



Registered number: 02431825  
Charity number: 900308

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

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

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**For the year ended 31 March 2008**



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# STEP BY STEP PARTNERSHIP LIMITED

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## STEP BY STEP PARTNERSHIP LIMITED

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### LEGAL AND ADMINISTRATIVE INFORMATION For the year ended 31 March 2008

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#### 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, Director  
Mr I Lambert, Director  
Mr D Clifford, (resigned as Director on 5<sup>th</sup> March 2008)  
Mr C Kaye, Director  
Mrs Diane Bedford (appointed as Director on 5<sup>th</sup> March 2008)

#### 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

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## STEP BY STEP PARTNERSHIP LIMITED

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### DIRECTORS' REPORT For the year ended 31 March 2008

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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 2008. 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 March 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

##### 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, members drawn from the local community, including a local councillor, and a client of the charity. 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.

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## STEP BY STEP PARTNERSHIP LIMITED

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### DIRECTORS' REPORT (CONTINUED) For the year ended 31 March 2008

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#### 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) staff shortages / staffing issues b) negative publicity / adverse public perception and c) inability to sustain or replace funding. 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 Social Services, BBC Children In Need, Rushmoor Borough Council, Hart District Council, Surrey Heath Borough Council, Basingstoke and Deane Borough Council, East Hampshire District Council, Hampshire Police Authority, the Lankelly Chase Foundation, the Hampshire Primary Care Trust, South Central Connexions, Hampshire Teenage Pregnancy Partnership, Hampshire Youth Service, the Sir Jules Thorn Charitable Trust, the Triangle Trust 1949, UKOnline, v, the Drinkaware Foundation, the General Charitable Trust, and the Charlotte Marshal Trust. Yet another stakeholder group is our voluntary donors - mainly from local churches. To all of them the Directors give their 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 clients are aged between 16 and 30.

#### ACHIEVEMENTS AND PERFORMANCE

**Accommodation Projects:** The Charity provides support to those who meet the referral criteria of the five progressive accommodation stages ranging from emergency direct access accommodation through to independent living flats in the community. These referrals are from a number of agencies with whom there is a relationship, as well as from young people themselves. This year 118 were accommodated which was only 36% of the young people who were referred. Some 41 clients can be accommodated in our staged accommodation at any one time. Annual utilisation of bed space was 96%.

**Supportive Lodgings:** The Supportive Lodgings project has grown dramatically over the year increasing from 13 to 29 placements at year end working with 5 local authority departments.

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## STEP BY STEP PARTNERSHIP LIMITED

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### DIRECTORS' REPORT (CONTINUED) For the year ended 31 March 2008

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**Tenancy Support** worked with 60 young people in the year helping them achieve their transition from supported accommodation to independent living.

**Youth Development Projects:** This year an additional service has opened, the Dr AI (drugs and alcohol) peer education project, making five projects in total. Services that have continued to be provided are: Daylight, an open access education and training centre; CyberShed, an open access UK online centre; HELP, homelessness peer education, and D'n'A, support to 45 young people at any one time with drug, alcohol and housing issues. These projects provide valuable personal development through training and support and improve skills to enable clients to move into Further Education or jobs to match their aspirations. Two hundred young people currently use these services annually. HELP delivered homelessness prevention sessions to over 1700 recipients. Work began on a sixth service, the Ann Rylands Back to Work Scheme, planned for opening April 2008.

**Fundraising:** The Charity implemented a new Fundraising Strategy to move towards a more productive funding mix with less reliance on annual grants.

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

**Governance:** A self assessment process was implemented to review both Board and individual Trustee performance. David Clifford resigned as Director during the year and the Directors wish him well with his future ventures. Councillor Diane Bedford was appointed as Director and she will be proposed for election at the October 2008 AGM. At the end of the March 2008 fiscal year the Treasurer Bruce Bulgin retired from this role and handed over to Russell James who takes this role forward into the current year. The Directors wish to thank Bruce for all his efforts during his time as Treasurer.

**Supporting People (SP) Quality Assessment Framework (QAF):** The highest grades possible were achieved (42 straight A's) which was a unique achievement within Hampshire and a real credit to all staff involved.

