STEPPING STONE PROJECTS

England & Wales · Charity number 1004375

Details

Other names	STEPPING STONE PROJECT (ROCHDALE) LIMITED, STEPPING STONE
Status	Registered
Legal form	Charitable company
Company number	02647645
Registered	1991-10-03
Register	View on the Charity Commission register

Contact

Address	Stepping Stone Projects 2 The Quadrant Green Lane Heywood Lancashire OL10 1NG
Phone	01706353000
Email	central@stepping-stone.org.uk
Website	www.stepping-stone.org.uk

Activities

Objects: The Company is established 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 accommodation, permanent accommodation or assistance in the provision of permanent accommodation and housing related support and intensive management services for such persons.

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

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Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Other Charitable Activities
- **What:** General Charitable Purposes, Accommodation/housing
- **Who:** Other Defined Groups, The General Public/mankind

Geography

- Blackburn With Darwen
- Blackpool
- Bury
- Lancashire
- Manchester City
- Rochdale
- St Helens
- Stockport
- Wigan
- Wirral

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£14,458,467	£14,100,239	£3,769,859	171
2024-03-31	£11,904,998	£11,763,816	£3,411,631	152
2023-03-31	£9,861,057	£9,158,495	£3,270,449	122
2022-03-31	£6,811,477	£6,161,273	£2,567,887	90
2021-03-31	£5,006,291	£4,564,587	£1,917,683	72

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Trustees

Name	Role	Appointed
SUSAN ASHBY	Chair	
Alexander David Lyons		2022-04-27
Colin Royle		2021-06-30
DAVID BERRY		
Elisabeth Therese Lilley		2021-07-28
Janet Hardwick		2018-06-06
Martin Davies		2025-02-21
Michaela Louise Orr		2024-02-08
Nicholas Joseph Cox		2018-03-28
Steven James Grycuk		2022-04-27

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STEPPING STONE PROJECTS

England & Wales - Charity number 1004375

Accounts

Stepping Stone Projects

Annual Report 2024-25

Stepping Stone Projects

Table of Contents

03. Information

07. Vision & Mission

08. Reflecting on 40 Years of Progress

09. Our Purpose and Public Benefit

10. 2024/25: A Year of Achievement

11. A Year of Expansion

12. Customer Stories

13. Driving Change Beyond Service Delivery

14. Financial Review

17. Looking Ahead

18. Statement of Trustees Responsibilities

19. Independent Auditors Report

22. Statement of Financial Activities

23. Balance Sheet

24. Statement of Cash Flows

25. Notes to the Financial Statements

Information

Chair

Ms Susan Ashby

Company Secretary

Mr Christopher Tait

Charity Trustees

Ms Susan Ashby
Mrs Janet Hardwick
Mr David Berry
Mr Nicholas Cox
Mr Alexander Lyons
Mr Steven Grycuk
Mr Colin Royle
Ms Elizabeth Lilley
Ms Michaela Orr
Mr Martin Davies

Chief Executive Officer

Mr David Smith

Company Number

02647645

Registered Charity Number

1004375

Registered Office

2 The Quadrant, Green Lane, Heywood, OL10 1NG

Auditors

BK Plus Audit Limited, 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

How is SSP Governed and Managed

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 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "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)".

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.

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
Mrs Janet Hardwick
Mr David Berry
Mr Nicholas Cox
Mr Alexander Lyons
Ms Kelly Webb
Mr Steven Grycuk
Mr Colin Royle
Ms Elizabeth Lilley
Ms Michaela Orr
Mr Martin Davies

Ms Kelly Webb resigned on 27 November 2024. Trustees thank Kelly for her 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 resignation at the 2023/24 AGM, a fresh recruitment process was undertaken and following initial interviews one candidate was approved as a potential trustee and attended the January board meeting as an observer.

The appointment of Mr Martin Davies was unanimously formally approved by trustees at the 19th of February board meeting. We were delighted to welcome Martin as a trustee, given his extensive experience working in Social Housing for 36 years most recently as Director of Development at a leading North West housing provider.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Management

Day-to-day responsibility for the provision of services is delegated to the Senior Leadership Team consisting of a Chief Executive, Director of Operations, 2 x Assistant Director of Operations, a Director of Resources and temporarily our Digital Transformation Specialist, 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, annual delivery plans and 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.

Training

All 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.

Vision & Mission

Vision

Together we can end homelessness by 2034

Mission

01 Prevent Homelessness

02 Support Independence

03 Transform Lives

Our Corporate Strategic Plan

2024 - 2034

VISION

Together we can end homelessness by 2034

MISSION

Prevent homelessness
Support independence
Transform lives

BEST FOR

Customers
Colleagues
Partners
Business

VALUES

PRIDE
Professional
Respectful
Inclusive
Dynamic
Excellent

Reflecting on 40 Years of Progress

In 2024/25, Stepping Stone Projects (SSP) proudly celebrated 40 years of supporting people experiencing homelessness. We marked this important milestone with a year-long programme of inclusive events for our customers, colleagues, commissioners, and partners.

Each month, we hosted a major event that brought people together and raised awareness of homelessness in the North West. Highlights included:

- A launch campaign across press and social media
- Customer and Partner Roadshows in Rochdale, Burnley, Blackburn, and Manchester
- A 40-mile sponsored colleague relay in aid of Andy's Man Club
- Volunteer activities with local schools, including mock interviews and industry workshops
- Planting 40 trees to create a lasting legacy
- A Gala & Christmas Lunch hosted by Terry Christian, attended by over 200 guests
- 40 home move-on packs provided to customers, funded by partners
- Colleague Sports Day – football & netball tournaments

From humble beginnings in 1984 with just two properties for rough sleepers in Rochdale, SSP now manages over 850 homes, delivers 45 services across 25 boroughs, supports more than 1,000 individuals at any given time, employs around 195 colleagues, and maintains a turnover of approximately £15 million.

We remain steadfast in our mission to prevent homelessness, support independence, and transform lives, and we continue to strive toward our vision:
Together, we can end homelessness by 2034.

Our Purpose and Public Benefit

Our governing documents define our mission to support people who are homeless, at risk of homelessness, or otherwise vulnerable, by:

- Providing advice and person-centred support Offering temporary and longer-term accommodation
- Delivering housing-related support and intensive management services

We uphold the belief that everyone has a right to safe, quality accommodation and services that help them achieve independence. We act in accordance with Charity Commission guidance to ensure we deliver public benefit in all we do.

Our Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

2024/25: A Year of Achievement

Despite national challenges, from economic uncertainty and a shifting political landscape to the ongoing housing crisis, SSP has remained focused on delivering impact.

We are proud to report that in 2024/25, we:

Retained all 2023/24 contracts, including key re-tendered UASC services in Lancashire and Manchester

Added 109 new homes and launched 7 new services

Expanded into 7 new local authorities across North and West Lancashire

Sustained and improved customer satisfaction

Invested in digital transformation, launching the SSP Connect customer portal and introducing DocuSign technology

Secured Ofsted registration for both of our young people's services

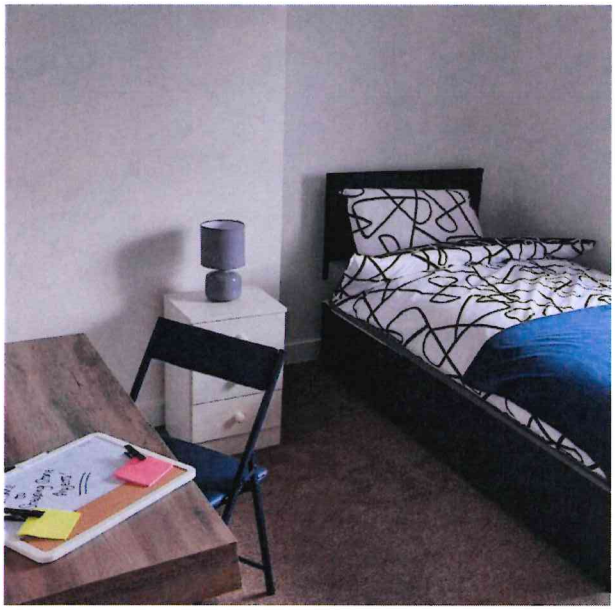
Deepened investment in colleagues' development, well-being, and added social value across our operations

A Year of Expansion:

Young Peoples Services

We made significant progress in 2024/25 in expanding support for young people:

- Gained Ofsted registration under new regulations
- Successfully delivered our first Ofsted inspection
- Expanded our North-West Care Leavers programme
- Secured a new contract to provide dispersed housing in North and West Lancashire, adding 38 homes
- Retained our East Lancashire service, converting additional properties into long-term supported accommodation
- Continued to grow UASC services, with new sites in Tameside, Trafford, and Stockport



Other New Services

- Launched a new service in Trafford providing 10 homes for homeless families
- Opened a renovated 5-bed HMO in Wigan in partnership with Jigsaw Housing

These developments show how we continue to respond flexibly to local needs across the North West.

Customer Stories

Dillon

Dillon first came into contact with Stepping Stone Projects in Rochdale before a period in custody resulted in a move to Bury. Following his release, he was supported in our temporary accommodation, and after a second recall to custody, he was assessed for CAS3 support on both occasions. During his second CAS3 placement, we worked in close partnership with Bury Council, who agreed to 'flip' one of our RSAP properties to become Dillon's longer-term home. This allowed us to extend our support for up to three years, providing the stability and consistency he needed. That continuity has been transformative. Dillon is now preparing to move into his own social housing tenancy, supported by a Tenancy Support Officer from Bury Council.

His journey highlights how collaborative, flexible partnership working can lead to meaningful and lasting outcomes for individuals rebuilding their lives after homelessness and custody.

Louise

Louise's journey through the A Bed Every Night project demonstrates the powerful impact of targeted support. After experiencing homelessness at just 19, she received essential help through the Rough Sleeping Accommodation Programme, enabling her to secure a stable tenancy and create a home of her own. With her housing situation settled, Louise expressed a desire to move into employment and will soon begin a new role as a support worker for adults with learning disabilities. To help her take this next step, Stepping Stone Projects provided financial support for her DBS checks.

Louise's experience reflects the life-changing outcomes our services can achieve and aligns with our recent customer survey, which reported a 99% satisfaction rate. Her story is a testament to resilience and the effectiveness of coordinated, person-centred support.

Driving Change Beyond Service Delivery

SSP continues to campaign alongside partners to:

- Raise awareness of homelessness
- Advocate for funding and policy change
- Promote solutions that prevent homelessness and support recovery

We know that the key to future success lies in staying agile, innovative, and focused on value-for-money services while minimising internal bureaucracy and maximising the use of technology.

At SSP, we know that delivering high-quality housing and support services is only part of the solution to ending homelessness. Driving meaningful, long-term change also requires us to challenge the systems and policies that allow homelessness to persist. That's why campaigning is a core part of our work, raising awareness, influencing decision-makers, and pushing for reforms in housing, welfare, and support provision.

By working in partnership with like-minded organisations, we aim to amplify the voices of those with lived experience and ensure that their needs shape the services and policies that affect them. Our campaigning efforts help position SSP not just as a service provider, but as a trusted advocate for social justice and systemic change.

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, Blackburn with Darwen Borough Council, Burnley Borough Council, Manchester City Council and Lancashire County Council.
- Rental incomefrom tenants and housing benefitpaid 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 2025 were £14,458,467 (2024 - £11,904,998). This is an increase of 21.5% which is mainly due to the growth of existing services including Care Leavers, Rochdale ABEN and Unaccompanied Asylum Seeking Children.

There was also an increase in rental income across all services as a result of additional homes in management, annual inflationary increases in rent levels together with a number of other smaller specific variances relating to operational performance.

Investment income has increased to £9,159 (2024 - £5,426). Investment income is 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 comparatively low level of investment income and enable us to maintain support for customer activities.

Other income has increased by 204% to £49,340 (2024 - £16,210).
In the year to 31 March 2025 the Charity made a net surplus (after including investment income) of £358,228 (2023 - £141,182 surplus).

From a financial perspective, this has been a challenging but ultimately successful year. All services made a positive contribution to central costs apart from two services; Saxonside which incurred additional costs due to significant staffing absences and Manchester RSAP which made a deficit of £54,662 as the service is being decommissioned.

Financial Review continued

The budget for 2025/26 reflects the continuing growth in services with further increases in turnover and another surplus of approximately £275k.

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 amount and reduced proportion of expenditure on governance costs to the previous financial year.

Direct charitable expenditure accounted for 99.79% (2024 - 99.76%) 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 0.21% (2024 - 0.24%) 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 decreased to £915,951 from £979,212 in the previous year. The decrease is due to depreciation charges exceeding the amount of additions in all categories. 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 £439,704 (2024 - £449,560).

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 the charity's short-term contracts in an orderly manner and enable current activities to be continued whilst alternative contracts are secured.

Financial Review continued

The most significant change to the policy was to create a new designated reserve commensurate with the amount of reserves tied up in fixed assets and thus not freely available.

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

Trustees identified 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.

Thus, the reserves policy requires an amount equivalent to three months of all non-property costs, except for those on services with more than a 12-month contract or where SSP owns the building, plus amounts to cover dilapidations and a redundancy provision as outlined above. It is considered that the existing designated reserve is adequate provision against dilapidations claims.

The reserves policy requires free reserves of £1.92m at 31 March 2025 compared with the actual amount of £2,268,384 leaving £348k free to expand the services that we offer to customers. This is in addition to the designated reserves of £915,951 covering fixed assets and £585,524 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.

Looking Ahead

2024/25 was a year of continued consolidation, growth, and innovation.

Thanks to strategic decisions by our Board and the commitment of our entire team, we closed the year with an improved financial surplus of £358k, and strong reserves of £3,770k.

We are grateful for the dedication of our colleagues, the leadership of our Senior and Leadership Teams, and the support of our commissioners and partners. Together, we are making a difference, and we will do even more in 2025/26.

Together, we can, and will, end homelessness.

Statement of Trustees Responsibilities

The trustees, who are also the directors of Stepping Stone Projects for the purpose of company law, are responsible for preparing the Trustees Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue inoperation.

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

Auditor

In accordance with the company's articles, a resolution proposing that BK Plus Audit Limited be reappointed as auditor of the company will be put at a General Meeting.

The trustees report was approved by the Board of Trustees.

