



Bridges Project

A company limited by guarantee, registered in Scotland

Annual report and financial statements

Company number SC277102

Charity number SC036976

31 March 2008

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Reference and administrative information

Directors and Trustees	Mrs E Forrest (Chair) Miss A McGeoch (Vice Chair) – resigned 3/9/2007 Mr W McClure Mr R York Mr J Boyle Mr A Fisher (Lothian Homes Trust nominated) Mr A Thomas (Lothian Homes Trust nominated) Ms S Barry - from 25/2/2008 Ms S Lynn – from 2/6/2008
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 2008.

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.

One trustee is the Chief Executive who is appointed by the Board at the first meeting following the individual's appointment to the post.

Up to six 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 steps will be taken next year to ensure that appropriate interim management and succession planning strategies are in place.

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 through the work of Personal Development Workers across East Lothian and until May 2008, Midlothian. These staff employ 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. Personal Tutors are 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, 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 e-mail 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:

East Lothian Council
Midlothian Council
Haddington Citizens Advice Bureau
East Lothian Housing Education Partnership
Midlothian Housing Education Partnership
Careers Scotland
East Lothian Learning Partnership, including East Lothian Adult Literacy and Numeracy
Midlothian Adult Literacy and Numeracy Initiative (MALANI)
East Lothian Housing Association
Eleven local secondary schools, pupil support and integration teams
Blue Triangle (supported accommodation)
New Horizons (supported accommodation)
Yipworld (Cumnock)
Hamilton Youth Information Project (HIPY)
Eurodesk
Queen Margaret University

Trustees' annual report *(continued)*

Objectives and activities *(continued)*

Caledonia Youth
Youthlink Scotland
Young Scot
SACRO East Lothian
Midlothian Young People's Advice Service (MYPAS)
East Lothian Community Health Partnership
Dialogue Youth (East Lothian)
Project Scotland

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.

Achievements and performance

The charity has worked very hard to achieve its targets set in conjunction with investors and funding partners, and has striven to develop and improve the outcomes for individuals through its service delivery. It has also committed a large proportion of its core funds to continue and develop existing services in order to minimise disruption to young people and to continue to meet charitable objectives. This year we have provided services to **246 individual young people**, not counting our class-based attendees or those using our enquiry answering service. Of these young people, **70** benefited from more than one service. The average age of these service users on referral was **17 years**; this represents a drop in average age of one year and reflects the increasing number of school-aged children referred to our services. **54%** of service users were male and **46%** were female. Our team has invested a great deal of time this year to develop new monitoring, reporting and evaluation systems. This was required to meet the monitoring demands which arise from multiple funding streams. Each member of our team now has an individual client database and monitoring and evaluation framework. We have delivered our new soft measurement tool, *Bridges to Independence* and have made this available free as a download on our website. We have worked tirelessly to produce with young people, tangible demonstrations of their work and they are to be congratulated in producing three high quality photographic exhibitions, nationally disseminated podcasts and DVDs which can be used by other young people in different settings. 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 group are to be congratulated for their audio-visual inputs into East Lothian's transitions event and Young Scot's podcast project. We have improved the content on our website which is now more succinct and have designed and produced a new set of information leaflets for all of our services. We have continued to improve the integration of our services and to plug gaps in our service framework. The project has increased its capacity to provide excellent learning and professional development opportunities for students and volunteers and has continued its investment in developing staff through ongoing training and funding the support of attaining professional and vocational qualifications.

The Board has sadly, lost its vice-chairperson due to pressure of work, but is delighted to welcome Sarah Barry as a member director. The project has continued to work closely with funders and investors to ensure that the work we do is focused on positive outcomes and is congruent with local and national strategies for disadvantaged young people. 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-

Trustees' annual report *(continued)*

Achievements and performance *(continued)*

reliance. The Board wishes to thank all our funding and delivery partners for sharing our aspirations and trusting our work. A special thanks goes 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 offer praise to the young people who are determined to succeed in the face of often horrendous personal circumstances.

