

**STEPPING STONE PROJECT (ROCHDALE)
(A COMPANY LIMITED BY GUARANTEE)**

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED

31 MARCH 2009

Tenon Limited

Accountants and Business Advisers
Cedar House
Sandbrook Business Park
Sandbrook Way
Rochdale
Lancashire
OL11 1LQ

STEPPING STONE PROJECT (ROCHDALE)

Annual report and financial statements for the year ended 31 March 2009

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Chair

Ms S Ashby

Secretary

Ms Kathleen Barlow

Charity Trustees

Ms Sue Ashby
Mr Des Andrew
Mr Andy Moss
Ms Paula Du Plessis

Mr David Berry
Mr John Woodham
Mr Brian Courtney

Chief Executive Officer

Kathleen Barlow

Registered Company Number

2647645

Registered Charity Number

1004375

Registered Office

Central Office, PO Box 153, Rochdale, OL16 1FR

Accountants

Tenon Limited, Cedar House, Sandbrook Business Park, Sandbrook Way,
Rochdale, Lancashire, OL11 1LQ

Auditors

Tenon Audit Limited, Cedar House, Sandbrook Business Park, Sandbrook Way,
Rochdale, Lancashire, OL11 1LQ

Bankers

Bank of Scotland, 38 St Andrew Square, Edinburgh, EH2 2YR

Solicitors

Feld, McKay and Donner, 160 Oldham Road, Rochdale, Lancashire, OL11 1AG

THE STEPPING STONE PROJECT (ROCHDALE)

Report of the Directors for the year ended 31 March 2009

The trustees, who are also directors for the purposes of the Companies Act, present their report and audited financial statements for the year ended 31 March 2009.

STRUCTURE, GOVERNANCE & MANAGEMENT

(a) Structure

Stepping Stone is a company limited by guarantee, its governing document being its Memorandum and Articles of Association.

The directors of the company are its trustees for the purposes of charity law and under its Memorandum and Articles of Association are collectively referred to throughout this report as The Board of Trustees.

The Charity's principal objectives are to relieve persons who are homeless or in necessitous circumstances.

(b) Governance

Stepping Stone has a Board of Trustees of up to fourteen members, who meet monthly and are responsible for strategic direction and policy. At present the Charity has seven members from a variety of professional backgrounds relevant to the work of the organisation.

The trustees during the year were:

Ms Sue Ashby
Mr Des Andrew
Mr Andy Moss
Ms Paula Du Plessis

Mr David Berry
Mr John Woodham
Mr Brian Courtney
Mr Terry Blanchon

Ms Paula Du Plessis was appointed on 10 September 2008. Mr Terry Blanchon resigned on 28 April 2008. The Board would like to express their thanks and recognition for the dedication of Terry to the work of the charity during his 13 years as trustee and Treasurer.

Under the requirements of the Charity's Memorandum and Articles of Association the Chair is elected annually. Other members of the Board of Trustees are elected for a period of three years, after which they must be re-elected at the next Annual General Meeting.

Day-to-day responsibility for the provision of services is delegated to a management team consisting of a Chief Executive, an Assistant Director (Finance) and three Service Managers. A director in this case is not a director as defined by company law.

Recruitment of Trustees to the Board of Trustees

The Board of Trustees tries to ensure that the needs of this group are fully reflected in the diversity of skills and experience of the Trustee body. The Charity has through selective advertising and networking sought to recruit suitably qualified individuals to use their skills and expertise to assist the Company.

The more traditional business skills are well represented on the Board of Trustees. In an effort to maintain this broad skill base members are requested to provide a comprehensive list of their skills, which is updated annually.

Induction and training

New trustees are invited and encouraged to attend a series of short induction sessions to familiarise themselves with the Charity and its workings. The Chair and the Chief Executive of the Charity jointly lead these sessions. These sessions include:

- The fiduciary responsibilities of the Board of Trustees under charity and company law,
- The operational framework of the Charity and its decision making process,
- The contents of its Memorandum and Articles of Association,

THE STEPPING STONE PROJECT (ROCHDALE)

Report of the Directors for the year ended 31 March 2009 (*continued*)

- The Business Plan which sets out its future plans and objectives, and
- The latest set of statutory accounts.