Susan Ashby

Ms Susan Ashby
Trustee

Date: 26/11/25

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF STEPPING STONE PROJECTS

Opinion

We have audited the financial statements of Stepping Stone Projects (the 'charity') for the year ended 31 March 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- Obtaining an understanding of the legal and regulatory frameworks that the Charity operates in, focusing on those laws and regulations that have had a direct effect on the financial statements. The key laws and regulations we considered in this context include the Charities Act. In addition we consider compliance with employee legislation, as fundamental to the Charity's operations;
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments or appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

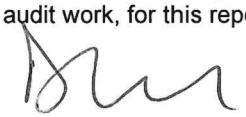
There are inherent limitations in the audit procedures described above and the further removed noncompliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement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

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

Based on our understanding of the charitable company, we identified that the principal risks of non-compliance related to those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and the Charities SORP (FRS 102). We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates. Appropriate audit procedures were performed to address those risks including testing journal entries and challenging assumptions and judgements made by management in their significant accounting estimates. There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://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 charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Dominic Huxley ACA (Senior Statutory Auditor)
For and on behalf of BK Plus Audit Limited, Statutory Auditor Chartered
Certified Accountants
Sterling House
501 Middleton Road
Chadderton Oldham
Lancashire OL9 9LY
Date: 26/11/25

BK Plus Audit Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Income and endowments from:			
Charitable activities	3	14,399,968	11,883,362
Investments	4	9,159	5,426
Other income	5	49,340	16,210
Total income		14,458,467	11,904,998
Expenditure on:			
Charitable activities	6	14,100,239	11,763,816
Total expenditure		14,100,239	11,763,816
Net income and movement in funds		358,228	141,182
Reconciliation of funds:			
Fund balances at 1 April 2024		3,411,631	3,270,449
Fund balances at 31 March 2025		3,769,859	3,411,631

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

BALANCE SHEET

AS AT 31 MARCH 2025

	Notes	2025		2024	
		£	£	£	£
Fixed assets					
Tangible assets	**12**		915,951		979,212
Current assets					
Debtors	**13**	2,390,914		1,696,864	
Cash at bank and in hand		1,189,042		1,244,462	
		3,579,956		2,941,326	
Creditors: amounts falling due within one year	**14**	(726,048)		(508,907)	
Net current assets			2,853,908		2,432,419
Total assets less current liabilities			3,769,859		3,411,631
The funds of the charity					
Unrestricted funds	**18**		3,769,859		3,411,631
			3,769,859		3,411,631

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2025.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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 trustees on 26/11/25

Susan Ashby

SUSAN ASHBY

Trustee

Company registration number 02647645 (England and Wales)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	2025 £	2024 £	2024 £
Cash flows from operating activities					
Cash generated from operations	**20**		65,480		175,809
Investing activities					
Purchase of tangible fixed assets		(130,059)		(207,227)	
Investment income received		9,159		5,426	
Net cash used in investing activities			(120,900)		(201,801)
Net cash generated from financing activities			-		-
Net decrease in cash and cash equivalents			(55,420)		(25,992)
Cash and cash equivalents at beginning of year			1,244,462		1,270,454
Cash and cash equivalents at end of year			1,189,042		1,244,462

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:

Charity information
Stepping Stone Projects is a private company limited by guarantee incorporated in England and Wales. The registered office is The Quadrant, Green Lane, Heywood, Rochdale, OL10 1NG. 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.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "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)". The charity is a Public Benefit Entity as defined by FRS 102.

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.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

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.

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

1.4 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.

Deferred income refers to the payments received by in advance for services that have not been delivered to the end user as at the year end.

1 **Accounting policies** **(Continued)**

Rent is recognised on a receivable basis.

Investment income is recognised on a receivable basis.

1.5 Expenditure

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

- 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.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	50 years
Rented property improvements	4 or 5 years
Office furniture and equipment	2 years
Fixtures and fittings	2 years
Computers	3 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

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

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1 Accounting policies **(Continued)**

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

The charity 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.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 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.

1.11 Employee benefits

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

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

1.12 Retirement benefits

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

1.13 Operating Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

1 Accounting policies **(Continued)**

1.14 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 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

3 Income from charitable activities

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Accommodation and support		
Grants received regarding accomodation and support	6,085,420	7,164,051
Rent receivable	8,314,548	4,719,311
	14,399,968	11,883,362

4 Income from investments

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Bank deposit interest	9,159	5,426

5 Other income

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Other income and donations	49,340	16,210

6 Expenditure on charitable activities

	Accommodation and support 2025 £	Accommodation and support 2024 £
Direct costs		
Staff costs	4,135,411	3,551,952
Depreciation and impairment	70,346	43,336
Housing costs	2,631,741	1,867,944
Housing management services	5,262,515	4,366,791
Travel and training	120,815	117,861
Office costs	25,652	27,392
Recruitment	51,767	34,199
	12,298,247	10,009,475
Share of support and governance costs (see note 7)		
Support	1,771,114	1,725,836
Governance	30,878	28,505
	14,100,239	11,763,816
Analysis by fund		
Unrestricted funds	14,100,239	11,763,816

7 Support costs allocated to activities

	2025 £	2024 £
Staff costs	1,191,371	1,180,407
Depreciation	122,797	119,340
Office Costs	428,209	389,121
Legal & professional	19,608	31,572
Bank charges & interest	9,129	5,396
Governance costs	30,878	28,505
	1,801,992	1,754,341
Analysed between:		
Accommodation and support	1,801,992	1,754,341

7 Support costs allocated to activities **(Continued)**

Governance costs comprise:	**2025** **£**	**2024** **£**
Staff costs	21,244	19,144
Depreciation	177	198
Audit fees	8,500	8,000
Legal and professional	28	52
Office costs	899	1,081
Bank charges & interest	30	30
	30,878	28,505

8 Net movement in funds

The net movement in funds is stated after charging/(crediting):	**2025** **£**	**2024** **£**
Fees payable for the audit of the charity's financial statements	8,500	8,000
Depreciation of owned tangible fixed assets	193,320	162,874
Operating lease charges	3,465,587	2,828,287

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

10 Employees

The average monthly number of employees during the year was: 171

	2025 **Number**	**2024** **Number**
Charitable activities	166	143
Governance	5	5
Total	171	148

Employment costs	**2025** **£**	**2024** **£**
Wages and salaries	4,692,402	4,181,910
Social security costs	430,773	374,389
Other pension costs	224,851	195,204
	5,348,026	4,751,503

10 Employees (Continued)

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2025 Number	2024 Number
£60,001-£70,000	2	-
£70,001-£80,000	2	2
£90,001-£100,000	1	1

Remuneration of key management personnel
The remuneration of key management personnel was as follows:

The key management personnel of the charity comprise the trustees and the Senior Management Team. The total employee benefits of the key management personnel of the charity were £495,394 (2024 : £316,511)

11 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

12 Tangible fixed assets

	Leasehold land and buildings	Rented property improvements	Office furniture and equipment	Fixtures and fittings	Computers	Total
	£	£	£	£	£	£
Cost						
At 1 April 2024	707,081	328,184	201,862	588,108	608,342	2,433,577
Additions	-	36,504	4,301	19,305	69,949	130,059
At 31 March 2025	707,081	364,688	206,163	607,413	678,291	2,563,636
Depreciation and impairment						
At 1 April 2024	85,385	178,730	189,347	554,169	446,734	1,454,365
Depreciation charged in the year	9,856	40,703	12,402	23,161	107,198	193,320
At 31 March 2025	95,241	219,433	201,749	577,330	553,932	1,647,685
Carrying amount						
At 31 March 2025	611,840	145,255	4,414	30,083	124,359	915,951
At 31 March 2024	621,696	149,454	12,515	33,939	161,608	979,212

12 Tangible fixed assets (Continued)

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).

13 Debtors

	2025	2024
Amounts falling due within one year:	£	£
Trade debtors	1,499,726	261,868
Other debtors	482,358	614,113
Prepayments and accrued income	408,830	820,883
	2,390,914	1,696,864

14 Creditors: amounts falling due within one year

	Notes	2025	2024
		£	£
Other taxation and social security		111,447	98,539
Deferred income	16	143,152	11,907
Trade creditors		356,626	312,058
Other creditors		28,848	18,961
Accruals		85,975	67,442
		726,048	508,907

15 Operating lease commitments

The charitable company rents its head office accommodation at a cost of £34,500 (2024 : £34,500) per annum, under a lease for a term of ten years expiring 31.08.32.

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 2025 was £4,673,648 (2024 : £3,942,832).

16 Deferred income

	2025	2024
	£	£
Other deferred income	143,152	11,907

Deferred income is included in the financial statements as follows:

16 Deferred income (Continued)

	2025	2024
	£	£
Deferred income is included within:		
Current liabilities	143,152	11,907
Movements in the year:		
Deferred income at 1 April 2024	11,907	71,143
Released from previous periods	(11,907)	(71,143)
Resources deferred in the year	143,152	11,907
Deferred income at 31 March 2025	143,152	11,907

Contractual income has been deferred as it was received in advance of services being provided.

17 Retirement benefit schemes

Defined contribution schemes	2025	2024
	£	£
Charge to profit or loss in respect of defined contribution schemes	224,851	195,204

The charity operates a defined contribution pension scheme for all qualifying 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 £224,851 (2024 : £195,204).

18 Unrestricted funds

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 2025 is sufficient to cover requirements in the short term.

	At 1 April 2024	Incoming resources	Resources expended	Transfers	At 31 March 2025
	£	£	£	£	£
Dilapidations	349,585	754,606	(407,455)	(111,212)	585,524
Fixed assets	979,212	-	-	(63,261)	915,951
General funds	2,082,834	13,703,861	(13,692,784)	174,473	2,268,384
	3,411,631	14,458,467	(14,100,239)	-	3,769,859

18 Unrestricted funds **(Continued)**

Previous year:	At 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2024 £
Dilapidations	341,843	564,487	(401,691)	(155,054)	349,585
Fixed assets	-	-	-	979,212	979,212
General funds	2,928,606	11,340,511	(11,362,125)	(824,158)	2,082,834
	3,270,449	11,904,998	(11,763,816)	-	3,411,631

Designated funds consist of:

1. Dilapidations Fund is made of 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 2025 is sufficient to cover requirements in the short term.

2. Fixed Assets Fund represents the properties and other fixed assets such as office furniture, computer equipment and furniture provided in our properties

19 Related party transactions

There were no disclosable related party transactions during the year (2024 - none).

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.

20 Cash generated from operations	**2025** £	**2024** £
Surplus for the year	358,228	141,182
Adjustments for:		
Investment income recognised in statement of financial activities	(9,159)	(5,426)
Depreciation and impairment of tangible fixed assets	193,320	162,874
Movements in working capital:		
(Increase) in debtors	(694,050)	(93,750)
Increase in creditors	85,896	30,165
Increase/(decrease) in deferred income	131,245	(59,236)
Cash generated from operations	65,480	175,809

21 Analysis of changes in net funds

The charity had no material debt during the year.

Annual Report 2024-25

Celebrating 40 Years with Purpose and Vision

Thank You

Stepping Stone Projects

2 The Quadrant, Green Lane, Heywood, OL10 1NG

01706 353000

www.stepping-stone.org.uk

STEPPING STONE PROJECTS

England & Wales - Charity number 1004375

Accounts

ANNUAL REPORT 2023/24

Stepping Stone Projects

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Stepping Stone Projects

TABLE OF CONTENTS

Information....3

How is SSP governed and managed....4

Striving to be the best – Sue Ashby....6

What is the purpose of SSP?....7

Human Impact – Customer Stories....8

Chief Executive and trustees summary of 2023-24....9

At a glance our SSP 2023/24....10

Our new Blackburn Projects....11

Other new projects....12

Our new strategic plan and vision....13

Campaigns to prevent and combat homelessness and change policies....14

Conclusion....15

Financial review....16

Trustees responsibilities....18

Independent Auditors' report....19

Statement of financial activities: year ended 31 March 2024....21

Balance sheet: as at 31 March 2024....22

Statement of cash flows : year ended 31 March 2024....23

Notes to the accounts....24

INFORMATION

Chair

Ms S Ashby

Company Secretary

Mr Christopher Tait

Charity Trustees

Ms Susan Ashby
Mrs Janet Hardwick
Mr David Berry
Mr Nicholas Cox
Mr Alexander Lyons
Mr Steven Grycuk
Mr Colin Royle
Ms Kelly Webb
Ms Elizabeth Lilley
Ms Michaela Orr (appointed 28.02.2024)

Chief Executive Officer

Mr Dave Smith

Company Number

2647645

Registered Charity Number

1004375

Registered Office

2 The Quadrant, Green Lane, Heywood OL10 1NG

Auditors

BK Plus Audit Limited, 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

HOW IS SSP GOVERNED AND MANAGED

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 2024.

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.

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	Mr Alexanders Lyon	Mr David Berry
Ms Janet Hardwick	Mr Nicholas Cox	Ms Kelly Webb
Mr Colin Royle	Ms Elisabeth Lilley	Mr Steven Grycuk
Ms Michaela Orr		

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.

A fresh recruitment process was undertaken in early 2024; following interview Ms Michaela Orr was approved as a trustee and attended the January 2024 meeting as an observer.
The appointment was unanimously formally approved by trustees at the 28th February 2024 Board meeting. We are delighted to welcome Michaela as a new trustee and as our first ever former customer on our Board.

Management

Day-to-day responsibility for the provision of services is delegated to the Senior Leadership Team consisting of a Chief Executive, Director of Operations, 2 x Assistant Director of Operations, a Director of Resources and temporarily our Digital Transformation Specialist, 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, annual delivery plans and 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.

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.

LIFE BEGINS AT 40 – STRIVING TO BE THE BEST

Chair of the Board of Trustees, Sue Ashby

This year we are celebrating the 40th anniversary since the formation of Stepping Stone Projects. During this time we have grown from providing just 2 properties for rough sleepers in 1984 to now having nearly 800 properties in our management, supporting c1,500 customers per annum, with c185 employees and a turnover of c£12m.

Having now been a trustee of Stepping Stone Projects for the last 26 years and Chair for the last 25 years, I am extremely proud of what we have delivered and achieved but also that we have stayed true to our purpose, mission and vision.
As a charity we remain fully independent and totally focused on preventing and combatting homelessness. By doing this we are now in a position to help so many more people to support them to live independently, thrive and to transform their lives.

2023/24 was, yet again, another memorable and on the whole successful year for SSP. We believe we have made great strides forward over this and the previous few years. This year we have continued to grow (more than we planned as we took over 2 large services in Blackburn), we have improved further on overall customer and colleague satisfaction levels to now be 98% and 87% respectively and we have invested more into digital transformation, improving our homes and services, colleagues development and health and well-being and into adding more social value to everything we do.

Despite challenges from the national housing crisis and economic pressures, SSP is dedicated to ending homelessness by 2034 with the support of its community, partners, and stakeholders.

WHAT IS THE PURPOSE OF SSP?

Objectives and 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 prevent homelessness, support independence, and transform lives. 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.

Moving into one of our A Bed Every Night properties helped Joanne to develop her independence and secure long-term accommodation with the support she needs.

She's now applying for suitable homes weekly, and is producing artwork and poetry, which has been shown at local events.