Group work and skills development

Group work

Our extensive groupwork programme has continued and we have been able to introduce new experiences for our service users thanks to substantial investment from the Scottish Government's Youth Opportunity Fund via Youthlink Scotland, East Lothian Council's Local Action Fund, East Lothian Community Health Partnership (Smoking Cessation), Lothian Homes Trust and Red House Home Trust. The core staff member responsible for coordinating the group aspect of our service was very well supported by two full time Project Scotland volunteers, paid sessional staff and staff from our partner agencies. Most of our own paid staff were involved in the group work and activity programme throughout the year. 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 multi-media, cooking and good health, recycling furniture and home furnishings for young tenants and employability skills development. The young people using the service produced a podcast which was used in the East Lothian transitions seminar and as a result of a residential multi-media workshop opportunity with our partners at YipWorld in Cumnock, have been commissioned to video the East Lothian Corporate Parenting Conference in May 2008. Staff and partners have also utilised the investment in new technology to assist our group participants to produce podcasts and videos on, for example, drug use, healthy eating, identity and image and experiences at school in association with MELD, Caledonia Youth and Young Scot. We have worked with SACRO (East Lothian) to run workshops on conflict resolution and we look forward to the product of our collaboration with Queen Margaret University's Department of Film Studies: a DVD on managing conflict across a range of scenarios devised by young people.

This investment in activities has also enabled participants to produce three high quality photographic exhibitions on the new legislation on the sale of tobacco products; still-life everyday objects which have personal meanings; and reflections of where they live. Two residential opportunities were taken up by young people: multi-media training in Cumnock and an outdoor activities experience in Glenshee.

We were also delighted to be able to offer, in partnership with MYPAS, sexual health workshops for young women and specific activities for lone parents and pregnant young women. Music workshops were very well attended and we are immensely pleased with the demand for our focused employability courses.

We delivered **280** sessions during the course of the year to **80** young people, many of which were full-day or half-day in duration; a real change to the previous pattern of largely two-hour sessions.

Each group activity is designed to provide the opportunity for young people, who are very often socially isolated, to meet and socialise whilst learning crucial life and employability skills which are expected by employers, landlords etc. We believe we have achieved these goals.

Trustees' annual report *(continued)*

Achievements and performance *(continued)*

Work in schools

Our classroom-based work has increased in volume again this year and our staff group delivered **75** school-based sessions. We were invited into ten schools and two vocational education units across East Lothian and Midlothian. Our participation in the East Lothian Housing Education Partnership has included four staff delivering **33** sessions on leaving home and independent living in conjunction with Haddington CAB. In Midlothian, one member of staff has designed and delivered **27** classroom sessions on homelessness and leaving home side-by-side with the local authority's Housing Information and Advice Officer. Outside of these formal partnerships, staff designed and delivered a number of programmes on employability skills to three schools which involved **10** classroom based sessions. A further five-session programme, which focused on self-reliance skills for girls was produced for one school. Financial literacy staff from Haddington CAB have made excellent delivery colleagues in East Lothian. In Midlothian, we are very pleased that the lessons have been rolled out to more schools and that the issue of housing and homelessness is being addressed as a very real problem for young people by head teachers and guidance staff. We hope to be able to continue this input next year and are buoyed by the very positive feedback from teaching staff and pupils.

Employability and life skills

Employability skills

The development of skills which enable young people to get jobs is essential if the Scottish Government's agenda on employment is to be met. There are many young people in East Lothian and Midlothian who are so distant from the labour market that they are unable to take up mainstream opportunities which provide them with the first step on the training, education or employment ladder.

Our personal development workers (employability) assist disadvantaged 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 soft skills which employers and trainers require of the prospective workforce. We are delighted that East Lothian Council's Housing Service picked up the funding shortfall through to end March 2008 for the service based in East Lothian. This has meant a re-focusing on the target beneficiary group with more emphasis being placed on young tenants and those young people at risk of homelessness. In Midlothian, we are delighted that a new partnership with Midlothian Training Services worked extremely well and that the two posts based in Midlothian will be mainstreamed through MTS in the year 2008/2009. Whilst it is always disappointing to lose two members of staff, it is gratifying to know that pilots which work well enough can be mainstreamed. We are pleased that we were offered the opportunity to work with Midlothian Training Services in delivering the Get Ready for Work 'Lifeskills' programme for six months and that this programme will continue to run, albeit directly through MTS. We have now established a very well received employability group programme, delivered at Bridges Project as a means to accommodating some of those on the waiting list as well as assisting current service users to hone their employability skills in more of a team setting. Preparing young people for the workforce is essential if they are to become contributing members of the community. We have been able to assist **over 100** young people through these services and have an excellent success rate in helping them to secure and sustain employment, educational, or vocational outcomes. This part of our work will be under greater pressure next year when our two Midlothian staff move across to Midlothian Training Services. It is our intention to seek further investment to provide an employability service for young people in