Use is also made of various Charity Commission publications, in particular "The Essential Trustee" guide, which is included in the information pack sent to all new and potential trustees. New trustees are encouraged to feed back to the Chair on the induction process.

(c) Management

Responsibility for strategy, planning and day-to-day management of operations is delegated to an executive management team consisting of a Chief Executive, an Assistant Director of Finance and Service Managers.

Systems of internal controls are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- A strategic plan and annual budget approved by the trustees;
- Regular consideration by the trustees of financial results, variance from budgets, non-financial performance indicators and benchmarking reviews;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

The trustees have introduced a formal risk management process to assess business risks and implement risk management strategies. The risk strategy policy comprises:

- An annual review of the risks the Charity may face;
- The establishment of systems and procedures to mitigate those risks identified in the plan;
- The implementation of procedures designed to minimise any potential impact on the Charity should any of those risks materialize.

An element in the management of financial risk is the setting of a reserves policy and its regular review by the Board of Trustees.

OBJECTIVES & ACTIVITIES

(a) Objects and Aims

The Charity's principal objectives as set out in its Memorandum of Association are to relieve persons who are homeless or in necessitous circumstances by:

- a) Providing counselling and support services in matters relating to housing and associated social and economic problems; and
- b) Providing temporary accommodation or assistance in the provision of permanent accommodation for such persons.

The main objectives and activities for the year continued to focus on the delivery of accommodation and support services to vulnerable people at risk of homelessness, including a range of supportive services and social and personal development activities aimed at addressing the problems associated with homelessness, supporting individuals to become independent in their own accommodation on a long-term basis.

(b) Values

We believe that everyone has a right to quality accommodation and services which help them to achieve their optimum level of independence.

We have a strong commitment and long-standing reputation for providing effective, high quality support services and accommodation which are tailored to individual needs, and provide value for money to all our stakeholders.

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Report of the Directors for the year ended 31 March 2009 (*continued*)

This is achieved through:

- ❖ planning, shaping and delivering services in consultation with service users and other stakeholders;
- ❖ active participation in local strategic partnerships and working groups;
- ❖ developing close working relationships with the diverse communities that we serve;
- ❖ prudent financial management;
- ❖ strong governance and leadership which enables the organisation to remain focused on our core values and vision in a changing competitive environment;
- ❖ the use of charitable resources to support our core activities; and
- ❖ the development of teams and individuals within a flexible organisational structure

(c) Strategic Objectives

The strategic objectives for the Charity for the three years to 2011 are set out below:

Continuous Improvement

- i. Develop the Service User Forum, in partnership with delegates/representatives, as a body for providing direct feedback on service delivery and identifying areas for development.
- ii. Develop the capacity of service users to fully participate in and contribute to the Service Forum, through mentoring and training
- iii. Develop our services and operations in order to achieve Quality Assessment Framework (QAF) level A by March 2010.
- iv. Achieve additional external quality accreditation through the Quality Mark and the Business Excellence model, or similar.
- v. Continuously benchmark the quality and cost of our services to improve outcomes and achieve better value.
- vi. Carry out regular Service User satisfaction surveys for each service, including randomly-generated surveys and a survey of each Service User as they leave the service.
- vii. Develop the internal reporting framework to identify key performance indicators, which will be used to monitor progress in meeting these organisational objectives and monitoring their impact.
- viii. Enable and support the skills, training and personal development of our staff, empowering them to contribute to the business and to work effectively with clients.
- ix. Work towards re-accreditation for Investors in People in 2010.

Partnership and growth

- i. Identify and evaluate opportunities for creating long-term strategic business partnerships with other Housing and Support organisations, actively pursuing those partnerships which are most favourable.
- ii. Actively pursue growth through strategic partnership and tenders for new services in order to achieve growth in income each year.
- iii. Create partnerships, where appropriate, with other Service Providers to bid for new Supporting People contracts.
- iv. Pro-actively manage partnerships with and influence strategic planners at local and regional level.

