
STEP BY STEP PARTNERSHIP LIMITED
(A company limited by guarantee)

"To empower homeless people and those facing adversity to achieve their full potential"

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2007



STEP BY STEP PARTNERSHIP LIMITED

CONTENTS

	Page
Legal and administrative information	1
Directors' report	2 - 7
Auditors' report	8 - 9
Statement of financial activities	10
Balance sheet	11
Notes forming part of the financial statements	12 - 23

STEP BY STEP PARTNERSHIP LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION For the year ended 31 March 2007

Directors

Mr M J Brown, Director and Chair
Mr B G Bulgin, Director & Treasurer
Mr C H G Parrott, Director and Secretary
Mr P E Crane, Director
Mr P Hurst, Director
Mr R James, Director
Mr J Devlin, (appointed as Director on 25th July 2006)
Mr I Lambert, (appointed as Director on 25th July 2006)
Mr D Clifford, (appointed as Director on 13th February 2007)
Mr C Kaye, (appointed as Director on 13th February 2007)

Company Registered Number

02431825

Charity Registered Number

900308

Address & Registered Office

61 Victoria Road, Aldershot, Hampshire, GU11 1SJ

Company Secretary

Mr C H G Parrott

Chief Executive

Mrs A Dubarry

Auditors

haysmacintyre, Fairfax House, 15 Fulwood Place, London, WC1V 6AY

Bankers

Barclays Bank, Aldershot Branch, 101 Victoria Road, Aldershot, GU11 1HW
COIF Charity Fund, St Alphage House, 2 Fore Street, London, EC2Y 5AQ
Cafcash Limited, Kings Hill, West Malling, Kent, ME19 4TA

Solicitors

Barlow Robbins LLP, Concord House 165 Church St East, Woking GU21 6HJ

STEP BY STEP PARTNERSHIP LIMITED

DIRECTORS' REPORT For the year ended 31 March 2007

The Directors of the Company for the purposes of the Companies Act, who are also trustees of the Charity for the purposes of the Charity Act, submit their annual report and the financial statements for Step by Step Partnership Limited (the Charity) for the year ended 31 March 2007. The Directors confirm that the annual report and financial statements of the Charity comply with current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2005.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Documents

The Charity was incorporated under the Companies Act 1985 on 12 October 1989 and is limited by guarantee. The Charity has been registered as a charity since 25 January 1990. As a charitable company limited by guarantee, operations are governed by the Charity's Memorandum and Articles of Association. The Memorandum and Articles of Association were amended at the EGM held on 8 May 2006 to permit the purchase of Trustee Indemnity Insurance and to align the Articles more closely with the Charity Commissioners' model. Following approval at the AGM on 18 October 2006 the name of the Charity was formally changed on 28 December 2006 from Emmaus Projects Ltd to Step By Step Partnership Ltd.

Directors and method of appointment

The Directors of the Charity, who are also its Trustees, are elected at an AGM (or may be appointed during the year by the Board with election at the next AGM). The candidature of people with skills, experience and/or interests relevant to the Charity's activities is encouraged through advertising publicly and soliciting local organisations. They may serve for up to 3 years before re-election.

Organisation and Decision Making

The Charity is overseen by a Board and a Management Committee (as defined in the Governing Document), which comprises the Directors supported by a number of representatives from the local community, including a local councillor. The terms of reference for each role are clearly defined and put into operation. The Committee and Board meet every two months. An induction procedure is used for all new members of the Board and Management Committee. The procedure includes learning about the history, ethos and day-to-day operation of the Charity as well as outlining their responsibilities, conduct at meetings and relations with staff. The induction is carried out by the Chairman, supported by the Chief Executive. Existing members are encouraged to attend training events relevant to their roles or assigned interests within the Charity. The Charity operates in a consistent way by following the policies set out and agreed by the Management Committee, supported and implemented by the Chief Executive and staff.

An Advisory Panel, comprising sector professionals, meets at least annually and offers advice on strategic issues of concern to the Charity.

