

STEPPING STONE PROJECTS

(a company limited by guarantee
and not having a share capital)

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

Company number: 2647645

Registered Charity Number: 1004375

WRIGLEY PARTINGTON

Chartered Accountants
Sterling House
501 Middleton Road
Chadderton
Oldham
OL9 9LY

STEPPING STONE PROJECTS
INFORMATION

Chair

Ms S Ashby

Secretary

Mr Christopher Tait

Charity Trustees

Ms Susan Ashby	Mrs Diane Laming (resigned 27.04.22)
Ms Kay Owen (retired 24.11.21)	Mr Nicholas Cox
Mrs Janet Hardwick	Mr Colin Royle (appointed 30.06.21)
Mr David Berry	Ms Kelly Webb (appointed 30.06.21)
Mrs Jane Allen (retired 24.11.21)	Ms Elisabeth Lilley (appointed 28.07.21)
Mr Alexander Lyons (appointed 27.04.22)	
Mr Steven Grycuk (appointed 27.04.22)	

Chief Executive Officer

Dave Smith

Company Number

2647645

Registered Charity Number

1004375

Registered Office

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

Auditors

Wrigley Partington, Sterling House, 501 Middleton Road,
Chadderton, Oldham, OL9 9LY

Bankers

Bank of Scotland, Ground Floor, Teviot House,
41 South Gyle Crescent, Edinburgh, EH12 9DR.

Solicitors

Wrigley Claydon, 29/33 Union Street, Oldham, OL1 1HH

Molesworths Bright Clegg, Octagon House, 25-27 Yorkshire Street
Rochdale, Lancashire, OL16 1RH.

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STEPPING STONE PROJECTS

Report of the Trustees for the year ended 31 March 2022

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 2022.

STRUCTURE, GOVERNANCE & MANAGEMENT

(a) Structure

Stepping Stone Projects is a company limited by guarantee, its governing document being its Memorandum and Articles of Association. The company was incorporated on 20 September 1991 (company number 2647645) and is a registered charity (number 1004375).

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

The Trustees during the year were:

Ms Susan Ashby
Ms Jane Allen
Mr Nicholas Cox
Ms Elisabeth Lilley

Mr David Berry
Ms Diane Laming
Ms Kelly Webb

Ms Kay Owen
Ms Janet Hardwick
Mr Colin Royle

Ms Kay Owen and Janet Allen both retired at the AGM on 24 November 2021 and Ms Di Laming subsequently resigned on 27 April 2022 after over 27 years' service between them. Trustees thank them all for their commitment and contribution to the organisation.

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.

The Board of Trustees meets every six weeks with the agenda focus alternating between strategy and compliance / assurance activities. In addition each trustee serves on one of our two sub-committees (Finance and Remuneration; Risk and Compliance) both of which meet quarterly.

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 open networking sought to recruit suitably qualified individuals to use their skills and expertise to assist the Company.

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.

Following the two resignations at the AGM, a fresh recruitment process was undertaken and following external advertising, 5 applications were received and a working group of trustees shortlisted 3 candidates to progress to the interview stage with the Chair and Vice-Chair. Following the interviews 2 of the candidates were approved as trustees and attended their first meeting as observers in April 2022.

The appointments of both candidates were unanimously formally approved by trustees at the April 2022 Board meeting and we are confident that they possess many of the above additional skills and experiences and will make a real difference to the successful delivery of our purpose, mission, vision and strategic plans.

We are delighted to welcome our two new trustees who were both appointed on 27 April 2022:

Mr Steve Grycuk

Mr Alexander Lyons

STEPPING STONE PROJECTS

Report of the Trustees for the year ended 31 March 2022 (*continued*)

Induction and training

Any 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 which include details of:

- 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 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

Day-to-day responsibility for the provision of services is delegated to the Executive Management Team consisting of a Chief Executive, Director of Operations, Assistant Director of Operations and a Director of Resources, none of whom is a director as defined by company law.

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 operational service delivery and 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 materialise.

An element in the management of financial risk is our reserves policy and its annual review by the Trustees.

OBJECTIVES & ACTIVITIES FOR THE PUBLIC BENEFIT

The Memorandum and Articles of Association were reviewed and some minor amendments were agreed and ratified by Trustees in June 2021. Following consent from the Charity Commission to the minor changes to the objects of the charity, the new documents were registered with Companies House and the Charity Commission.

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

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

Our mission is to be a provider of high-quality housing and support services for vulnerable people who are homeless or at risk of losing their home. We achieve this by providing readily accessible support services to assist customers in securing and maintaining their own independent accommodation as soon as they are able.

We believe that everyone has a right to quality accommodation and services which help them to achieve their optimum level of independence. We believe that in providing homes and services we are complying with our duty under the Charities Act and acting in accordance with Charity Commission guidance on public benefit.

STEPPING STONE PROJECTS

Report of the Trustees for the year ended 31 March 2022 (*continued*)

STRATEGIC OVERVIEW 2021/22 – Being the Best and Doubling in Size

Summary of 2021/22

After the traumas, upheaval, lockdowns and restrictions of last year, 2021/22 has felt nearer to normal, far less disrupted and more predictable. Yet we have continued to face many of the same challenges and many new ones, including the:

- continued Covid variants, spikes, restrictions and related uncertainties;
- lifting, re-applying and re-lifting of restrictions;
- emergency budgets, housing market price rises, new Government homeless programmes but with promised further austerity down the line;
- introduction of the new Health and Social Care Levy on National Insurance rates;
- impacts of Brexit becoming somewhat clearer with disputes threatening trade wars;
- collapse of the Afghan Government causing a major refugee crisis;
- Russian invasion of Ukraine causing major disruption to fuel, energy, food and other essential supplies, as well as yet more political uncertainty and another refugee crisis;
- deepening cost of living crisis causing ever greater concerns and poverty amongst our customers and now some concerns amongst our colleagues.