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Report of the Directors for the year ended 31 March 2009 (*continued*)

- v. Ensure that the organisational strategy is aligned with local Housing, Health, Supporting People and Social Care strategies to assist the Statutory Authorities in achieving their goals and ensure bids for new work are supported.
- vi. Continue to develop new complementary charitable services which add value to the services we deliver by supporting the personal and social development of Service Users to help them achieve long- term independence, healthy lives and economic well-being.
- vii. Research and develop new services designed to meet the wider needs of Local Strategic Partnerships and Local Area Agreements and to diversify our activities to include non Supporting-People funded services.
- viii. Liaise with Supporting People Commissioners during the strategic reviews planned in 2008/09 for the extension/reconfiguration of current contracts to enable the development of services to meet future strategic needs.
- ix. Develop a 'Use of Reserves' Policy which will be used to support continuous improvement, organisational growth and service diversification.

ACHIEVEMENTS & PERFORMANCE

Key Achievements and Review of Activities in 2008/09

Stepping Stone is committed to the provision of high quality accommodation and floating support services, which are tailored to individual needs.

This year we have built on our previous success in achieving growth as new strategic services are commissioned by Local Authorities, and have been successful in winning new contracts in Trafford and Rochdale.

We recognise the importance of maintaining and developing the quality of our services as the charity grows and we have implemented a quality action plan to ensure that we are able to achieve the highest level rating on the industry Quality Assessment Framework (level A) across all our services by 2010.

To deliver excellent services we need staff who are motivated and well trained. We actively encourage and support our staff to gain the skills and qualifications that will support their future employability and meet the needs of the organisation, and this year we have developed a bespoke NVQ programme in health and social care for staff through the governments Train to Gain programme. The programme has been designed around the specific needs of our services, and all our project/support and management staff have been enrolled in the programme.

We have continued to allocate internally funded investment to the development of our Service User Forum to encourage greater participation of Service Users in reviewing and influencing our service delivery. We have also committed charitable funding to an extensive programme of sports, health and art-based activities to help build confidence and encourage service users to engage in the wider community.

The past year has been a period of continuous improvement and growth through key activities. We have:

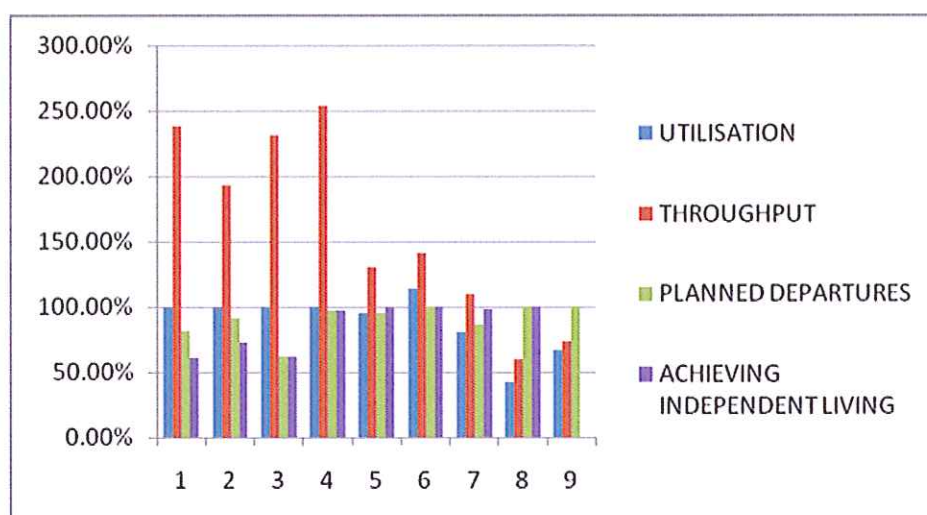
- Implemented a strategic plan designed to deliver sustainable growth and continuous improvement;
- Successfully tendered for a new floating support service for young people in Trafford, and a new floating support service for alcohol users in Rochdale;
- Successfully implemented an innovative pilot project in Rochdale providing out of hours service user support by telephone;
- Reviewed our service charges at accommodation-based projects to ensure that we generate sufficient income (mainly funded through housing benefit) to maintain the quality of the furniture and fittings in all the tenanted properties we manage;

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Report of the Directors for the year ended 31 March 2009 (*continued*)

- Appointed a Service Development Manager through secondment from one of our key partners, St Vincent's Housing Association, to commence an internal audit of our services, review the requirements of the newly 'refreshed' QAF (quality assessment framework) and develop an action plan for achieving level A by 2010;
- Designed a corporate training programme delivering core training and NVQ level 3 and 4 training for all our support/resettlement staff teams and managers;
- Invested in improvements to our IT and systems infrastructure to upgrade facilities and provide flexible, remote working and improved data security;
- Accepted 180 new clients into our services during the year;
- Achieved average utilisation levels well above 100% for our long standing services, and excellent early performance for the newer services in Rochdale and Trafford;
- Achieved average throughput levels above 200% for our accommodation-based services, and over 125% for our older floating support services;
- Delivered support to service users which resulted in over 90% leaving our service in a planned way, and 85% achieving independent living.