Trustees' annual report *(continued)*

Achievements and performance *(continued)*

transition from school and for those who are habitual school non-attenders etc. The Board would like to acknowledge the foresight of East Lothian Council's Housing Service for supporting this post and recognising that young people in employment are better able to manage and afford tenancies and are less likely to become homeless as a result of family poverty.

Personal development 14-18 year olds

This service commenced in October 2006 and is highly intensive in design and delivery. Our worker has concentrated on those young people who are very much at risk of not managing to make a safe and healthy transition from adolescence to adulthood. Using a mix of personal coaching techniques, social pedagogical skills derived from practice in Europe and counselling skills, young people are encouraged to examine and change areas of their lives which will enable them to manage transitions better or will permit them to sustain themselves in school, family settings etc. We have introduced therapeutic play as a new tool which has proved very effective in enabling young people to articulate their life stories. The demand for this service has been higher this year than anticipated, and it is very unfortunate that our worker has had to establish a waiting list. We remain encouraged at how well staff in schools, and within social work and integration teams have responded to this service. Despite the intense personal nature of much of the work undertaken, the information-sharing tools and the joint approach to achieving outcomes has worked extremely well and partner agencies have a good understanding of what this service seeks to achieve. This one-to-one service was offered to **21** young people this year, the majority of whom managed to benefit. The residential outing to Glenshee was a great success and the involvement of the worker in delivering stress management and coping skills to MTS trainees and 'Lifeskills' participants has been a welcome development. The individual work was supplemented by input from Jewel and Esk College students which proved invaluable, as did the agreements reached with referring agencies on the provision of transport for beneficiaries. These two developments have permitted us to allocate more young people for individual work and have freed time to deliver more group-based work. Feedback from beneficiaries, external referrers and parents has been very positive and we hope to be in a position to extend the life of this service beyond September 2008, when the BBC Children In Need grant finishes.

Way2Work Employability Skills Coordinator

This post commenced in November 2006 and is designed to prepare young people for the world of work through the provision of matched work practice placements which are tailored to the needs of the individual. Very few of the young people using our services have had either a good school or work experience. It is essential that they are able to develop and practice the skills required to fulfil employers' needs within the local labour market. This is a partnership project designed and delivered in conjunction with employers, Jobcentre Plus, Careers Scotland, Midlothian Council, East Lothian Council, Scottish Business in the Community and referring agencies. The service was funded in its pilot year by East Lothian Council and we are delighted that a joint funding package between the Big Lottery Fund and the Esmee Fairbairn Foundation will ensure its continuation through to October 2010. The demand for this service has taken us by surprise. There is a permanent waiting list which we hope to address by sourcing funding for an additional member of staff in 2008. A total of **40** young people were referred to the service in 2007/2008, of whom **26** were assessed, prepared and placed with our bank of **30** local employers and initial indications show that a high proportion will move into employment and/or mainstream training on completion. The remainder require much more in the way of preparation before they can be placed with employers. We hope to be able to improve the information flow from referring agencies in 2008 with regard to identifying the competencies and deficits of young people. This will assist with the assessment process and speed up the placement process for young people who demonstrate a real drive to enter the labour market.

Trustees' annual report *(continued)*

Achievements and performance *(continued)*

Our continuing appreciation goes to those local employers who are prepared to help and support disadvantaged young people. The Way2Work programme could not function without them.