OUR NEW STRATEGIC PLAN AND VISION

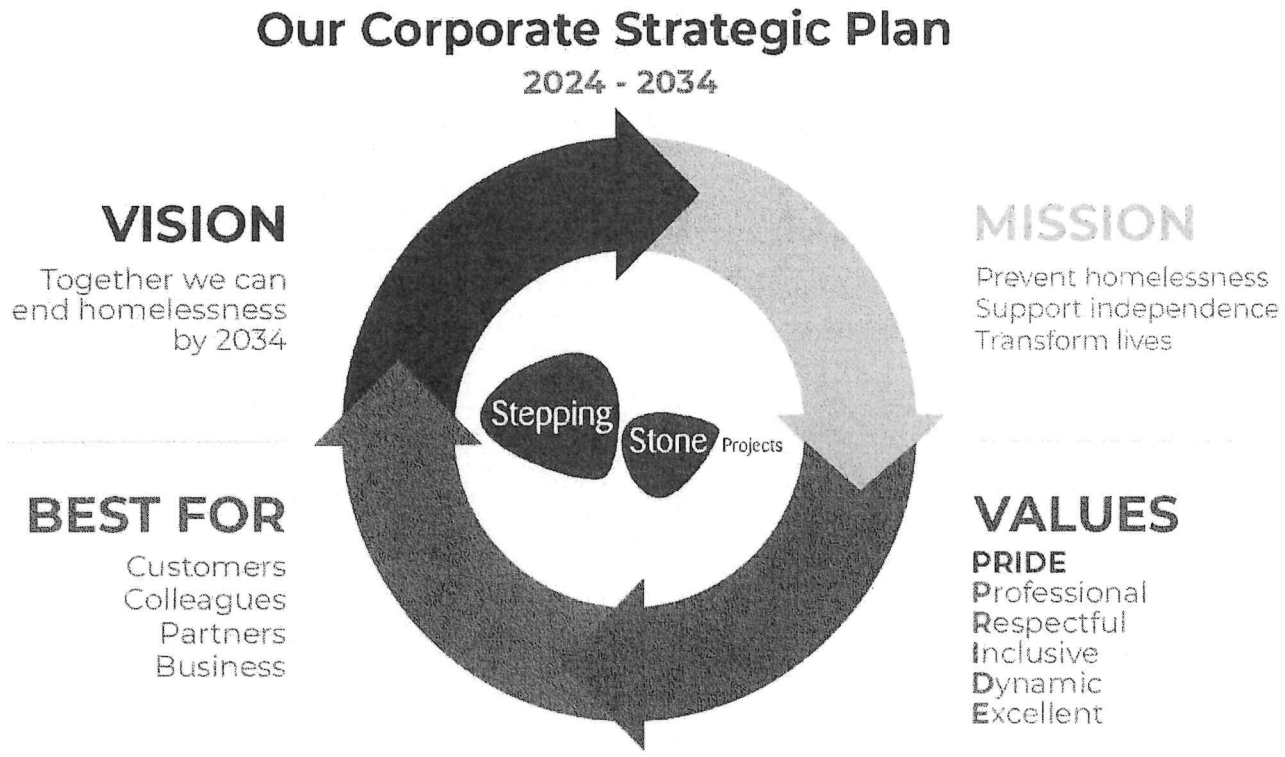
Our previous 5-year strategic plan, devised in 2020 and due to be completed by 2025, has now largely been delivered. Therefore our strategic plan was reviewed by our Board in 2023 in close consultation with our colleagues. The Board have agreed to simplify our mission statement based, on colleague feedback, to now be:

It is SSP's mission to

- Prevent homelessness
- Support independence
- Transform lives

The Board also agreed that our new 10-year vision from 2024 to 2034 needs to be more ambitious and externally focused to meet the wider needs of our homeless or at risk of homeless customers and the needs of our commissioners and communities in the North-West.

The Board have now agreed our new vision to be:
Together we can end homelessness by 2034.



HUMAN IMPACT – Customer Stories

A stable home after 10 years

After 10 years of short stays in temporary accommodation, Steven (name changed for anonymity) came to Cherry Bridge Lodge, one of our Grouped Supported Accommodation Projects in Blackburn. Our colleagues helped him to secure a deposit through Blackburn and Darwen Borough Council's Housing Benefit Team (a Discretionary Housing Payment), and supported him to move into his own property in an Independent Living Scheme.

Steven was also able to access money from the SSP hardship fund, (A pot of funding to help the customers disproportionately affected by the cost of living crisis), to buy a sofa, a fridge-freezer and a £200 shopping voucher.

Support to gain experience

Liam moved into our Step Forward Hyndburn Grouped Accommodation Project in May 2023 after periods of living in hostels and sleeping in a tent through the winter. Our Employment Support Advisor, worked with him to identify his goals and aspirations and then, supported him to enrol in a Level 2 Railway Engineering course via Changing Lives. Upon completing the course he was offered a full time paid position at McGinley Support Services to hone his skills further.

Liam thrived working on the tracks and his college commended his 'exceptional performance and rapid progression' as 'testaments to his hard work'. Thanks to the combined support from our Employment, Education, Training service and supported housing teams at SSP, he was able to gain experience working in his dream field and has achieved his goal of securing a permanent job working for Network Rail.

SSP Apprenticeships

At 18, Hannah became homeless after her foster parents were no longer legally responsible for her and her biological mother had passed away. Despite these challenges she maintained her ambitions and enrolled at university in Leeds, which also provided temporary housing. After graduation, she was no longer eligible for the university accommodation she had been living in and so became homeless again. The prospect of being homeless significantly impacting her mental health.

Hannah sought help from the housing options support services team in Leeds but was turned away due to having no local connection. Later, she secured accommodation with YMCA Pendle dispersed housing and received support from Stepping Stone Projects and our dedicated Employment Support Advisor. After significant support from the organisation, Hannah was offered an apprenticeship with SSP, increasing her income so she could afford her own self-contained and independent, long term property.

The apprenticeship with SSP provided stability and structure. It also provided the opportunity for Hannah to thrive, have purpose and work towards a future of her own choosing. After 12 months, Hannah achieved a distinction and secured a full-time job role with SSP, allowing her to maintain her independence.

CHIEF EXECUTIVE AND TRUSTEES SUMMARY OF 2023/24

Despite challenges from the national housing crisis and economic pressures, SSP is dedicated to ending homelessness by 2034 with the support of its community, partners, and stakeholders. As well as celebrating our 40th anniversary, everyone at Stepping Stone Projects are also delighted to celebrate our long standing Chair, Sue Ashby, recently announced award of an MBE after 26 years' service to SSP, homelessness and charity work. This honour is so well deserved and a testament to all that Sue has achieved and helped lead SSP to deliver over such a long period of time. SSP, fellow trustees and our colleagues are all so proud to have Sue as our Chair. Thank you Sue, and congratulations for all you have done and continue to do for us.

Following 4 years of substantial growth SSP have concentrated our efforts on continuing to deliver our vision to be the best, by achieving our 2023/24 delivery plan priorities of delivering:

- More homes and service capacity to help more people in need,
- Digital transformation and other service improvements,
- Increased customer and colleague satisfaction,
- Continued sustainable business growth,
- More investment into colleague development and health and well-being, and
- Increased added social value for our customers and communities.

SSP have continued to be successful in delivering against all of these objectives, whilst adapting to our continually more difficult operating environment, the ever-growing need and demand for our homes and services and the increasing uncertainty we are all facing.

AT A GLANCE OUR SSP 2023/24

1 Providing New Homes and Services

- 203 homes brought into our management
- 9 new services set up
- 14 new build homes on site
- 63 other new homes in development

2 Sustainably Growing Our Business

- Increased turnover: c£10m to c£12m
- Now employing c185 FTE's (incl agency and temporary posts)
- Further Surplus of £141k delivered
- Reserves increased to £3.4m
- Ofsted registration achieved June 2024

3 Improving Services

- Customer Satisfaction increased to 98%
- Colleague Satisfaction increased to 87%
- Partner Satisfaction at 90%
- Satisfaction with homes over 90%

4 Developing Our Colleagues

- New Ofsted accredited training courses in progress for young people services
- Acorn training completed by 81 frontline support workers
- IHASCO on line training for colleagues
- Coroners Court and other compliance training completed by managers
- Enhanced Health & Well-Being Programme

5 Digital Transformation

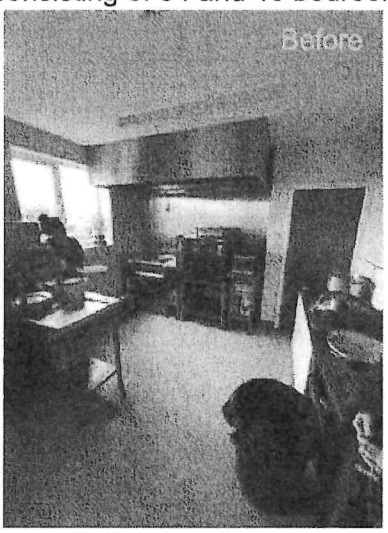
- CDP IT system upgraded & new HOAMS integrated housing management system introduced
- BoardEffect and Togetherly IT system implemented
- Prodo Customer Portal procured and in development
- Handheld tablet technology and docusign being piloted
- Wifi for customers introduced at all of grouped schemes

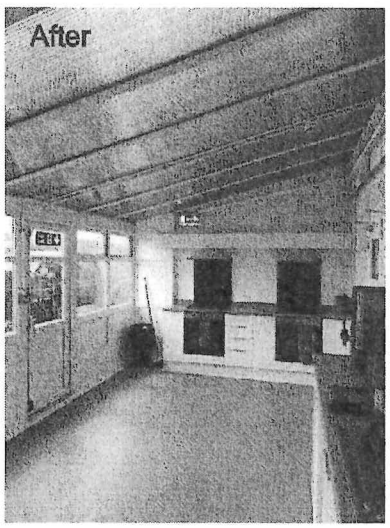
6 Adding Social Value

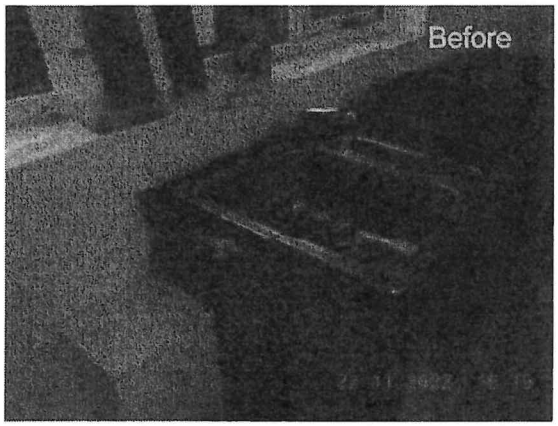
- New customer Home2Home free shop set up with Dunelm donations helped 94 customers set up home
- Customer Clothing Store with Sports Direct and BooHoo donations provided essential clothing to 42 customers
- SSP £50k Hardship Fund spent supporting 158 customers with cash grants
- 600 free SIM cards provided for customers to use
- Employment and training advice provided to 120 customers
- 5 apprentices and 1 graduate trainee in post
- 4 apprenticeships completed and now permanently employed by SSP
- 5 volunteers engaged in Home2Home

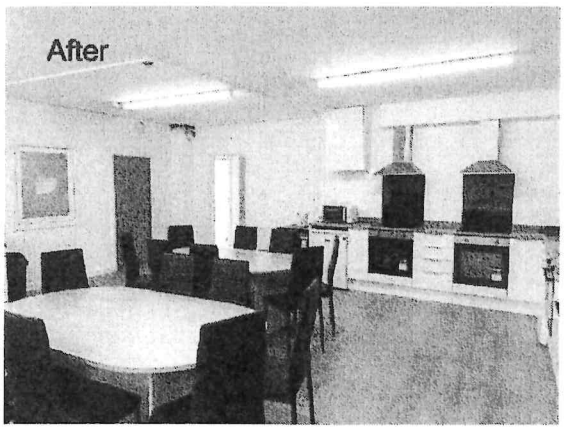
OUR NEW BLACKBURN PROJECTS

Among our many successes, early in 2023/24 we entered into negotiations with Auckland Home Solutions (AHS) and Blackburn with Darwen Council to take-over the management and support services for two failing projects. These are the 2 largest individual grouped schemes we have ever managed (by a considerable margin), consisting of 64 and 40 bedroomed HMO's where meals were also provided to customers. This was potentially a big risk for SSP but our Board of Trustees felt we had all the skills and experience needed, to try to ensure this accommodation remained available to homeless people needing support and that transformational property and service improvements were quickly delivered.









Working closely with the AHS and the Council we successfully completed the takeover in June 2023 and immediately set about improving both the accommodation and the services for customers and providing them with customer kitchens to help them better prepare for independent living. After a lot of hard work from the new management and frontline teams, closely supported by our business support teams, along with AHS and the Council, we have now transformed these projects. This includes both property conditions, their facilities and the support and management services, into what are considered to be good quality and very well run projects. They are now nearly always fully occupied (or close to it) and provide 104 badly needed supported homes for some of the most vulnerable people in the region.

OTHER NEW PROJECTS

In other notable new business successes we have worked with Rochdale Council and MSV to convert our old offices into 4 high quality flats for rough sleepers, with Elemel to open a 19 bed unit for young people at Saxonside, with RBC, Cornerstone Place and RBH to start to build 14 new homes at Whitworth Road and extended our ABEN provision in Rochdale by a further 23 homes with provision to families as well as single people. We worked with MSV and Manchester Council to set up Chatsworth Grove as an assessment centre for Unaccompanied Asylum Seeking Children and won a new contract to provide a further 40 dispersed units in the city for UASC. We also worked with Ashton Pioneer Homes, Tameside Council and a private sector landlord to set up a new women-only HMO for homeless people at Minto Street.

ROCHDALE BOROUGH COUNCIL

msv mosscare st vincent's

RBH ALL TOGETHER BETTER LIVING

ASHTON PIONEER HOMES

MANCHESTER CITY COUNCIL

Tameside Metropolitan Borough

This continued success, increasing capacity and financial strength means that we continue to be in a very strong position and confident in our ability to meet the future challenges coming our way, to continue to grow and invest further into growing our asset base, improving services and colleague and customer experiences as we strive to deliver our purpose, mission and vision "to be the best".

CAMPAIGNS TO PREVENT AND COMBAT HOMELESSNESS AND CHANGE POLICIES

We have already started working with our partners to campaign on homelessness issues, to combat and prevent the causes of homelessness and to seek policy changes. We launched our first ever campaign in Greater Manchester with Shelter, The Booth Centre and Mustard Tree in October 2023 to End the Private Renting Emergency and outlined 4 key asks to immediately implement the Renters Reform Act in full, to increase LHA levels, to cap private sector rents and to end discrimination of young people in the welfare system. This campaign successfully gained a lot of attention of the local, regional and national press and media. We also joined other national campaigns with CentrePoint and a wide range of other young persons homelessness charities. We plan to do more of this over the coming years.