**Clients' Initiatives/Participation:** Funding was received to further enhance the effectiveness of client representation at Management Committee (MC) meetings.

**Volunteers:** A new Community Fundraising Strategy was implemented to significantly increase the focus and number of volunteers providing valuable support to the projects in a variety of ways, e.g. premises maintenance, community fundraising, administrative support, development and support of database and recording systems. We greatly appreciate their various and significant contributions.

**National Recognition:** The HELP (Homeless Education Liaison Project) was delighted to receive another prestigious award, the Nationwide Voluntary Endeavour Award for the quality of its work within the community.

**Key Performance Indicators (KPIs):** A KPI system was successfully implemented.

**Outcomes Monitoring:** A formalised outcome monitoring system is in the process of implementation with promising results. Credible outcome information is critical in assessing the effectiveness of our programmes to progress our clients.



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## STEP BY STEP PARTNERSHIP LIMITED

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### DIRECTORS' REPORT (CONTINUED) For the year ended 31 March 2008

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#### 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.

This year we have increased income and spent more on providing our clients with accommodation and training services with a small surplus of £14,232 against a deficit last year of £18,761. Our income increased by 7.03% to £961,913, the bulk of which came from housing and supportive lodgings related income.

Once again we received generous support from individuals, churches and other secular organisations totalling £36,695. Other fund raising activity generated income of £116,418 an increase of 6.85% over the previous year.

Costs remained under control with a significant reduction in fund raising costs. So it is pleasing for the Directors to report that the level of service to our clients increased, whilst maintaining the financial security and stability of the Charity.

Fund raising to cover the costs of youth and training projects remains a challenge, with increasing competition for scarce resources. As such the fund raising team are aiming to generate more income from local activities through the use of volunteers.

#### 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 and restricted reserves, equivalent to approximately six months running costs including development expenditure. The charity's reserves amount to, £423,783, which on an expenditure of £947,681 equates to 5.4 months of cover. All reserve 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 approximately six 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. Funds are held in interest bearing accounts to maximise returns coupled with a current account to cover day-to-day needs.

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## STEP BY STEP PARTNERSHIP LIMITED

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### DIRECTORS' REPORT (CONTINUED) For the year ended 31 March 2008

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#### PLANS FOR THE YEAR AHEAD

We maintain a three year rolling business plan. Currently the items planned to be addressed during the year ahead include:

- Developing a family mediation service in Emmaus House
- Growing the Supportive Lodgings Services
- Defining the best Youth Development Projects Model and implementing it
- Reviewing the D'n'A funding shortfall and implementing a strategy to address this
- Improving staff retention rates and retaining key volunteers
- Consider using vocational qualifications for staff training and development
- Implementing new Fundraising and PR & Community Fundraising strategies

#### 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.

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## **STEP BY STEP PARTNERSHIP LIMITED**

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### **DIRECTORS' REPORT (CONTINUED)** **For the year ended 31 March 2008**

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#### **AUDITORS**

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

#### **APPROVAL**

This report was approved by the Board on 5 August 2008 and signed on its behalf, by:

C H G Parrott – Secretary

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## STEP BY STEP PARTNERSHIP LIMITED

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

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We have audited the financial statements of Step by Step Partnership Limited for the year ended 31 March 2008 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 2007).

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.

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## STEP BY STEP PARTNERSHIP LIMITED

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

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#### 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 2008 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

Date:

