



Bridges Project

A company limited by guarantee, registered in Scotland

Annual report and financial statements

Company number SC277102

Charity number SC036976

31 March 2009

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Reference and administrative information

Directors and Trustees	Mrs E Forrest (Chair) Mr W McClure Mr R York Mr J Boyle (resigned from Board 2/3/2009) Mr A Fisher (Lothian Homes Trust nominated) Mr A Thomas (Lothian Homes Trust nominated) Ms S Barry Ms S Lynn – from 2/6/2008 Ms Geraldine McFlynn – from 2/3/2009 Mr Richard Davidson – from 1/6/2009
Company Secretary	Mr J Boyle
Senior Management Team	Mr J Boyle, Chief Executive Ms F Langskaill, Head of Education & Employability and Practice Manager Mrs J Matthews, Head of Finance
Registered office	Unit 1 Bogpark Road Musselburgh East Lothian EH21 6RT
Auditors	Henderson Loggie 34 Melville Street Edinburgh EH3 7HA
Bankers	Bank of Scotland St Andrew Square Edinburgh
Charity registration number	SC036976
Company registration number	SC277102

Trustees' annual report

The trustees present their report together with the financial statements of the charity for the year ending 31 March 2009.

Structure, governance and management

Governing document

Bridges Project is a charitable company limited by guarantee, incorporated on 7 December 2004 and registered as a Scottish charity on 18 November 2005. The company was established under a Memorandum of Association which sets out the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.00.

Appointment of directors/trustees

As set out in the Memorandum and Articles of Association, trustees are both members of the company and company directors. Two trustees (Trust Nominated Directors) are nominated by Lothian Homes Trust at the Annual General Meeting or at some other scheduled general meeting or extraordinary meeting. Trust Nominated Directors are subject to the appointment and nomination processes of Lothian Homes Trust.

Up to seven trustees (Member Directors) are admitted to the Board through the membership application route and are appointed as trustees by the Board at the Annual General Meeting or at some other scheduled general meeting or extraordinary meeting.

There is no power of co-option, although trustees are permitted to appoint external advisers to assist with specialist areas of company or charitable business.

All trustees are advised of the retirement, nomination and re-election procedures of Bridges Project prior to the Annual General Meeting, as set out in the Memorandum and Articles of Association.

The Chairperson, Vice Chairperson, Secretary and any other officers required by the Board are appointed and re-appointed at the Annual General Meeting, or through retirement, at another general or extraordinary meeting.

Trustee induction and training

New trustees undergo an orientation process, organised by the Chairperson of the Board and the Chief Executive. They are briefed on their obligations as trustees and company directors in line with current charity and company law. New trustees are introduced to the Memorandum and Articles of Association, the financial structures, performance and organisation of Bridges Project and of the Board structures and decision making processes. Trustees are introduced to the Senior Management Team and to their roles and responsibilities. A separate day is set aside to meet individually with staff and to be inducted into the practice of Bridges Project. Prior to being elected as members and trustees, they are offered the opportunity to attend a Board meeting as an observer. Trustees are encouraged to attend external training and conference events where these will facilitate the undertaking of their role.

Trustees' annual report *(continued)*

Structure, governance and management *(continued)*

Organisational structure

The Board of Trustees, which can have up to 9 members, administers the charity. The Board meets quarterly; a finance group also meets quarterly with additional ad hoc meetings as required. The finance group reports to the full Board on performance, planning and risk and makes recommendations on financial strategy and spend. A Senior Management Team, consisting of Chief Executive, Head of Finance and Practice Manager is appointed by trustees to manage the day to day operations of the charity. To facilitate effective operations, this team, headed by the Chief Executive has delegated authority, the terms of which are decided and approved by the Board, for operational matters including finance, employment practice, and development. The Board and Senior Management Team work closely together to ensure the fiscal probity of the charity and to ensure that Bridges Project's charitable objectives are met.

Related parties

The charity has a close working relationship with the Board of Governors of the Lothian Homes Trust, a Scottish charity which shares similar objectives to Bridges Project. From 1985 to 31 March 2006, Bridges Project was the delivery arm of Lothian Homes Trust. On 1 April 2006, by mutual consent, Bridges Project became an operating Scottish charity in its own right, having worked through the process during the previous two years of establishing itself as both a company limited by guarantee and a Scottish charity. Lothian Homes Trust nominates two members to Bridges Project's Board and has agreed a long-term funding package with Bridges Project. Bridges Project leases its main operating premises from Lothian Homes Trust. Both organisations share objectives which put disadvantaged young people at the heart of our concerns and our charitable activities.

Risk management

The trustees seek to manage risk effectively and take all reasonable steps to ensure the protection of staff, clients, the general public and the agency's assets. The trustees have a risk management strategy which comprises an annual review of the risks the charity may face; the establishment of systems and procedures to mitigate those risks identified in this review; and the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise. Trustees provide the authority and the responsibility for the establishment, maintenance, support and evaluation of the risk management policy. They set the ethical background and develop the culture of risk management within the agency. The Senior Management Team is charged with supporting and implementing the risk management policies and procedures set out by trustees and is responsible for identifying and reporting major risks to trustees. The Senior Management Team is required to report and remedy failures in existing risk control measures. All staff are encouraged and expected to take personal responsibility for the management of risk.

The trustees have examined the major risks to which the company is exposed, both financial and non-financial, and are satisfied that the rigour of the systems and procedures currently in place are sufficient to mitigate those risks. It is recognised that whilst retention of staff is of persistent concern due to short-term funding packages, the loss of senior management staff would have a significant impact on the functioning of the charity and the situation is under regular review to ensure that appropriate interim management and succession planning strategies are in place. The Board has considered the additional risks posed by the current economic environment and will seek to mitigate the risk of lost deposits by sourcing appropriate banking facilities which will protect assets and generate income.

Trustees' annual report *(continued)*

Objectives and activities

Working in a partnership context, the principal aim of Bridges Project is to assist vulnerable and disadvantaged young people (14-24 years) to manage the key transitions from childhood and adolescence to become responsible young adults with a better understanding of their place in their communities and of the wider world. This is delivered both through direct service provision and the development of practice models and tools.

The company and charitable objects are:

- to provide and/or promote training for young people, particularly in such skills as will assist the participants in obtaining paid employment
- to relieve unemployment for the public benefit among young people in such ways as may be thought fit, including assistance to find employment
- to promote and protect the welfare and physical health of young people and to assist in the relief of ill health and the provision of health education for young people
- to relieve poverty among young people
- to relieve the needs of young people who suffer from mental and/or physical disability, illness or impairment
- to work towards the elimination of discrimination (whether on the grounds of race, religion, disability, gender, sexual orientation or otherwise) in relation to young people, and to promote and support equality of opportunity for all young people irrespective of race, religion, disability, gender or sexual orientation
- to help young people to develop their physical, mental and spiritual capacities, such that they may grow to full maturity as individuals and as members of society
- to promote public safety, in particular with regard to young people
- to assist in the provision of housing for young people who are in necessitous circumstances
- to advance education among young people
- to promote and/or support other charitable projects and programmes for the benefit of young people

The key activities which are delivered to support these objects are:

- the development of young people's employability skills across East Lothian, through the work of a Personal Development Worker. This service utilises intensive one-to-one support and group work as the means of improving skills and employment prospects to those who are very distant from the labour market
- the provision of intensive one-to-one tutor support to those young people who have difficulties with literacy, numeracy and other basic and life skills across East Lothian and Midlothian. A Personal Tutor is employed to deliver this service which enables young people to become more competitive in the local labour market and improves life opportunities
- the provision of specialist one-to-one support and group work to enable young people to change destructive behaviour patterns, overcome personal obstacles and barriers to better manage transitions and improve self esteem and personal confidence. This service is restricted to 14 to 18 year olds and is delivered by a Personal Development Worker working across East Lothian and Midlothian