SHELTER

Mustard Tree

Booth Centre

CENTRE POINT ENDING YOUTH HOMELESSNESS

The Key to Future Success

We are committed to being the best. Continuing to be innovative, proactive, agile and dynamic has been the key to our success over the last 4 years. Continuing with 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 continued success in the future.

We are not resting on our laurels and we will do more to prevent and end homelessness by 2034. 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 continuing to:

- **raise our profile as the trusted not for profit organisation provider of choice;**
- **deliver on our promises;**
- **provide high-quality value for money services;**
- **employ and develop the best people;**
- **deliver flexibly to meet the needs of commissioners;**
- **work in genuine partnerships;**
- **campaign with like-minded organisations to raise awareness and deliver the changes in policies, funding and priorities required to prevent and combat homelessness, support independence and transform lives.**

CONCLUSION

2023/24 has still been another excellent year of achievement for SSP, consolidating and improving further on the gains we have already made.

Although we have faced some financial challenges in 2023/24 we still posted a surplus at the end of the year of £141k, adding to our already healthy reserves.

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 take urgent strategic, business-critical and at times difficult decisions, to SLT and LT leading the drive to be the best and deliver 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.

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, Blackburn with Darwen 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 2024 were £11,904,998 (2023 - £9,861,057). This is an increase of 21% which is mainly due to the new services including Skye Crescent Lodge, Cherry Tree Lodge, Saxonside and Minto Street.

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 including reduced income from Huntley House following the service being decommissioned in August 2023.

Investment income has increased to £5,426 (2023 - £10) as rising base rates have meant that banks have recommenced paying interest on deposits. Investment income is 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 comparatively low level of investment income and enable us to maintain support for customer activities.

Other income has increased by 89% to £16,210 (2023 - £8,573).

In the year to 31 March 2024 the Charity made a net surplus (after including investment income) of £141,182 (2023 - £702,562 surplus).

From a financial perspective, this has been a challenging but ultimately successful year. All services made a positive contribution to central costs apart from two services; St Chad's House which came into management in March 2024 and Huntley House which made a deficit of £52,436 before the service was decommissioned.

The budget for 2024/25 reflects the continuing growth in services with further increases in turnover and another surplus of approximately £428k.

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 amount and reduced proportion of expenditure to the previous financial year.

Direct charitable expenditure accounted for 99.76% (2023 – 99.70%) 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 0.24% (2023 – 0.30%) 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 £979,212 from £934,859 in the previous year. The increase is mainly due to 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 £449,560 (2023 - £459,416).

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 current financial year when Trustees decided that the reserves policy should provide sufficient reserves to deal with the loss of the charity's short-term contracts in an orderly manner.

The most significant change to the policy was to create a new designated reserve commensurate with the amount of reserves tied up in fixed assets and thus not freely available.

Trustees discussed the risk factors and concluded that the likelihood of losing all services at once is still remote and that the essence of the previous 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.

Thus, the new reserves policy requires an amount equivalent to three months of all non-property costs, except for those on services with more than a 12-month contract or where SSP owns the building, plus amounts to cover dilapidations and a redundancy provision as outlined above. It is considered that the existing designated reserve is adequate provision against dilapidations claims.

The reserves policy requires free reserves of £1.75m at 31 March 2024 compared with the actual amount of £2,082,834 leaving £332.8k free to expand the services that we offer to customers. This is in addition to the designated reserves of £979,212 covering fixed assets and £349,585 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.

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

BK Plus Audit Limited 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~~ Mr N. Cox Vice-Chair

27 November 2024

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 2024 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 2024 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 trustees' 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 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.

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 trustees'/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.

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

Based on our understanding of the charitable company, we identified that the principal risks of non-compliance related to those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and the Charities SORP (FRS 102). We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates. Appropriate audit procedures were performed to address those risks including testing journal entries and challenging assumptions and judgements made by management in their significant accounting estimates. There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities 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.

Dominic Huxley(Senior Statutory Auditor)
For and on behalf of

BK Plus Audit Limited
Chartered Certified Accountants
and Statutory Auditor

Sterling House
501 Middleton Road
Oldham
OL9 9LY

Date : 27 November 2024

STEPPING STONE PROJECTS
STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account) : YEAR ENDED 31 MARCH 2024

	Note	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total Funds 2024 £	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £
INCOME							
Donations and other income	3	16,210	-	16,210	8,573	-	8,573
Income from investments	4	5,426	-	5,426	10	-	10
		21,636	-	21,636	8,583	-	8,583
Income from charitable activities:							
Grants and contracts	5	7,164,051	-	7,164,051	6,852,829	-	6,852,829
Rents receivable	5	4,719,311	-	4,719,311	2,999,645	-	2,999,645
Total income		**11,904,998**	**-**	**11,904,998**	**9,861,057**	**-**	**9,861,057**
EXPENDITURE							
Charitable activities	6	11,763,816	-	11,763,816	9,158,495	-	9,158,495
Total expenditure	6	**11,763,816**	**-**	**11,763,816**	**9,158,495**	**-**	**9,158,495**
Net income/(expenditure) for the year		**141,182**	**-**	**141,182**	**702,562**	**-**	**702,562**
Net movement in funds		**141,182**	**-**	**141,182**	**702,562**	**-**	**702,562**
Reconciliation of funds							
Total funds brought forward		3,270,449	-	3,270,449	2,567,887	-	2,567,887
Total funds carried forward	17	**3,411,631**	**-**	**3,411,631**	**3,270,449**	**-**	**3,270,449**

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 2024

	Note	2024 £	2023 £
FIXED ASSETS			
Tangible assets	11	979,212	934,859
Total fixed assets		979,212	934,859
CURRENT ASSETS			
Debtors	12	1,696,864	1,603,114
Cash at bank and in hand		1,244,462	1,270,454
Total current assets		2,941,326	2,873,568
CREDITORS:			
Amounts falling due within one year	13	508,907	537,978
NET CURRENT ASSETS		2,432,419	2,335,590
TOTAL ASSETS LESS CURRENT LIABILITIES		3,411,631	3,270,449
NET ASSETS	18	**3,411,631**	**3,270,449**
THE FUNDS OF THE CHARITY			
Restricted income funds	17	-	-
Unrestricted income funds:			
Designated	17	1,328,797	341,843
General	17	2,082,834	2,928,606
TOTAL CHARITY FUNDS	17	**3,411,631**	**3,270,449**

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 27 November 2024 and signed on their behalf by:

..... Trustee/Director
N. COX

..... Trustee/Director
A. LYONS

Registration number 02647645

STEPPING STONE PROJECTS

STATEMENT OF CASH FLOWS : YEAR ENDED 31 MARCH 2024

	2024 £	2023 £
Cash flows from operating activities		
Net income/(expenditure) for the year	141,182	702,562
Adjustments for:		
Depreciation of tangible assets	162,874	105,564
Income from investing activities	(5,426)	(10)
Decrease/(increase) in debtors	(93,750)	(599,555)
Increase/(decrease) in creditors	(29,071)	5,644
Cash generated from operations	175,809	214,205
Net cash provided by (used in) operating activities	175,809	214,205
Cash flows from investing activities		
Interest received	5,426	10
Purchase of tangible assets	(207,227)	(291,115)
Net cash used in investing activities	(201,801)	(291,105)
Net increase / (decrease) in cash and cash equivalents	(25,992)	(76,900)
Cash and cash equivalents at the beginning of the year	1,270,454	1,347,354
Cash and cash equivalents at the end of the year	1,244,462	1,270,454

STEPPING STONE PROJECTS

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2024

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 2019) - (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 02647645) 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 2 The Quadrant, Green Lane, Heywood OL10 1NG.

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.

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 charity 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 2024

	Unrestricted 2024 £	Restricted 2024 £	Total 2024 £	Total 2023 £
2 Income from fund raising activities				
The charity does not carry out any fund raising activities or receive income from commercial trading operations.				
3 Other income				
Other income and donations	16,210	-	16,210	8,573
	16,210	-	16,210	8,573
4 Income from investments				
Bank deposit interest	5,426	-	5,426	-
	5,426	-	5,426	-
5 Income from charitable activities				
Grants received regarding accommodation and support	7,164,051	-	7,164,051	6,852,829
Rent receivable	4,719,311	-	4,719,311	2,999,645
	11,883,362	-	11,883,362	9,852,474

6 Expenditure

	Charitable activities (unrestricted)				
	Basis of allocation	Accommodation and support	Governance	Total 2024 £	Total 2023 £
Costs directly allocated to activities					
Housing costs	Direct	5,463,232	-	5,463,232	4,258,900
Housing management services	Direct	4,366,791	-	4,366,791	3,402,814
Travel and training	Direct	117,861	-	117,861	107,149
Office costs	Direct	27,392	-	27,392	17,804
Recruitment	Direct	34,199	-	34,199	26,701
Audit	Direct	-	8,000	8,000	8,000
		10,009,475	8,000	10,017,475	7,821,368
Support costs					
Staff costs	Staff time	1,180,407	19,144	1,199,551	948,381
Office costs	Staff time	389,121	1,081	390,202	299,058
Legal and professional	Staff time	31,572	52	31,624	24,628
Bank charges and interest	Staff time	5,396	30	5,426	60
Depreciation	Staff time	119,340	198	119,528	65,000
		1,725,836	20,505	1,746,331	1,337,127
Total expenditure		11,735,311	28,505	11,763,816	9,158,495

7 Staff costs

Total staff emoluments for the year were as follows:

	Total 2024 £	Total 2023 £
Wages and salaries	4,181,910	3,201,354
National Insurance	374,389	299,036
Pension, health and life assurance costs	195,204	151,253
	4,751,503	3,651,643

8 Staff numbers

The average headcount for the year:

	Number	Number
Charitable activities	143	117
Governance	5	5
	148	122

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	1	-
£70,001 - £80,000	2	2
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-

The key management personnel of the charity comprise the trustees and the Senior Management Team. The total employee benefits of the key management personnel of the charity were £316,511 (2023 : £233,782).

9 Net movement in funds

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

Depreciation of tangible fixed assets	162,874	105,564
Auditors' remuneration:		
audit of charitable company	8,000	8,000
Operating lease rentals - land and buildings	2,828,287	2,296,759

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 2024

11 **Tangible fixed assets**

	Leasehold Property	Rented Property Improvements	Office furniture and Equipment	Furniture, fittings and sundry equipment	Computer equipment	Total
Cost						
At 1 April 2023	707,081	235,114	198,372	555,499	530,284	2,226,350
Additions	-	93,070	3,490	32,609	78,058	207,227
Disposals	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
At 31 March 2024	707,081	328,184	201,862	588,108	608,342	2,433,577
Depreciation						
At 1 April 2023	75,529	154,771	167,294	542,689	351,208	1,291,491
Charge for the period	9,856	23,959	22,053	11,480	95,526	162,874
Disposals	-	-	-	-	-	-
At 31 March 2024	85,385	178,730	189,347	554,169	446,734	1,454,365
Net Book Value						
At 31 March 2024	621,696	149,454	12,515	33,939	161,608	979,212
At 31 March 2023	631,552	80,343	31,078	12,810	179,076	934,859

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).

12 Debtors

	2024 £	2023 £
Trade debtors	261,868	711,448
Rents receivable	542,287	166,582
Prepayments and accrued income	820,883	699,627
Other debtors	71,826	25,457
	1,696,864	1,603,114

13 Creditors : amounts falling due within one year

	2024 £	2023 £
Trade creditors	312,058	272,673
Taxation and social security	98,539	79,867
Accruals	67,442	94,795
Deferred income	11,907	71,143
Other creditors	18,961	19,500
	508,907	537,978
Movements on deferred income account:		
Brought forward	71,143	257,228
Released	(71,143)	(257,228)
Income deferred in the current year	11,907	71,143
	11,907	71,143

Contractual income has been deferred as it was received in advance of services being provided.

14 Operating lease commitments

The charitable company rents its head office accommodation at a cost of £34,500 (2023 : £34,500) per annum, under a lease for a term of ten years expiring 31.08.32.

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 2024 was £ 3,942,832 (2023 : £2,843,831).

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 £195,204 (2023 : £151,253).

16 Share capital

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

17 Analysis of charitable funds

Analysis of fund movements:

	At 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2024 £
Restricted Funds	-	-	-	-	-
Unrestricted Funds					
Designated Funds					
Dilapidations	341,843	564,487	(401,691)	(155,054)	349,585
Fixed Assets	-	-	-	979,212	979,212
Total Designated Funds	341,843	564,487	(401,691)	824,158	1,328,797
General Funds	2,928,606	11,340,511	(11,362,125)	(824,158)	2,082,834
Total	**3,270,449**	**11,904,998**	**(11,763,816)**	**-**	**3,411,631**

Designated funds consist of:

1. Dilapidations Fund is made of 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 2024 is sufficient to cover requirements in the short term.
2. Fixed Assets Fund represents the properties and other fixed assets such as office furniture, computer equipment and furniture provided in our properties.

18 Analysis of net assets between funds

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds £
2024				
Tangible fixed assets	-	979,212	-	979,212
Current assets	2,591,741	349,585	-	2,941,326
Current liabilities	(508,907)	-	-	(508,907)
Net assets 31 March 2023	2,082,834	1,328,797	-	3,411,631
2023				
Tangible fixed assets	934,859	-	-	934,859
Current assets	2,543,283	341,843	-	2,885,126
Current liabilities	(549,536)	-	-	(549,536)
Net assets 31 March 2023	2,928,606	341,843	-	3,270,449

19 Related party transactions

None of the directors (board of trustees) received any remuneration from the charity in the year (2023 : £Nil), and were reimbursed mileage expenses of £ Nil (2023 : £311).

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.

STEPPING STONE PROJECTS

England & Wales - Charity number 1004375

Accounts

STEPPING STONE PROJECTS

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

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

Company number: 2647645

Registered Charity Number: 1004375

BK Plus Audit Limited
Chartered Certified Accountants
Sterling House
501 Middleton Road
Chadderton
Oldham
OL9 9LY

STEPPING STONE PROJECTS

INFORMATION

Chair

Ms S Ashby

Secretary

Mr Christopher Tait

Charity Trustees / Directors

Ms Susan Ashby	Mrs Diane Laming (resigned 13.07.22)
Mrs Janet Hardwick	Mr Nicholas Cox
Mr David Berry	Mr Colin Royle
Ms Kelly Webb	Mr Alexander Lyons (appointed 27.04.22)
Ms Elisabeth Lilley	Mr Steven Grycuk (appointed 27.04.22)

Chief Executive Officer

Dave Smith

Company Number

02647645

Registered Charity Number

1004375

Registered Office

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

Auditors

BK Plus Audit Limited, 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.