Yet through these last 2 years of continual crisis and challenge, Stepping Stone Projects has continued to grow, diversify, improve and prosper. In 2021/22 we delivered our 5-year vision to double in size, less than 2 years after agreeing this objective. We added a further 17 services to our portfolio, providing another 177 much needed homes and a further 300 support places to our customers.

At the end of 2021/2022 SSP are providing 38 services, offering c.600 homes and 900 support places, across 10 boroughs, to 15 commissioners and we are meeting a wider range of customer needs. We have consolidated the achievements of 2020/21 (as all short-term contracts have been extended), delivered continued sustainable growth and diversification whilst improving our services further as we strive to deliver our new vision to become the best.

In summary we have continued to change and improve our:

- services and accommodation;
- performance and stakeholder satisfaction;
- financial viability and strength;
- ways of working (introducing new hybrid working);
- offices, facilities and IT systems;
- compliance with policies and standards;
- governance and assurance;
- recruitment, retention, development and reward of colleagues;
- social value;
- positive environmental impact.

Most importantly we have embedded the changes and improvements we delivered in 2020/21 and demonstrated these weren't one-off, flash in the pan improvements. We have continued to make ourselves very relevant in the newly emerging post-Covid/Brexit world and we are seen by more commissioners and partners as the providers of choice. Our reputation appears to be evermore enhanced as we are now being approached by more Councils and commissioners to deliver more services and to find and provide them with answers to their homeless and supported housing issues.

2021/22 demonstrated that we are getting bigger, better and stronger than ever before, with a turnover of £6.8m (forecast to be up to £8.7m in 2022/23 without further growth), an annual surplus of over £650k and reserves of over £2.5m. This means that we are now in a very strong position and confident in our ability to meet the future challenges coming our way, to continue grow and improve even further as we strive to deliver our purpose, mission and vision "to be the best".

STEPPING STONE PROJECTS

Report of the Trustees for the year ended 31 March 2022 (*continued*)

2021/22 In Detail

Delivering the SSP Strategic Plan and Reducing Risks

Over the previous 2 years we have dealt with the challenges from:

- 10 years of continued central government austerity measures;
- cuts to our commissioned services;
- the threat in March/April 2020 to all of our contracts and services being de-commissioned, re-tendered and lost;
- Regenda giving notice on our housing management services and projects;
- the many challenges of Covid.

In 2021/22 we have continued to embed and consolidate the changes and improvement we made and move forwards. We have continued to make great strides forward in delivering the 2020-25 SSP Strategic Plan, outlining our purpose, mission and vision. We continue to deliver our long-term objective of achieving sustainable growth and diversification whilst offering value for money for commissioners and maintaining a high quality of service delivery.

In February 2021 we agreed our annual 4 'Best For' Delivery Plans. Of the 18 main objectives and targets set, we have delivered 17 of them. The one objective we didn't quite deliver in 2021/22 was to improve our business intelligence using customers feedback in real time and using this to drive service improvement. We started to deliver this in April 2022, so we were nearly there.

Some of the highlights of what we have achieved within the Delivery Plans include:

i. Best for Customers

Retaining or replacing existing service contracts

- In early 2021/22 we won and commenced delivery of the new Rochdale Preventative (Tenancy and Lifeskills) Services contract, worth over £1.5m pa (including rental income). This replaced the 3 previous preventative service contracts that were de-commissioned.
- Both our Lancashire County Council contracts; Burnley Accommodation and Lancashire Dispersed Housing Services were extended until 31st March 2023.
- We also secured further contract extensions (covering the whole of 2021/22) on all the short-term contracts that we won or received extensions for in 2020/21.

Delivering sustainable growth and diversification

- We have added 17 services to our portfolio, providing 177 more homes and over 300 support places to our customers. We are now working with 5 new commissioners and started work in 3 new boroughs.
- We have also expanded our customer base to include new services for the first time for refugees, unaccompanied asylum-seeking children, the survivors of modern day slavery and customers being discharged from hospital but unable to return home.
- We have also expanded our service offer and provision for ex-offenders, rough sleepers and homeless singles.

A lot of our growth in 2021/22 has moved away from providing emergency crisis accommodation, as it largely was during the pandemic, to now securing and providing longer term move-on and permanent accommodation.

This has led us to successfully win a number of Rough Sleeper Accommodation Programme (RSAP) contracts in Manchester, Hyndburn, Bury and Rochdale. We are hopeful that some of these will be extended further and that we will similarly win an RSAP contract in Blackburn.

Lastly with the support of Hyndburn Council and Onward Homes we successfully leased and opened our Step Forward Hyndburn project providing 12 homes for vulnerable homeless men in the borough.

STEPPING STONE PROJECTS

Report of the Trustees for the year ended 31 March 2022 (*continued*)

Improving Customer Services and Satisfaction

Compliance and Assurance

In April 2021, as the UK emerged from lockdown, the Coroners Court held a small number of inquests into the death of SSP customers whilst in our service. In one case, SSP faced in-depth scrutiny of our services and compliance with our policies and service standards. Whilst SSP were in no way found to be responsible for the death of the customer and could not have reasonably prevented the death, it did expose some shortcomings in our services and compliance systems.

As a result, we immediately rectified the issues raised and conducted an in-depth Fundamental Review of our Support Services. The review made 17 recommendations for improvement, primarily around our compliance and assurance framework. Over the remainder of the year we have worked hard to deliver on the 17 recommendations to improve compliance, customer service and safety and to provide assurance to Trustees.