Performance figures for all services 2008/2009



Accommodation- based services

1. Ashburn House
2. Parkside
3. Redfearn House
4. Lancashire Accommodation Services

Floating support services

5. Rochdale Floating Support Service
6. Bury Floating Support Service
7. Wigan Complex Needs Service
8. Rochdale Alcohol Service
9. Trafford Young Person's Floating Support Service

PLANS FOR THE FUTURE

As part of our strategic planning, the Charity has continued to develop partnership work to strengthen its opportunities for growth in existing and new service areas.

During 2009/10 the Charity plans to cement our strategic partnership with St Vincent's Housing Association by providing charitable funding to develop a new joint project, Positive Futures, aimed at improving the opportunities and life chances for service users of both organisations.

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Report of the Directors for the year ended 31 March 2009 (*continued*)

We have also developed a strategic partnership with Openingdoors (North-West), a homelessness charity based in Warrington, and have been working with them to explore the benefits of a merger.

In the business environment in which we operate, service providers will face increasing risks as the ring fence for Supporting People Grant is removed and the grant is absorbed into the Local Area Grant. The proposed merged charity will be much better placed to manage these risks and pursue any opportunities which may arise.

FINANCIAL REVIEW

Total incoming resources in the year to March 2009 were £1,419,084 (2008 - £1,351,755), despite income from Rochdale Supporting People contracts being reduced in the year as part of an authority-wide value for money review. This year's income has increased by 5%, arising mainly as a result of the new contracts won in Trafford and Rochdale during the year.

Investment income was reduced slightly at £51,714 (2008 - £53,699) due to significantly lower rates of interest being achieved in the latter part of the year as a result of the current economic crisis. Investment income is used to support internally funded activities mainly involving quality improvements and service user participation. In the coming year income received from investment will fall significantly as a result of continuing low interest rates.

The surplus before investment income, which provides a clearer picture of performance in respect of operating activities was higher this year at £ 38,968 (2.8%) compared to £20,578 in 2008 (1.6%).

In the year to March 2009 the Charity made a total surplus including investment income of £90,682 (2007/8 - £74,277).

Direct charitable expenditure accounted for 95.6% (2008 – 95.7%) and governance costs, including those costs associated with meeting the constitutional and statutory requirements of the charity such as the audit fees and costs linked to the Strategic Management of the charity, accounted for 4.4% (2008 – 4.3%) of total expenditure.

Principal funding sources

The principal funding sources for the Charity are:

- Supporting People income from Rochdale MBC, Lancashire County Council, Bury MBC, Trafford MBC and Wigan MBC.
- Rental income from tenants and housing benefit paid on behalf of tenants
- Investment income.

Other sundry sources of income include funding received in relation to offering placements and training to social work students.

Reserves Policy

The Board of Trustees regularly reviews its policy on minimum reserve levels, which are the free reserves of the Charity, earned from previous operations. The last review concluded that they should continue to be maintained at a level approximating to four months budgeted expenditure in the next financial year.

The Board of Trustees is satisfied that this level of reserve will give the Charity sufficient flexibility to cover temporary interruptions in income flow and provide an adequate level of working capital, particularly due to the level of uncertainty surrounding Supporting People funding.

THE STEPPING STONE PROJECT (ROCHDALE)

Report of the Directors for the year ended 31 March 2009 (*continued*)

Financial risk management objectives and policies

The company makes little use of financial instruments other than operational bank accounts and fixed term deposits with reputable banks, so its exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position and net movement of funds of the company.

Directors' responsibilities

Under company law the trustees have the same legal responsibilities as company directors and the title is interchangeable.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent, and;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

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

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

Auditors

Tenon Audit Limited are deemed to be re-appointed under Section 487(2) of the Companies Act 2006.