STEPPING STONE PROJECTS

CONTENTS

	Page No.
Report of the Trustees / Directors	1-9
Report of the Auditors	10-11
Statement of Financial Activities	12
Balance Sheet	13
Statement of Cash Flows	14
Notes to the Financial Statements	15-23

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 2023.

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 nine members from a variety of professional backgrounds relevant to the work of the organisation.

The Trustees during the year were:

Ms Susan Ashby	Mr David Berry	Ms Diane Laming
Ms Janet Hardwick	Mr Nicholas Cox	Ms Kelly Webb
Mr Colin Royle	Ms Elisabeth Lilley	Mr Steven Grycuk
Mr Alexander Lyons		

Ms Diane Laming resigned on 27 April 2022. Trustees thank Diane for her 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 resignation and retirement at the 2021/22 AGM, a fresh recruitment process was undertaken and following 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 27th April 2022 Board meeting and we were delighted to welcome our two new trustees, Mr Steve Grycuk and Mr Alexander Lyons, both with commercial entrepreneurial backgrounds, who have made valuable contributions during 2022/23.

Induction and training

Any new Trustees are required 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 Senior Leadership Team (SLT) 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.

STRATEGIC OVERVIEW 2022/23 – Being the Best

Summary of 2022/23

2022/23 was a memorable and monumental year for SSP in many ways but nothing tops the achievement of our Chair, Sue Ashby, who in March 2023 celebrated 25 years at SSP as a trustee, the vast majority of the time as our Chair. Sue has given so much to SSP and all of it voluntary and largely uncelebrated. She never seeks the limelight or accolades and has achieved, and continues to achieve, so much in her time at SSP. We estimate that she has helped over 15,000 homeless and vulnerable people to access the homes and support they need to sustain them. She is an inspiration to us and many others. On behalf of fellow trustees, the leadership team (LT), colleagues and customers we want to both thank Sue and also celebrate all of her and SSP's achievements over this period.

Following three years of the Covid pandemic and its related upheavals, lockdowns and restrictions, 2022/23 was the first financial year of a return of completely normal operations that SSP and the UK have had since 2018/19. This has meant SSP has concentrated our efforts on living with the new normal and in consolidating and sustaining the substantial growth and service improvements we made during this period of great national need.

In 2020 the Board decided our 5 year vision was to "double in size and be the best". As SSP more than doubled in size over the pandemic period, so helping many more vulnerable and needy customers, the Board decided that continued new business growth and diversification was no longer the key driving force for SSP. They agreed our revised vision for 2022-2025 was simply "to be the best". They also agreed that they wanted to invest more (including our reserves) into 4 key priority areas of improvement. These were:

- developing and investing more into new homes and assets
- colleague development, health and well-being
- service modernisation, improvement and digital transformation
- added social value for our customers and communities

Delivering consolidation and improvements to SSP services and operations has brought its own challenges to both SSP and our customers, particularly as temporary additional funding and grants have been withdrawn and/or significantly reduced and changed. Many of our service contracts have either ended, reduced in scope and funding or been significantly changed and re-commissioned. Despite this SSP have continued to be extremely successful in adapting to these changes and still continued to grow, albeit at a slower rate, and deliver many improvements in the charity and our services as we strive to be the best.

This has all had to be achieved in the wider operating environment of:

- Reducing public sector budgets whilst housing market prices, rents and interest rates continue to rise;
- A plethora of new or changed Government housing programmes and housing, care and support legislative and regulatory changes;
- Political uncertainty and upheaval as the UK had three Prime Ministers in quick succession, in particular the economic crisis and hiatus caused by the ill-fated Liz Truss Government;
- Introduction and then withdrawal of the new Health and Social Care Levy on National Insurance and subsequently cancelled reductions in various other taxes;
- The continued impacts of the Russian invasion of Ukraine to energy, food and other essential supplies and another refugee crisis;
- The ever deepening and now enduring cost of living crisis causing ever greater concerns and poverty amongst our customers and concerns amongst our colleagues;
- Local issues such as the recent problems one of our major partners have experienced.

However Stepping Stone Projects continued to grow and diversify. A further **63 new much needed properties** were added to our portfolio and **4 new services** commenced. This slower but sustainable growth reflects our Boards' change in emphasis to see SSP start to deliver growth in our asset base to ensure a more sustainable future and so we can secure more supported homes for the long-term use of homeless and vulnerable people.

We have been working with a range of Councils, registered providers, property owners and funders to secure these longer-term assets, leases and services. These arrangements are inevitably more complex, require more permissions and agreements and take much longer to develop and secure. During 2022/23 we opened our new partly owned and fully refurbished 13 bed unit at Stamford Villa in Tameside, utilising the innovative "Shared Upsides" model with our partners Cornerstone Place and Ashton Pioneer Homes. We also opened the newly refurbished MSV Housing owned Chatsworth House in Manchester providing 10 homes for Unaccompanied Asylum-Seeking Children (UASC). In addition we expanded our Community Accommodation Services (CAS3) for homeless prison leavers.

As at the 31st March 2023 we are also in advance discussions and **negotiations to deliver a further 184 homes** across the region for homeless and vulnerable people, many of them in SSP's ownership or through long leases. We have started work on site on our first ever new build project for 14 purpose-built flats at Whitworth Road for rough sleepers. We also quickly opened 19 new homes at Saxonside for young people at risk in May 2023. This was followed with a further 100 homes for homeless single people in Blackburn being secured in June 2023, so our efforts and investments are already paying dividends.

By the end of 2022/23 SSP are now providing **c40 services, offering c680 homes and 900 support places,** across 10 boroughs, to 15 commissioners and we are meeting a wider range of customer needs. Nearly all the short-term contracts we secured in 2020/21 and 2021/22 have been extended (most for 3 years) or the arrangements and funding have been changed but the majority of homes and support remain in place for use by homeless and vulnerable people.

In our efforts to be the best we have concentrated on investing into improving our current services and business. We made some great strides forward in this in 2022/23. Most notably this has included:

- Collecting and using **real time customer satisfaction feedback** to drive service improvements;
- Improving our **customer satisfaction levels to 95%** (and 97% in Q4);
- Maintaining **partner satisfaction at 100%;**
- Improving **colleague satisfaction to our target level of 85%;**
- Sustaining **high operational performance** in occupancy levels, rent collection and the number of customers supported;
- **Delivering our colleague training and development programme** including the new ACORN training;
- Achieving **Investors In People Gold** Standard for the first time ever;
- Continuing to improve our **compliance and assurance framework** and compliance levels;
- Recruiting 2 new Operations Managers and 3 new AOM's internally as **We Grow Our Own**;
- Recruiting additional resources into our Central Referral Team;
- Securing, refurbishing and opening our **new modern headquarters at The Quadrant**;
- **Upgrading our ICT infrastructure** and hardware;
- Introducing our new **SAGE HR system**;
- **Opening our new Bury Office** and upgrading several of other local offices;
- Agreeing and commencing our new **Service Modernisation and Digital Transformation Programme**;
- Recruiting our **new Digital Transformation Project Manager** (another internal appointment);
- Embedding our new hybrid working arrangements;
- Introducing additional help to our colleagues and customers to deal with cost of living crisis including our £50k pa **Hardship Fund** for customers and 12 months of temporary **Cost of Living Payments** to colleagues (worth c3%as an increase in average SSP salaries);
- Recruiting our **New Customer Engagement Assistant** and delivering our Customer Events Programme, Customer Forum and Newsletter
- Reviewing and updating a wide array of our policies and standards;
- Improving the recruitment, retention, development and reward of colleagues;
- **Developing new partnerships** including Elemel, Auckland Home Solutions, Ashton Pioneer Homes, Arcon / Bolton at Home, Together Housing, Blackburn, Tameside, Rossendale and Wigan Councils and with key other local homeless charities such as The Booth Centre, Mustard Tree and Shelter;
- Piloting our new **leased pooled electric vehicles**;
- Agreeing to the provision of **new air source heating systems and PV panels** at St Clare's House;
- Recruiting our new **Social Value Co-Ordinator and Customer Employment and Training Adviser**;
- Recruiting, supporting and training **6 apprentices** and 14 work experiences and placements (690 hours);
- Winning and Attracting **over £1.9m in grants and donations** to benefit our customers;
- Opening our **new customer home store** in partnership with Dunelm and Hubbub.

2022/23 demonstrated that we can still do all this and deliver sustainable growth. Our turnover increased further from £6.8m to £9.9m. This delivered an **increased annual surplus of £703k** despite the many new and additional investments we made in the year as detailed above. Our reserves are now c£3,270k. This means that we continue to be in a very strong position and confident in our ability to meet the future challenges coming our way, to continue grow and invest further into growing our asset base, improving services and colleague and customer experiences as we strive to deliver our purpose, mission and vision "to be the best".

Other Key Performance Achievements

During the year 2022/23 we have also:

- Provided accommodation and services to 1,152 customers, 306 within the Young Person's Services and 846 in Adult Services;
- Achieved an average of 71.3% planned departures across all services (100% for the Young Person's Services and 65% for Adult Services);
- Achieved average utilisation rates of 100.4% in our services and average throughput of 160.4%;
- Collected 98% of rent due;
- Achieved a provisional 95% overall customer satisfaction, 74% satisfaction with accommodation;
- Achieved 100% partner satisfaction levels and 85% colleague satisfaction levels;
- Provided a 5% pay increase to colleagues in September 2022 at a time of inflationary increases and operational uncertainty;
- Introduced a Cost of living Supplement for colleagues of £70 per month which has now been extended until 31st August 2023;
- Provided more promotional and development opportunities to colleagues, resulting in many internal promotions and appointments.

Our Continuing Approach to Becoming the Best

Being innovative, proactive, agile and dynamic has been the key to our success over the last three 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.

Despite our recent and continuing successes we are not resting on our laurels and will do more to prevent and end homelessness. 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 continuing to:

- raise our profile as the trusted not for profit organisation provider of choice;
- deliver on our promises;
- provide high-quality value for money services;
- employ and develop the best people;
- deliver flexibly to meet the needs of commissioners;
- work in genuine partnerships;
- campaign with like-minded organisations to raise awareness and deliver the changes in policies, funding and priorities required to prevent and combat homelessness, support independence and transform lives.

PLANS FOR THE FUTURE

Our Delivery Plan priorities and targets for 2023/24 have been agreed as:

- Win Lancashire Dispersed Housing and Burnley Accommodation Service Contracts (or replacements);
- Retain >75% of our short term contracts;
- Deliver the training and changes required to meet the new OFSTED young person's supported accommodation and services regulatory requirements;
- Deliver the changes required to meet the new Supported Housing (Regulatory Oversights) Bill standard and changes and other such legislative and regulatory changes to adult services;
- Deliver our 3 new key business development, business transformation and social responsibility strategies
- Net gain >80 new homes and 6 new services;
- Working in >2 new boroughs and 3 new partners;
- Continue to deliver and improve our hybrid working plans;
- Review and if successful extend our use of electric pool cars;
- Delivering our ambitious service modernisation and digital transformation programme;
- 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;
- >8 trainees or apprentices, 25 work experiences or volunteers;
- >140 customers engaging in work related activities;
- Deliver our £50k hardship fund to assist customers during the cost of living crisis;
- Increase our assets by >40 homes;
- > £200k in donations & grants;
- >10% reduction in our carbon emissions.

Conclusion

On any measure 2022/23 has been another excellent year of achievement for SSP, consolidating and improving further on the gains we have already made.

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 take urgent strategic, business-critical and at times difficult decisions, to SLT and the wider Leadership Team leading the drive to be the best and deliver 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.

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 2023 were £9,861,057 (2022 - £6,811,477). This is an increase of 45% which is mainly due to the new services including Stamford Villa, Modern Day Slavery and Bury WISH but also increased income from services that started part-way through 2021/22 including UASC, CAS3, various services in Bury, Blackburn, Step Forward Hyndburn.

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 ongoing difficulties in filling shared properties.

Investment income continues to be impacted by low savings interest rates and was only £10 (2022 - £0) 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 by 12% to £8,573 (2022 - £7,677).

In the year to 31 March 2023 the Charity made a net surplus (after including investment income) of £702,562 (2022 - £650,204 surplus).

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

The budget for 2023/24 reflects the continuing growth in services with further increases in turnover and another surplus of approximately £401k.

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 amount and reduced proportion of expenditure to the previous financial year.

Direct charitable expenditure accounted for 99.70% (2022 – 99.57%) 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 0.30% (2022 – 0.43%) 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 £934,859 from £749,308 in the previous year. The increase is mainly due to furniture at the Quadrant, new servers and network infrastructure, 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 £459,416 (2022- £469,272).

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. However recent growth together with the plans for the future have led Trustees to plan to undertake a full review of the reserves policy in the 2024/25 financial year.

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 £1,899,445 at 31 March 2023 compared with the actual amount of £2,928,606 leaving £1,029,161 available, of which £934,859 is invested in fixed assets, leaving £94,302 free to expand the services that we offer to customers. This is in addition to the designated reserve of £341,843 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.

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

BK Plus Audit Limited have expressed their willingness to continue in office and being eligible, offer themselves for re-appointment.

By order of the Board of Trustees

Susan Ashby

Ms S Ashby
Chair

29th November 2023

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 2023 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 2023 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 Internatiional 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.

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 trustees'/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.

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

Based on our understanding of the charitable company, we identified that the principal risks of non-compliance related to those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and the Charities SORP (FRS 102). We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates. Appropriate audit procedures were performed to address those risks including testing journal entries and challenging assumptions and judgements made by management in their significant accounting estimates. There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities 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.