The recent recruitment of our new full-time specialist Policy and Assurance Manager and the delivery of our enhanced programme of Internal Audit and Policy Reviews will be reported back to the Board at our quarterly Risk and Compliance Sub-Committee. This will demonstrate the improvements we have made in compliance with our own high standards and drive further improvements to be made.

Hybrid Working and Office Accommodation

The changes to working practices made in 2020/21, including remote, agile and hybrid working, have been further embedded and enhanced in 2021/22. The reductions made in vehicle use and printing in 2020/21 have been further improved in 2021/22. In the autumn of 2021, we agreed to formally adopt hybrid working and agreed a 10-point plan to deliver this, and this is now being delivered.

Our board room wasn't used during the pandemic and has now been changed into an agile working space. This enabled us to close our relatively expensive Empire Way office in Burnley by relocating our NWCL team, saving money and moving the team closer to their customer base. However, growth elsewhere has led us to enter into a short-term arrangement with WHAG to use some of their office space for our colleagues based in Rochdale.

In February 2022 we identified a suitable open plan modern office in our location of choice, Heywood. Heads of Terms have been agreed and plans for new agile working spaces are nearly finalised so we can commence refurbishment works in early 2022/23. We anticipate moving in by October and are looking forward to the improvement this will deliver to services and colleagues working experiences.

ICT Systems and Services

We have continued to improve our ICT services and capabilities. We have invested further into the hardware and infrastructure we utilise, as well as delivering new telephone and communications systems. We have expanded the ICT team further with the recruitment and training of a new apprentice.

In the final quarter of 2021/22 we also agreed a plan to further modernise our services by developing more telephone/contact centre, website and digitally based services (including a phone app) to improve customer services by making them available anytime (24/7), from anywhere, when customers need them most. This will also improve efficiency and the value for money we offer to commissioners and customers securing our long-term viability. The Board also agreed the resources we need to deliver this, including a new project manager, and recruitment to this post will commence early in 2022/23.

Customer Engagement and Feedback

As pandemic restrictions have been lifted and the threat of the coronavirus has subsided, so we have been able to start to make progress in delivering on our customer engagement strategy. This was further delayed over the year by the Delta and Omicron surges as we responsibly cancelled many events. However, in the second half of 2021/22 we have completed customer surveys to find out how they want to become involved and communicated with, we have delivered our first customer newsletter in several years, local engagement events have started again and a fledgling customer forum has met.

STEPPING STONE PROJECTS

Report of the Trustees for the year ended 31 March 2022 (*continued*)

We have also designed and started to collect real time customer feedback and satisfaction ratings. The first customer surveys were completed in April 2022, which of course reflect on the services we provided in 2021/22. Whilst it is early days, the first results are very positive showing average satisfaction of 9.2/10 (or 92%). It will be interesting to see in 2022/23 whether these satisfaction ratings are maintained and what the learning is for us to improve further.

ii. Best for Colleagues

In 2021/22 we have made leaps forward in the delivery of the "Our People Strategy". A major part of this has been the strengthening of our People and Talent Team with the recruitment of a new fully qualified and experienced manager and an officer to assist them.

We have also continued to successfully recruit the managers and colleagues we need to deliver our strategic aims and objectives and deliver the growth we have experienced. Over 50 new colleagues have been recruited, inducted and embedded into the business.

This includes a number of key posts:

- Assistant Director of Operations;
- 3 new business support managers (Finance, People & Talent and Policy & Assurance);
- 3 new Operations Managers;
- 6 Assistant Operations Managers.

We are committed to "grow our own" and very pleasingly the vast majority of management appointments were internal with only 4 candidates being recruited externally of whom only 1 was in the operations division. This is something colleagues are very keen to see.

Despite the difficulties of delivering our training and development during the Covid period, we have still delivered mandatory and compliance training utilising our extensive on-line training programme. Following colleague feedback, we have also reviewed and improved our induction processes and training. We commence delivery of our new management development programme in May.

The salaries of colleagues were reviewed and increased in September 2021. However, since then inflation has increased further and the Government announced the introduction of the new Health and Social Care Levy on National Insurance premiums. In response to these pressures our Board reviewed our annual salary increases again and enhanced the salary increase by a further 1.25% from April 2022 (1.75% for our lowest paid colleagues). In addition, our colleague well-being programme is also now being delivered in earnest as we aim to help our colleagues deal with the impacts of Covid and now the cost of living crisis.

We have re-invigorated and engaged colleagues through our Colleague Forum now that pandemic restrictions have been lifted. They have been involved in reviewing SSP terms and conditions, a large number of operational and HR policies and in proposing changes to improve working for SSP. We held a successful Annual Colleague Conference and Colleagues Awards Ceremony as we emerged from Covid in September 2021 and then a much delayed "Christmas" jamboree in March 2022. Our reward and recognition scheme continues to celebrate the efforts and achievements of colleagues.

As a result, we are pleased that colleague satisfaction with working for SSP has increased from 80% to 84% in 2021/22, after being static during the first year of the pandemic.

iii. Best for Partners

We have developed and delivered a number of new key partnerships, including:

- Registered Housing Providers such as Onward Homes, Calico Homes, Six Town Housing and Ashton Pioneer Homes;
- New Councils including Tameside, Rossendale and Sefton;
- Cornerstone Place, Unity Bank, Key Fund and other funders;
- WHAG- a voluntary sector provider we deliver the Rochdale Preventative Service in partnership with.

STEPPING STONE PROJECTS

Report of the Trustees for the year ended 31 March 2022 (*continued*)

We haven't neglected our existing key partners. Our partnerships with RBH and MSV have grown stronger as RBH are now the master lessees at more projects, including St Clare's House. MSV are now working with us and Rochdale Council on an RSAP bid to convert our Central offices into new accommodation for homeless customers. Our relationships with many councils grows stronger as we continue to deliver more services for them including Rochdale, Bury, Manchester, Hyndburn, Burnley and Blackburn.