Day-to-day operational responsibility rests with the Chief Executive, who reports to the Board, and is responsible for both full and part time staff and for the oversight of the volunteers who provide valuable support to staff and clients. Senior staff and the administration team operate from leased premises local to the projects whilst most operational staff are based within their individual projects.

STEP BY STEP PARTNERSHIP LIMITED

DIRECTORS' REPORT (continued) For the year ended 31 March 2007

Risks

The Charity operates a Risk Management process that meets the requirements of the Charity Commission. The most significant risks to which the Charity is exposed are a) loss of key staff b) loss of funding c) negative publicity and d) loss of operating sites. The Charity's financial position and potential exposure are monitored regularly and reported upon monthly. A number of other lower priority risks have been identified and procedures to minimise the consequences of all identified risks have been implemented. The Board and Management Committee regularly discuss aspects of the Charity's operations to understand and manage risks.

Relationships with other Organisations

The Charity works with many organisations including local authorities, voluntary organisations, Social Services, the Police and the Probation Service, who all refer young people to the Charity and with whom we seek to further their interests. Most of the accommodation is owned by Hyde Housing Association and is managed by the Charity on Hyde's behalf. Funders are another group of stakeholders who have a continuing interest in the Charity's performance and their use of resources. They include Supporting People, Hampshire and Surrey Social Services, Rushmoor Borough Council, South Central Connexions, Hampshire Teenage Pregnancy Partnership, Hampshire Youth Service, the Garfield Weston Foundation, and the Alan and Nesta Ferguson Charitable Trust. Yet another stakeholder group is our voluntary donors - mainly from local churches. To all of them the Directors give their heartfelt thanks on behalf of the most important stakeholders, the clients.

OBJECTIVES AND ACTIVITIES

Objectives

As stated in the Memorandum of Association, the Charity's objective is to relieve the need of the homeless, unemployed and other people by reason of their condition of hardship or distress, by the provision of supported housing, education, training and support.

Mission

The mission of the Charity is to empower homeless people and those facing adversity to achieve their full potential. This is achieved by providing staged accommodation that allows progressively more independence over time, with tailored support, which includes care planning with a key worker as well as informal education and learning provided through our Youth Development Projects. These offer a number of different programmes all designed to progress people towards independence. At the present time we work with people aged between 15 and 30.

ACHIEVEMENTS AND PERFORMANCE

Accommodation Projects: The Charity continues year-by-year to provide support to those who meet the referral criteria of the five progressive accommodation stages ranging from an emergency direct access hostel through to independent living flats in the community. These referrals are from a number of agencies with whom we have a relationship, as well as from young people themselves. This year some 110 were accommodated: about 36% of those applying. Some 41 clients can be accommodated in our staged accommodation at any one time. Annual utilisation of bed space was almost 95%.

Supportive Lodgings: The Supportive Lodgings project at year end had one contract with a county council and one with a local authority to provide 13 supportive lodging placements and was responsible for 11 carers.

Tenancy Support is available to 10 young people and this helps them in their transition from supported accommodation to fully independent living.

STEP BY STEP PARTNERSHIP LIMITED

DIRECTORS' REPORT (continued) For the year ended 31 March 2007

Youth Development Projects: At year end there were four projects: Daylight, a day training centre; CyberShed, informal IT training; HELP, peer group education, and D'n'A, support to 45 young people at any one time with drug, alcohol and housing issues. These projects continue to provide valuable personal development through training and support, and to improve skills that enable clients to have a better chance of getting into Further Education or jobs to match their aspirations. The numbers of young people who currently use these services is around 200 annually. HELP delivered homelessness prevention sessions to over 1600 children in schools.

Fundraising: The Charity recognised that competition for funds has progressively become fiercer and a decision was taken to strengthen our fundraising activity.

Public Relations: The Charity has continued to receive regular media coverage throughout the year.

Branding: Following significant stakeholder consultation, changing the Charity's name to Step by Step Partnership was successfully implemented. This change overcame the previous confusion that had existed with another similarly named national homelessness charity.