By order of the Board of Trustees



Ms S Ashby
Director

7 October 2009

THE STEPPING STONE PROJECT (ROCHDALE)

Independent auditors' report

To the Members of Stepping Stone Project (Rochdale)

We have audited the financial statements of The Stepping Stone Project (Rochdale) for the year ended 31 March 2009 on pages 10 to 17. These financial statements have been prepared under the accounting policies set out on pages 12 and 13.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Board of Trustees and auditors

As described in the Statement of Directors' responsibilities, the Board of Trustees are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the Directors' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

THE STEPPING STONE PROJECT (ROCHDALE)

Independent auditors' report (*continued*)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company as at 31 March 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Tenon Audit Limited

Tenon Audit Limited
Registered Auditors
Cedar House
Sandbrook Business Park
Sandbrook Way
Rochdale
Lancashire
OL11 1LQ

7 October 2009

THE STEPPING STONE PROJECT (ROCHDALE)

Statement of Financial Activities (including Income and Expenditure Account) for the year ended 31 March 2009

| | Note | Total funds 2009 £ | Total funds 2008 £ |
|---|------|-----------------------------|-----------------------------|
| Incoming resources | | | |
| Incoming resources from Charitable activities | | | |
| Grants and contracts | 2 | 1,011,315 | 973,800 |
| Rents receivable | 2 | 351,460 | 324,256 |
| Incoming resources from generated funds | | | |
| Investment income | 2 | 51,714 | 53,699 |
| Other incoming resources | | | |
| Sundry receipts | 2 | 4,595 | - |
| Total incoming resources | | <u>1,419,084</u> | <u>1,351,755</u> |
| Resources expended | | | |
| Charitable activities | 3 | 1,269,473 | 1,218,922 |
| Governance costs | 3 | 58,929 | 58,556 |
| Total resources expended | | <u>1,328,402</u> | <u>1,277,478</u> |
| Net movement in funds | | 90,682 | 74,277 |
| Fund balances brought forward at 1 April 2008 | | <u>932,293</u> | <u>858,016</u> |
| Fund balances carried forward at 31 March 2009 | | <u>1,022,975</u> | <u>932,293</u> |

All amounts relate to continuing activities.

All recognised gains and losses are included in the statement of financial activities.

All the above represent Unrestricted Funds.

The notes on pages 12 to 17 form part of these financial statements.

THE STEPPING STONE PROJECT (ROCHDALE)

Balance sheet at 31 March 2009

| | Note | 2009 | 2008 |
|---|------|-------------------------|-----------------------|
| | | £ | £ |
| Fixed assets | | | |
| Tangible assets | 7 | 25,635 | 22,444 |
| Current assets | | | |
| Debtors | 8 | 54,985 | 18,834 |
| Cash at bank and in hand | | 1,166,948 | 1,048,335 |
| | | <u>1,221,933</u> | <u>1,067,169</u> |
| Creditors: amounts falling due within one year | 9 | <u>(224,593)</u> | <u>(157,320)</u> |
| Net current assets | | <u>997,340</u> | <u>909,849</u> |
| Net assets | | <u><u>1,022,975</u></u> | <u><u>932,293</u></u> |
| Funded by | | | |
| Unrestricted funds | | <u><u>1,022,975</u></u> | <u><u>932,293</u></u> |

The financial statements on pages 10 to 17 were approved by the Board of Trustees and authorised for issue on 7 October 2009, and signed on their behalf by:



Ms S Ashby
Director

Ms K Barlow
Chief Executive



The notes on pages 12 to 17 form part of these financial statements.

THE STEPPING STONE PROJECT (ROCHDALE)

Notes forming part of the financial statements for the year ended 31 March 2009

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historic cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice - Accounting and Reporting Charities (SORP 2005) issued in March 2005, applicable UK Accounting Standards and the Companies Act 1985. The principal accounting policies adopted in the preparation of the financial statements are set out below.

Cash flow

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 'Cash flow statements'.

Incoming resources

Income from charitable activities include income received under contract or where entitlement to grant funding is subject to specific performance conditions is recognised as earned (as the related services are provided). Grant income included in this category provides funding to support activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Investment income is recognised on a receivable basis.