Trustees' annual report *(continued)*

Objectives and activities *(continued)*

- the improvement of young people's household management and independent living skills through intensive one-to-one support and a group work programme which focuses on the development of cooking, budgeting, hygiene and home maintenance skills. Operating across East Lothian this service works with all young people with a housing need and is delivered by a Homemaker and a Home Maintenance Support Worker in partnership with East Lothian Council, Changeworks and Haddington Citizens Advice Bureau
- the insertion of young people into work practice placements through the work of an Employability Skills Coordinator and an Employability Support Worker, the aim of which is to provide young people with the opportunity to try the world of work and to develop skills which are required by local employers. This service operates across East Lothian and prioritises young people with a housing need or who are in throughcare and aftercare with the local authority
- the provision of an extensive group work and activity programme which enables young people to experience a social context, develop social and employability skills, improve self-confidence, become aware of health issues and to experience working in teams towards common goals. Open to young people in East Lothian and Midlothian, this service is delivered by a Senior Youth Development Worker and a group worker and is supplemented by volunteers, sessional staff and students
- the education of young people in school about the need to plan for independent living and leaving home and how to approach the future in relation to leaving school, jobs, further education and training. This preventative programme is delivered by all staff and is supported through the housing education partnerships in East Lothian and Midlothian and through partnerships with Careers Scotland, schools and integration teams
- the provision of information and signposting to young people by email and by telephone and the provision of a Eurodesk local relay service which provides information to young people about the possibilities of living, working, studying, volunteering and travelling in Europe
- the continued development of practice tools which are made available to practitioners and managers in the voluntary, statutory and private sectors

All these activities are delivered in partnership with the range of statutory, voluntary and private sector partners. The trustees recognise the importance of partnership working in the provision of best value and high quality services to young people from disadvantaged backgrounds. Our key delivery partners this year are:

Blue Triangle (supported accommodation)
Caledonia Youth
Careers Scotland
Dialogue Youth (East Lothian)
East Lothian Community Health Partnership
East Lothian Council
East Lothian Housing Association
East Lothian Housing Education Partnership
East Lothian Learning Partnership, including East Lothian Adult Literacy and Numeracy
Eurodesk/British Council
Haddington Citizens Advice Bureau
Jewel and Esk College
Midlothian Adult Literacy and Numeracy Initiative (MALANI)
Midlothian Council (Midlothian Training Services)
Midlothian Housing Education Partnership

Trustees' annual report *(continued)*

Objectives and activities *(continued)*

National Library of Scotland
New Horizons (supported accommodation)
Pennypit, Prestonpans
Project Scotland
Queen Margaret University
Spark of Genius
Yipworld.com (Cumnock)
Youthlink Scotland
Local employers across East Lothian and Midlothian
Eleven local secondary schools, pupil support and integration teams

The trustees take their responsibility as contributors to strategy development seriously and are committed to advocating for young people through staff participation in a number of local and national strategy groups led by local authorities, partnerships and national agencies.

Trustees' annual report *(continued)*

Achievements and performance

Trustees are acutely aware of the need to deliver outcomes from the investment made by external funders. The Board welcomes the challenges presented by the new thinking behind many of the funding bodies and it remains committed to the development of services which are driven by quality outcomes and which maintain beneficiary interests at the heart of all the agency's processes. Trustees are delighted that more funding bodies are prepared to invest in services which are proven to deliver these outcomes for disadvantaged young people, and note, with pleasure, that innovation is no longer the key driver behind the strategies of many funding bodies. Nevertheless, we do wish to remain at the leading edge of creative service design and delivery, and staff are expected to continue the excellent work in providing services which include innovative practice within daily work schedules.

In a period of financial upheaval, great uncertainty, and changing financial structures for many charities, the Board and staff have continued to work together to achieve targets and outcomes set down by investors and funding partners. Together, they have continued to strive to improve the quality of services on offer to young people and ensure that the services remain relevant and effective. The charity has also committed a large proportion of its core funds to continue and develop existing services in order to improve outcomes for young people using the services. The Board values the staff who deliver the services and this financial commitment is a statement of their trust and appreciation of the work which is undertaken in their name by a skilled and dedicated staff team.

Whilst there is increasingly intensive competition for available funds and despite losing two full-time workers to Midlothian Council, we are delighted, nonetheless, to report that we have been able to maintain the flow of referrals to Bridges Project and we have increased the number of young people who were able to benefit from our services over the year to **284 individual young people**, not counting our class-based attendees or those using our enquiry answering service. Of these young people, **59** benefited from the use of two of our services; **30** from three services delivered by Bridges; **7** benefited from using four of our services; and **4** young people used five services. It is extremely encouraging that the team is able to work together and in collaboration with external agencies to provide comprehensive packages of support for so many young people. The average age of these service users on referral was just under **17 years** which represents a continuing trend at Bridges Project, of a younger population being referred for help with transitions from school and from the family into independent living situations. Of all service users, **53%** were male and **47%** were female.

We have invested greatly in our team this year, helping a number of staff to attain professional qualifications whilst encouraging everyone to continue to develop and grow their skills. We have introduced quarterly reflective practice days for staff to provide an environment where they can freely explore the principles and practice which drive their work. We are delighted to be the recipients of a training programme on attachment theory, provided by East Lothian's educational psychologists. This programme has been hugely helpful in enabling staff to contextualise their work with young people who demonstrate greater behavioural challenges. Our team has continued to refine the monitoring and evaluation systems which are required by the Board and investors to demonstrate value for money and outcomes for young people. Of particular note has been the training provided by Evaluation Support Scotland which has forced us to think much more about the impact of our work and how we measure and demonstrate the changes in the lives of our beneficiaries. We have applied the learning from this training to two services and intend to roll out this new evaluation framework to a number of services in the year ahead.

Trustees' annual report *(continued)*

Achievements and performance *(continued)*

We have worked tirelessly to produce, with young people, tangible demonstrations of their work, all of which had an impact on the visitors to our Open Day in December and which will be made available to other young people through the new young persons' blog on our website. We are happy to report a big uptake of opportunities for young people to have their voices heard and those young people in our Young Voices and multimedia groups are to be congratulated for their professional contribution to our European seminar which they filmed and then created a DVD for all our European partners. We are also delighted that so many young people took part in our participatory appraisal week which gave them the opportunity to feed back, in a number of ways, about the services on offer at Bridges Project. A number of young service users also participated in East Lothian Council consultations on transitions and on youth services through the Youth Vision events. We have continued to improve the integration of our services and to plug gaps in our service framework, mainly through the development of new partnerships with our colleagues in health, youth services, schools, social work and new local and national partners.

The Board decided to make a small change to the memorandum and articles which permitted the Chief Executive to resign from the Board as a Director. This decision was taken to ensure that there is clear blue water between the functions and duties of the Board of Directors and the staff team and the change was approved by OSCR. The Board is delighted to welcome three new Directors: Sally Lynn, who has a legal background; Geraldine McFlynn, with a background in psychiatry; and more recently, Richard Davidson who brings extensive experience of finance and business. The Board remained committed, throughout the year, to the development and delivery of services in the local authority areas of East Lothian and Midlothian. Whilst there has been a great deal of investment in our work by East Lothian Council, the dearth of funding made available through Midlothian Council poses questions for the future in relation to our existing and future work in Midlothian. The Board feels that this issue and many more about the shape and direction of our services needs to be addressed and as such, we have agreed that a new strategic/business plan is required. This will be one of the Board's priorities during 2009/2010. At the heart of our work is the commitment to meet the practical, social and emotional needs of young people who experience social isolation, marginalisation, and personal and structural barriers on their journey to self-reliance.

The Board wishes to thank all our funding and delivery partners for sharing our aspirations and trusting our work. Special thanks go to the staff team who work very hard to meet our operational and strategic objectives without losing sight of the need to place young people at the centre of all our processes. They are a professional and diligent team and it is our pleasure to be part of the team. We also wish to congratulate the young people for their unstinting efforts to change things for themselves and for demonstrating to us that change does happen, even in the most difficult of circumstances.