Governance Improvements: Sub committees were established in key areas and relevant Terms of reference agreed. A self assessment process was established to review both Board and individual performance on an annual basis. 4 new directors were appointed to further strengthen the Board.

Development Progress: We have been successful in attracting other local authorities to use our Charity to provide accommodation for young people in Supportive Lodgings. This has led to a significant increase in the number of placements the charity can offer.

Supporting People (SP) review: A successful review outcome was achieved with all seven of our SP funded services receiving further 3 year contracts.

Clients' Initiatives/Participation: To enhance the effectiveness of client representation at Management Committee (MC) meetings, a Client Council was established which, amongst other topics, discusses MC issues so as to better brief the representatives prior to the MC meetings.

Volunteers: A number of volunteers continue to provide valuable support to the projects in a variety of ways, eg. premises maintenance, community fundraising, administrative support, development and support of database and recording systems. We greatly appreciate their various and significant contributions.

Youth Development: The HELP (Homeless Education Liaison Project) was delighted to receive a prestigious award from the High Sheriff of Surrey for the quality of its work with young people. The Youth Development Projects successfully implemented a no smoking policy in their building.

Key Performance Indicators (KPIs): Following extensive consultation a KPI system for the charity was agreed.

Outcomes Monitoring: Good progress has been made on improving the scope and reliability of our reporting on client outcomes. Such information is critical in assessing the effectiveness of our programmes to progress our clients.

STEP BY STEP PARTNERSHIP LIMITED

DIRECTORS' REPORT (continued) For the year ended 31 March 2007

FINANCIAL REVIEW FOR THE YEAR

The statement of financial activities is set out on page 10 and shows the net movement in funds for the year.

Compared to last year the overall level of income was down by 3.9% and expenditure reduced by 1.6% resulting in a deficit of £18,761. Our net current assets reduced by £17,853 to £407,294. The generosity of individuals, churches and other donors produced an income of £37,811. The bulk of our income arises from Supporting People, which along with rental income covers the cost of running our accommodation. Other income totalling £108,950 resulted from fundraising efforts directed at funders ranging from charitable trusts to local authorities, virtually all of which was designated as restricted funds and went some way to covering the costs of our youth development projects. Fundraising generated approximately 12% of our income and the Directors value and greatly appreciate the continuing support of the various individuals and other organisation through whose generosity we are able to maintain an extremely valuable service for our clients. Fund raising remains a challenge and we have targeted an income from fund raising of some £156,000 in 2007/8. Overall costs have remained under control and the year ended with a financial position in which reserves were able to cover outgoings for over 5 months. Fixed assets including 61 Victoria Road and major facilities have reduced to £102,108 taking account of depreciation.

Reserves Policy

The Charity's reserves policy is to establish and maintain a level of reserves which ensures there are adequate funds to meet all current and known liabilities as well as intended developments. In practice the Directors consider that it would be sufficient to hold reserves, excluding fixed assets, equivalent to at least 6 months running costs including development expenditure. Currently, on this basis, there is £407,294 in this category which on an expenditure of £917,437 equates to 5.3 months of cover. All funds are currently held in interest bearing accounts in keeping with the investment policy.

Investment Policy

The policy is to invest in accessible funds such that there is sufficient working capital to fund operations for at least 6 months including ongoing development expenditure. Only when there is a surplus beyond this will longer term investments be considered and these will only be implemented with Board approval. No long term investments have been accumulated or made during the year. However, a wider range of investments was considered by the Board, but with the potential of rising interest rates and other factors it was agreed that no change should be made to the current investment strategy. Funds are held in interest bearing accounts to maximise returns coupled with a current account to cover day-to-day needs.

