,721,530)**	—	**2,298,626**

PURPOSES OF RESTRICTED FUNDS

Supported Accommodation

This fund is restricted funding to be used within the supported accommodation services. This includes; Specialist staff training and enhanced one to one support with young people at our foyer accommodation, Support workers for Supported Independence Flats and Supported Accommodation Beds and funding for our Supported Lodgings scheme for young people aged 18 and over.

Counselling & Support Services

This fund provides specialist one to one counselling services and a drop-in service providing information, guidance and support to young people and their families.

Development Projects

This fund is to support projects to develop the services provided to young people. During the year we opened additional move-on accommodation for young people aged 18 and over.

Capital Grants

This fund enables us to purchase equipment for the charity.

PURPOSES OF DESIGNATED FUNDS

Capital and Maintenance Fund

This has been designated for the necessary replacement of equipment, property dilapidations and non-routine property maintenance and repairs.

Development Capital Fund

This fund had been designated to provide funding for investments in projects to further diversify and grow and support the services we provide to young people.

Fixed Asset Fund

This fund has been designated to match the net book value of the Charity's fixed assets.



NOTE 20 – OPERATING LEASE COMMITMENTS

The group's total future minimum lease payments under non-cancellable operating leases (all within the parent company) are as follows for each of the following periods:

	Property 2026 £	Property 2025 £	Equipment 2026 £	Equipment 2025 £
Less than one year	**30,766**	30,766	**434**	434
One to five years	**123,064**	123,064	**1,168**	1,603
Over five years	**158,958**	189,724	**—**	—
Total	**312,788**	**343,554**	**1,602**	**2,037**

NOTE 21 - POST BALANCE SHEET EVENTS

There are no post balance sheet events which need to be disclosed.

NOTE 22 - LEGAL STATUS OF THE CHARITY

Step by Step Partnership Limited is a charitable company limited by guarantee and has no share capital. Each member is liable to contribute a sum, not exceeding £1, in the event of the Charity being wound up.

NOTE 23 - RESTATEMENT OF COMPARATIVE FIGURES

During the year, the charity reviewed the presentation of trust and grant income within the Statement of Financial Activities. Certain grant income previously presented within income from charitable activities has been reclassified to income from donations and legacies to better reflect the nature of the funding in accordance with the Charities SORP (FRS 102). The comparative figures have been restated accordingly. This reclassification has had no impact on net income, total funds, or cash flows for the prior year.



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Reg Charity No. 900308
Company Reg No. 02431825

STEP BY STEP
Young People. Hard Times. Bright Futures.