Groupwork and skills development

Groupwork

So many of the young people we work with are socially isolated and have few, if any, opportunities to mix with their peers and to develop the life and social skills they require to make the transition from adolescence to adulthood. Our extensive groupwork programme continues to provide innovative and exciting opportunities for young people to meet, develop skills and competencies required by employers and landlords and by young people as they enter adulthood. We have been fortunate to be in the position to invest our own money to develop this service with the introduction

Trustees' annual report *(continued)*

Achievements and performance *(continued)*

of a second full-time member of staff into this small team and again, have benefited hugely from the input by our Project Scotland Volunteers, sessional volunteers and students from Jewel and Esk College. We have been able to introduce new experiences for our service users thanks to the development of new partnerships with East Lothian Council, the Lamp of Lothian and Scottish National Youth Orchestra, Midlothian Training Services, Pennypit Youth Project, the Bike Station, Queen Margaret University, the Bridge Centre's Motorcycle Project, and the National Library of Scotland. Substantial investment from the Community Food and Health Initiative (Scotland) and individual development awards from The Princes Trust have enabled staff to deliver a number of courses to assist young people to enter the construction trade and to drive forward with our healthy eating initiative.

Whilst the bulk of our group activities are coordinated and delivered by our groupwork team, most other staff have also been involved in providing group-based experiences, from confidence building, literacy and numeracy groups in association with Midlothian Training Services to employability skills development, healthy eating, and Pacific Institute STEPS courses. Whilst we continued to deliver our easy access, core activities such as art, sport and drop-in, we were also able to develop and deliver workshop and project opportunities with a focus on the use of multimedia, cooking and good health, bicycle building and riding, motorcycle riding and maintenance, classical music, storytelling and graphic comics, the Gatehouse community garden development and felt-making!

The young people using the service produced an exhibition with the National Library of Scotland on the use of graphic comics as a means to personal expression and completed a DVD on conflict resolution in association with Queen Margaret University. They filmed and made a DVD for East Lothian Council's Corporate Parenting Conference in partnership with our Yipworld.com colleagues, made their own bikes alongside staff from the Bike Station and learned the art of motorcycle safety, maintenance and riding with the Bridge Centre's Motorcycle Project. They addressed multicultural issues and visited mosques, temples, synagogues and churches alongside workers from Israel and Scotland and took part in tracing the steps of great adventurers wearing felt slippers they made with a story teller. The young people danced, drummed on the beach, made some incredible art and photographs, mixed with European visitors and went to classical concerts alongside the patrons of the Lamp of Lothian Trust. Staff and partners have also utilised the investment in new technology to assist our group participants to produce podcasts, evaluations, animations, graphic comics, DVDs and photographic evaluations.

Together with our partners, we delivered **313** groupwork sessions and workshops during the course of the year to **117** young people, many of which were full-day or half-day in duration; continuing our approach which aims to replicate the demands of a full working day.

The groupwork programme is an essential part of Bridges Project's activities. It is a visible and tangible service for potential funders and partners to invest in and we look forward very much to increasing our activities and our partnerships.

Work in schools

The resilience of the East Lothian Housing Education Partnership is testimony to the commitment of all the partners involved during a time of staff cuts and an increasingly crowded curriculum within schools. Our classroom-based work in East Lothian has increased this year with **38** classroom sessions delivered across the six secondary schools to years four, five and six. This work is delivered in conjunction with Haddington CAB and focuses primarily on leaving home in a planned

Trustees' annual report *(continued)*

Achievements and performance *(continued)*

fashion and on the issues presented to young people who live independently. Others in this partnership - East Lothian Council, Changeworks and the Royal Bank of Scotland focus on energy conservation, homelessness and financial management. We are delighted this year to have been involved in providing a new set of workshops for Spark of Genius. Our staff were also asked by Musselburgh Grammar to provide a mix of **11** employability workshops and personal finance workshops to leavers groups at the school. In Midlothian, we provided **11** classroom-based sessions to four secondary schools. Unfortunately, the person responsible for co-delivering and coordinating the Midlothian partnership left her post during the year and we have yet to hear whether this work will continue in 2009.

We participated in the evaluation of the work undertaken by East Lothian Housing Education Partnership and were delighted by the response of pupils who participated in focus groups and video evaluations. The young people were very complimentary of our involved approach to these sessions and felt that the sessions provided the opportunity for them to explore many of the issues which face them as they leave home or go to further and higher education. They enjoyed the hands-on exercises and felt that they were being treated as young adults. Whilst working in schools is time-consuming, it is the view of the Board that the preventative aspect of this work is increasingly important in an environment where jobs and social housing are rare commodities.

Employability and life skills

Employability skills

Readiness for the labour market is one of the key messages delivered by policymakers in Europe, the UK and Scotland. There is growing recognition that the labour force in Scotland needs to be flexible and responsive if economic growth is to be delivered in an increasingly competitive global economy; and that young employees require to have a set of basic, key skills if they are to manage the first steps on the ladder towards a sustainable career in employment. Our services are designed to assist young people to make progress towards being competitive in the local labour market through the attainment and sustaining of these very first steps. It has become clear over this last year that individuals need to be employable or ready to sustain further education if they are to stand a chance of becoming economically active during the recession. At the same time, it has become clear that the bulk of young people being referred to our employability services are coming from personal and family circumstances which make it very difficult for them to compete against their peers. We have experienced growth in referrals as a whole to these services and more of the young people being referred have complex issues which need to be resolved before they are able to address their employability needs. This is particularly so for the young people who are having to cope with the transition from home to independent living and for those whose destination upon leaving school is unclear but whose place within family structure is dependent upon them bringing in an income.

Our personal development worker (employability) assists young people to overcome the personal, educational and structural barriers which appear to be blocking their progress to mainstream opportunities. Through very tailored and planned programmes of intervention, coaching and mentoring, young people are helped to develop the skills which employers, training providers, and further education establishments require of applicants. East Lothian Council confirmed during the year that the funding for this post will be continued to March 2011. This has enabled the worker to continue to develop good operational partnerships with the key housing, advice and welfare services in East Lothian; so essential if young people are to manage tenancies and make progress towards getting a sustainable job. Unfortunately, following the transfer of two posts to Midlothian

Trustees' annual report *(continued)*

Achievements and performance *(continued)*

Council's Midlothian Training Services, we have been unable to offer this service to young people in Midlothian. Nevertheless, the demand for the service remained very high and in order to help manage the waiting list, our worker established a rolling programme of employability groups which involved four rotations of young people participating at Bridges Project, and a fixed leavers' group at Musselburgh Grammar School. From a total of **83** referrals to the service during the year, our worker was able to deliver a one-to-one service to **31** young people, and **9** young people were on the waiting list at the year end. She provided a group intervention to **37** young people, **14** of whom were able to benefit from our other services at Bridges Project. Whilst this mixed approach enabled the project to deliver excellent outcomes to most participants, we were unable to engage with **6** referrals during the year.

Our personal development worker makes a huge difference to those young people who are allocated to the service. It is unlikely that demand is going to decrease in the years ahead, particularly as we are working with greater numbers and with younger people who have been identified by schools as being at risk of not achieving a positive destination on leaving school and who are increasingly at risk of becoming homeless.

The Board would like to acknowledge the continuing foresight of East Lothian Council's Housing Service for supporting this post and recognising that young people in employment are better able to manage independent living and afford tenancies and are less likely to become homeless as a result of family poverty in the first place.

Personal development 14-18 year olds

This service, which has been an integral part of our operations since October 2006, remains unique in its scope and delivery methods in East Lothian and Midlothian. Our approach within this service, to working with very damaged and challenging young people, is firmly set within the models of practice associated with early years work in northern Europe and reflects the scope of competencies normally associated with experienced social pedagogues. Whilst the service is targeted at those young people aged 14 years to 18 years, who are very much at risk of failing to make a successful transition from adolescence to young adulthood, we have been in the position to open out the service to a slightly older age group and assist young people who have become 'stuck' in repeated patterns of destructive behaviour to move on. The BBC Children in Need grant finished in September 2008 and this post has been supported through our reserves, pending a new funding source which we hope to attain in 2009. This very intensive service which utilises a range of pragmatic and interpersonal interventions including life-coaching, therapeutic play and personal reflection encourages young people to examine why their behaviours are problematic, and the impact on themselves, family, school etc. The notion of change and developing strategies for coping with stress and stressful environments is introduced to beneficiaries from the start, which permits very outcome-focused work to take place whilst providing space for the practical interventions associated with crises.