STEP BY STEP PARTNERSHIP LIMITED

DIRECTORS' REPORT (continued) For the year ended 31 March 2007

PLANS FOR THE YEAR AHEAD

We maintain a 3 year business plan and update it annually. Currently the following items are planned to be addressed during the year ahead:

- To develop our services to satisfy a wider range of our clients' needs and to serve an increased number of clients
- To develop our Supportive Lodgings services
- To achieve more effective fundraising; both for projects and within the community
- To become a no smoking organisation
- To strengthen management information provision to better support the Charity
- To implement agreed Key Performance Indicators (KPIs)

DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company and charity law require the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

So far as each of the Directors are aware at the time the report is approved:

- there is no relevant audit information of which the charitable 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.

STEP BY STEP PARTNERSHIP LIMITED

DIRECTORS' REPORT (continued) For the year ended 31 March 2007

AUDITORS

The auditors, haysmacintyre are willing to be reappointed in accordance with section 385 of the Companies Act 1985 under the name of haysmacintyre.

APPROVAL

This report was approved by the Board on 31 July 2007 and signed on its behalf, by:



C H G Parrott - Secretary

STEP BY STEP PARTNERSHIP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STEP BY STEP PARTNERSHIP LIMITED

We have audited the financial statements of Step by Step Partnership Limited for the year ended 31 March 2007 which comprise the Statement of Financial Activities (incorporating, the Income and Expenditure account), the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

The responsibilities of the Trustees (who are also the directors of Step by Step Partnership Limited for the purposes of Company Law) for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether the information given in the Directors' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions with the charitable company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

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

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

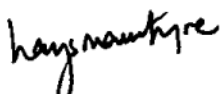
STEP BY STEP PARTNERSHIP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STEP BY STEP PARTNERSHIP LIMITED

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller charities, of the state of the charitable company's affairs as at 31 March 2007 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' report is consistent with the financial statements.



haysmacintyre

Chartered Accountants & Registered Auditors

Fairfax House

15 Fulwood Place

London

WC1V 6AY

31 July 2007

STEP BY STEP PARTNERSHIP LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (incorporating income and expenditure account) For the year ended 31 March 2007

	Note	Restricted Funds 2007 £	Unrestricted Funds 2007 £	Total Funds 2007 £	Total Funds 2006 £
INCOMING RESOURCES					
<i>Incoming resources from generated funds:</i>					
Voluntary Income	2	-	37,811	37,811	65,230
Investment income		-	22,165	22,165	18,677
<i>Incoming resources from charitable activities</i>	3	102,340	736,360	838,700	850,951
TOTAL INCOMING RESOURCES		102,340	796,336	898,676	934,858
RESOURCES EXPENDED					
<i>Costs of generating funds:</i>					
Fund raising costs	5	-	72,201	72,201	35,513
<i>Charitable expenditure:</i>					
Charitable activity costs	6	185,515	624,340	809,855	866,744
<i>Governance costs</i>	7	-	35,381	35,381	29,837
TOTAL RESOURCES EXPENDED		185,515	731,922	917,437	932,094
NET (EXPENDITURE)/INCOME FOR THE YEAR BEFORE TRANSFERS		(83,175)	64,414	(18,761)	2,764
Transfers between Funds	14	83,175	(83,175)	-	-
NET INCOME AFTER TRANSFERS		-	(18,761)	(18,761)	2,764
NET MOVEMENT IN FUNDS FOR THE YEAR		-	(18,761)	(18,761)	2,764
TOTAL FUNDS AT 1 APRIL 2006		-	538,921	538,921	536,157
TOTAL FUNDS AT 31 MARCH 2007		-	520,160	520,160	538,921

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 12 to 23 form part of these financial statements.

STEP BY STEP PARTNERSHIP LIMITED

BALANCE SHEET As at 31 March 2007

	Note	£	2007 £	£	2006 £
FIXED ASSETS					
Tangible fixed assets	10		112,866		113,774
CURRENT ASSETS					
Debtors	11	44,450		67,258	
Cash at bank		526,816		492,328	
			<u>571,266</u>	<u>559,586</u>	
CREDITORS: amounts falling due within one year	12	<u>(163,972)</u>		<u>(134,439)</u>	
			<u>407,294</u>		<u>425,147</u>
NET ASSETS	13		<u><u>520,160</u></u>		<u><u>538,921</u></u>
CHARITY FUNDS					
Restricted Funds	14		-		-
Unrestricted – Designated Funds	14		312,867		384,430
Unrestricted – General Funds	14		207,293		154,491
			<u><u>520,160</u></u>		<u><u>538,921</u></u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

The financial statements were approved and authorised for issue by the Directors on 31 July 2007 and signed on their behalf, by:



B G Bulgin – Director



M J Brown – Chair

The notes on pages 12 to 23 form part of these financial statements.