## STEP BY STEP PARTNERSHIP LIMITED

### STATEMENT OF FINANCIAL ACTIVITIES (incorporating income and expenditure account) For the year ended 31 March 2008

	Note	Restricted Funds 2008 £	Unrestricted Funds 2008 £	Total Funds 2008 £	Total Funds 2007 £
<b>INCOMING RESOURCES</b>					
<i>Incoming resources from generated funds:</i>					
Voluntary Income	2	3,253	33,442	36,695	37,811
Investment income		-	25,886	25,886	22,165
<i>Incoming resources from charitable activities</i>	3/4	113,568	785,764	899,332	838,700
<b>TOTAL INCOMING RESOURCES</b>		<b>116,821</b>	<b>845,092</b>	<b>961,913</b>	<b>898,676</b>
<b>RESOURCES EXPENDED</b>					
<i>Costs of generating funds:</i>					
Fund raising costs	5	-	47,712	47,712	72,201
<i>Charitable expenditure:</i>					
Charitable activity costs	6	190,729	688,714	879,443	809,855
<i>Governance costs</i>	7	-	20,526	20,526	35,381
<b>TOTAL RESOURCES EXPENDED</b>		<b>190,729</b>	<b>756,952</b>	<b>947,681</b>	<b>917,437</b>
<b>NET (EXPENDITURE)/INCOME FOR THE YEAR BEFORE TRANSFERS</b>		<b>(73,908)</b>	<b>88,140</b>	<b>14,232</b>	<b>(18,761)</b>
Transfers between Funds	15	79,563	(79,563)	-	-
<b>NET INCOME AFTER TRANSFERS</b>		<b>5,655</b>	<b>8,577</b>	<b>14,232</b>	<b>(18,761)</b>
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>5,655</b>	<b>8,577</b>	<b>14,232</b>	<b>(18,761)</b>
<b>RECONCILIATION FUNDS</b>					
TOTAL FUNDS AT 1 APRIL 2007		-	520,160	520,160	538,921
<b>TOTAL FUNDS AT 31 MARCH 2008</b>		<b>£5,655</b>	<b>£528,737</b>	<b>£534,392</b>	<b>520,160</b>

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 2008

	Note	£	2008 £	£	2007 £
<b>FIXED ASSETS</b>					
Tangible fixed assets	11		<b>104,954</b>		112,866
<b>CURRENT ASSETS</b>					
Debtors	12	<b>33,771</b>		44,450	
Cash at bank		<b>549,239</b>		526,816	
			<b>583,010</b>	571,266	
<b>CREDITORS:</b> amounts falling due within one year	13	<b>(153,572)</b>		(163,972)	
			<b>429,438</b>		407,294
<b>NET ASSETS</b>	15		<b>£534,392</b>		<b>520,160</b>
<b>CHARITY FUNDS</b>					
Restricted Funds	15		<b>5,655</b>		-
Unrestricted – Designated Funds	15		<b>304,954</b>		312,867
Unrestricted – General Funds	15		<b>223,783</b>		207,293
			<b>£534,392</b>		<b>520,160</b>

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 2007).

The financial statements were approved and authorised for issue by the Directors on 5 August 2008 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.

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## STEP BY STEP PARTNERSHIP LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2008

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#### 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 2007). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" issued in March 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.

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## STEP BY STEP PARTNERSHIP LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2008

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#### 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.

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 2007).

##### 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:

<b>Freehold Property</b>	-	<b>2%</b>	<b>straight line</b>
<b>Long term Leasehold Property</b>	-	<b>33.33%</b>	<b>straight line</b>
<b>Furniture and Fixtures</b>	-	<b>33.33%</b>	<b>straight line</b>

##### 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.

##### 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

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## STEP BY STEP PARTNERSHIP LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2008

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#### 1. ACCOUNTING POLICIES (continued)

##### 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 2008 £	Unrestricted Funds 2008 £	Total Funds 2008 £	<i>Total Funds 2007 £</i>
Churches	-	10,742	10,742	12,816
Secular organisations	550	7,661	8,211	5,875
Individuals	2,703	14,728	17,431	13,717
Legacy	-	-	-	-
Other income	-	312	312	5,403
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<b>£3,253</b>	<b>£33,443</b>	<b>£36,696</b>	<b>37,811</b>
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#### 3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Restricted Funds 2008 £	Unrestricted Funds 2008 £	Total Funds 2008 £	<i>Total Funds 2007 £</i>
Accommodation	-	714,493	714,493	666,827
Youth Development	99,776	-	99,776	102,340
Counselling & support	13,792	71,271	85,063	69,533
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<b>£113,568</b>	<b>£785,764</b>	<b>£899,332</b>	<b>838,700</b>
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## STEP BY STEP PARTNERSHIP LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2008