Rent is recognised on a receivable basis.

Fund accounting

Incoming resources are allocated to the projects as appropriate. Unrestricted general funds can be used in accordance with the charitable objects at the discretion of the Board of Trustees. Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Resources expended

The accounts include expenditure on an accruals basis and allocated as follows:

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both those costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Expenditure is allocated between the restricted and unrestricted projects/funds, in accordance with contractual obligations or as the Board of Trustees considers appropriate.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the Strategic Management of the charity.
- Support costs include central functions and have been allocated to charitable activities on a basis consistent with the use of resources eg. Staff costs by time spent.

THE STEPPING STONE PROJECT (ROCHDALE)

Notes forming part of the financial statements for the year ended 31 March 2009

1 Accounting policies (*continued*)

Tangible fixed assets and depreciation

Tangible fixed assets are included at cost less provision for depreciation.

Depreciation is provided at the following annual rates, on a straight line basis, in order to write off each asset over its estimated useful life:

| | |
|---|----------------|
| Fixtures, fittings and sundry equipment | - 2 years |
| Office furniture and equipment | - 2 years |
| Improvements to rented premises | - 4 or 5 years |
| Computer equipment | - 3 years |

Fixed asset additions, other than computer equipment, with a cost of less than £2,000 (2008 - £1,000) are treated as expenditure in the year.

Taxation

The company is a registered charity and as such is entitled to the exemption from tax to the extent that the income falls within section 505 ICTA 1988 and section 256 CGTA 1992 and is applied to charitable purposes only.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against income over the lease term.

Pensions

Contributions in respect of the company's defined contribution pension schemes are charged in the year in which they are payable to the scheme.

2 Incoming resources

| | Total 2009 £ | Total 2008 £ |
|---|-----------------------------|-----------------------------|
| Grants received regarding accommodation and support | 1,011,315 | 973,800 |
| Rent receivable | 351,460 | 324,256 |
| Bank interest receivable | 51,714 | 53,699 |
| Other income | 4,595 | - |
| | <u>1,419,084</u> | <u>1,351,755</u> |

THE STEPPING STONE PROJECT (ROCHDALE)

Notes forming part of the financial statements for the year ended 31 March 2009 (Continued)

| 3 | Total Resources expended | Basis of allocation | Accommodation and support £ | Governance £ | Total 2009 £ | Total 2008 £ |
|---|---|---------------------|--------------------------------|-----------------|--------------------|--------------------|
| | Costs directly allocated to activities | | | | | |
| | Housing costs | Direct | 361,332 | - | 361,332 | 419,517 |
| | Housing support services | Direct | 559,401 | - | 559,401 | 507,234 |
| | Internally funded activities | Direct | 22,481 | - | 22,481 | 18,858 |
| | Travel and training | Direct | 36,833 | - | 36,833 | 23,867 |
| | Office costs | Direct | 25,514 | - | 25,514 | 48,713 |
| | Recruitment | Direct | 15,956 | - | 15,956 | 3,021 |
| | Bad debts | Direct | 22,891 | - | 22,891 | - |
| | Audit | Usage | - | 9,000 | 9,000 | 8,000 |
| | Accountancy | Usage | - | 940 | 940 | 8,995 |
| | | | <u>1,044,408</u> | <u>9,940</u> | <u>1,054,348</u> | <u>1,038,205</u> |
| | Support costs allocated to activities | | | | | |
| | Staff costs | Staff time | 152,705 | 16,666 | 169,371 | 146,400 |
| | Office costs | Usage | 47,891 | 30,750 | 78,641 | 71,417 |
| | Legal and professional | Usage | 15,832 | 465 | 16,297 | 17,346 |
| | Bank charges and interest | Usage | - | 165 | 165 | 14 |
| | Depreciation | Usage | 8,637 | 943 | 9,580 | 4,096 |
| | | | <u>225,065</u> | <u>48,989</u> | <u>274,054</u> | <u>239,273</u> |
| | Total resources expended | | <u>1,269,473</u> | <u>58,929</u> | <u>1,328,402</u> | <u>1,277,478</u> |
| 4 | Net incoming resources for the year | | | | 2009 £ | 2008 £ |
| | This is stated after charging: | | | | | |
| | Depreciation | | | | 34,967 | 55,046 |
| | Auditors remuneration | | | | 9,000 | 8,000 |
| | Operating lease rentals | | | | | |
| | - Land and buildings | | | | <u>181,274</u> | <u>164,789</u> |