Independent living

Homemaker

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 have usually come from backgrounds of homelessness, early parenthood, family disruption and poverty. This service works extremely closely with colleagues from Haddington CAB, Changeworks, East Lothian's Housing Service, local housing associations and supported accommodation providers to help young people turn a house into a home. Extra input from local services such as Roots 'n' Fruits and First Step has enabled our staff to reach lone parents who are isolated and struggling to cope with the demands of early parenthood and a tenancy. A key aspect of the work is to prevent early abandonment and eviction through the coaching and teaching of household skills, money management and the development of an understanding about what makes a good neighbour and effective community contributor. A total of **37** young tenants or prospective tenants have received an individual homemaking service this year, **15** of whom have parental responsibilities, and many more have benefited through the provision of **39** classes on healthy eating, cooking, conflict resolution, lone parent support and art and furnishings for the home. At the close of year, only one young man had left his tenancy (in an unplanned fashion) and two young women left their own tenancies to live with partners. The remaining **33** had sustained or improved their accommodation. The Homemaker benefited greatly through the provision of funding from the Scottish Government via Youthlink Scotland to deliver her healthy eating classes and this work will be supported in the coming year through funding from Community Food and Health (Scotland). The Homemaker service has been funded by East Lothian Council since 2005 and this commitment will continue through to March 2009.

Home Maintenance Support Worker

This is a new post which is funded for two years by East Lothian Council's Housing Service. It is designed to enable young tenants and prospective tenants to learn the crucial maintenance and health and safety skills required to run a successful home. It also aspires to help young tenants to take a pride in their accommodation and thus to work harder at sustaining it. This approach meets the objectives of the local homelessness strategy with regard to preventing early abandonment and repeat patterns of youth homelessness. The worker involved delivers one-to-one tuition and assistance and a group-based home maintenance programme in association with the Homemaker. This service is very labour intensive as it takes young people through the process of sourcing, budgeting for and buying materials and on to learning how to decorate, lay carpets and floor-coverings, put up fixtures and fittings and garden maintenance. A total of **20** young tenants have been supported by this worker, including **6** lone parents. All **20** have sustained their tenancies. A further **18** group-based sessions on furniture recycling and basic DIY have been delivered by the worker who has also been heavily involved in the delivery of the Housing Education Partnership programme for S4 pupils in East Lothian.

Trustees' annual report *(continued)*

Achievements and performance *(continued)*

Enquiry answering service

Bridges Project has continued to provide a limited enquiry answering service during 2007/2008. Whilst information and advice services are fairly abundant in East Lothian and Midlothian, young people do still find it difficult to work out which one they need. Further, many young people are unable to find their way to these services and are unaware of the types of information they need to disclose before these agencies can begin to resolve their difficulties. Our limited telephone and email enquiry answering service provided basic information and a signposting service for **212** young people and their families. The main areas of information requested and provided include: access to homelessness services and housing information; benefits; personal finances; and European mobility. Agencies also use this service to find out information about local services, practice and policy. This service incorporates a local information relay on behalf of Eurodesk (British Council) and answers sometimes complex enquiries from young people from all over Europe and locally about opportunities for work, study, volunteering, living and travel in Europe and in Scotland.

Youth literacy and numeracy

Personal Tutor (youth literacies)

Our Personal Tutor (youth literacies) service has been scaled back greatly this year due to the completion of the funding package from Midlothian Council. Nevertheless, we have continued to support the service through a new investment package from the Laidlaw Youth Trust, East Lothian Council and core funding. This has led to a reshaping of the service which still covers both local authority areas, and the continuing partnership with East Lothian Adult Literacy and Numeracy (ELALAN) remains particularly strong and supportive. Indeed we are pleased to report that one of our young people was awarded an Adult Learner of the Year Award by East Lothian Learning Partnership. The majority of referrals to the service derive from ELLP, schools, social work, careers and throughcare and aftercare teams. We were delighted to receive some podcasting equipment from ELALAN to support our evaluation process with young people.

Most young people using the service are bereft of basic literacy and numeracy skills and staff need to develop individual learning plans to begin the process of teaching them how to read, write and use basic IT and numbers. Delivery is on a tailored one-to-one basis as this is the method which, traditionally, is most successful in improving reading ages, comprehension, and the understanding of numbers. The young service users have continued to respond to this approach and again, there is a permanent waiting list in operation. We have concentrated much more this year on delivering the teaching at our own premises, as this saves huge amounts of time and increases capacity. No-one has declared an inability to self-travel and although this highly individualised input is time intensive, we have been able to increase caseloads whilst maintaining the integrity of the service as one which is devoted to positive change. A new initiative, in partnership with Dr Nadia Northway from Glasgow Caledonian University has had a dramatic impact on the ability of young people to improve their literacy skills through the introduction of highly sophisticated eye testing and subsequent remedial actions and purchasing of specialised prescription glasses. Of those involved in this work at Bridges Project, 80% showed a dramatic improvement in learning and comprehension. A total of **42** young people have been offered the service this year and we are particularly proud that so many are also able to demonstrate an improvement in their communication skills, personal confidence and esteem, employment outcomes and capacity to manage independent living. It is highly unlikely that this level of intervention will continue to be offered as the team, despite the investment of the Laidlaw Youth Trust, has been cut from two tutors to one.