STEP BY STEP PARTNERSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2007

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standards for Smaller Entities (effective January 2005). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in 2005, applicable accounting standards and the Companies Act 1985.

1.2 Company status

Step by Step Partnership Limited is a Charity limited by guarantee. The members of the Charity include the Directors named on page 1. 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.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Directors in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Directors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which have been raised by the Charity for particular purposes which have to be used in accordance with specific restrictions imposed by donors. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.4 Incoming resources

Income from donations and grants is included in incoming resources when these are receivable, except as follows:-

- When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods;
- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

Income tax on donations received under gift aid is reclaimed from the Inland Revenue and credited to income in the year in which the related donations are received.

For legacy income entitlement is the earlier of the Charity being notified of an impending distribution or the legacy being received.

Housing benefit and rental income in respect of persons living in the Charity's accommodation are taken to income in the year to which they relate.

STEP BY STEP PARTNERSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2007

1. ACCOUNTING POLICIES (continued)

1.5 Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Overheads have been allocated to projects on the basis of respective staff numbers.

Fund-raising costs are those incurred in seeking voluntary contributions and include disseminating information about the Charity in order to attract such funding.

Charitable expenditure comprises services, supplies and activities undertaken which directly support the Charity's objectives.

Support costs are those costs incurred directly in support of expenditure on the objects of the Charity.

Governance costs are those incurred in connection with enabling the Charity to comply with external regulation, constitutional and statutory requirements and in providing support to the directors in the discharge of their statutory duties.

1.6 Cash flow

The financial statements do not include a cash flow statement because the charitable company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective January 2005).

1.7 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold Property	-	2%	straight line
Long term Leasehold Property	-	33.33%	straight line
Furniture and Fixtures	-	33.33%	straight line

1.8 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the SOFA as incurred.

STEP BY STEP PARTNERSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2007

1. ACCOUNTING POLICIES (continued)

1.9 Pensions

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

1.10 VAT

The Charity is not registered for VAT. In common with many similar other charities, Step by Step Partnership Limited's expenses are inflated by VAT, which cannot be recovered.

1.11 Taxation

The Company is a registered charity (registered number 900308) and is not liable to UK corporation tax on income derived from its charitable activities.

2. VOLUNTARY INCOME

	Restricted Funds 2007 £	Unrestricted Funds 2007 £	Total Funds 2007 £	<i>Total Funds 2006 £</i>
Churches	-	12,816	12,816	19,487
Secular organisations	-	5,875	5,875	5,941
Individuals	-	13,717	13,717	13,499
Legacy	-	-	-	26,003
Other income	-	5,403	5,403	300
	-----	-----	-----	-----
Total	-	37,811	37,811	65,230
	=====	=====	=====	=====

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Restricted Funds 2007 £	Unrestricted Funds 2007 £	Total Funds 2007 £	<i>Total Funds 2006 £</i>
Accommodation	-	666,827	666,827	695,663
Youth Development	102,340	-	102,340	76,254
Counselling & support	-	69,533	69,533	79,034
	-----	-----	-----	-----
Total	102,340	736,360	838,700	850,951
	=====	=====	=====	=====