The demand for this service remains very high and yet again, one of our management imperatives has been to help the worker to manage a growing caseload and a growing waiting list. Our personal development worker has worked very hard to improve communication with other professionals from social work, schools, psychological and psychiatric services. She has attended many staged assessment meetings in schools and has managed to negotiate a number of transport packages from the local authority for young people to attend at Bridges Project. This has resulted in a cut in her time on the road and thus, an increase in available spaces on her caseload. We are also experimenting with fixed-time packages, in association with Bridges Project colleagues and external services which should address the most pressing single issues presented

Trustees' annual report *(continued)*

Achievements and performance *(continued)*

by some young people whose situations are less grave, whilst enabling them to move forward with other appropriate service interventions.

In many ways, developing internal and external partnerships and understandings has been the key change in 2008/2009 and it is anticipated that the new service design will continue should funding become available. There were **21** beneficiaries of the one-to-one service in 2008/2009 and it is anticipated that in 2009/2010 more young people will be able to be engaged through the introduction of increased group-based work at Bridges Project and Midlothian Training Services and through establishing the fixed-term programme.

Way2Work employability skills and work practice placements

Our Way2Work service has once again proved to be a very significant service for agencies working with young people and for young people who are preparing to seek employment, often for the first time. We received **94** referrals to this service during the reporting period which is over 100% more than the previous year. Whilst the overview of the service is a partnership between the two local authorities, Bridges Project and Skills Development Scotland, the key to its success is the operational joint working among a host of local agencies, schools and our staff and the unwavering support of local employers. We have worked very hard this year to refine our assessment protocols and processes and have designed two sub-projects: STEPS and Construction Skills Certificate in Safety (CSCS) training to help us to cope with the demand.

The STEPS course, designed by the Pacific Institute, was offered on a ten week cycle, twice during the year, to assist young people to grow their personal confidence and esteem within a work context. A total of **17** young people benefited from this intense programme. The CSCS course is a rolling commitment, delivered in conjunction with Pennypit (Prestonpans), to provide the opportunity for young people to sit and pass their essential construction skills certification which opens up the building trade to them. Two new partnerships with Sharkey's and IKEA have enabled numerous young people to experience the world of work in a carefully planned fashion; along with our existing employer partnerships, we have been able to provide **41** supported employer placements to young people. In addition, **12** young people were supported through the CSCS training programme. At the time of writing, **76** young people had been offered a place within the different Way2 Work programmes. Due to pressure of demand we were unfortunately unable to provide a service to **12** young people and lost touch with them after lengthy periods on our waiting list, whilst a further **6** remained on our waiting list at the year end. For those whose individual work with us is complete, **16** found sustainable employment, **6** went to college, **1** to specialist education provision and **1** to full-time voluntary work. We have high hope that once the placements and ancillary supports for the other young people have been completed, they will be in a much better place to compete within the shrinking local job market.

The young people referred were younger than ever and many have the same complex needs which present throughout Bridges Project's different services. Homelessness, family disruption, mental health problems, learning difficulties, carer responsibilities and non-attendance at school are particular issues for young people using this service. That so many achieve a positive outcome is testimony to the supportive nature of our partners in the private sector and a common recognition among referring and supportive agencies that access to the job market is essential if these young people are to become genuinely self-reliant in the future. Moreover it is a reflection on the motivation of the young people to earn their living and move out of the culture of dependency.

Trustees' annual report *(continued)*

Achievements and performance *(continued)*

Independent living

Homemaker

This has been a year of transition for the homemaker service. A change of staff in the summer of 2008, investment in new training kitchen premises at Bridges Project, new investment from East Lothian Council and a shift in the needs of the client group has meant that our staff have had to remain focused and very organised. We were delighted to receive the news that East Lothian Council will fund the homemaker post through to September 2010 and this commitment was matched by Bridges Project's board of Directors who agreed to pay for the installation of new kitchen and independent living facilities at our Musselburgh premises with some financial help from East Lothian Council.

The year saw an increase in demand for this service and for the first time, we had to introduce a waiting list and develop strategies whereby young tenants and prospective tenants who could not be allocated to the homemaker's caseload could at least be offered some help through the group programme and through joint working with our home maintenance support worker. From the **61** referrals made to this service during the year, **40** young people were allocated for casework and **50** individual young people benefited from being involved in the **38** half-day cooking classes, conflict resolution training and furniture recycling project. Unfortunately we lost contact with **13** young people who needed the casework service but did not want to, or could not, engage in group activities.

Managing the move to new accommodation is a daunting prospect for everyone. It is particularly difficult if you have had little or no experience of independent living and if you are very young, very poor and without the social anchors which can help the resettlement process. The young people who use our homemaker service in East Lothian come from backgrounds of homelessness, early parenthood, family disruption and poverty. More and more are presenting with mental health problems, extreme social isolation, debt and horrendous family backgrounds.

Partnership working has become more important than ever as we seek to help young people manage the transition into independent living, cope with babies and poverty and deal with often destructive relationships with partners and family. We are very grateful for the support provided to this service by our colleagues from Haddington CAB, Changeworks, East Lothian's Community Housing Service, First Step, local housing associations, health visitors and supported accommodation providers, which enables vulnerable young people to manage the crucial few weeks when they first move in to a tenancy and also helps us to maintain young people in their homes when they have been referred for help at the point of losing them. We are delighted to report that none of our service users lost their tenancies through eviction except for one young man who is excluded from accessing housing for very specific reasons. Two other young people left their tenancies in a planned fashion. Otherwise, all other referrals were helped to manage, sustain or improve their housing situation. The homemaker also delivered **20** classroom sessions throughout the year through the East Lothian Housing Education Partnership. It is highly unlikely that the casework element of service will be able to cope with demand in the year ahead. However, we hope that by investing in the new kitchen, we can at least provide more opportunities for young people to develop the key household and organisational skills which will improve their prospects of maintaining their housing futures and managing independent living.

Home maintenance support worker

Confirmation of funding for this post by East Lothian Council's Housing Service through to September 2010 was received during the year and is recognition of the value to their

Trustees' annual report *(continued)*

Achievements and performance *(continued)*

homelessness strategy that by helping young people to learn how to invest in their homes, they are more likely to become attached to their communities and to recognise the personal benefits of keeping their tenancies in good order. The labour intensive nature of the work paid huge dividends during the year as all **28** of the young people supported by this worker sustained their housing provision and only two at year end were considered to be at continuing risk of homelessness. The main thrust of the work continues to be home safety, health and safety and probably most importantly, decoration, flooring, tiling and home design. For every hour of investment by the home maintenance support worker we expect at least a match by young people. Although it can be difficult for some to make the switch from passive receivers of services to active contributors to their home maintenance, this involved approach has paid huge dividends for the young people involved. They have learned invaluable life skills: decorating, carpet fitting, money management, deferred gratification, gardening and DIY. They have learned how to value their homes and themselves and they have become active contributors to their local communities.

As the casework has grown, we have had, unfortunately, to cut back on the groupwork aspect of this post. In 2008, the key group activity was an ongoing project with Stepping Out, working with them to prepare the landscaping aspect and garden wall maintenance at the Gatehouse community centre and garden in Musselburgh. A number of young people from Bridges Project benefited from this collaboration as they were able to use the skills learned for their own home maintenance experience for a wider benefit and we hope to be able to undertake some new community projects in 2009. It is unfortunate that of the young people referred, **9** were unable to use the service or had to wait too long for the service to be free enough to offer the one-to-one support. To help the throughput of referrals in future, it is planned to offer some young people a maximum of six-week blocks of time to address their main issues around home and garden maintenance and to re-offer more blocked time later when casework time becomes available. This service has benefited further by being able to work alongside the homemaker service and thus keeping young people attached to the project pending allocation or the award of grants to undertake specific pieces of home maintenance. This 'team' method will be encouraged further in 2009 to enable more young people to benefit.

Youth literacy and numeracy

Personal tutor (youth literacies)

Our Personal Tutor (youth literacies) received **41** individual referrals to the service during the year. It is unfortunate that we were only able to offer this service to **23** young people due to the longevity and the intensity of the interventions. Inevitably, a lengthy waiting list was established and a number of young people who were referred were lost to us due to delays in offering them individual tuition.