Trustees' annual report *(continued)*

Achievements and performance *(continued)*

Service development and strategy

Delivering in partnership

Working with local and national partners is essential to the work of the charity. We have again, demonstrated our commitment to and value of partnership working and have striven to increase the range and intensity of partnership working arrangements to ensure that service gaps are closed and that funding opportunities are maximised, enabling better quality service delivery to disadvantaged young people. Our partnership working involves participation in the design and delivery of local and national strategies, the development of good practice tools and most importantly, the harnessing of energy and expertise on a local basis to bring added value to our work and to improve prospects for young people.

We have well developed partnerships and working arrangements in place with a host of local authority, voluntary sector, health and private sector agencies. We work on a daily basis with integration teams, Careers Scotland, throughcare and aftercare teams, Dialogue Youth, Midlothian Training Services, East Lothian Learning Partnership and Haddington CAB. We have developed existing, and created new partnership working arrangements with Mid and East Lothian Drugs (MELD), Caledonia Youth, Queen Margaret University, Jewel and Esk College, Eurodesk UK, YipWorld, NCH New Horizons and Blue Triangle. We have worked very closely and to great effect with Midlothian Council's housing section to push ahead with the housing education service in Midlothian. We have continued to work very closely with existing partners in East Lothian Housing Education Partnership, transitions planning groups in East Lothian and Midlothian and with a range of local agencies. We have consolidated partnerships with agencies in Germany and are delighted to welcome new ones from across Europe. We are very happy to remain involved with national partners such as Scottish Council for Single Homeless, Children in Scotland and Careers Scotland.

Transnational activity

Bridges Project is a local partner in the Eurodesk network. This year has been a busy one for answering enquiries and staff assisted over **200** young people from Scotland and Europe to find out about working, studying and volunteering abroad. We also participated in a number of multi-national seminars, symposia and training events in Ireland, Edinburgh, Slovenia, Germany and Norway and are happy to report that the British Council, through Youth In Action funding, will co-fund a two week job shadow placement for an Israeli youth worker, whom we met at a Euro-med seminar.

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 21. Once again, we are in the fortunate position of having received several 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 20, with a reconciliation of restricted funds at note 15 on page 29.

Unrestricted funds were designated last year in order to provide for continuing administrative staff, thereby ensuring a sound infrastructure for the charity; and to meet shortfalls in specified key service delivery posts. 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 (42%), group work and skills development (16%), youth literacy and numeracy (16%) and independent living (17%).

Funding

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. New grants from the Laidlaw Youth Trust, the Big Lottery Fund and Esmee Fairbairn Foundation, along with the existing grant from BBC Children in Need, substantially support both our employability and life skills, and adult literacies services. 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 are extremely grateful to Lothian Homes Trust for confirming the level of funding they will be able to provide for this and the next financial year. 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.

There is, nonetheless, a continuous programme of grant applications to secure future funding for delivery of services; a time consuming exercise, the cost of which has been estimated and included in the accounts.

Other much welcomed funds are generated through fundraising activities in the community; we are particularly grateful this year for the efforts of Karen Smith and her team, through the Lloyds TSB staff matched giving scheme; to The Bridge Christian Centre and also to the Honest Toun Association for their award. Unrestricted funds are generated through training delivery in *Bridges to Employability*, a soft measurement tool developed by Bridges. This training is delivered on our behalf by Employment Enterprise Consultancy.

Our end of year position has enabled the Board to designate funds to ensure the continuation of our personal development 14-18 years service, and our adult literacies service until the end of March 2009. The trustees also wish to provide for a new youth development worker to support the increasingly busy group work and skills development programme, and have designated money to enable this post to be established from July 2008. Further funds have been set aside to contribute to the costs of the proposed training kitchen which we hope to have in place by the end of the coming year.