STEP BY STEP PARTNERSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2007

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES BY FUNDERS

	Restricted Funds 2007 £	Unrestricted Funds 2007 £	Total Funds 2007 £	<i>Total Funds 2006 £</i>
Grants and Contracts				
Abbey Charitable Trust	2,500	-	2,500	-
Allan & Nesta Ferguson Charitable Trust	10,000	-	10,000	-
Awards For All	4,900	-	4,900	-
BAE Systems Charity Challenge	2,381	-	2,381	-
Garfield Weston Foundation	20,000	-	20,000	-
Gatsby Foundation	-	-	-	2,000
General Charity Trust	2,500	-	2,500	-
Hampshire County Council	5,000	-	5,000	5,000
Hampshire Social Services	-	70,768	70,768	39,487
Hampshire Teenage Pregnancy Partnership	-	-	-	9,300
Hart District Council	-	-	-	15,000
HCC Police Crime Reduction	4,000	-	4,000	-
Henry Smith Trust	5,000	-	5,000	5,000
Lankelly Chase Foundation	2,083	-	2,083	-
Learning & Skills Council	-	-	-	12,254
Lloyds TSB	-	-	-	5,000
Love, Life & Happiness	8,000	-	8,000	-
RBC Aldershot Regeneration	5,000	-	5,000	-
Rushmoor Borough Council	5,000	5,610	10,610	11,340
South Central Connexions	10,000	-	10,000	-
Steel Charitable Trust	2,000	-	2,000	-
Sundry grants	-	-	-	6,431
Surrey Social Services	-	-	-	50,896
The High Sheriff Youth Award	2,500	-	2,500	-
The Kobbler Trust	2,000	-	2,000	-
UK Online	4,700	-	4,700	25,000
Other grants (£1,500 and under)	4,776	1,000	5,776	-
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Carried forward	102,340	77,378	179,718	186,708

STEP BY STEP PARTNERSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2007

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES BY FUNDERS (continued)

	Restricted Funds 2007 £	Unrestricted Funds 2007 £	Total Funds 2007 £	<i>Total Funds 2006 £</i>
Brought forward	<u>102,340</u>	<u>77,378</u>	<u>179,718</u>	<u>186,708</u>
Other housing related income				
Supporting People	-	436,002	436,002	437,254
Housing benefit	-	202,110	202,110	179,401
Rent and personal charges	-	20,870	20,870	47,588
	<u>-</u>	<u>658,982</u>	<u>658,982</u>	<u>664,243</u>
Total	<u><u>102,340</u></u>	<u><u>736,360</u></u>	<u><u>838,700</u></u>	<u><u>850,951</u></u>

5. FUND RAISING COSTS

	Restricted Funds 2007 £	Unrestricted Funds 2007 £	Total Funds 2007 £	<i>Total Funds 2006 £</i>
Staff costs	-	58,692	58,692	28,869
Support costs	-	13,509	13,509	6,644
	<u>-</u>	<u>72,201</u>	<u>72,201</u>	<u>35,513</u>
Total	<u><u>-</u></u>	<u><u>72,201</u></u>	<u><u>72,201</u></u>	<u><u>35,513</u></u>

STEP BY STEP PARTNERSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2007

6. CHARITABLE EXPENDITURE

CHARITABLE ACTIVITY COSTS

	Activities undertaken directly £	Direct staff costs £	Support costs £	Total 2007 £	Total 2006 £
Accommodation	162,181	382,422	77,624	622,227	599,884
Youth Development	30,922	36,624	55,456	123,002	192,229
Counselling & support	13,813	48,015	2,798	64,626	74,631
Total	206,916	467,061	135,878	809,855	866,744

7. GOVERNANCE COSTS

	Restricted Funds £	Unrestricted Funds £	Total 2007 £	Total 2006 £
Direct costs	-	6,752	6,752	5,606
Support costs	-	28,629	28,629	24,231
Total	-	35,381	35,381	29,837

SUPPORT COSTS ALLOCATIONS TO ACTIVITIES

	Fund - raising £	Accommo- dation £	Youth Develop- ment £	Counselling & support £	Governance £	Total £
Staff costs	-	53,626	42,937	2,166	28,629	127,358
Staff recruitment, training & travel	696	3,705	1,933	97	-	6,431
Administrative running costs	1,871	3,159	1,648	85	-	6,763
Building maintenance & running costs	-	12,552	6,548	330	-	19,430
Legal & professional fees	-	2,162	1,128	57	-	3,347
Activities costs	10,031	654	341	17	-	11,043
Other costs	911	1,766	921	46	-	3,644
Total	13,509	77,624	55,456	2,798	28,629	178,016