Dominic Huxley (Senior Statutory Auditor)
For and on behalf of

BK PLUS AUDIT LIMITED
Chartered Certified Accountants and
Statutory Auditor

Sterling House
501 Middleton Road
Chadderton
Oldham
OL9 9LY

Date : 15 December 2023

STEPPING STONE PROJECTS

STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account) : YEAR ENDED 31 MARCH 2023

	Note	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £
INCOME							
Donations and other income	3	8,573	-	8,573	7,677	-	7,677
Income from investments	4	10	-	10	-	-	-
		8,583	-	8,583	7,677	-	7,677
Income from charitable activities:							
Grants and contracts	5	6,852,829	-	6,852,829	4,273,835	-	4,273,835
Rents receivable	5	2,999,645	-	2,999,645	2,529,965	-	2,529,965
Total income		**9,861,057**	**-**	**9,861,057**	**6,811,477**	**-**	**6,811,477**
EXPENDITURE							
Charitable activities	6	9,158,495	-	9,158,495	6,161,273	-	6,161,273
Total expenditure	6	**9,158,495**	**-**	**9,158,495**	**6,161,273**	**-**	**6,161,273**
Net income/(expenditure) for the year		**702,562**	**-**	**702,562**	**650,204**	**-**	**650,204**
Net movement in funds		**702,562**	**-**	**702,562**	**650,204**	**-**	**650,204**
Reconciliation of funds							
Total funds brought forward		2,567,887	-	2,567,887	1,917,683	-	1,917,683
Total funds carried forward	17	**3,270,449**	**-**	**3,270,449**	**2,567,887**	**-**	**2,567,887**

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 2023

	Note	2023 £	2022 £
FIXED ASSETS			
Tangible assets	11	934,859	749,308
Total fixed assets		934,859	749,308
CURRENT ASSETS			
Debtors	12	1,603,114	1,003,559
Cash at bank and in hand		1,270,454	1,347,354
Total current assets		2,873,568	2,350,913
CREDITORS:			
Amounts falling due within one year	13	537,978	532,334
NET CURRENT ASSETS		2,335,590	1,818,579
TOTAL ASSETS LESS CURRENT LIABILITIES		3,270,449	2,567,887
NET ASSETS	18	**3,270,449**	**2,567,887**
THE FUNDS OF THE CHARITY			
Restricted income funds	17	-	-
Unrestricted income funds:			
Designated	17	341,843	426,342
General	17	2,928,606	2,141,545
TOTAL CHARITY FUNDS	17	**3,270,449**	**2,567,887**

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 29 November 2023 and signed on their behalf by:

Susan Ashby ..... Trustee/Director

..... Trustee/Director

Registration number 02647645

STEPPING STONE PROJECTS

STATEMENT OF CASH FLOWS : YEAR ENDED 31 MARCH 2023

	2023 £	2022 £
Cash flows from operating activities		
Net income/(expenditure) for the year	702,562	650,204
Adjustments for:		
Depreciation of tangible assets	105,564	62,721
Income from investing activities	(10)	-
Decrease/(increase) in debtors	(599,555)	(455,919)
Increase/(decrease) in creditors	5,644	270,907
Cash generated from operations	214,205	527,913
Net cash provided by (used in) operating activities	214,205	527,913
Cash flows from investing activities		
Interest received	10	-
Purchase of tangible assets	(291,115)	(87,785)
Net cash used in investing activities	(291,105)	(87,785)
Net increase / (decrease) in cash and cash equivalents	(76,900)	440,128
Cash and cash equivalents at the beginning of the year	1,347,354	907,226
Cash and cash equivalents at the end of the year	1,270,454	1,347,354

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2023

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 2019) - (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 02647645) 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.

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 charity 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.

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2023

	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £	Total 2022 £

2 Income from fund raising activities

The charity does not carry out any fund raising activities or receive income from commercial trading operations.

3 Other income

Other income and donations	8,573	-	8,573	7,677
	8,573	-	8,573	7,677

4 Income from investments

Bank deposit interest	10	-	10	-
	10	-	10	-

5 Income from charitable activities

Grants received regarding accomodation and support	6,852,829	-	6,852,829	4,273,835
Rent receivable	2,999,645	-	2,999,645	2,529,965
	9,852,474	-	9,852,474	6,803,800

6 Expenditure

		Charitable activities (unrestricted)			
	Basis of allocation	Accomodation and support	Governance	Total 2023	Total 2022
		£	£	£	£
Costs directly allocated to activities					
Housing costs	Direct	4,258,900	-	4,258,900	2,840,889
Housing management services	Direct	3,402,814	-	3,402,814	2,403,306
Travel and training	Direct	107,149	-	107,149	87,719
Office costs	Direct	17,804	-	17,804	15,556
Recruitment	Direct	26,701	-	26,701	10,799
Audit	Direct	-	8,000	8,000	8,000
		7,813,368	8,000	7,821,368	5,366,269
Support costs					
Staff costs	Staff time	929,685	18,696	948,381	612,376
Office costs	Staff time	298,133	925	299,058	157,654
Legal and professional	Staff time	24,580	48	24,628	5,989
Bank charges and interest	Staff time	30	30	60	60
Depreciation	Staff time	64,874	126	65,000	18,925
		1,317,302	19,825	1,337,127	795,004
Total expenditure		9,130,670	27,825	9,158,495	6,161,273

7 Staff costs

	Total 2023 £	Total 2022 £
Total staff emoluments for the year were as follows:		
Wages and salaries	3,201,354	2,245,375
National Insurance	299,036	194,302
Pension, health and life assurance costs	151,253	103,932
	3,651,643	2,543,609

8 Staff numbers

The average headcount for the year:

	Number	Number
Charitable activities	117	87
Governance	5	3
	122	90

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
£70,001 - £80,000	2	-
£80,001 - £90,000	1	1
£90,001 - £100,000	-	-

The key management personnel of the charity comprise the trustees and the Senior Management Team. The total employee benefits of the key management personnel of the charity were £233,782 (2022 : £207,886).

9 Net movement in funds

Net movement in funds is arrived at after charging /(crediting):		
Depreciation of tangible fixed assets	105,564	53,567
Auditors' remuneration:		
audit of charitable company	8,000	8,000
Operating lease rentals - land and buildings	2,296,759	1,652,778

10 Taxation

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

11 Tangible fixed assets

	Leasehold Property	Rented Property Improvements	Office furniture and Equipment	Furniture, fittings and sundry equipment	Computer equipment	Total
Cost						
At 1 April 2022	707,081	172,613	157,174	543,838	354,529	1,935,235
Additions	-	62,501	41,198	11,661	175,755	291,115
Disposals	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
At 31 March 2023	707,081	235,114	198,372	555,499	530,284	2,226,350
Depreciation						
At 1 April 2022	65,673	142,615	154,416	530,397	292,826	1,185,927
Charge for the period	9,856	12,156	12,878	12,292	58,382	105,564
Disposals	-	-	-	-	-	-
At 31 March 2023	75,529	154,771	167,294	542,689	351,208	1,291,491
Net Book Value						
At 31 March 2023	631,552	80,343	31,078	12,810	179,076	934,859
At 31 March 2022	641,408	29,998	2,758	13,441	61,703	749,308

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).

12 Debtors

	2023 £	2022 £
Trade debtors	711,448	239,881
Rents receivable	178,140	91,856
Prepayments and accrued income	699,627	647,328
Other debtors	25,457	24,494
	1,614,672	1,003,559

13 Creditors : amounts falling due within one year

	2023 £	2022 £
Trade creditors	272,673	81,209
Taxation and social security	79,867	57,893
Accruals	94,795	128,118
Deferred income	71,143	257,228
Other creditors	31,058	7,886
	549,536	532,334
Movements on deferred income account:		
Brought forward	257,228	95,158
Released	(257,228)	(95,158)
Income deferred in the current year	71,143	257,228
	71,143	257,228

Contractual income has been deferred as it was received in advance of services being provided.

14 Operating lease commitments

The charitable company rents its head office accommodation at a cost of £34,500 (2022 : £20,000) per annum, under a lease for a term of ten years expiring 31.08.32.

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 2023 was £2,843,831 (2022 : £2,262,474).

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 the contributions of £151,253 (2022 : £103,932) that were paid during the year.

16 Share capital

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

17 Analysis of charitable funds

Analysis of fund movements:

	At 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2023 £
Restricted Funds	-	-	-	-	-
Unrestricted funds:					
General Funds	2,141,545	9,479,276	(8,827,291)	135,076	2,928,606
Designated Funds	426,342	381,781	(331,204)	(135,076)	341,843
Total	**2,567,887**	**9,861,057**	**(9,158,495)**	-	**3,270,449**

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 2023 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	934,859	-	-	934,859
Current assets	2,543,283	341,843	-	2,885,126
Current liabilities	(549,536)	-	-	(549,536)
Net assets 31 March 2023	2,928,606	341,843	-	3,270,449

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 £311 (2022 : £119).

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.

STEPPING STONE PROJECTS

England & Wales - Charity number 1004375

Accounts

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

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.

STEPPING STONE PROJECTS

CONTENTS

	Page No.
Report of the Trustees / Directors	1-12
Report of the Auditors	13-14
Statement of Financial Activities	15
Balance Sheet	16
Statement of Cash Flows	17
Notes to the Financial Statements	18-26

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	Mr David Berry	Ms Kay Owen
Ms Jane Allen	Ms Diane Laming	Ms Janet Hardwick
Mr Nicholas Cox	Ms Kelly Webb	Mr Colin Royle
Ms Elisabeth Lilley		

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

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.

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".

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.

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 short-comings 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.

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.

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.

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.

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.

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).

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.

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

Susan Ashby

Ms S Ashby
Chair

23rd November 2022

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 Internatiional 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.

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 £
INCOME							
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
Income from charitable activities:							
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**
EXPENDITURE							
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**
Reconciliation of funds							
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		749,308	724,244
CURRENT ASSETS			
Debtors	*12*	1,003,559	547,640
Cash at bank and in hand		1,347,354	907,226
Total current assets		2,350,913	1,454,866
CREDITORS:			
Amounts falling due within one year	*13*	532,334	261,427
NET CURRENT ASSETS		1,818,579	1,193,439
TOTAL ASSETS LESS CURRENT LIABILITIES		2,567,887	1,917,683
NET ASSETS	*18*	**2,567,887**	**1,917,683**
THE FUNDS OF THE CHARITY			
Restricted income funds	*17*	-	-
Unrestricted income funds:			
Designated	*17*	426,342	456,504
General	*17*	2,141,545	1,461,179
TOTAL CHARITY FUNDS	*17*	**2,567,887**	**1,917,683**

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:

Susan Ashby ..... Trustee/Director

S.ASHBY

..... Trustee/Director

D.BERRY

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
Adjustments for:		
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

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.

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.

	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £	Total 2021 £
2 Income from fund raising activities				
The charity does not carry out any fund raising activities or receive income from commercial trading operations.				
3 Other income				
Other income and donations	7,677	-	7,677	3,226
	7,677	-	7,677	3,226
4 Income from investments				
Bank deposit interest	-	-	-	172
	-	-	-	172
5 Income from charitable activities				
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
	6,803,800	-	6,803,800	5,002,893

6 Expenditure

		Charitable activities				
	Raising funds	Basis of allocation	Accomodation and support	Governance	Total 2022	Total 2021
	£		£	£	£	£
Costs directly allocated to activities						
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
	-		5,358,269	8,000	5,366,269	3,950,771
Support costs						
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
	-		776,654	18,350	795,004	613,816
Total expenditure	-		6,134,923	26,350	6,161,273	4,564,587

7 Staff costs

	Total 2022 £	Total 2021 £
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
	2,543,609	1,929,524

8 Staff numbers

The average headcount for the year:

	Number	Number
Charitable activities	87	69
Generating funds	-	-
Governance	3	3
	90	72

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.

11 Tangible fixed assets

	Leasehold Property	Rented Property Improvements	Office furniture and Equipment	Furniture, fittings and sundry equipment	Computer equipment	Total
Cost						
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
Depreciation						
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
Net Book Value						
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).

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
	1,003,559	547,640

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
	532,334	261,427

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.

17 Analysis of charitable funds

Analysis of fund movements:

	At 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2022 £
Restricted Funds	-	-	-	-	-
Unrestricted funds:					
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

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.

STEPPING STONE PROJECTS

England & Wales - Charity number 1004375

Accounts

STEPPING STONE PROJECTS

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

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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
Ms Kay Owen
Mrs Janet Hardwick
Mr David Berry
Mrs Jane Allen
Mrs Diane Laming
Mr Nicholas Cox
Mr Colin Royle (appointed 30.06.21)
Ms Kelly Webb (appointed 30.06.21)
Ms Elisabeth Lilley (appointed 28.07.21)

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.

STEPPING STONE PROJECTS

CONTENTS

	Page No.
Report of the Trustees / Directors	1-11
Report of the Auditors	12-13
Statement of Financial Activities	14
Balance Sheet	15
Statement of Cash Flows	16
Notes to the Financial Statements	17-25

STEPPING STONE PROJECTS

Report of the Trustees for the year ended 31 March 2021

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 2021.

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 seven members from a variety of professional backgrounds relevant to the work of the organisation.

The Trustees during the year were:

Ms Susan Ashby	Mr David Berry	Ms Kay Owen
Ms Jane Allen	Ms Diane Laming	Ms Janet Hardwick
Mr Nicholas Cox		

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 monthly with the agenda focus alternating between finance/strategy and operational/human resource activities.

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.

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. In January 2020 the Board of Trustees considered and agreed the key additional skills they believe the Board needs over the next 3 years to help the organisation deliver on its strategic objectives and to meet its current business needs and risks. These additional skills included financial, supported housing, ICT and legal expertise. Recruitment commenced in February and several potential candidates were identified but the process was delayed due to the lockdown from March to June 2020 and various subsequent restrictions.

Despite the on-going covid-19 restrictions, in February 2021 the recruitment process was restarted and following fresh external advertising, 7 applications were received and a working group of trustees shortlisted 4 candidates to progress to the interview stage with the Chair and Vice-Chair. 3 of the 4 shortlisted were then approved as trustees who attended their first meeting as observers in May 2021.

The appointments of all 3 candidates were unanimously formally approved by trustees at the May 2021 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 the newly appointed trustees who are:

Ms Kelly Webb	Mr Colin Royle	Ms Lisa Lilley

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 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 the setting of a reserves policy and its regular review by the Board of Trustees.

OBJECTIVES & ACTIVITIES FOR THE PUBLIC BENEFIT

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.

Our mission is to be a provider of high-quality housing, support and charitable services for vulnerable people who are homeless or at risk of losing their home. We achieve this by providing readily accessible support services to vulnerable people to assist them 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.

It should be noted that the existing Memorandum and Articles of Association were reviewed in February 2020 by Trustees with legal advice. A number of relatively minor changes were agreed to bring the documents up to date and better reflect our current operating environment and ways of working. However, due to the covid-19 crisis, there was a delay in being able to sign and submit the amended documents to the Charity Commission for approval. Approval from the Charity Commission was further delayed by covid-19 restrictions and was finally confirmed in late May 2021. The new Memorandum and Articles of Association were re-presented and ratified by Trustees in June 2021 and registered with Companies House and the Charity Commission.

STRATEGIC OVERVIEW 2020/21 – DID THAT REALLY HAPPEN?

"Well that was the year that was" and what a year! We have never experienced a year like it and hopefully it will not be repeated in our life time. The covid-19 crisis affected lives across the globe; this happened on a daily basis as events, responses, policies and rules continually changed around us.

The crisis has also transformed Stepping Stone Projects particularly the challenges and business risks we face, how we work day to day, how we plan and respond to these daily new challenges and our customers' needs have all changed. It has presented us with challenges and risks that we could not have reasonably imagined beforehand and our short, medium and long-term prospects, aims and ambitions have similarly been transformed.