In 2022/23 we will be seeking to further strengthen these relationships and partnerships. We will also start to explore possibilities and opportunities in other boroughs on the fringes of where we currently work such as Bolton, Preston and Chorley to the north-west, Stockport, Calderdale and Kirklees to the South-East and the Merseyside/West Lancashire region.

We have continued to develop and successfully deliver our marketing and communications strategy. Internally we have continued to deliver regular colleagues bulletins. Our In-Step newsletter goes from strength to strength and continues to be circulated to colleagues on a bi-monthly basis. Our colleague Facebook page is followed by more colleagues than in 2020/21 and is well used.

Externally we have delivered regular press releases and tweets as our services have grown and developed. We have presented at several national and regional conferences, as well as organising and hosting our own successful "What Next for Homelessness in the North-West?" conference.

We are now piloting employing our own Policy and Communications Assistant Manager to see if this improves our marketing and communications further and enhances our reputation and influence.

We have made progress in delivering added social value. In 2021/22 we agreed to recruit and train our first 5 apprentices. 3 are already in post and making good progress in their chosen careers. In 2022/23 we will recruit the remaining 2 apprentices and hopefully see the first ones start to apply and move into permanent roles. In May 2022 our first apprentice secured a full-time permanent job with SSP.

In February 2022 we agreed to invest in a new Social Value Co-Ordinator post to continue to drive and deliver this agenda. We also agreed to invest for the first time in a Customer Employment and Training Adviser to support those customers who are ready and willing to achieve full independence by securing employment. We look forward to the new postholders starting with us and seeing their achievements over the next year.

iv. Best for Business

During 2021/22 we acquired and renovated Stamford Villa in Tameside, in partnership with Cornerstone Place utilising their new "Shared Upsides" model for the first time. This provides 13 new self-contained homes for vulnerable homeless men. The works were completed and we welcomed our first residents in April 2022. A new partner, Ashton Pioneer Homes, are leasing the building to ensure property and management standards. In May 2022 we held a successful celebratory opening with partners, attended by Angela Raynor (local MP), the Mayor and Leader of the Council.

We have also worked with Rochdale Council and Cornerstone Place to develop plans and secure RSAP funding for our first ever new build project. 14 newly and purpose-built homes are planned on a site on Whitworth Road. A formal planning application has been submitted and we are now awaiting news on whether this has been granted or not. With the support of the Government, Council and other partners we are optimistic and we hope to start the project in the summer of 2022.

We also continue to seek opportunities to use our now healthy reserves to build, acquire and/or renovate more homes to provide accommodation and support to homeless people. However, the fall in supply and the inflated housing market prices are currently making this difficult to deliver. We will continue to search for suitable opportunities in 2022/23.

We secured nearly £40k in donations from local businesses and an amazing £1.87m in grant funding. This additional funding is obviously vital to SSP in helping us fulfil our purpose and mission in a sustainable way but also to customers helping them to improve and transform their lives.

STEPPING STONE PROJECTS

Report of the Trustees for the year ended 31 March 2022 (*continued*)

We have improved our governance further over the last 12 months. We have successfully recruited and inducted 5 new trustees, with the skills and experience we believe we need moving forwards. We have reviewed and amended our standing orders and scheme of delegation. We have also reviewed and dissolved our 3 previous sub-committees and replaced them with 2 new sub-committee with new terms of reference. These are our Finance and Remuneration Sub-Committee and our Risk and Compliance Sub-Committee.

Lastly, we have managed to maintain the reductions in our environmental impact during the height of the pandemic, where we reduced our average car mileage (carbon emissions) per colleague by 31% and use of printing and paper by 53%. In 2021/22, despite the lifting of restrictions, we made a further 3% reduction on carbon emissions and printing and paper use of 24%. This is already well in excess of our 25% reduction target between 2020-2023. Next year we want to go further with a pilot scheme of pooled electric vehicles for colleagues to use.

Other Key Performance Achievements

During the year 2021/22 we have also:

- Provided accommodation and services to 1,322 customers, 286 within the Young Person's Services and 1,036 in Adult Services;
- Achieved an average of 87.9% planned departures across all services (99.2% for the Young Person's Services and 84.6% for Adult Services);
- Achieved average utilisation rates of 86.9% in our services and average throughput of 207.6%;
- Collected 95.4% of rent due. NB This was negatively impacted in the last quarter by the number of new services commencing where HB claims had not yet been paid;
- Achieved a provisional 92% overall customer satisfaction, 81% satisfaction with accommodation and 96% stating they would recommend SSP to family and friends;
- Achieved 100% partner satisfaction levels and 84% colleague satisfaction levels;
- Made great progress delivering our key Business Transformation Strategies (Business Development and Our People) and our 10 Operational Strategies and their supporting Action Plans;
- Delivered and developed new partnerships and relationships with GMCA, Manchester, Bury, Oldham, Tameside, Rossendale, Burnley, Hyndburn and Blackburn Councils, CP, Onward Housing, APH, Calico, Homeless Link and WHAG;
- Provided a 2.5% pay increase to colleagues in September 2021 at a time of inflationary increase but uncertainty. This was reviewed again in January 2022 in light of the increasing inflationary pressures and the announcement of the new 1.25% Health and Social care Levy on National Insurance and increased by a further 1.25% (1.75% for our lowest paid colleagues) with effect from April 2022;
- Provided more promotional and development opportunities to colleagues, resulting in many internal promotions and appointments including our new Assistant Director, 4 Operations Managers, 9 Assistant Managers, c40+ new Supported Housing Workers, Housing Management Officer and Concierge posts.