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#### 4. INCOMING RESOURCES FOR CHARITABLE ACTIVITIES BY FUNDERS

	Restricted Funds 2008 £	Unrestricted Funds 2008 £	Total Funds 2008 £	<i>Total Funds 2007 £</i>
<b>Grants and Contracts</b>				
Abbey Charitable Trust	-	-	-	2,500
Allan & Nesta Ferguson Charitable Trust	-	-	-	10,000
Awards For All	-	-	-	4,900
BAE Systems Charity Challenge	-	-	-	2,381
Basingstoke & Deane BC	3,792	-	3,792	-
BBC Children in Need	14,736	-	14,736	-
Charlotte Marshall Trust	1,000	-	1,000	-
Drinkaware Trust	4,000	-	4,000	-
Garfield Weston Foundation	-	-	-	20,000
General Charity Trust	-	2,500	2,500	2,500
Hampshire County Council	-	-	-	5,000
Hampshire Youth Services	5,000	-	5,000	-
Hart District Council	5000	-	5,000	-
HCC Police Crime Reduction	3,000	-	3,000	4,000
Henry Smith Trust	-	-	-	5,000
Lankelly Chase Foundation	12,500	-	12,500	2,083
Hampshire Primary Care Trust	8,000	-	8,000	8,000
Rachel Charitable Trust	-	100	100	-
RBC Aldershot Regeneration	-	-	-	5,000
Reuben Brothers Foundation	-	250	250	-
Rushmoor Borough Council	5,500	-	5,500	10,610
Sir Jules Thorn Charitable Trust	12,500	-	12,500	-
South Central Connexions	10,000	-	-	10,000
Steel Charitable Trust	-	-	-	2,000
The High Sheriff Youth Award	-	-	-	2,500
The Kobbler Trust	-	-	-	2,000
The Triangle Trust 1949	3,000	-	3,000	-
UK Online	7,500	-	7,500	4,700
V Funding	18,040	-	18,040	-
Other grants (£1,000 and under)	-	-	-	5,776
	<u>113,568</u>	<u>2,850</u>	<u>116,418</u>	<u>108,950</u>

## STEP BY STEP PARTNERSHIP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2008

#### 4. INCOMING RESOURCES FOR CHARITABLE ACTIVITIES BY FUNDERS (continued)

	Restricted Funds 2008 £	Unrestricted Funds 2008 £	Total Funds 2008 £	Total Funds 2007 £
<b>Housing &amp; Supportive Lodgings related income</b>				
Supporting People	-	453,901	453,901	436,002
Housing benefit	-	192,780	192,780	202,110
Carer Supportive Lodgings	-	37,855	37,855	26,157
Hampshire Children's Services	-	47,056	47,056	29,467
Surrey County Council	-	-	-	15,144
Rushmoor Borough Council	-	5,953	5,953	-
Surrey Heath Borough Council	-	10,000	10,000	-
East Hampshire District Council	-	2,174	2,174	-
Rent and personal charges	-	33,195	33,195	20,870
	-	782,914	782,914	729,750
	<b>£113,568</b>	<b>£785,76</b>	<b>£899,332</b>	<b>£838,700</b>

#### 5. FUND RAISING COSTS

	Restricted Funds 2008 £	Unrestricted Funds 2008 £	Total Funds 2008 £	Total Funds 2007 £
Staff costs	-	36,485	36,485	58,692
Support costs	-	11,227	11,227	13,509
Total	£ -	£47,712	£47,712	£72,201

#### 6. CHARITABLE EXPENDITURE

##### CHARITABLE ACTIVITY COSTS

	Activities undertaken directly £	Direct staff costs £	Support costs £	Total 2008 £	Total 2007 £
Accommodation	198,860	366,784	91,736	657,380	622,227
Youth Development	6,457	88,372	54,537	149,366	123,002
Counselling & support	12,561	57,385	2,751	72,697	64,626
Total	<b>£217,878</b>	<b>£512,541</b>	<b>£149,024</b>	<b>£879,443</b>	<b>£809,855</b>

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## STEP BY STEP PARTNERSHIP LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2008