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 £20,000 to provide for replacement of critical equipment; £25,000 to meet time-limited funding shortfalls where seamless continuation is of critical importance in delivering services to clients, customers and partner agencies; and a further £20,000 in the event of any statutory redundancy or pension liability payment due to contraction of services.

A restricted endowment fund comprising the sum of £60,000 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

The reserves outlined above are deposited in a high interest-bearing investment account. 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

The trustees of the charity are committed to providing the current level of service in the year ahead and will apply core finance to support the Senior Youth Development Worker along with key management and administrative staff. Furthermore, they have designated funds to enable continuation of the Personal Development Worker 14-18 years and Personal Tutor; and to provide funds towards the new post of Trainee Youth Development Worker (multi-media). The application of this funding will take all existing staff through to end March 2009 without any break in service to young people and partner agencies. Despite the ever-changing funding picture, trustees are confident that services will be supplied to young people in Midlothian and East Lothian in the year ahead. The Board will seek continuation funding beyond 2008 for the Personal Development Worker 14-18 years from BBC Children In Need Fund and from the Laidlaw Youth Trust for the Personal Tutor service. The trustees acknowledge the very generous finance packages already in place for next year for these two posts.

Managers are currently seeking funding for two new posts: an employability support worker to assist in managing the demands placed upon our Way2Work scheme which, subject to satisfactory outcomes, is already funded through until 2010 through the Big Lottery; plus an employability support work service specifically designed to assist those young people who are struggling to make the transition from school.

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 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.

The charity will deliver a new prevocational learning and training course on employability skills in partnership with Women Onto Work for ten young women in 2008. We will forge ahead with a range of exciting workshop opportunities in partnership with Queen Margaret University, The National Library for Scotland, East Lothian Council and YipWorld. We will build on our Scottish residential experiences and seek opportunities for youth exchanges with Irish charities through the Causeway programme, administered in the UK by the British Council. We will continue to address the health needs of vulnerable young clients through joint work with local and national health related agencies and will consult with partners over the possibility of recruiting staff for a preventative and educational health related service.

We are committed to the development of the new Young Voices programme at Bridges Project. Substantial amounts of time and money have been invested in new media and beneficiary training to support this essential user-led participative work. Managers will seek funding to support this work and the introduction of a Trainee Youth Development Worker will ensure this work continues.

Staff will work with young people to introduce participatory appraisal opportunities which will permit young people to feed back, in a safe fashion, their views on the services and approaches provided by Bridges Project and will enable many of the new technology skills learned by beneficiaries to be utilised in an evaluation framework.

Trustees' annual report *(continued)*

Plans for future periods *(continued)*

Following the 2007/2008 development phase, in association with Borders College, Bridges Project will introduce the new accredited Borders College Tenancy Award to young people and staff will be trained as accreditors.

The British Council is the new host for Eurodesk in the UK and staff are excited at the prospect of working with the new structures to continue to provide a good quality enquiry answering service for young people and agencies on the theme of mobility within Europe. Managers will continue to explore development opportunities for staff within the European arena which have proved to be excellent value for money. Project Scotland will, we hope, be able to continue to provide first class volunteers for the Project in 2008 and we intend to offer placement opportunities to students from Jewel and Esk College in the year ahead.

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 outcomes 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 a full quota of nine members in 2008.

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.



HENDERSON LOGGIE

Chartered Accountants

34 Melville Street
Edinburgh
EH3 7HA

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

This report is issued in respect of an audit carried out under section 235 of the Companies Act 1985 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005.

We have audited the financial statements of Bridges Project for the year ended 31 March 2008 which comprise the statement of financial activities, the balance sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985, and the charity's trustees, as a body in accordance with section 44(1)(c) of the Charities and Trustee 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 company and the company'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 responsibilities of the trustees for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (Generally Accepted Accounting Practice) are set out in the Statement of Trustees' 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you if, in our opinion, the trustees' report is consistent with the financial statements, if the 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 trustees' remuneration and other transactions is not disclosed.

We read other information contained in the financial statements, and consider whether it is consistent with the audited financial statements. We consider the implications for our audit report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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, except that the scope of our work was limited as explained below. 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 company's circumstances, consistently applied and adequately disclosed.