The young people using the service continued to benefit from the partnership with Dr Nadia Northway from Glasgow Caledonian University and Rainbow Readers which provided very specialist eye testing and remedies for those whose literacy skills have been under-developed due to underlying optical problems. We are also very happy to have received excellent support from Evaluation Support Scotland through the Laidlaw Youth Trust funding package to help us to revisit our evaluation framework, which has resulted in a change to our assessment processes, measurement of change and shift in quality of life indicators.

The very detailed one-to-one learning plans and tuition packages on offer tackled the range of learning needs from severe learning difficulties through to literacy support for young people

Trustees' annual report *(continued)*

Achievements and performance *(continued)*

seeking basic qualifications. The tutor also delivered a new set of group-based numeracy classes to **26** young people undergoing vocational training at MTS in Midlothian over the course of twelve sessions. This is likely to continue next year and the success of the pilot was largely down to the motivation of the trainees and the approach adopted by our tutor who was able to tailor the tuition to the vocational needs of the participants.

We are delighted that The Gannochy Trust continues to part-fund this service and we welcome new investment in 2009-2010 by the Ernest Cook Trust which helps to keep this difficult-to-fund yet invaluable service responsive and very much relevant to the needs of those young people who struggle with words and numbers in a world where much is expected of them in these areas.

Service development and strategy

Delivering in partnership

It is impossible to deliver effective services to our beneficiaries in isolation. As funding pots are cut we all need to work smarter to make real improvements in the lives of disadvantaged young people. Targets from investors are becoming more outcome-focused and this necessitates using existing services more extensively to provide the outcomes required. Bridges Project has always prided itself in working collaboratively with agencies in the public, voluntary, educational and private sector to maximise benefits for young people and we are delighted at the response of our strategic, funding, management and operational partners in 2008/09 in assisting us to meet our objectives.

We have sought to continue to develop new partnerships over the year and to build on existing ones. New partners within the schools' network have provided a rich source of new referrals for all our services and we have had an amazing response from employers like Sharkey's and IKEA who work with us to provide work practice placements. A new partnership with East Lothian's throughcare and aftercare team has resulted in the opening of work practice placements within the local authority and a working protocol which enables us to support their young people in their own placements. New partnerships with the Bike Station in Edinburgh, the arts team at Brunton Hall, the motorcycle and music projects at the Bridge Centre in Haddington and Women Onto Work have all produced wonderful opportunities for our young people to grow and develop new and enduring skills. Local partnerships harness the energy and intelligence of all concerned and can be incredibly important tools in identifying and closing gaps in services for disadvantaged young people. Whilst they may never fully overcome some of the key policy obstacles which can confront young people who are forced to become self-reliant before their peers, partnerships nevertheless, maximise the benefits available to them on a local level and provide easier access to the range of helping services available.

Transnational activity

For most of the past year Bridges Project has been the only local UK partner in the Eurodesk network which has meant an increase in the number of enquiries managed from young people in Scotland and across Europe about opportunities for working, studying and living abroad. Individual enquiries numbered **250** and the project remains very active in providing other network partners with information about social policy and youth work practice in Scotland. We have also been working with a number of European partners to establish a European network of local agencies who directly work with young people. The primary objective for our involvement in the planning of this network is to provide better access to European opportunities for young people who have fewer opportunities than their peers. This work is funded through the European

Trustees' annual report *(continued)*

Achievements and performance *(continued)*

Commission's Citizenship programme and culminated in Bridges Project hosting a very successful multinational seminar with guest speakers from across Europe and Scotland providing a strong input. This work will continue in 2009.

We also hosted an exciting job shadow with a worker from Israel spending ten days with staff and young people, courtesy of investment from the European Commission's Youth In Action programme. All this work has been supported by the British Council and we are grateful for their support and guidance. Our European work has been complemented this year by more contact and involvement with multicultural projects across Scotland. We have become increasingly aware of having to address some of the cultural understanding deficits presented by growing numbers of young people. This is not an easy subject to tackle, but we have had very successful visits to mosques, temples, churches and multicultural projects and will forge ahead with bilateral and multilateral exchanges in Europe and Ireland next year. We will also continue our new work with black and ethnic minority groups to ensure that young people reap the benefits of living in a culturally diverse country.

The Board is keen that as many staff as possible are involved in transnational and multicultural work as we recognise the great added value this type of work can bring to workers and their professional performance.

Trustees' annual report *(continued)*

Financial review

The financial position of the company at the year end is as disclosed in the balance sheet on page 25. Once again, we are in the fortunate position of having received some grants in advance for services to be delivered in the forthcoming financial year and beyond and these have been deferred accordingly. The results for the year are shown in the statement of financial activities on page 24, with a reconciliation of restricted funds at note 15 on page 34.

Unrestricted funds were designated last year to meet shortfalls in specified key service delivery posts and towards the provision of our new training kitchen which we are delighted to have seen fruition. This year our non-charitable expenditure (governance and costs of generating funds) accounts for less than 3% of total expenditure. Expenditure in the main areas of service delivery was: employability and life skills (36%), group work and skills development (17%), youth literacy and numeracy (12%) and independent living (24%). There has been substantial involvement in European exchanges this year, both hosting and visiting, as well as the organisation of a seminar which brought together 39 delegates from a range of countries. This area of work accounted for 5% of expenditure this year.

Funding

We are extremely grateful to the Governors of the Lothian Homes Trust for their continued faith in Bridges Project and the value of our work. Their generosity, together with those of other funders who are appreciative of the full cost of delivering a service, has enabled us to maintain the sound infrastructure on which the agency is built.

This year we have seen an increase in the range of funders supporting our work. We are delighted to acknowledge a further increase in commitment from East Lothian Council's Housing Service across several of our services. Grants from the Laidlaw Youth Trust, The Gannochy Trust, the Big Lottery Fund and Esmee Fairbairn Foundation, along with the existing grant from BBC Children in Need, have substantially supported both our employability and life skills, and adult literacies services. New investment from The Moffat Trust has enabled us to help young people develop multi-media skills within the groupwork programme and we are pleased to note that this commitment has been agreed for a further two years. Specific grants have enabled highly focused group activities, providing valuable experiences for young people whilst at the same time, producing finished products for the benefit of a wider audience.

We were successful in our application for funding for a part-time support worker from East Lothian's Fairer Scotland Fund to cope with the increasing demands placed upon our Way2Work service. A second successful bid to this fund will enable us to employ a full-time worker to this post from summer 2009.

Our end of year position has enabled the Board to designate funds to ensure the continuation of our personal development 14-18 years service for a further six months, and our youth literacies service until the end of March 2010, pending grant applications to re-fund these posts. The trustees have also provided for a new group worker to organise and co-deliver the increasingly busy groupwork and skills development programme, to be established from June 2009. Further funds have been required to be set aside in order to cover the immediate costs of repairs to the central heating boiler and hot water system.

As the financial picture for charities is subject to changes and in some quarters, cuts, the Board wishes to acknowledge the financial and in kind support of all our investors who themselves, are under increasing pressure to deliver their own objectives with smaller pots of cash.

Trustees' annual report *(continued)*

Financial review *(continued)*

Reserves

There are three strands to the company's reserves:

A restricted reserve comprising of funds that are restricted by donor to specific areas of activity and/or service delivery. Any funds remaining at the close of a financial year are declared and held in the restricted reserve for future use in the defined area of service delivery and according to the terms and conditions of the relevant funders.

A general reserve (unrestricted) which is intended to meet financial shortfalls in the management and development of the company's day to day activities. On occasion, unrestricted funds may be designated in order to meet future planned expenses, for example: to meet time-limited funding shortfalls in operational posts, where the seamless continuation of the post is of critical importance in allowing the company to function effectively in delivering services to clients, customer and partner agencies; to take forward new pieces of work either in practice or development; or any other area of work or obligation which is additional to, or cannot be met by, the normal annual budget. The general reserve is intended to be flexible in the context of an agency where much of the funding is short-term and restricted. The Board has reviewed the risks and correspondingly the level at which the general reserves should be maintained; and has allowed for the sum of £66,950 to provide for replacement of critical equipment; to meet time-limited funding shortfalls where seamless continuation is of critical importance in delivering services to clients, customers and partner agencies; and to cover any additional costs in the event of any statutory redundancy or pension liability payment due to contraction of services.