We addressed all of these challenges making ourselves very relevant in this new world and we are now seen by our growing number of commissioners as providers of solutions. We have significantly increased our portfolio of homes and services to help more homeless and vulnerable people and have expanded our business and secured a more viable financial future and are emerging on the other side of the covid-19 crisis much bigger, better and stronger. These developments mean that we are now well placed to meet the future challenges coming our way, as the crisis subsides, restrictions are eased and the country starts the long process of recovery.

Our Business Risks, Challenges and Changes During the Pandemic

The main challenge over recent years has been the demands that have arisen from 10 years of continued central government austerity measures, resulting in cuts to commissioned services. In the period from February to April 2020, we faced the prospect of all of our contracts and services being de-commissioned, re-tendered and lost. These contracts included North-West Care Leavers (NWCL), our three Rochdale Preventative contracts (Complex Needs, Male Only and Generic Floating Support) and Lancashire County Council's Accommodation and Dispersed Housing Services – each representing nearly a third of total business. Our small Rochdale Safer Communities and ABEN contracts were also due to end on 31 March 2020.

Additionally, in early 2020, the Regenda Group informed us that they were going to give us 6 months' notice (from the end of March 2020) to end all of the agreements for us to act as management agent at Ashburn House, Parkside, Spa Mill and Westgate, further jeopardising the services based there.

The only accommodation and service that was fully secure beyond 31 March 2020 was our 15 units of Intensive Housing Management accommodation at St. Clare's House representing only c. 5% of our total business.

The potential loss of these contracts was a huge business risk as we entered 2020/21 and this very challenging, worrying and uncertain operating environment was further heightened by the impact of the covid-19 crisis - various national and local lockdowns and on-going changing restrictions which developed as the year progressed.

Planning beyond a few weeks at a time has been difficult and we have been and continue to be reactive to new situations and rules on a daily basis. This has added to the unprecedented uncertainty, pace of change and increased and changing demand for our accommodation and services whilst our ability to respond and operate fully has been severely hampered by many services and organisations simply not being available or working remotely with severely restricted capacity and abilities.

From the end of March 2020, with the various forms of lockdown and restrictions, we have had to radically change our working practices and this has restricted our ability to undertaken some specific activities. Like the majority of the economy we delivered IT solutions to enable more mobile working and working from home, introduced new and changing covid-safe ways of working, provided adequate PPE for colleagues and introduced systems (including assurance checks) for time-consuming daily and emergency welfare checks for customers, all whilst still providing the essential (and often contracted) homes and support our customers need and expect.

Delivering the SSP Strategic Plan in the Pandemic

Despite the restrictions and the many other new working arrangements and policy changes, we have continued to deliver the new 2020-25 Strategic Business Plan, reflecting 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 2020 we had agreed 4 new 'Best For' Delivery Plans to deliver our ambitions and we have continued to concentrate on delivering these action plans, their outcomes and targets during the pandemic.

Throughout 2020/21 we worked with colleagues and stakeholders to communicate and embed the Strategic Plan, develop a range of strategies and action plans and ensure the successful delivery of the 'Best For' Delivery Plans and their objectives over the course of the financial year. We have also moved incredibly fast to respond, innovate and make changes where necessary, responding proactively to all these challenges and new opportunities.

The covid-19 crisis has presented many business opportunities. Initially the crisis bought us some time and provided some stability, as our Lancashire and Rochdale contracts were all extended for a further 12 months, covering the duration of 2020/21 This has enabled us to better plan and prepare for the resultant changes to services and re-tendering exercises. Lancashire County Council have now confirmed that their contracts have been further extended until July 2022 and our Rochdale Safer Communities and ABEN contracts were also extended until March 2022.

Despite the covid -19 crisis the re-procurement of our North-West Care Leaver services, through the new Support and Independent Living Services (SaILS) framework, proceeded as planned. Following an unsuccessful bid to become part of the new SaILS framework in October 2019, we submitted a much-revised bid in January 2020. The new contractual arrangements commenced in May 2020. This helped secure approximately a third of our existing business and gave us a good start to securing and/or replacing other parts of our business.

The covid-19 crisis led the Government, local authorities, commissioners and other partners to provide many new and expanded homeless initiatives which we have responded to. This was especially the case in seeking to accommodate and support rough sleepers and homeless people both during the lockdown period and then by providing longer-term and move-on accommodation and support.

These initiatives have included the:

- Everyone-In Programme;
- Rough Sleeping "Next Steps" Accommodation Programme;
- Expanded A Bed Every Night (ABEN) programmes in GM and East Lancashire;
- Covid-19 programme to provide people with No Recourse to Public Funds (NRPF) homes and support;
- Additional temporary accommodation to meet local authorities increased homelessness duties and numbers;
- Additional asylum seeker (especially children) and refugee accommodation and support being required;
- Ex-offender accommodation and support to people leaving prison during the crisis with no home to go to.

Whilst Government and Council funding was reducing prior to the covid-19 crisis, there was no reduction in the demand for services from vulnerable people, and with continued welfare changes/austerity measures which resulted in increasing homelessness and associated needs. These demands have increased even further during the covid-19 crisis and Government has had to provide much-needed additional funding to meet these needs.

We have responded proactively in 2020/21 during the crisis and approached Councils and other commissioners to provide the much-needed additional emergency and longer-term accommodation and support. At the time that we were offering homes, services and solutions, many other providers had simply shut-up shop to provide little more than emergency responses. Our approach was to work with Councils, landlords and their agents to source accommodation in the most difficult and constrained of circumstances and to provide the support so badly needed.

Growth and Diversification During the Pandemic

In the spring of 2020 this pro-active approach led to new services for vulnerable homeless people being provided very early into the pandemic in Bury and Oldham. It also led us to quickly significantly expand our ABEN services in Rochdale for rough sleepers and then to people with NRPF, in partnership with Rochdale Boroughwide Housing (RBH) and MossCare St Vincents (MSV) Housing Associations.

In the summer of 2020 Burnley and Hyndburn similarly procured ABEN style homes and services from us in partnership with Calico and Onward Homes respectively. Manchester City Council also asked us to provide NRPF homes and services. Whilst in Rochdale we worked with the Council and RBH to provide 10 newly developed privately leased self-contained homes for homeless single people at Long Street in Middleton.

In the late autumn Manchester, Blackburn and Rochdale Councils asked us to bid for Winter Transformation Funding to provide more homes for homeless people over the winter period. We were successful in all 3 bids and quickly delivered the outcomes needed. Both Manchester and Blackburn Councils then asked us to provide more homes and support to vulnerable homeless people under the Government's Protect programme and again we successfully delivered this. RBH also asked us to provide support services to some of their vulnerable customers with low-level mental health problems where support services have been withdrawn due to austerity measures.

We provided 135 additional supported homes across 8 boroughs during 2020/21; many of these are new areas for us or where we have not operated for some-time. This has helped c. 250 more homeless and vulnerable people to access the homes and support they need. We are in advanced talks with the Ministry of Housing Communities and Local Government (MHCLG) and several local authorities to deliver a further 116 supported homes in 2021/22.

We are also delighted that all the short term covid-19 related contracts we have secured have now been extended into 2021/22, continuing to provide more homes to vulnerable homeless people and improve our business stability. This is also enhancing our trust-based relationships with our local Council and housing association partners.

In October 2020 Rochdale Council informed us that all of our Preventative Services (Complex Needs, Male Only and Generic Floating Support) would be de-commissioned and end in March 2021. The Council were only commissioning 3 new Preventative Service Contracts all of which were mainly floating support services with very little accommodation included. The tendering exercise started in November 2020 and we formed a partnership with WHAG (formerly Women's Housing Action Group) to submit a bid, supported by both RBH and MSV.

Despite the stiff competition and protracted tendering process, we were informed in March 2021 that our partnership bid had been successful. This meant we started an immediate mobilisation process to implement the new services for a contract start date of 6 May 2021. This was successfully delivered, including dealing with all the staffing and TUPE implications. The contract value is c. £600k per annum over the next 4 years (with an option for a further year) and it has helped further improve our short- and medium-term financial position and stability.

As well as these contractual issues, we also had to deal with the impacts of the Regenda notice putting 30% of our supported accommodation at risk. The original 6-month notice was issued at the start of the pandemic on 31 March 2020. Objections from us and our partners and commissioners led to the notice being withdrawn and re-issued on 30 June 2020. Further delays by Regenda meant the notice actually took effect from 1 February 2021.

Commissioners concerns meant that it was confirmed that the notice would only apply to housing management and not commissioned support services for the remaining duration of the support contracts. However, Parkside was not a commissioned service and this meant that we could not prevent the transfer of housing and support services to Petrus / Regenda after 29 successful years.

Ashburn House however is actually owned by RBH and leased to Regenda; we were able to successfully negotiate with RBH that they serve notice on Regenda and instead lease Ashburn House directly to us through a new management agreement. This has successfully transpired completely mitigating this risk.

Following detailed negotiations, housing management services at Spa Mill and Westgate were transferred to Petrus / Regenda on the 1 February 2021. This included the out of hours services and the TUPE transfer of 2 colleagues employed in this capacity. However, we continue to provide the support services to both these schemes for the remainder of the local authority support contract until 31 July 2022.

St. Clare's House was purchased in 2019 with ambitious plans to refurbish it to much higher standards. In early March 2020 the work started with RBH as our main contractor. The first lockdown was announced just as the stripping out of the kitchen and one of the bathrooms had been completed and all works ceased in March until July 2020. During this period, there was significant anti-social behaviour and a related fire in one of the rooms as lockdown restrictions started to ease. We had to introduce 24-hour security to address these issues and then decant half of the building in July to enable the works to be completed in a covid-safe way. Additional works were also identified that were required to bring the property up to RBH fire safety standards.

The main works were finally completed in September and so we could then move new customers into the project to ensure it was fully let. In December 2020 the council approved a revised rent to cover the extra costs of providing the 24-hour security. However, the combined cost impacts of the fire damage, additional fire safety works, unfunded 24-hour security (between June and December) and the reduced income from a half-occupied building, has meant that St Clare's has posted a significant loss in 2020/21. Now the enhanced rent is being paid the project will deliver a surplus in 2021/22 and beyond.

Delivering Financial Stability During the Pandemic

Despite these losses, overall financially 2020/21 has had a very successful year. Our turnover has increased 30% to £5.m and our surplus by 312% to £442k. In 2021/22 with the full year impact of this new business, we are projecting further significant increases to both our turnover and surplus. This bodes very well for our future and we also anticipate further growth as the country emerges further from lockdown and the covid-19 crisis.

In 2020/21 we also explored new opportunities and models to expand our asset base and provide the organisation with more financial stability. This has involved the Board considering different models to fund acquisitions and renovation works, different buildings and the opportunities and new markets in different areas of the north-west.

In particular 3 potential projects have made significant progress and should hopefully come to fruition in 2021, hopefully by the time of the Annual General meeting in November:

- Working with Hyndburn Council, Onward Homes and a private developer, we have been completing due diligence work on a newly developed 12-bedroom House of Multiple Occupation (HMO) we plan to manage and provide support to vulnerable single homeless men utilising a medium-term lease agreement;
- In Tameside, we are proposing to acquire, renovate and manage a similar project of 13 self-contained units for vulnerable single homeless men utilising the "Shared Upsides" model, in partnership with Cornerstone Place (CP), Ashton Pioneer Homes and Tameside Council;
- Using the same model, we are working with CP, RBH and Rossendale Council to acquire, renovate and manage 19 self-contained units in Haslingden for the same customer group.

Delivering Excellent Services During the Pandemic

It would be easy in these circumstances to believe all of our efforts have gone into growth and diversification but this isn't the case. The bulk of what we do is provide our business as usual homes, management and support services. Our ability to grow and diversify is all built on our reputation and the continued excellence of these services. To this end we have introduced new simplified and easier to understand performance management targets and reports, assurance measures and risk management processes. We have also reviewed all of our frontline housing management and support policies and delivered our extensive internal audit programme. We believe these changes are already producing more focused outcomes and better delivering on our key objectives.

Other Key achievements

During the year 2020/21 we have also:

- Provided accommodation and services to over 945 customers, 291 within the Young Person's Services and 654 in Adult Services.
- Achieved an average of 94.2% planned departures across all services (99.4% for the Young Person's Services and 91.2% for Adult Services).
- Achieved average utilisation rates of 98.7% in our services and average throughput of 187%.
- Achieved an 87% overall customer satisfaction level, 81% satisfaction with accommodation and 96% stating they would recommend SSP to family and friends.
- Achieved 100% partner satisfaction levels and 80% colleague satisfaction levels;
- Developed, agreed and started delivering our key Business Transformation Strategies (Business Development and Our People) and their supporting Action Plans;

- Developed, agreed and started delivering 10 Operational Strategies and Action Plans underpinning these – Marketing and Communications, Partnerships, Business Intelligence, ICT, Value for Money, Asset Management, Social Value, Customer Engagement, Fundraising, Environmental;
- Delivered an Investors in People (IiP) Improvement Plan;
- Improved Internal Communications by introducing daily and now weekly colleague updates, a bi-monthly colleague newsletter (In-Step), a Colleague Facebook Page, an SSP Intranet (SSPoogle), a representative Colleague Forum and a colleague suggestion scheme;
- Improved external communications and profile through our social media accounts, national and local press releases, our E-zine and the delivery of presentations at national conferences and seminars etc.;
- 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, WHAG;
- Successfully delivered our new Colleague Rewards and Recognition Policy;
- Provided a 2% pay increase to colleagues at a time of a public sector pay freeze and £200 Christmas bonus for all colleagues;
- Provided promotional and development opportunities to colleagues, resulting in many internal promotions and appointments including 2 new Directors, 4 Operations Managers, 7 new Service Co-Ordinators and many new Supported Housing Workers, Housing Management Officer and Concierge posts;
- Securing over 60 posts at risk as the possible loss of contracts and creating over 25 new jobs over the course of 2020/21;
- Developed and delivered our on-line mandatory and induction training programmes;
- Only putting 1 person on furlough, who simply could not continue to do their job whilst shielding;
- Not making any colleague redundant over the year despite the many challenges and changes;
- Reviewed, simplified and introduced new ADPR's process much more aligned to our Strategic Plan and our values;
- Entered into new management agreements with MossCare St Vincents and RBH Housing Associations to provide supported homes at Rockley House, Redfearn House, Egerton Street, Ashburn House, Long Street, St Clare's House and for some dispersed privately rented homes;
- Ensured our fast-expanding workforce has been provided with remote working and mobile working hardware and facilities;
- Established a new internal ICT helpdesk service;
- Completed upgrades to our ICT infrastructure, hardware and systems;
- Continued to develop our website which is more informative / interactive and introduced social media through the development of the Stepping Stone Projects twitter account.