We planned 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 the company's affairs as at 31 March 2008 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 Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006; and
- the information given in the trustees' report is consistent with the financial statements.

Henderson Loggie
Registered Auditors

2008

Statement of financial activities for the year ended 31 March 2008

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Year to 31 March 2008 £	Year to 31 March 2007 £
Incoming resources							
From generated funds:							
<i>Activities for generating income</i>	2	5,044	-	-	-	5,044	10,140
<i>Investment income</i>		14,104	-	-	-	14,104	9,480
From charitable activities	3	200,450	-	322,882	-	523,332	388,315
Voluntary income	4	4,900	-	80	-	4,980	-
Other incoming resources	4	-	-	-	-	-	60,000
Total incoming resources		224,498	-	322,962	-	547,460	467,935
Resources expended							
Cost of generating funds:							
<i>Grant applications</i>		(5,654)	-	-	-	(5,654)	(5,612)
<i>Training delivery costs</i>		(12)	-	-	-	(12)	(5,529)
Total cost of generating funds		(5,666)	-	-	-	(5,666)	(11,141)
Charitable activities: 5							
<i>Service development and strategy</i>		(11,914)	(8,576)	-	-	(20,490)	(15,707)
<i>Transnational activity</i>		(4,943)	-	(256)	-	(5,199)	(5,085)
<i>Youth literacy and numeracy</i>		(4,624)	(20,755)	(54,732)	-	(80,111)	(85,499)
<i>Employability and life skills</i>		(34,087)	(9,805)	(162,833)	-	(206,725)	(161,987)
<i>Independent living</i>		(9,163)	(755)	(75,201)	-	(85,119)	(52,029)
<i>Group work and skills development</i>		(60,582)	(7,355)	(12,823)	-	(80,760)	(86,027)
Total expenditure on charitable activities		(125,313)	(47,246)	(305,845)	-	(478,404)	(406,334)
Governance costs	6	(7,320)	-	-	-	(7,320)	(8,490)
Total resources expended	6	(138,299)	(47,246)	(305,845)	-	(491,390)	(425,965)
Net incoming/(outgoing) resources		86,199	(47,246)	17,117	-	56,070	41,970
Transfer between funds		(41,071)	41,071	-	-	-	-
Net movement in funds		45,128	(6,175)	17,117	-	56,070	41,970
Funds at 31 March 2007		21,437	48,473	15,298	60,000	145,208	103,238
Funds at 31 March 2008		66,565	42,298	32,415	60,000	201,278	145,208

Balance sheet

as at 31 March 2008

	Note	At 31 March 2008		At 31 March 2007	
		£	£	£	£
Fixed assets	10		5,025		5,423
Current assets					
Debtors	11	122,126		33,176	
Short term deposits		233,590		211,936	
Cash at bank and in hand		55,463		35,396	
			411,179		280,508
Creditors: Amounts falling due within one year	12	(208,260)		(119,751)	
Net current assets			202,919		160,757
Total asset less current liabilities			207,944		166,180
Creditors: Amounts due after more than one year	13	(6,666)		(20,972)	
			201,278		145,208
Represented by					
Unrestricted revenue:	14				
General		66,565		21,437	
Designated		42,298		48,473	
			108,863		69,910
Restricted revenue	15	32,415		15,298	
Restricted endowment	15	60,000		60,000	
			92,415		75,298
			201,278		145,208

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 2008 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.

Fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation, and are depreciated over 3 years on a straight line basis. Additions costing less than £500 are not capitalised.