STEP BY STEP PARTNERSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2007

8. NET INCOME

This is stated after charging:

	2007 £	2006 £
Depreciation of tangible fixed assets: - owned by the charity	7,130	20,488
Auditors' remuneration - audit services	4,113	4,010
- other services	1,770	1,718
Pension costs	2,016	1,510
Operating lease rentals - land and buildings	22,776	22,780
Operating lease rentals - other	1,763	1,763
	<u>71,968</u>	<u>52,669</u>

During the year, no Directors received any remuneration (2006 - £NIL).

During the year, no Directors received any benefits in kind (2006 - £NIL).

During the year, no Directors received any reimbursement of expenses (2006 - £NIL).

9. STAFF COSTS AND NUMBERS

Staff costs were as follows:

	2007 £	2006 £
Wages and salaries	545,316	499,438
Social security costs	51,411	44,533
Pension costs	2,016	1,510
D'n'A contractors	42,853	53,875
Agency fees	11,514	21,029
	<u>653,111</u>	<u>620,385</u>

The average number of full time equivalent employees and D'n'A contractors during the year was as follows:

	2007 No.	2006 No.
Governance	3.0	3.0
Fund raising	1.6	0.6
Accommodation and other project staff	17.9	17.6
Cleaner	1.0	1.1
	<u>23.5</u>	<u>22.3</u>

No employee received remuneration amounting to more than £60,000 in either year.

STEP BY STEP PARTNERSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2007

10. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	CyberShed improve- ments £	Furniture, fittings and equipment £	Total £
Cost				
At 1 April 2006	112,409	83,166	168,019	363,594
Additions	-	-	6,222	6,222
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2007	<u>112,409</u>	<u>83,166</u>	<u>174,241</u>	<u>369,816</u>
Depreciation				
At 1 April 2006	8,053	83,166	158,601	249,820
Charge for the year	2,248	-	4,882	7,130
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2007	<u>10,301</u>	<u>83,166</u>	<u>163,483</u>	<u>256,950</u>
Net book value				
At 31 March 2007	<u>102,108</u>	<u>-</u>	<u>10,758</u>	<u>112,866</u>
<i>At 31 March 2006</i>	<u>104,356</u>	<u>-</u>	<u>9,418</u>	<u>113,774</u>

The Charity's freehold land and buildings are situated at 61 Victoria Road, Aldershot, Hampshire. The CyberShed project improvements have been made in the leased premises at the Aldershot Institute building in Station Road, Aldershot, Hampshire.

11. DEBTORS

	2007 £	2006 £
Due within one year		
Debtors and accrued income	37,797	59,100
Prepayments	6,653	8,158
	<hr/>	<hr/>
	<u>44,450</u>	<u>67,258</u>

STEP BY STEP PARTNERSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2007

12. CREDITORS:

Amounts falling due within one year

	2007	2006
	£	£
Deferred income (see note 13)	83,885	41,924
Accruals	20,680	25,861
Other creditors	59,407	66,654
	<u>163,972</u>	<u>134,439</u>

13. DEFERRED INCOME

	2007	2006
	£	£
Balance at 1 April 2006	41,924	5,000
Amounts released in the current year	(41,924)	(5,000)
Amounts deferred in the current year	83,885	41,924
	<u>83,885</u>	<u>41,924</u>

Deferred income carried forward at 31 March 2007 relates to the following:

- Grant of £10,417 received from Lankelly Chase in respect of 2007/08 costs;
- Grant of £20,000 received from Surrey Heath Borough Council in respect of 2007/08 costs;
- £37,242 relates to income received from Supporting People in respect of April 2007 costs;
- £8,226 relates to invoiced income in advance in respect 2007/08 costs from East Hampshire District Council;
- £8,000 relates to invoiced income in advance in respect 2007/08 costs from North Hampshire PrimaryCare Trust.

