

Stepping Stone Projects

Annual Report

2024-25





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.



Stepping Stone Projects

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

BEST FOR

Customers
Colleagues
Partners
Business



MISSION

Prevent homelessness
Support independence
Transform lives

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



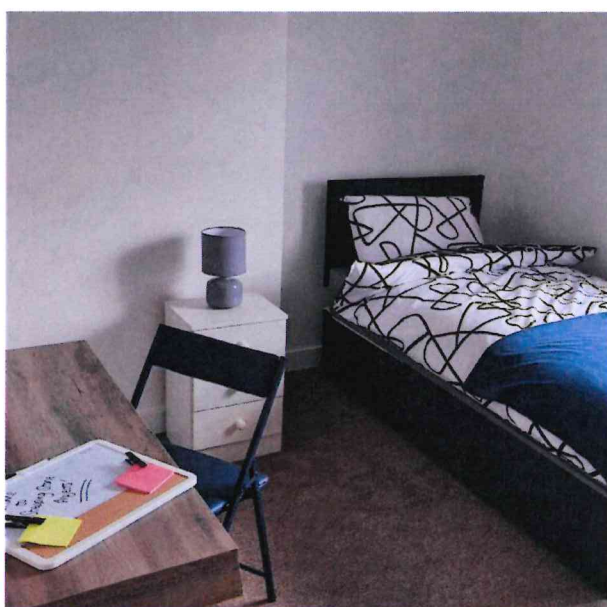
Deepened investment in colleagues' development, well-being, and added social value across our operations



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 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 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.

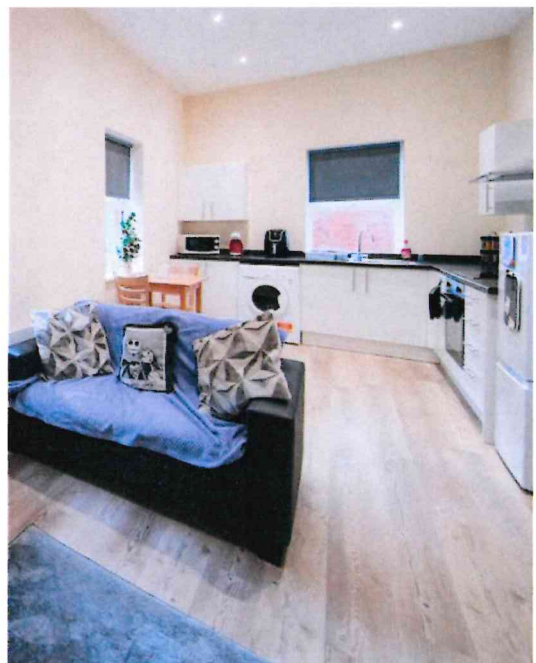
Thus, the reserves policy requires an amount equivalent to three months of all non-property costs, except for those on services with more than a 12-month contract or where SSP owns the building, plus amounts to cover dilapidations and a redundancy provision as outlined above. It is considered that the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

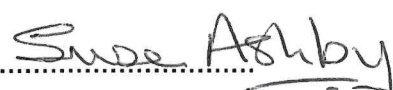
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume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

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.



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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF STEPPING STONE PROJECTS

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 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

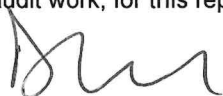
TO THE TRUSTEES OF STEPPING STONE PROJECTS

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

		2025		2024	
	Notes	£	£	£	£
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	
		<u>3,579,956</u>		<u>2,941,326</u>	
Creditors: amounts falling due within one year	14	<u>(726,048)</u>		<u>(508,907)</u>	
Net current assets			2,853,908		2,432,419
Total assets less current liabilities			<u>3,769,859</u>		<u>3,411,631</u>
The funds of the charity					
Unrestricted funds	18		3,769,859		3,411,631
			<u>3,769,859</u>		<u>3,411,631</u>

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.

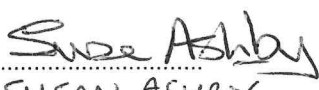
The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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
 Trustee

Company registration number 02647645 (England and Wales)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025		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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

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
	<u>14,399,968</u>	<u>11,883,362</u>

4 Income from investments

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Bank deposit interest	<u>9,159</u>	<u>5,426</u>

5 Other income

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Other income and donations	<u>49,340</u>	<u>16,210</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

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
	<u>12,298,247</u>	<u>10,009,475</u>
Share of support and governance costs (see note 7)		
Support	1,771,114	1,725,836
Governance	30,878	28,505
	<u>14,100,239</u>	<u>11,763,816</u>
Analysis by fund		
Unrestricted funds	<u>14,100,239</u>	<u>11,763,816</u>

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
	<u>1,801,992</u>	<u>1,754,341</u>
Analysed between:		
Accommodation and support	<u>1,801,992</u>	<u>1,754,341</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

7	Support costs allocated to activities	(Continued)	
		2025	2024
		£	£
	Governance costs comprise:		
	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
		<u>30,878</u>	<u>28,505</u>
8	Net movement in funds	2025	2024
		£	£
	The net movement in funds is stated after charging/(crediting):		
	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	<u>3,465,587</u>	<u>2,828,287</u>
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	2024
		Number	Number
	Charitable activities	166	143
	Governance	5	5
	Total	<u>171</u>	<u>148</u>
	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
		<u>5,348,026</u>	<u>4,751,503</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

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
	<u> </u>	<u> </u>

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
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2025	707,081	364,688	206,163	607,413	678,291	2,563,636
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
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
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2025	95,241	219,433	201,749	577,330	553,932	1,647,685
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carrying amount						
At 31 March 2025	611,840	145,255	4,414	30,083	124,359	915,951
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2024	621,696	149,454	12,515	33,939	161,608	979,212
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

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
	<u>2,390,914</u>	<u>1,696,864</u>

14 Creditors: amounts falling due within one year

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

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
	<u>143,152</u>	<u>11,907</u>

Deferred income is included in the financial statements as follows:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

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

	2025 £	2024 £
Defined contribution schemes		
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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

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
	<u>3,270,449</u>	<u>11,904,998</u>	<u>(11,763,816)</u>	<u>-</u>	<u>3,411,631</u>

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	<u>65,480</u>	<u>175,809</u>

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

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 01706 353000

 www.stepping-stone.org.uk