THE STEPPING STONE PROJECT (ROCHDALE)

Notes forming part of the financial statements for the year ended 31 March 2009 (Continued)

| 5 Staff costs and numbers | 2009 £ | 2008 £ |
|--|----------------|----------------|
| Staff costs - employees | | |
| Wages and salaries | 635,995 | 565,364 |
| Social security costs | 57,928 | 51,517 |
| Pension, health and life assurance costs | 27,370 | 23,825 |
| Total | <u>721,293</u> | <u>640,706</u> |

One employee (2008 – none) earned between £60,000 and £69,999 per annum.

The average number of employees, analysed by function, was:

| | 2009 No | 2008 No |
|-------------------|------------|------------|
| Direct charitable | 23 | 19 |
| Governance | 6 | 6 |
| | <u>29</u> | <u>25</u> |

6 Trustee remuneration and related party transactions

None of the directors (board of trustees) received any remuneration from the charity (2008 - £Nil).

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year (2008 - £Nil).

THE STEPPING STONE PROJECT (ROCHDALE)

Notes forming part of the financial statements for the year ended 31 March 2009 (Continued)

| 7 | Tangible fixed assets | Computer equipment £ | Furniture fittings and sundry equipment £ | Office furniture and equipment £ | Improve- ments to rented premises £ | Total £ |
|---|--|----------------------------|---|--|---|----------------|
| | | | | | | |
| | <i>Cost</i> | | | | | |
| | At 1 April 2008 | 71,866 | 190,730 | 81,048 | 124,315 | 467,959 |
| | Additions | 15,621 | - | 20,062 | 2,475 | 38,158 |
| | At 31 March 2009 | 87,487 | 190,730 | 101,110 | 126,790 | 506,117 |
| | <i>Depreciation</i> | | | | | |
| | At 1 April 2008 | 65,198 | 190,730 | 81,048 | 108,539 | 445,515 |
| | Charge for the year | 8,541 | - | 10,031 | 16,395 | 34,967 |
| | At 31 March 2009 | 73,739 | 190,730 | 91,079 | 124,934 | 480,482 |
| | <i>Net book value</i> | | | | | |
| | At 31 March 2009 | 13,748 | - | 10,031 | 1,856 | 25,635 |
| | At 31 March 2008 | 6,668 | - | - | 15,776 | 22,444 |
| | | | | | | |
| 8 | Debtors | | | | 2009 £ | 2008 £ |
| | Rents receivable | | | | 14,198 | 9,596 |
| | Prepayments and accrued income | | | | 40,787 | 8,725 |
| | Other debtors | | | | - | 513 |
| | | | | | 54,985 | 18,834 |
| | | | | | | |
| 9 | Creditors: amounts falling due within one year | | | | 2009 £ | 2008 £ |
| | Trade creditors | | | | 69,984 | 47,131 |
| | Taxation and social security | | | | 18,177 | 12,755 |
| | Other creditors | | | | 24,978 | 24,535 |
| | Accruals and deferred income | | | | 111,454 | 72,899 |
| | | | | | 224,593 | 157,320 |

THE STEPPING STONE PROJECT (ROCHDALE)

Notes forming part of the financial statements for the year ended 31 March 2009 (Continued)

10 Contingent liabilities

There are no contingent liabilities of a material amount for which provision has not been made in the financial statements.

11 Commitments

Capital commitments

There were no capital commitments at 31 March 2009 (2008 - £Nil).

Pension commitments

The company operates defined contribution pension schemes on behalf of certain employees. The assets of the schemes are held separately from those of the company in an independently administered fund. The annual commitment under this scheme is for contributions of £27,273 (2008 - £22,617).

Operating lease commitments

The company rents its head office accommodation at a cost of £14,000 (2008 - £12,500) per annum, under a lease expiring on 30 September 2009.

The company also has commitments under management agreements of up to three years duration with Housing Associations for the use of properties. The annual charge for management and occupancy costs in the year ended 31 March 2009 amounted to £168,774 (2008 - £152,289).