Our Approach During the Pandemic

Being innovative, proactive, agile and dynamic has been the key to our success, whilst keeping internal bureaucracy to a minimum, ensuring our Board meets regularly to make quick decisions and that Trustees receive detailed and timely reports from the executive. This has enabled us to deliver on our purpose, mission and vision to make great strides forward towards doubling in size. This has enabled us to identify and pursue new opportunities as they arise, either through bidding for new work or responding to invitations to participate in new/extended pilot projects by our current commissioning authorities.

In February 2020 we agreed our long-term purpose as being to provide quality homes and services to prevent homelessness and transform lives, our mission is to empower people to live independently and thrive and our 5-year vision is to be the best and to double in size. It now seems likely that we will have doubled in size by July/August 2021, only c.18 months after we set this new 5-year vision.

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 positioning the charity and raising our profile regionally as a trusted, not for profit organisation, that provides high-quality value for money services delivered flexibly, either independently or in partnership, to meet the needs of individual local authorities and commissioning teams. Put simply we want to be the biggest and the best in the North-West.

Our Trustee's reaffirmed our annual Strategic Plan in March 2021, the 4 "pillars" and our new 2021/22 delivery plans to enable us to deliver on these ambitions. These are the "Best For" Customers, Colleagues, Partners and Business Delivery Plans. These still reflect the ambitions of the 2020/21 Strategic Plan and will ensure that we continue to grow and diversify our offer and services to meet the ever-increasing need.

Overall on any measure 2020/21 has been an excellent and probably exceptional year of achievement. This success has only been delivered with the full support, commitment and co-operation of the whole organisation working together. From the Board having to radically change how it has operated and taking many more urgent strategic, business critical and at times difficult decisions than ever, 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. Together we can and will deliver more.

PLANS FOR THE FUTURE

Central government's policy and funding responses to the covid-19 crisis (especially in relation to rough sleeping and homelessness), its consequences, any plans to recover the costs and its continuing and possibly enhanced welfare reform/austerity programme as a result of this will continue to have the biggest impacts on our future work.

Of particular importance to us is what happens to some of the covid-19 programmes that many of our customers now rely on and what opportunities will be provided by the Rough Sleeping "Next Steps Accommodation Programme" for homeless people and similar initiatives. We have exciting plans for this programme which will be finalised with MHCLG and the local authorities concerned in the first quarter of 2021/22. We are prepared for these opportunities and changes and will place ourselves at the forefront of this provision across the North-West.

Any review of housing benefits, which is a key source of funding for most of our accommodation services, is also crucial to our success. Whilst government has committed to continue its support for supported accommodation services, the vehicle for funding housing costs has not yet been decided. This may well have slipped down the agenda for now but the need for future cuts may make the review of housing benefit more pressing in the future. We will keep abreast of any developments and make appropriate amendments to our rents and business plans.

Working closely with the new city region Mayors and their administrations is also key for our success in the future.

Many new rough sleeping, homeless and supported housing initiatives are now being driven, funded and commissioned through the GMCA and the LCR, such as ABEN, Rough Sleeping SIB, Housing First Programme, Ethical Lettings Agency and the newly proposed Youth Homelessness Programme. We will continue to become an increasingly important player in these fields in partnership with a range of other organisations.

Lastly continuing to work closely with our key local authority partners will also be essential. We need to build on our reputation with them as being tried and trusted partners who deliver on our promises and provide excellent accommodation and services. We need to extend our reach into new neighbouring authorities close to those where we already have a significant and strong relationship with.

Securing business that contributes to long-term sustainability will continue to be a high priority, as will consolidating our current position, to deal with austerity measures and local government cut-backs that either remain in place or are further rolled out after the pandemic. Retention of our current commissions to deliver services for the local authorities with whom we currently work will be of particular importance. This will be the platform from which we can develop new / innovative services, through current and wider partnerships, to meet changing needs.

In addition to securing and developing services commissioned by supporting people / adult and children's social care authorities, we shall be seeking to build our partnerships with local crime, justice, Home Office and health commissioners and funded agencies to develop diversified services that deliver our mission and objectives where the opportunity arises.

In addition to the above, our updated Reserves Policy provides the assurance needed to confidently develop an investment and asset strategy to support service and business development, and this strategy will be developed and delivered further over the next 12 months. Our newly agreed models for delivering new accommodation and services enables us to develop and deliver a wider range of differing models of provision so spreading our risks and enabling us to provide flexible and local solutions. Little is off the table.

We need to always retain our focus on continuous improvement by successfully developing and delivering our "Best For" Plans, transformational Business and Organisational Development Strategies, key functional strategies, performance management framework, Golden Thread and Values.

We will ensure our robust compliance and assurance framework and internal audit programme is delivered, all recommendations are implemented and that we learn from and embed these changes to deliver the best possible services. This will all be underpinned by us investing into our people, their development and training, promotional opportunities and their reward and recognition for providing great services and effectively communicating and engaging them to ensure we have the best equipped and motivated workforce possible.

FINANCIAL REVIEW

Principal funding sources

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

- Housing-related support contract income from Rochdale MBC 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 2021 were £5,006,291 (2020 - £3,852,273). This is an increase of 30% which is mainly due to the new services and extension to the the Rochdale ABEN contract which generated total income of £988.8k plus additional business in our Care Leavers service resulting in increased rental and support income of £158.0k.

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 cpvid-19 restrictions.

Investment income continues to be impacted by low savings interest rates and has decreased to £172 (2020 - £720) 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 decreased slightly to £3,226 (2020 - £3,960).

In the year to 31 March 2021 the Charity made a net surplus (after including investment income) of £441,704 (2020 - £107,211 surplus).

From a financial perspective, this has been an extremely successful year. All services made a positive contribution to central costs apart from St. Clare's House which made a deficit mainly due to unfunded additional security costs and increased voids when completing the refurbishment works in a covid-safe manner.

The budget for 2021/22 reflects the continuing growth in services with further increases in turnover and another surplus of over £400k.

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 99.43% (2020 – 99.3%) 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 0.57% (2020 – 0.7%) 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 £724,244 from £610,457 in the previous year. The increase is mainly due to the refurbishment works undertaken at St. Clare's House during the year. The main fixed assets are the four Care Leavers properties in Pendle which had a net book value of £172,136 at the year-end (2020 - £176,421) plus St. Clare's House which had a net book value of £478,426 (2020- £346,003).

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 £861,312 at 31 March 2021 compared with the actual amount of £1,461,179 and that there is therefore £599.9k available to expand the services that we offer to clients. This is in addition to the designated reserve of £456,504 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.

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

Suze Ashby

Ms S Ashby
Chair

24th November 2021

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 2021 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 2021 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 Internatiional 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.

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 : 25th November 2021

STEPPING STONE PROJECTS

STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account) : YEAR ENDED 31 MARCH 2021

	Note	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £
INCOME							
Other income	3	3,226	-	3,226	3,960	-	3,960
Income from investments	4	172	-	172	720	-	720
		3,398	-	3,398	4,680	-	4,680
Income from charitable activities:							
Grants and contracts	5	2,543,636	-	2,543,636	1,664,257	-	1,664,257
Rents receivable	5	2,459,257	-	2,459,257	2,183,336	-	2,183,336
Total income		**5,006,291**	**-**	**5,006,291**	**3,852,273**	**-**	**3,852,273**
EXPENDITURE							
Raising funds	6	-	-	-	-	-	-
Charitable activities	6	4,564,587	-	4,564,587	3,745,062	-	3,745,062
Total expenditure	6	**4,564,587**	**-**	**4,564,587**	**3,745,062**	**-**	**3,745,062**
Net income/(expenditure) for the year		**441,704**	**-**	**441,704**	**107,211**	**-**	**107,211**
Net movement in funds		**441,704**	**-**	**441,704**	**107,211**	**-**	**107,211**
Reconciliation of funds							
Total funds brought forward		1,475,979	-	1,475,979	1,368,768	-	1,368,768
Total funds carried forward	17	**1,917,683**	**-**	**1,917,683**	**1,475,979**	**-**	**1,475,979**

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 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Tangible assets	11	724,244	610,457
Total fixed assets		724,244	610,457
CURRENT ASSETS			
Debtors	12	547,640	245,386
Cash at bank and in hand		907,226	750,472
Total current assets		1,454,866	995,858
CREDITORS:			
Amounts falling due within one year	13	261,427	130,336
NET CURRENT ASSETS		1,193,439	865,522
TOTAL ASSETS LESS CURRENT LIABILITIES		1,917,683	1,475,979
NET ASSETS	18	**1,917,683**	**1,475,979**
THE FUNDS OF THE CHARITY			
Restricted income funds	17	-	-
Unrestricted income funds:			
Designated	17	456,504	446,623
General	17	1,461,179	1,029,356
TOTAL CHARITY FUNDS	17	**1,917,683**	**1,475,979**

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 24th November 2021 and signed on their behalf by:

Suze Ashby ..... Trustee/Director
S. ASHBY

David Berry ..... Trustee/Director
D. BERRY

Registration number 2647645

STEPPING STONE PROJECTS

STATEMENT OF CASH FLOWS : YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
Cash flows from operating activities		
Net income/(expenditure) for the year	430,850	107,211
Adjustments for:		
Depreciation of tangible assets	70,145	49,364
Income from investing activities	(172)	(720)
Decrease/(increase) in debtors	(302,254)	(41,203)
Increase/(decrease) in creditors	131,091	4,646
Cash generated from operations	329,660	119,298
Net cash provided by (used in) operating activities	329,660	119,298
Cash flows from investing activities		
Interest received	172	720
Purchase of tangible assets	(173,078)	(437,364)
Net cash used in investing activities	(172,906)	(436,644)
Net increase / (decrease) in cash and cash equivalents	156,754	(317,346)
Cash and cash equivalents at the beginning of the year	750,472	1,067,818
Cash and cash equivalents at the end of the year	907,226	750,472

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.

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

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.

	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	Total 2020 £

2 Income from fund raising activities

The charity does not carry out any fund raising activities or receive income from commercial trading operations.

3 Other income

Other income and donations	3,226	-	3,226	3,960
	3,226	-	3,226	3,960

4 Income from investments

Bank deposit interest	172	-	172	720
	172	-	172	720

5 Income from charitable activities

Grants received regarding accomodation and support	2,543,636	-	2,543,636	1,664,257
Rent receivable	2,459,257	-	2,459,257	2,183,336
	5,002,893	-	5,002,893	3,847,593

6 Expenditure

	Raising funds	Basis of allocation	Charitable activities: Accomodation and support	Charitable activities: Governance	Total 2021	Total 2020
	£		£	£	£	£
Costs directly allocated to activities						
Housing costs		Direct	2,252,565	-	2,252,565	1,540,707
Housing management services		Direct	1,592,062	-	1,592,062	1,478,305
Travel and training		Direct	72,947	-	72,947	89,201
Office costs		Direct	21,550	-	21,550	20,437
Recruitment		Direct	2,394	-	2,394	11,085
Audit		Direct	-	5,876	5,876	5,662
Accountancy		Direct	-	3,377	3,377	3,255
	-		3,941,518	9,253	3,950,771	3,148,652
Support costs						
Staff costs		Staff time	460,977	15,320	476,297	475,236
Office costs		Staff time	111,304	1,134	112,438	111,741
Legal and professional		Staff time	13,860	220	14,080	1,264
Bank charges and interest		Staff time	30	30	60	46
Depreciation		Staff time	10,770	171	10,941	8,123
	-		596,941	16,875	613,816	596,410
Total expenditure	-		4,538,459	26,128	4,564,587	3,745,062

7 Staff costs

	Total 2021 £	Total 2020 £
Total staff emoluments for the year were as follows:		
Wages and salaries	1,697,482	1,421,252
National Insurance	152,482	127,928
Pension, health and life assurance costs	79,560	66,050
	1,929,524	1,615,230

8 Staff numbers

The average headcount for the year:

	Number	Number
Charitable activities	69	61
Generating funds	-	-
Governance	3	3
	72	64

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	1	0
£70,001 - £80,000	0	1
£80,001 - £90,000	1	0
£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	59,291	49,364
Auditors' remuneration:		
audit of charitable company	5,876	5,662
Operating lease rentals - land and buildings	1,225,869	799,554

10 Taxation

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

11 **Tangible fixed assets**

	Leasehold Property	Rented Property Improvements	Office furniture and Equipment	Furniture, fittings and sundry equipment	Computer equipment	Total
Cost						
At 1 April 2020	566,733	149,111	154,032	514,275	290,221	1,674,372
Additions	129,092	10,045	-	23,501	10,440	173,078
Disposals	-	-	-	-	-	-
Transfers	11,256	(11,256)	-	-	-	-
At 31 March 2021	707,081	147,900	154,032	537,776	300,661	1,847,450
Depreciation						
At 1 April 2020	44,309	131,640	154,032	493,463	240,471	1,063,915
Charge for the period	12,210	4,986	-	19,489	22,606	59,291
Disposals	-	-	-	-	-	-
At 31 March 2021	56,519	136,626	154,032	512,952	263,077	1,123,206
Net Book Value						
At 31 March 2021	650,562	11,274	-	24,824	37,584	724,244
At 31 March 2020	522,424	17,471	-	20,812	49,750	610,457

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).

12 Debtors

	2021	2020
	£	£
Trade debtors	208,678	2,024
Rents receivable	101,021	59,572
Prepayments and accrued income	199,350	170,222
Other debtors	38,591	13,568
	547,640	245,386

13 Creditors : amounts falling due within one year

	2021	2020
	£	£
Trade creditors	4,214	13,856
Taxation and social security	41,963	33,714
Accruals and deferred income	213,960	78,755
Other creditors	1,290	4,011
	261,427	130,336

14 Operating lease commitments

The charitable company rents its head office accommodation at a cost of £20,000 (2020 : £20,000) per annum, under a lease expiring on 9th August 2021. The remaining commitment 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 2021 was £ 1,483,015 (2020 : £1,071,314).

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 £ 79,560 (2020 : £66,050).

16 Share capital

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

17 Analysis of charitable funds

Analysis of fund movements:

	At 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2021 £
Restricted Funds	-	-	-	-	-
Unrestricted funds:					
General Funds	1,029,356	4,681,946	(4,395,296)	145,173	1,461,179
Designated Funds	446,623	324,345	(169,291)	(145,173)	456,504
Total	**1,475,979**	**5,006,291**	**(4,564,587)**	-	**1,917,683**

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 2021 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	724,244	-	-	724,244
Current assets	998,362	456,504	-	1,454,866
Current liabilities	(261,427)	-	-	(261,427)
Net assets 31 March 2021	1,461,179	456,504	-	1,917,683

19 Related party transactions

None of the directors (board of trustees) received any remuneration from the charity in the year (2020 : £Nil), and were reimbursed mileage expenses of £Nil (2020 : £350).

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.