Our Approach to Becoming the Best

Being innovative, proactive, agile and dynamic has been the key to our success over the last 2 years. Continuing this approach whilst keeping internal bureaucracy to a minimum, ensuring our overheads and support service costs are minimised and better utilising new technology will be crucial to our success in the future.

Our Board continues to meet regularly to make quick decisions and we seek to ensure that Trustees receive focused, concise and timely reports from the executive on which to make these decisions.

STEPPING STONE PROJECTS

Report of the Trustees for the year ended 31 March 2022 (*continued*)

Despite our recent successes we are not resting on our laurels and we are not done. We want to continue to extend our reach to support more vulnerable people at risk of homelessness in an increasing number of boroughs (that need us). We will do this by becoming the best by:

- raising our profile as the trusted not for profit organisation provider of choice,
- continually delivering on our promises,
- providing high-quality value for money services;
- employing the best people;
- delivering flexibly to meet the needs of commissioners;
- working in genuine partnerships.

PLANS FOR THE FUTURE

Our Delivery Plan priorities and targets for 2022/23 have been agreed as:

- Win Lancashire Dispersed Housing and Burnley Accommodation Service Contracts (or replacement contracts);
- Retain >75% of our 2021/22 short term contracts;
- Net gain of >60 new homes;
- Working in >2 new boroughs and 3 new partners;
- Delivering our hybrid working plans;
- Opening our new office headquarters;
- Pilot electric pool cars;
- Delivering service modernisation (including 24/7 interactive digital services);
- Using customer feedback to drive service improvement;
- >90% customer satisfaction;
- >95% rent collected;
- >98% audited compliance with policies and standards;
- >10% of customers engaged in SSP events;
- >90% colleague satisfaction working for SSP;
- >3% pa VFM gains;
- >6 apprentices, 5 work experiences & 10 volunteers;
- >140 customers engaging in work related activities;
- Create a £50k hardship fund to assist customers during the cost of living crisis;
- Increase our assets by >10 homes;
- > £100k in donations & grants;
- >10% reduction in our carbon emissions.

Conclusion

Overall on any measure 2021/22 has been another excellent and exceptional year of achievement for SSP. This success can only be delivered with the full support, commitment and co-operation of the whole organisation working together. From the Board having to radically change how it operates and take urgent strategic, business-critical and at times difficult decisions, to EMT and SMT leading the drive for growth, diversification and excellence in everything we do, to colleagues fully buying into this and continuing to provide dedicated, caring, flexible and excellent services.

We thank everyone at SSP, our partners and our commissioners for playing their part in making this another successful year and for helping provide the quality affordable homes and wrap around support service our customers and so many other vulnerable people at risk of homelessness need. Together we can and will deliver more next year and in the foreseeable future.

STEPPING STONE PROJECTS

Report of the Trustees for the year ended 31 March 2022 (*continued*)

FINANCIAL REVIEW

Principal funding sources

The principal funding sources for the Charity during the year were:

- Housing-related support contract income from Rochdale MBC, Bury MBC, Hyndburn Borough Council, Burnley Borough Council, Manchester City Council and Lancashire County Council.
- Rental income from tenants and housing benefit paid on behalf of tenants.
- Spot purchase of accommodation and housing-related support, for young people leaving care, by social service departments across the North-West via the North-West Care Leavers Framework.
- Investment income.

Other sundry sources of income include corporate and individual donations received.

Overview

Total incoming resources in the year to March 2022 were £6,811,477 (2021 - £5,006,291). This is an increase of 36% which is mainly due to the new services including UASC, CAS3, various services in Bury, Blackburn, Step Forward Hyndburn and a full year of Long Street which generated total income of £1,756k partially offset by the reduction in rental income of £263k that resulted from losing our housing management services with Regenda.

There was also an increase in rental income across all services as a result of annual inflationary increases in rent levels together with a number of other smaller specific variances relating to operational performance and other factors such as increased voids on the LDH service due to difficulties in filling shared properties during the covid-19 restrictions.

Investment income continues to be impacted by low savings interest rates and has decreased to £0 (2021 - £172) as banks are no longer paying any interest on deposits. Investment income was previously used to finance internally funded charitable support to customers and customer participation/development activities. Additional charitable funds from reserves were utilised to make up for the low level of investment income and enable us to maintain support for customer activities however covid-19 restrictions significantly reduced the activities that could be undertaken.

Other income has increased significantly to £7,677 (2021 - £3,226).

In the year to 31 March 2022 the Charity made a net surplus (after including investment income) of £650,204 (2021 - £441,704 surplus).

From a financial perspective, this has been an extremely successful year. All services made a positive contribution to central costs apart from a number of new services that were still being established at the year-end.

The budget for 2022/23 reflects the continuing growth in services with further increases in turnover and another surplus of approximately £550k.

Despite the ongoing challenging financial circumstances resulting from continuing pressures on Local Authority spending, the charity continued to maximise the proportion of total expenditure on charitable activities – maintaining a very similar proportion of expenditure to the previous financial year.

Direct charitable expenditure accounted for 99.57% (2021 – 99.43%) 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 0.43% (2021 – 0.57%) of total expenditure. Trustees decided that the basis for allocating costs that was adopted in the financial year ending 31 March 2014 was still the most appropriate method by which to fairly reflect actual expenditure.

Balance Sheet

The net book value of fixed assets increased to £749,308 from £724,244 in the previous year. The increase is mainly due to additions to computer equipment for the growing workforce plus furniture in new properties. The main fixed assets are the four Care Leavers properties in Pendle which had a net book value of £172,136 in both years plus St. Clare's House which had a net book value of £469,272 (2021- £478,426).