A restricted endowment fund comprising the sum of £61,800 which has been provided by Lothian Homes Trust to Bridges Project as a one-off payment, to be used towards meeting the financial obligations incurred by the company as a result of the following and any other similar circumstances:

- in the event of the company having to be wound up including the associated costs of staff redundancies
- in the event of employee, client, customer or other third party litigation against the company
- in the event of the company pursuing litigation against an employee, client, customer or other third party
- in the event of other necessary, exceptional and legitimate costs arising which are not able to be met through the company's annual budget or other standard financial route otherwise available to the company

At the request of the Lothian Homes Trust-nominated trustees, this endowment fund has been increased by a small percentage to allow for potentially increased costs of winding up at an indeterminate future date. The reserves outlined above are managed as prudently as current economic circumstances allow, whilst remaining readily accessible. Financial strategies take into account the need both to maintain and, where possible, increase the amount so that the company is secured against unexpected legitimate financial demands, losses and emergencies.

Trustees' annual report *(continued)*

Plans for future periods

For the year 2009-2010 we aim to continue with our current levels of service delivery and strive to secure continuation funding for existing posts where possible. In addition, we hope to secure a new post to help deal with the increasing flow of referrals from schools and agencies who require a service for the younger people who are struggling to make the transition from adolescence into adulthood. This new 'Transitions' post will help us to provide a short-term, 'triage style' assessment service for those young people who do not fit neatly into any one of our focused services and will also work longer term with more complex cases to help guide young people towards a suitable post school pathways.

We hope in the coming year to have new partnerships with Healthy Respect, East Lothian Community Health Partnership and the Community Adult Mental Health Service, through which, and along with the introduction of our new kitchen facilities, we hope to address some of the health inequalities faced by this population.

In the year ahead, we are excited by the prospect of working jointly with The Duke of Edinburgh Awards scheme and Mobex East Lothian, and are very happy to be partners with the Bike Station for a large-scale bicycle recycling, rider training and maintenance project. We aim to introduce environmental and black and minority ethnic issues to young people through a new partnerships brokered through the Forum for Environmental Volunteering Activity (FEVA) and the British Trust for Conservation Volunteers (BTCV). We will continue to foster our relationships with East Lothian Council's Community Services, the National Library of Scotland, and the many local service providers we are proud to call partners.

We will continue to work alongside Queen Margaret University, the National Library of Scotland, East Lothian Council's Dialogue Youth and YipWorld.com to deliver longer workshop experiences for young people and we will explore new and exciting opportunities with the Bike Station, the Bridge Centre, Mobex, The Duke of Edinburgh Awards scheme and the Countryside Rangers. We will build on our Scottish residential experiences and provide a multinational youth exchange experience with our partners in Slovenia for a group of young people and a second experience in Scotland with our partners from Ireland.

We are committed to the development of the Young Voices programme at Bridges Project and intend to deliver a second week of participative appraisal for service users, building on the success of last year's event. We will utilise the evaluation frameworks provided by Evaluation Support Scotland to become smarter at reporting our successes, outcomes and outputs and most importantly, the changes we have made to the lives of our service beneficiaries. We will design and host a new blog/website for young people to complement our 'business' orientated website.

Following the 2008 implementation phase, in association with Borders College, Bridges Project will continue to introduce the accredited Borders College Tenancy Award to young people and new staff will be trained as accreditors.

Bridges Project is to become a regional partner within the new Eurodesk UK network and we will continue to support the establishment of the new practice network being led by our staff and colleagues from France, Germany and Yipworld.com in Cumnock. Whilst we recognise the financial difficulties faced by Project Scotland, we intend to explore newly designed and focused placement opportunities. For the fifth year running, we will offer placement opportunities to students from Jewel and Esk College, Stevenson College and Napier University.

Trustees' annual report *(continued)*

Plans for future periods *(continued)*

Bridges Project is a partner with The Action Group in promoting a new supported employment service in East Lothian for young people with disabilities and we will continue to work with them to support funding bids to achieve this objective.

East Lothian and Midlothian will continue to be the areas of operation for the charity for the foreseeable future. Whilst there is scope for the charity to operate further afield, trustees are of the opinion that extending current services beyond the existing geographical area of operation will dilute the quality of the input and the experiences for young people and weaken the key strength of the project, which is its team approach to service delivery and problem solving.

The Board will seek to strengthen its membership in order to fulfil these objectives and aspires to maintaining a full quota of nine members in 2009. We will work with staff to design a new three-year strategic plan to meet the policy and financial challenges which lie ahead and we will explore options for further utilising the wealth of experience and skills which trustees bring to the Board.

Trustees' annual report *(continued)*

Statement of trustees' responsibilities

The trustees are responsible for preparing the annual report and financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees 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 company and of the surplus or deficit of the company for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make sound 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 company will continue in business.

The trustees are responsible for maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the company, and enable them to ensure that the financial statements comply with the Companies Act 1985, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 made thereunder. The trustees are responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are also responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

Auditors

Messrs Henderson Loggie were appointed as the charitable company's auditors during the year; a resolution will be proposed at the Annual General Meeting that they be reappointed as auditors for the ensuing year.

Approval of the report

So far as each director is aware, there is no relevant audit information of which the auditors are unaware. Each director has taken the appropriate steps as a director to make themselves aware of such information and to establish that the auditors are aware of that information.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (March 2005) and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

Approved by the trustees on 7 September 2009 and signed on their behalf by:

Mrs E Forrest
Chair



HENDERSON LOGGIE

Chartered Accountants

34 Melville Street
Edinburgh
EH3 7HA
United Kingdom

Independent auditors' report to the Trustees and Members of Bridges Project

We have audited the financial statements of Bridges Project for the year ended 31 March 2009 which comprise the statement of financial activities, the balance sheet and the related notes. The financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made exclusively to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985 and to the charity's trustees, as a body in accordance with Section 44(1)(c) of the Charities and Trustees Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the company's members and the charity's trustees 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's members as a body and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of the company for the purposes of company law) responsibilities for preparing the Trustees' 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 Trustees' Responsibilities.

We have been appointed as auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 1985 and report to you in accordance with those Acts. 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 and whether the information given in the Trustees' Annual Report is consistent with those financial statements.

We also report to you if, in our opinion, the charity has not kept proper accounting records, if the charity's financial statements are not in agreement with those accounting records, if we have not received all the information and explanations we required for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed.

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

Independent auditors' report to the Trustees and Members of Bridges Project

(continued)

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 trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity'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.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charity as at 31 March 2009, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985, the Charities and Trustees Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006; and
- the information given in the Trustees' Annual Report is consistent with the financial statements.

Henderson Loggie

Registered Auditors

(Eligible to act as an auditor in terms of section 25 of the Companies Act 1989)

Statement of financial activities for the year ended 31 March 2009

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Year to 31 March 2009 £	Year to 31 March 2008 £
Incoming resources							
From generated funds:							
<i>Activities for generating income</i>	2	-	-	-	-	-	5,044
<i>Investment income</i>		12,954	-	-	-	12,954	14,104
From charitable activities	3	276,887	-	290,828	-	567,715	523,332
Voluntary income	4	100	-	42	-	142	4,980
Total incoming resources		289,941	-	290,870	-	580,811	547,460
Resources expended							
Cost of generating funds:							
<i>Grant applications</i>		(5,925)	-	-	-	(5,925)	(5,654)
<i>Training delivery costs</i>		-	-	-	-	-	(12)
Total cost of generating funds		(5,925)	-	-	-	(5,925)	(5,666)
Charitable activities:	5						
<i>Service development and strategy</i>		(17,055)	(172)	-	-	(17,227)	(20,490)
<i>Transnational activity</i>		(12,062)	-	(15,867)	-	(27,929)	(5,199)
<i>Youth literacy and numeracy</i>		(4,891)	(3,989)	(44,773)	-	(53,653)	(80,111)
<i>Employability and life skills</i>		(46,218)	(17,512)	(132,528)	-	(196,258)	(206,725)
<i>Independent living</i>		(24,338)	(8,488)	(89,727)	-	(122,553)	(85,119)
<i>Groupwork and skills development</i>		(66,471)	(11,409)	(12,488)	-	(90,368)	(80,760)
Total expenditure on charitable activities		(171,035)	(41,570)	(295,383)	-	(507,988)	(478,404)
Governance costs	6	(7,183)	-	-	-	(7,183)	(7,320)
Total resources expended	6	(184,143)	(41,570)	(295,383)	-	(521,096)	(491,390)
Net incoming/(outgoing) resources		105,798	(41,570)	(4,513)	-	59,715	56,070
Transfer between funds		(91,013)	89,213	-	1,800	-	-
Net movement in funds		14,785	47,643	(4,513)	1,800	59,715	56,070
Funds at 31 March 2008		66,565	42,298	32,415	60,000	201,278	145,208
Funds at 31 March 2009		81,350	89,941	27,902	61,800	260,993	201,278