STEP BY STEP PARTNERSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2007

14. STATEMENT OF FUNDS

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers in/(out) £	Carried Forward £
DESIGNATED FUNDS					
Development Fund	200,000	-	-	-	200,000
Fixed Asset Fund	113,774	-	-	(907)	112,867
Youth Development Fund	70,656	-	-	(70,656)	-
	<u>384,430</u>	<u>-</u>	<u>-</u>	<u>(71,563)</u>	<u>312,867</u>
GENERAL FUNDS					
General Funds	154,491	796,336	731,922	(11,612)	207,293
Total Unrestricted Funds	<u>538,921</u>	<u>796,336</u>	<u>731,922</u>	<u>(83,175)</u>	<u>520,160</u>

General Funds:

Funds available are sufficient to permit the Charity to continue in operation in the short term given the continued support of the funders. Should this support not continue in the longer term, further financial support would be sought to replace it.

Designated Funds:

Development Fund

Provides a fund to facilitate the development of the Charity's services to satisfy a wider range of its clients needs and to serve an increased number of clients.

Fixed Asset Fund

Funds have been set aside as designated reserves in the year to match the net book value of the Charity's fixed assets which are not already matched within restricted reserves. This reflects the fact that funds tied up in fixed assets are not free reserves.

Youth Development Fund

This fund was set up to cover the anticipated level of support required by the Charity's training projects in the coming financial year, which would not be covered by external funding. In the year to 31 March 2007 £70,656 has been used from the fund to meet costs not covered by external funding. This is reflected as a transfer out of the designated fund.

STEP BY STEP PARTNERSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2007

RESTRICTED FUNDS

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers in/(out) £	Carried Forward £
HELP Funds	-	8,500	15,394	6,894	-
Youth Development Project	-	93,840	170,121	76,281	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Restricted Funds	-	102,340	185,515	83,175	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Each of the funds is described below:

HELP

Homeless Education Liaison Project (HELP) project aims to educate young people about the realities of being homeless. Our peer educators get out into the community using their experiences to help educate other young people.

Youth Development Projects

This project continues to provide valuable personal development through training and support, and to improve skills that enable clients to have a better chance of getting into Further Education or jobs to match their aspirations.

STEP BY STEP PARTNERSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2007

SUMMARY OF FUNDS

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers in/(out) £	Carried Forward £
Designated Funds	384,430	-	-	(71,563)	312,867
General Funds	154,491	796,336	731,922	(11,612)	207,293
Subtotal	<u>538,921</u>	<u>796,336</u>	<u>731,922</u>	<u>(83,175)</u>	<u>520,160</u>
Restricted Funds	-	102,340	185,515	83,175	-
Total of Funds	<u><u>538,921</u></u>	<u><u>898,676</u></u>	<u><u>917,437</u></u>	<u><u>-</u></u>	<u><u>520,160</u></u>

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Funds 2007 £	Unrestricted Funds 2007 £	Total Funds 2007 £	Total Funds 2006 £
Tangible fixed assets	-	112,866	112,866	113,774
Current assets	-	571,266	571,266	559,586
Creditors due within one year	-	(163,972)	(163,972)	(134,439)
Total	<u><u>-</u></u>	<u><u>520,160</u></u>	<u><u>520,160</u></u>	<u><u>538,921</u></u>

16. CAPITAL COMMITMENTS

There were no capital commitments at 31 March 2007 and 31 March 2006.

17. OPERATING LEASE COMMITMENTS

At 31 March 2007 the Charity had annual commitments under operating leases as follows:

	2007 £	2006 £
Expiry date:		
Between 1 and 5 years - Land and buildings	22,780	22,780
- Other	2,350	2,350
	<u><u>25,130</u></u>	<u><u>25,130</u></u>

18. SHARE CAPITAL

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