STEPPING STONE PROJECTS

Report of the Trustees for the year ended 31 March 2022 (*continued*)

Reserves Policy

Trustees recognise that whilst the building of reserves is essential to give the Charity sufficient flexibility to cover temporary interruptions in income flow and provide an adequate level of working capital, particularly due to the ongoing levels of uncertainty surrounding Local Authority spending targets following reductions in funding from Central Government, this should not be detrimental to charitable activities and the provision of quality services to customers.

The Board of Trustees has an annual review of its policy on minimum reserve levels, which are the free reserves of the Charity, earned from previous operations. The current reserves policy was adopted in the previous financial year when Trustees decided that the reserves policy should provide sufficient reserves to deal with the loss of some or all of the charity's contracts in an orderly manner.

Trustees discussed the risk factors and concluded that the likelihood of losing all services at once is still remote and that the current reserves policy remains appropriate having considered the corporate risk register and other pertinent factors.

Trustees recognise that there were three main types of expenditure within the charity:

- Property costs (property rental, maintenance, utility charges etc.) are basically funded via rental income;
- Support costs (mainly staffing but also costs such as offices, stationery etc.) are basically funded via contractual income;
- Central costs (again mainly staffing but also ICT, office costs etc.) are funded via a combination of rental and contractual income.

If the charity did lose some or all of its contracts, it is likely that it would still be able to cover the majority of property costs via rental income as tenancies would continue however a provision would be required for dilapidation claims on any properties that needed to be handed back to the landlord. Trustees also consider that the charity should maintain reserves at a level that allow for staff to be given notice and for services to be wound-down in an orderly manner.

Thus, the existing reserves policy requires an amount equivalent to three months of all non-property costs, except for those on the Care Leavers services due to the in-built flexibility on these services, plus a sum to cover dilapidations plus a redundancy provision as outlined above. It is considered that the existing designated reserve would form an adequate provision against dilapidations claims.

The reserves policy requires free reserves of £1,236,865 at 31 March 2022 compared with the actual amount of £2,141,545 and that there is therefore £904.7k available to expand the services that we offer to customers. This is in addition to the designated reserve of £426,342 which is to provide for renewal of furnishings and any potential dilapidations claims arising if properties are handed back to landlords.

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.

STEPPING STONE PROJECTS

Report of the Trustees for the year ended 31 March 2022 (*continued*)

TRUSTEES' 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;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any 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 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 2006. 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:

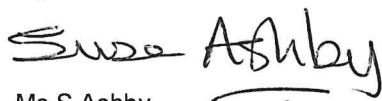
- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

Wrigley Partington have expressed their willingness to continue in office and being eligible, offer themselves for re-appointment.

By order of the Board of Trustees



Ms S Ashby
Chair

23rd November 2022

STEPPING STONE PROJECTS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STEPPING STONE PROJECTS

Opinion

We have audited the financial statements of Stepping Stone Projects for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows and related notes including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 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 United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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

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

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

Other information

The other information comprises the information included in the Trustees/Directors report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information and our opinion on the financial statements does not cover the other information, 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 misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

STEPPING STONE PROJECTS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STEPPING STONE PROJECTS continued...

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 exemptions in preparing the trustees' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees 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 company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

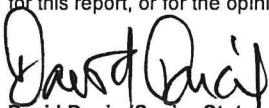
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



David Ducie (Senior Statutory Auditor)
For and on behalf of

WRIGLEY PARTINGTON
Chartered Accountants and
Statutory Auditor

Sterling House
501 Middleton Road
Chadderton
Oldham
OL9 9LY

Date :

24th November 2022

STEPPING STONE PROJECTS

STATEMENT OF FINANCIAL ACTIVITIES

(including Income and Expenditure Account) : YEAR ENDED 31 MARCH 2022

	Note	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £
<u>INCOME</u>							
Other income	3	7,677	-	7,677	3,226	-	3,226
Income from investments	4	-	-	-	172	-	172
		7,677	-	7,677	3,398	-	3,398
<i>Income from charitable activities:</i>							
Grants and contracts	5	4,273,835	-	4,273,835	2,543,636	-	2,543,636
Rents receivable	5	2,529,965	-	2,529,965	2,459,257	-	2,459,257
Total income		6,811,477	-	6,811,477	5,006,291	-	5,006,291
<u>EXPENDITURE</u>							
Raising funds	6	-	-	-	-	-	-
Charitable activities	6	6,161,273	-	6,161,273	4,564,587	-	4,564,587
Total expenditure	6	6,161,273	-	6,161,273	4,564,587	-	4,564,587
Net income/(expenditure) for the year		650,204	-	650,204	441,704	-	441,704
Net movement in funds		650,204	-	650,204	441,704	-	441,704
<i>Reconciliation of funds</i>							
Total funds brought forward		1,917,683	-	1,917,683	1,475,979	-	1,475,979
Total funds carried forward	17	2,567,887	-	2,567,887	1,917,683	-	1,917,683

The results for the year arise from continuing activities.

The accompanying notes are an integral part of this statement of financial activities.