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#### 7. GOVERNANCE COSTS

	Restricted Funds £	Unrestricted Funds £	Total 2008 £	Total 2007 £
Direct costs	-	7,719	7,719	6,752
Support costs	-	12,807	12,807	28,629
	<hr/>	<hr/>	<hr/>	<hr/>
Total	£ -	£20,526	£20,526	35,381
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

#### 8. SUPPORT COSTS ALLOCATIONS TO ACTIVITIES

	Fund - raising £	Accommo- dation £	Youth Develop- ment £	Counselling & support £	Governance £	Total £
Staff costs	-	59,010	37,465	1,890	12,807	111,172
Staff						
Recruitment training and travel	746	4,736	2,471	125	-	8,078
Administrative running costs	1,921	4,961	2,588	131	-	9,601
Building maintenance and running costs	391	18,031	9,406	474	-	28,302
Legal and professional fees	70	2,459	1,283	65	-	3,877
Activities costs	7,967	912	476	24	-	9,379
Other costs	132	1,627	848	42	-	2,649
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	£11,227	£91,736	£54,537	£2,751	£12,807	£173,058
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Support costs have been allocated to projects on the basis of respective direct costs.

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## STEP BY STEP PARTNERSHIP LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2008

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#### 9. NET INCOME

This is stated after charging:

	2008	2007
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	8,162	7,130
Auditors' remuneration - audit services	5,895	4,113
- other services	1,824	1,770
Pension costs	4,414	2,016
Operating lease rentals - land and buildings	23,776	22,776
Operating lease rentals – other	-	1,763
	8,162	7,130

During the year, no Directors received any remuneration (2007 - £NIL).

During the year, no Directors received any benefits in kind (2007 - £NIL).

During the year, no Directors received any reimbursement of expenses (2007 - £NIL).

#### 10. STAFF COSTS AND NUMBERS

Staff costs were as follows:

	2008	2007
	£	£
Wages and salaries	541,904	545,316
Social security costs	50,122	51,411
Pension costs	4,414	2,016
D'n'A contractors	55,861	42,853
Agency fees	7,897	11,513
	£660,198	£653,111

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

	2008	2007
	No.	No.
Governance	2.2	3.0
Fund raising	1.7	1.6
Accommodation and other project staff	18.5	17.9
Cleaner	0.7	1.0
	23.1	23.5

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

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## STEP BY STEP PARTNERSHIP LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2008

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#### 11. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	CyberShed improve- ments £	Furniture, fittings and equipment £	Total £
<b>Cost</b>				
At 1 April 2007	112,409	83,166	174,241	369,816
Additions	-	-	250	250
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2008	<u>112,409</u>	<u>83,166</u>	<u>174,491</u>	<u>370,066</u>
<b>Depreciation</b>				
At 1 April 2007	10,301	83,166	163,483	256,950
Charge for the year	2,248	-	5,914	8,162
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2008	<u>12,549</u>	<u>83,166</u>	<u>169,397</u>	<u>265,112</u>
<b>Net book value</b>				
At 31 March 2008	<u>£99,860</u>	<u>£ -</u>	<u>£5,094</u>	<u>£104,954</u>
<i>At 31 March 2007</i>	<u>£102,108</u>	<u>£ -</u>	<u>£10,758</u>	<u>£112,866</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.

#### 12. DEBTORS

	2008 £	2007 £
<b>Due within one year</b>		
Debtors	27,785	37,797
Prepayments	5,986	6,653
	<hr/>	<hr/>
	<u>£33,771</u>	<u>£44,450</u>

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## STEP BY STEP PARTNERSHIP LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2008

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#### 13. CREDITORS:

##### Amounts falling due within one year

	2008	2007
	£	£
Deferred income (see note 14)	89,555	83,885
Accruals	40,500	20,680
Other creditors	9,697	59,407
Social security and other taxes	13,820	-
	<u>£153,572</u>	<u>163,972</u>

#### 14. DEFERRED INCOME

	2008	2007
	£	£
Balance at 1 April 2007	83,885	41,924
Amounts released in the current year	(83,885)	(41,924)
Amounts deferred in the current year	89,555	83,885
	<u>£89,555</u>	<u>83,885</u>