Balance sheet

as at 31 March 2009

	Note	At 31 March 2009		At 31 March 2008	
		£	£	£	£
Fixed assets	10		2,343		5,025
Current assets					
Debtors	11	22,561		122,126	
Short term deposits		274,964		233,590	
Cash at bank and in hand		18,316		55,463	
			315,841	411,179	
Creditors: Amounts falling due within one year	12	(53,858)		(208,260)	
Net current assets			261,983		202,919
Total asset less current liabilities			264,326		207,944
Creditors: Amounts due after more than one year	13		(3,333)		(6,666)
			260,993		201,278
Represented by					
Unrestricted revenue:	14				
General		81,350		66,565	
Designated		89,941		42,298	
			171,291		108,863
Restricted revenue	15	27,902		32,415	
Restricted endowment	15	61,800		60,000	
			89,702		92,415
			260,993		201,278

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and were approved by the Board of Trustees and authorised for issue on 7 September 2009 and signed on its behalf by:

Mrs E Forrest
Chair

Notes to the accounts

1. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments to market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005), the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 1985.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Designated funds are unrestricted funds earmarked by the Board for particular purposes. Restricted funds are subject to grant and/or donor terms and conditions.

Income recognition

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. Grants received in advance for services to be delivered in a future financial year are treated as deferred income to be drawn down in the subsequent period as defined by the terms and conditions of those grants.

Volunteers, secondments and donated items

The value of donated items and services provided by volunteers and secondments has not been included in these accounts.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be recovered, and is reported as part of the expenditure to which it relates:

- Costs of generating funds comprise: an estimate of the cost of staff time spent on researching and completing grant applications, and separately, the costs associated with delivering *Bridges to Employability* training, a fund generating operation.
- Charitable expenditure comprises those costs incurred in the delivery of activities and services for beneficiaries. It includes both costs that can be allocated directly, and those costs of an indirect nature necessary to support them.
- Governance costs are the costs of meeting statutory obligations, including audit.
- Support costs include central administration functions and overheads and are allocated to activity costs based on proportion of staff hours per activity.

Foreign currency transactions

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains and losses on translation are included in the statement of financial activities.

Fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation, and are depreciated over 3 years on a straight line basis, apart from tenant's improvements which are written off as expenditure is incurred. Additions costing less than £500 are not capitalised.

Notes to the accounts *(continued)*

Accounting policies *(continued)*

Pension scheme

The company contributes to a defined contribution pension scheme on behalf of employees. The assets of the scheme are held separately from those of the group in an independently administered fund. The amount charged represents the contributions payable to the scheme in respect of the accounting year.

Taxation

The company has been accepted as a charity for tax purposes by the Inland Revenue under Section 505 Income and Corporation Taxes Act 1988.

Notes to the accounts *(continued)*

2. Incoming resources from generated funds	2009	2008
	£	£
Fees from <i>Bridges to Employability</i> training	-	5,044
	<hr/>	<hr/>
3. Incoming resources from charitable activities	2009	2008
	£	£
<i>Grants received 2008-2009</i>		
<i>Restricted</i>		
East Lothian Council Education & Children's Services (CCSF)	-	16,000
East Lothian Council Education & Children's Services (NEET)	-	20,000
East Lothian Council Housing Service (Homemaker)	34,860	30,559
East Lothian Council Community Planning Partnership (NFF)	17,660	42,384
East Lothian Council Housing Service (employability)	47,371	30,285
East Lothian Council Housing Service (Home Maintenance Support)	41,571	40,000
East Lothian Council Housing Service (housing information)	10,000	10,000
East Lothian Council Housing Service (training kitchen)	4,213	-
East Lothian Council (Fairer Scotland Fund)	14,800	-
Midlothian Council Community Planning Partnership (NFF)	7,084	42,520
Midlothian Adult Literacy and Numeracy Initiative	-	13,000
Midlothian Council Get Ready for Work	-	14,521
Laidlaw Youth Trust	17,370	5,794
Big Lottery Fund	33,165	14,585
Esmee Fairbairn Foundation	19,839	8,531
BBC Children in Need	11,250	21,350
The Moffat Trust	5,000	-
The Gannochy Trust	3,334	-
Youthlink Scotland	-	6,600
Project Scotland	3,257	3,596
Community Food and Health	3,132	-
Learning Connections	-	1,300
Ponton House Trust	-	700
East Lothian Local Action Fund	-	500
East Lothian (corporate parenting event)	1,253	-
East Lothian Community Health Partnership (smoking cessation)	-	400
National Library of Scotland	54	-
European income	15,615	257
	290,828	322,882
<i>Unrestricted</i>		
Lothian Homes Trust	275,087	200,000
Midlothian Council	1,800	-
Sundry income	-	450
Total grants	567,715	523,332
	<hr/>	<hr/>
4. Voluntary income and other incoming resources	2009	2008
	£	£
Voluntary income: Donations & fundraising on our behalf	42	4,830
HMRC (for online filing)	100	150
	<hr/>	<hr/>
	142	4,980
	<hr/>	<hr/>

Notes to the accounts *(continued)*

5. Analysis of charitable expenditure

	Direct staff costs £	Resources and beneficiary costs £	Support cost allocation £	Total 2009 £	Total 2008 £
Service development and strategy	10,756	-	6,471	17,227	20,490
Transnational activity	11,080	16,849	-	27,929	5,199
Youth literacy and numeracy	34,860	997	17,796	53,653	80,111
Employability and life skills	121,210	7,101	67,947	196,258	206,725
Independent living	59,259	26,085	37,209	122,553	85,119
Groupwork and skills development	53,693	4,319	32,356	90,368	80,760
	290,858	55,351	161,779	507,988	478,404

6. Allocation of costs and activities

	<i>Charitable activities</i>		<i>Non-charitable activities</i>			Total 2009 £	Total 2008 £
	Support costs £	Direct costs £	Govern- ance £	Applying for grants £	Training delivery £		
Staff costs *	85,435	290,858	3,679	5,925	-	385,897	398,763
Beneficiary costs	-	17,483	-	-	-	17,483	18,522
Special projects **	-	37,868	-	-	-	37,868	-
Property costs	55,508	-	-	-	-	55,508	50,909
Administration	7,330	-	69	-	-	7,399	6,552
IT support costs	8,505	-	-	-	-	8,505	8,442
Bank & payroll	704	-	-	-	-	704	678
Audit	-	-	3,435	-	-	3,435	3,328
Depreciation	4,297	-	-	-	-	4,297	4,196
	161,779	346,209	7,183	5,925	-	521,096	491,390

* Support staff costs are the salary costs of administrative and management staff which are not directly attributable to charitable or non-charitable activities.

Support costs are allocated across charitable activities on the basis of the number of full time equivalent staff directly involved per activity.

** Special projects undertaken this year include hosting of a European seminar and provision of an independent living skills 'training' kitchen.