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

STEPPING STONE PROJECTS

BALANCE SHEET : AS AT 31 MARCH 2022

	Note	2022 £	2021 £
FIXED ASSETS			
Tangible assets	11	749,308	724,244
Total fixed assets		<u>749,308</u>	<u>724,244</u>
CURRENT ASSETS			
Debtors	12	1,003,559	547,640
Cash at bank and in hand		1,347,354	907,226
Total current assets		<u>2,350,913</u>	<u>1,454,866</u>
CREDITORS:			
Amounts falling due within one year	13	532,334	261,427
NET CURRENT ASSETS		<u>1,818,579</u>	<u>1,193,439</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,567,887</u>	<u>1,917,683</u>
NET ASSETS	18	<u><u>2,567,887</u></u>	<u><u>1,917,683</u></u>
THE FUNDS OF THE CHARITY			
<i>Restricted income funds</i>	17	-	-
<i>Unrestricted income funds:</i>			
Designated	17	426,342	456,504
General	17	2,141,545	1,461,179
TOTAL CHARITY FUNDS	17	<u><u>2,567,887</u></u>	<u><u>1,917,683</u></u>

These accounts have been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to the members of the company.

The accompanying notes are an integral part of these financial statements.

The financial statements were approved by the Board of Trustees and authorised for issue on and signed on their behalf by:

Sue Ashby Trustee/Director

S. ASHBY

D. BERRY Trustee/Director

Registration number 2647645

STEPPING STONE PROJECTS

STATEMENT OF CASH FLOWS : YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
Cash flows from operating activities		
Net income/(expenditure) for the year	650,204	441,704
<i>Adjustments for:</i>		
Depreciation of tangible assets	62,721	59,291
Income from investing activities	-	(172)
Decrease/(increase) in debtors	(455,919)	(302,254)
Increase/(decrease) in creditors	270,907	131,091
Cash generated from operations	527,913	329,660
Net cash provided by (used in) operating activities	527,913	329,660
Cash flows from investing activities		
Interest received	-	172
Purchase of tangible assets	(87,785)	(173,078)
Net cash used in investing activities	(87,785)	(172,906)
Net increase / (decrease) in cash and cash equivalents	440,128	156,754
Cash and cash equivalents at the beginning of the year	907,226	750,472
Cash and cash equivalents at the end of the year	1,347,354	907,226

STEPPING STONE PROJECTS

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2022

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) **Basis of preparation**

The financial statements have been prepared on an accruals basis under the historical cost convention, and the Accounting and Reporting by Charities: Statement of Recommended Practice, applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Stepping Stone Projects meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

b) **Company status**

The charity is a company limited by guarantee (registered number 2647645) incorporated in the UK and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The registered address is PO Box 153, Rochdale OL16 1FR.

c) **Going concern**

The accounts have been prepared on a going concern basis. The trustees have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future and that there are no material uncertainties over the charity's financial viability.

d) **Income**

Income from charitable activities including 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.

Rent is recognised on a receivable basis.

Investment income is recognised on a receivable basis.

e) **Expenditure**

All expenditure is accounted for on an accruals basis and is allocated as follows:

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its services for its beneficiaries. It includes both those costs that can be allocated directly to such activities and those 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.

STEPPING STONE PROJECTS

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2022

1 Accounting policies continued

f) **Taxation**

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

g) **Operating leases**

Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred.

h) **Tangible fixed assets and depreciation**

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

Depreciation has been provided on all tangible fixed assets at rates calculated to write off the cost of each asset less the estimated residual value over its expected useful life as follows :

Leasehold property	- 50 years
Computer equipment	- 3 years
Fixtures, fittings and sundry equipment	- 2 years
Rented property improvements	- 4 or 5 years
Office furniture and equipment	- 2 years

Where assets have been written down to their estimated residual value no further depreciation is charged.

i) **Fund accounting**

Unrestricted funds comprise accumulated surpluses and deficits on general funds that are available for use at the discretion of the trustees/directors in furtherance of the general objectives of the Charity and that have not been designated for other purposes.

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.

Designated funds comprise unrestricted funds that have been put aside at the discretion of the trustees/directors for particular purposes.

j) **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.

k) **Financial instruments**

The company has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost.

l) **Changes in presentation**

Where changes in presentation have been made the comparative figures have been adjusted accordingly.

STEPPING STONE PROJECTS

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2022

	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £	Total 2021 £
2 <u>Income from fund raising activities</u>				
The charity does not carry out any fund raising activities or receive income from commercial trading operations.				
3 <u>Other income</u>				
Other income and donations	7,677	-	7,677	3,226
	<u>7,677</u>	<u>-</u>	<u>7,677</u>	<u>3,226</u>
4 <u>Income from investments</u>				
Bank deposit interest	-	-	-	172
	<u>-</u>	<u>-</u>	<u>-</u>	<u>172</u>
5 <u>Income from charitable activities</u>				
Grants received regarding accomodation and support	4,273,835	-	4,273,835	2,543,636
Rent receivable	2,529,965	-	2,529,965	2,459,257
	<u>6,803,800</u>	<u>-</u>	<u>6,803,800</u>	<u>5,002,893</u>

STEPPING STONE PROJECTS

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2022

6 Expenditure

	<u>Raising funds</u>	Charitable activities			<u>Total 2022 £</u>	<u>Total 2021 £</u>
		<u>Basis of allocation</u>	<u>Accommodation and support</u>	<u>Governance</u>		
	£		£	£		
<u>Costs directly allocated to activities</u>						
Housing costs		Direct	2,840,889	-	2,840,889	2,252,565
Housing management services		Direct	2,403,306	-	2,403,306	1,592,062
Travel and training		Direct	87,719	-	87,719	72,947
Office costs		Direct	15,556	-	15,556	21,550
Recruitment		Direct	10,799	-	10,799	2,394
Audit		Direct	-	8,000	8,000	5,876
Accountancy		Direct	-	-	-	3,377
	<u>-</u>		<u>5,358,269</u>	<u>8,000</u>	<u>5,366,269</u>	<u>3,950,771</u>
<u>Support costs</u>						
Staff costs		Staff time	595,523	16,853	612,376	476,297
Office costs		Staff time	156,533	1,121	157,654	112,438
Legal and professional		Staff time	5,906	83	5,989	14,080
Bank charges and interest		Staff time	30	30	60	60
Depreciation		Staff time	18,662	263	18,925	10,941
	<u>-</u>		<u>776,654</u>	<u>18,350</u>	<u>795,004</u>	<u>613,816</u>
Total expenditure	<u>-</u>		<u>6,134,923</u>	<u>26,350</u>	<u>6,161,273</u>	<u>4,564,587</u>