Deferred income carried forward at 31 March 2008 relates to the following:

- Grant of £10,417 received from Lankelly Chase in respect of 2008/09 costs;
- Grant of £2,947 received from Children in Need in respect of 2008/09 costs;
- Grant of £16,540 received from V involved in respect of 2008/09 costs;
- Grant of £5,100 received from Awards for All in respect of 2008/09 costs;
- £10,000 relates to invoiced income in advance in respect of 2008/09 costs from Surrey Health Supportive Lodgings funding 08/09;
- £1,000 relates invoiced income in advance in respect of 2008/09 cash from Drink Aware;
- Grant of £37,500 received from Ann Rylands in respect of 2008/09 costs;
- £6,051 relates to invoiced income in advance in respect of 2008/09 costs from East Hants Supportive Lodgings

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## STEP BY STEP PARTNERSHIP LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2008

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#### 15. STATEMENT OF FUNDS

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers in/(out) £	Carried Forward £
<b>DESIGNATED FUNDS</b>					
Development Fund	200,000	-	-	-	200,000
Fixed Asset Fund	112,867	-	-	(7,913)	104,954
	<u>312,867</u>	<u>-</u>	<u>-</u>	<u>(7,913)</u>	<u>304,954</u>
<b>GENERAL FUNDS</b>					
General Funds	207,293	845,092	756,952	(71,650)	223,783
Total Unrestricted Funds	<u>£520,160</u>	<u>£845,092</u>	<u>£756,952</u>	<u>£(79,563)</u>	<u>£528,737</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

This fund has been designated to match the net book value of the Charity's fixed assets.

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## STEP BY STEP PARTNERSHIP LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2008

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#### RESTRICTED FUNDS

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers in/(out) £	Carried Forward £
Client Christmas /Activity Fund	-	2,453	1,002	-	1,451
HELP Funds	-	14,592	16,652	2,060	-
Youth Development Projects	-	99,776	173,075	77,503	4,204
<b>Total Restricted Funds</b>	<b>£ -</b>	<b>£116,821</b>	<b>£190,729</b>	<b>£79,563</b>	<b>£5,655</b>

#### Client Christmas /Activity Fund

This fund is used to hold our restricted income donated specifically for client Christmas expenditure and client activities.

#### HELP Funds

The HELP project is the Homeless Education Liaison Project, a peer education service which provides education to around 2000 children and young people in the local community each year.

#### Youth Development Projects

This fund supports a number of projects, which offer a combination of support, skills training, activities and constructive occupation of time.

#### SUMMARY OF FUNDS

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers in/(out) £	Carried Forward £
Designated Funds	312,867			(7,913)	304,954
General Funds	207,293	845,092	756,952	(71,650)	223,783
<b>Total Unrestricted funds</b>	<b>520,160</b>	<b>845,092</b>	<b>756,952</b>	<b>(79,563)</b>	<b>528,737</b>
Restricted Funds	£ -	£116,821	£190,729	£79,563	£5,655
<b>Total of Funds</b>	<b>£520,160</b>	<b>£961,913</b>	<b>£947,681</b>	<b>£-</b>	<b>£534,392</b>

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## STEP BY STEP PARTNERSHIP LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2008

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#### 16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Funds 2008 £	Unrestricted Funds 2008 £	Total Funds 2008 £	Total Funds 2007 £
Tangible fixed assets	-	104,954	104,954	112,866
Current assets	5,655	577,355	583,010	571,266
Creditors due within one year	-	(153,572)	(153,572)	(163,972)
Total	<u>£ 5,655</u>	<u>£528,737</u>	<u>£534,392</u>	<u>520,160</u>

#### 17. CAPITAL COMMITMENTS

There were no capital commitments at 31 March 2008 and 31 March 2007

#### 18. OPERATING LEASE COMMITMENTS

At 31 March 2008 the Charity had annual commitments under operating leases as follows:

	2008 £	2007 £
<b>Expiry date:</b>		
Between 1 and 5 years - Land and buildings	24,353	22,780
- Other	2,585	2,350
	<u>26,938</u>	<u>25,130</u>

#### 19. 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.