Notes to the accounts *(continued)*

7. Staff costs and numbers

	2009	2008
	£	£
Staff costs		
Gross salaries	309,029	318,260
Employer NI costs	30,028	31,147
Employer pension costs	25,651	24,105
Travel	9,639	13,367
Conference and training	4,138	4,030
Recruitment	-	2,687
European activity	3,541	795
Volunteers expenses	3,791	4,152
Other related costs	80	220
	<hr/>	<hr/>
Total staff costs	385,897	398,763
	<hr/> <hr/>	<hr/> <hr/>

Staff numbers

Average number of staff employed during the year:

	FTE	
Management, administration and finance	4.0	Chief executive, practice and finance managers, administrative staff
Literacy and numeracy	1.0	Personal tutor
Employability and life skills	4.0	Personal development workers, Way2Work coordinator and support worker
Independent living	2.0	Homemaker and home maintenance support worker
Group work and skills development	2.0	Senior youth development worker and group worker
	<hr/>	
	13.0	
	<hr/> <hr/>	

Average number of employees on the payroll per month = 15

Secondments and volunteers

During the course of the year we have been pleased to host, and are grateful for the following:

<i>Project Scotland volunteers</i>	<i>2 FTE (part-year)</i>
<i>Student placements</i>	<i>3 from Jewel and Esk College 3 from Napier University</i>
<i>Other volunteers</i>	<i>1 part-time administrator (part-year) 1 group worker (sessions)</i>

Notes to the accounts *(continued)*

8. Trustee remuneration

During the year the Chief Executive, who is also Company Secretary and was, until 2 March 2009, also a trustee, received £43,596 (2008: £42,326) in emoluments. Travel expenses totalling £24 were reimbursed to one trustee during the year.

9. Pension scheme

Employees are entitled to join the Group Self Invested Personal Pension Flexible Retirement Plan set up and operated on our behalf by Standard Life. Independent advice on entering the scheme is provided by Female Financial. The employer contribution is 10% of gross salary with a minimum employee contribution of 4%.

Four staff who were previously employed by Lothian Homes Trust and were with the Lothian Pension Fund, a final salary scheme, were obliged to terminate their membership on 31 March 2006 prior to transfer to the new company's employment. No further liability remains with the new company, save under the terms of TUPE, whereby in the event of the compulsory redundancy of an employee aged 50 years or over at the time of transfer, any pension deficit will be required to be made up. The Board has recommended a policy of no redundancies.

10. Fixed assets

	2009 £
<i>Equipment</i>	
<i>Cost</i>	
At 1 April 2008	68,728
Additions	1,615
Disposals	(4,888)

At 31 March 2009	65,455
<i>Depreciation</i>	
At 1 April 2008	63,703
Disposals	(4,888)
Charge for year	4,297

At 31 March 2009	63,112
<i>Net book value</i>	
At 31 March 2009	2,343
	=====
At 31 March 2008	5,025
	=====

Notes to the accounts *(continued)*

11. Debtors

	2009 £	2008 £
Grants	13,849	113,070
Sundry prepayments	8,712	9,056
	<u>22,561</u>	<u>122,126</u>

12. Creditors

	2009 £	2008 £
<i>Amounts falling due within one year</i>		
HMRC	7,987	8,529
Standard Life pension contributions	3,067	-
Sundry accruals	21,728	7,782
Funds held for individuals (balance of Princes Trust grants) *	2,040	394
Deferred income (note 13)	19,036	191,555
	<u>53,858</u>	<u>208,260</u>
<i>Amounts falling due after more than one year</i>		
Deferred income (note 13)	3,333	6,666

* Funds received for and operated on behalf of individual clients. Total amount received from The Princes Trust during the year was £2,934. Total payments from these funds £1,288.

13. Deferred income

	2009 £	2008 £
<i>Amounts falling due within one year</i>		
East Lothian Council Housing Service (Homemaker)	-	34,860
ELC Housing Service (PDW)	-	47,371
ELC Housing Service (Home Maintenance Support)	-	41,571
ELC Community Planning Partnership (Personal Tutor)	-	17,660
Midlothian Council Community Planning P'ship (PDW)	-	7,084
Esmee Fairbairn Foundation (Way2Work): April-October 2009	11,550	11,942
Big Lottery Fund (Way2Work): April/May 2009	3,529	2,731
Laidlaw Youth Trust (adult literacies)	-	17,370
The Gannochy Trust (adult literacies): year 2	3,333	3,334
Community Food and Health Scotland	-	3,132
BBC Children in Need	-	4,500
European grant, advance payment	624	-
	<u>19,036</u>	<u>191,555</u>
<i>Amounts falling due after more than one year</i>		
The Gannochy Trust (adult literacies, year 3)	3,333	6,666

Notes to the accounts *(continued)*

14. Unrestricted funds

	Opening balance £	Incoming resources £	Resources expended £	Transfers £	Closing balance £
<i>Unrestricted</i>					
General	66,565	289,941	(184,143)	(91,013)	81,350
	_____	_____	_____	_____	_____
<i>Designated funds</i>					
Fixed assets	5,025	-	(4,297)	1,615	2,343
Youth literacy and numeracy	3,516	-	(3,516)	32,143	32,143
Employability and life skills	15,707	-	(15,707)	17,035	17,035
Groupwork and skills development	10,550	-	(10,550)	20,920	20,920
Boiler replacement	-	-	-	17,500	17,500
Training facilities	7,500	-	(7,500)	-	-
	_____	_____	_____	_____	_____
<i>Total designated funds</i>	42,298	-	(41,570)	89,213	89,941
	_____	_____	_____	_____	_____
<i>Total unrestricted fund</i>	108,863	289,941	(225,713)	(1,800)	171,291
	=====	=====	=====	=====	=====

Notes to the accounts (continued)

15. Restricted funds

	Opening balance £	Incoming resources £	Resources expended £	Transfers £	Closing balance £	Restriction
Restricted						
Donations, various	2,042	42	(40)	(7)	2,037	Direct beneficiary costs
East Lothian Council Housing service (kitchen)	-	4,213	(4,213)	-	-	Independent living
East Lothian Council Housing Service (Homemaker)	2,352	34,860	(35,632)	-	1,580	Independent living
East Lothian Council Fairer Scotland Fund	-	14,800	(12,482)	-	2,318	Personal tutor/youth literacies
East Lothian Council Housing Service (Way2Work)	3,643	47,371	(45,379)	(252)	5,383	Employability and life skills
East Lothian Council Housing Service (Home Maintenance Support Worker)	5,083	41,571	(37,511)	-	9,143	Independent living
East Lothian Council Housing Service (housing information)	-	10,000	(10,000)	-	-	Independent living
Midlothian Council Community Planning Partnership (NFF)	-	7,084	(5,417)	(1,667)	-	Employability and life skills
The Moffat Trust	-	5,000	(5,000)	-	-	Groupwork and skills development
BBC Children in Need/other funds package	5,820	11,250	(18,737)	1,667	-	Employability and life skills
Big Lottery Fund/Esmee Fairbairn Foundation package	4,775	53,004	(51,292)	-	6,487	Employability and life skills
Laidlaw Youth Trust/ELC NFF package	6,907	38,364	(44,973)	-	298	Personal tutor/youth literacies
Ponton House Trust	520	-	(520)	-	-	Clinical play therapy supervision
Various sources for specific group activities	1,273	1,307	(1,931)	7	656	Specific group activities
Project Scotland	-	3,257	(3,257)	-	-	Volunteer costs
European sources	-	15,615	(15,867)	252	-	European information exchange
Community Food and Health	-	3,132	(3,132)	-	-	Outdoor activities
Restricted income funds	32,415	290,870	(295,383)	-	27,902	
Restricted endowment funds	60,000	-	-	1,800	61,800	Increase fund by 3% (see note 14)
Total restricted funds	92,415	290,870	(295,383)	1,800	89,702	

Notes to the accounts *(continued)*

16. Analysis of net assets between funds

	Unrestricted Funds	Designated Funds	Restricted Funds	Endowment Funds	Total 2009	Total 2008
	£	£	£	£	£	£
Fixed assets	-	2,343	-	-	2,343	5,025
Net current assets	81,350	87,598	31,235	61,800	261,983	202,919
Creditors due after more than one year	-	-	(3,333)	-	(3,333)	(6,666)
	<u>81,350</u>	<u>89,941</u>	<u>27,902</u>	<u>61,800</u>	<u>260,993</u>	<u>201,278</u>

17. Commitments

The charity has annual commitments under operating leases as follows:

	2009	2008
	£	£
<i>Operating leases which expire in more than five years</i>	<u>31,000</u>	<u>31,000</u>