STEPPING STONE PROJECTS

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2022

	Total 2022 £	Total 2021 £
7 <u>Staff costs</u>		
Total staff emoluments for the year were as follows:		
Wages and salaries	2,245,375	1,697,482
National Insurance	194,302	152,482
Pension, health and life assurance costs	103,932	79,560
	<u>2,543,609</u>	<u>1,929,524</u>

8 Staff numbers

The average headcount for the year:

	Number	Number
Charitable activities	87	69
Generating funds	-	-
Governance	3	3
	<u>90</u>	<u>72</u>

The number of employees whose emoluments (gross salary and employer pension contribution), amounted to over £60,000 in the year were as follows:

	Number	Number
£60,001 - £70,000	2	1
£70,001 - £80,000	0	0
£80,001 - £90,000	1	1
£90,001 - £100,000	0	0

9 Net movement in funds

Net movement in funds is arrived at after charging /(crediting):

Depreciation of tangible fixed assets	53,567	59,291
Auditors' remuneration:		
audit of charitable company	8,000	5,876
Operating lease rentals - land and buildings	1,652,778	1,225,869

10 Taxation

The company is a registered charity and no provision is considered necessary for taxation.

STEPPING STONE PROJECTS

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2022

11 Tangible fixed assets

	Leasehold Property	Rented Property Improvements	Office furniture and Equipment	Furniture, fittings and sundry equipment	Computer equipment	Total
<u>Cost</u>						
At 1 April 2021	707,081	147,900	154,032	537,776	300,661	1,847,450
Additions	-	24,713	3,142	6,062	53,868	87,785
Disposals	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
At 31 March 2022	707,081	172,613	157,174	543,838	354,529	1,935,235
<u>Depreciation</u>						
At 1 April 2021	56,519	136,626	154,032	512,952	263,077	1,123,206
Charge for the period	9,154	5,989	384	17,445	29,749	62,721
Disposals	-	-	-	-	-	-
At 31 March 2022	65,673	142,615	154,416	530,397	292,826	1,185,927
<u>Net Book Value</u>						
At 31 March 2022	641,408	29,998	2,758	13,441	61,703	749,308
At 31 March 2021	650,562	11,274	-	24,824	37,584	724,244

Leasehold property comprises 4 terraced properties purchased from Pendle Borough Council in 2011 for use by the Careleavers Project. The properties were acquired subject to the following restrictive covenants:

- 1) to use the properties solely for the purpose of supported residential housing for a period of 10 years;
- 2) not to dispose of any of the properties without the written permission of Pendle Borough Council.

In addition to the above a property known as St Clare's House in Rochdale was purchased in May 2019, and is operated by the charity as a House of Multiple Occupation (HMO).

STEPPING STONE PROJECTS

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2022

12 Debtors	2022	2021
	£	£
Trade debtors	239,881	208,678
Rents receivable	91,856	101,021
Prepayments and accrued income	647,328	199,350
Other debtors	24,494	38,591
	<u>1,003,559</u>	<u>547,640</u>

13 Creditors : amounts falling due within one year	2022	2021
	£	£
Trade creditors	81,209	4,214
Taxation and social security	57,893	41,963
Accruals and deferred income	385,346	213,960
Other creditors	7,886	1,290
	<u>532,334</u>	<u>261,427</u>

14 Operating lease commitments

The charitable company rents its head office accommodation at a cost of £20,000 (2021:£20,000) per annum, under a lease which expired on 9th August 2021. A one year extension was agreed with the landlord so that the remaining commitment at the year end is £6,666.

The charitable company also has commitments under management agreements of up to three years duration with Housing Associations and private landlords for the use of properties. Most agreements with private landlords are for periods of six months. The annual commitment for management and occupancy costs as at 31st March 2022 was £2,262,474 (2021 : £1,483,015).

15 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 independently administered funds. The annual commitment under this scheme is for contributions of £103,932 (2021 : £79,560).

16 Share capital

The company has no share capital and the liability of members is limited by guarantee to £1 per member.

STEPPING STONE PROJECTS

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2022

17 Analysis of charitable funds

Analysis of fund movements:

	At 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2022 £
<i>Restricted Funds</i>	-	-	-	-	-
<i>Unrestricted funds:</i>					
General Funds	1,461,179	6,485,217	(5,946,225)	141,374	2,141,545
Designated Funds	456,504	326,260	(215,048)	(141,374)	426,342
Total	1,917,683	6,811,477	(6,161,273)	-	2,567,887

Designated funds are rent and service charge receipts set aside for future refurbishment of the housing properties utilised by the charity. The Trustees are of the opinion that the amount set aside as at 31 March 2022 is sufficient to cover requirements in the short term.

18 Analysis of net assets between funds

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	749,308	-	-	749,308
Current assets	1,924,571	426,342	-	2,350,913
Current liabilities	(532,334)	-	-	(532,334)
Net assets 31 March 2022	2,141,545	426,342	-	2,567,887

STEPPING STONE PROJECTS

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2022

19 Related party transactions

None of the directors (board of trustees) received any remuneration from the charity in the year (2022 : £Nil), and were reimbursed mileage expenses of £119 (2021 : £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 this or the previous financial year.

In the opinion of the trustees there is no ultimate controlling party.