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

	2008	2007
	£	£
Fees from <i>Bridges to Employability</i> training	5,044	10,140

3. Incoming resources from charitable activities

	2008	2007
	£	£

Grants received 2007-2008

Restricted

East Lothian Council Education & Children's Services (CCSF)	16,000	32,000
East Lothian Council Education & Children's Services (NEET)	20,000	-
East Lothian Council Housing Service (Homemaker)	30,559	29,669
East Lothian Council Community Planning Partnership (NFF)	42,384	24,724
East Lothian Council Housing Service (Way2Work)	30,285	20,252
East Lothian Council Housing Service (Home Maintenance Support)	40,000	3,042
East Lothian Council Housing Service (housing information)	10,000	10,634
Midlothian Council Community Planning Partnership (NFF)	42,520	35,396
Midlothian Adult Literacy and Numeracy Initiative	13,000	20,000
Midlothian Council Get Ready for Work	14,521	-
Laidlaw Youth Trust	5,794	-
Big Lottery Fund	14,585	-
Esmee Fairbairn Foundation	8,531	-
BBC Children in Need	21,350	22,400
The Robertson Trust	-	9,789
Haddington CAB	-	1,500
Youthlink Scotland	6,600	-
Project Scotland	3,596	1,216
Learning Connections	1,300	-
Ponton House Trust	700	-
East Lothian Local Action Fund	500	-
East Lothian Community Health Partnership (Smoking Cessation)	400	-
Red House Home Trust	-	700
Sundry European income	257	1,993

322,882 213,315

Unrestricted

Lothian Homes Trust	200,000	175,000
Sundry income	450	-

Total grants

523,332 388,315

4. Voluntary income and other incoming resources

	2008	2007
	£	£
Voluntary income: Donations & fundraising on our behalf	4,830	-
HMRC (for online filing)	150	-
Other incoming resources: Lothian Homes Trust 'dowry' (one-off)	-	60,000

4,980 60,000

Notes to the accounts *(continued)*

5. Analysis of charitable expenditure

	Direct staff costs £	Resources and beneficiary costs £	Support cost allocation £	Total 2008 £	Total 2007 £
Service development and strategy	16,282	-	4,208	20,490	15,707
Transnational activity	5,199	-	-	5,199	5,085
Youth literacy and numeracy	54,160	701	25,250	80,111	85,499
Employability and life skills	142,878	3,527	60,320	206,725	161,987
Independent living	56,431	3,438	25,250	85,119	52,029
Group work and skills development	44,654	10,856	25,250	80,760	86,027
	319,604	18,522	140,278	478,404	406,334

6. Allocation of costs and activities

	<i>Charitable activities</i>		<i>Non-charitable activities</i>			Total 2008 £	Total 2007 £
	Support costs £	Direct costs £	Govern- ance £	Applying for grants £	Training delivery £		
Staff costs *	69,563	319,604	3,942	5,654	-	398,763	346,562
Beneficiary costs	-	18,522	-	-	-	18,522	10,059
Property costs	50,909	-	-	-	-	50,909	41,963
Administration	6,490	-	50	-	12	6,552	12,635
IT support costs	8,442	-	-	-	-	8,442	6,961
Bank & payroll	678	-	-	-	-	678	572
Audit	-	-	3,328	-	-	3,328	3,231
Depreciation	4,196	-	-	-	-	4,196	3,982
	140,278	338,126	7,320	5,654	12	491,390	425,965

* 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.

Notes to the accounts *(continued)*

7. Staff costs and numbers

	2008	2007
	£	£
Staff costs		
Gross salaries	318,260	266,427
Employer NI costs	31,147	26,234
Employer pension costs	24,105	23,450
Travel	13,367	10,657
Conference and training	4,030	3,300
Recruitment	2,687	12,562
European activity	795	2,446
Volunteers expenses	4,152	1,316
Other related costs	220	170
	<hr/>	<hr/>
Total staff costs	398,763	346,562
	<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	1.6	Personal tutors
Employability and life skills	4.4	Personal development workers and Way2Work coordinator
Independent living	2.0	Homemaker and Home Maintenance Support Worker
Group work and skills development	2.0	Senior youth development worker and groupwork coordinator
	<hr/>	
	14.0	
	<hr/> <hr/>	

Average number of employees on the payroll per month = 16

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 2 from Napier University</i>
<i>Other volunteers</i>	<i>1 part-time administrator (part-year) 1 employability consultant</i>

Notes to the accounts *(continued)*

8. Trustee remuneration

During the year the Chief Executive, who is also Company Secretary and a trustee, received £42,326 (2007: £41,293) in emoluments. No other trustee received any remuneration or expenses 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

	2008
	£
<i>Equipment</i>	
<i>Cost</i>	
At 1 April 2007	64,930
Additions	3,798
Disposals	-
	<hr/>
At 31 March 2008	68,728
	<hr/>
<i>Depreciation</i>	
At 1 April 2007	59,507
Disposals	-
Charge for year	4,196
	<hr/>
At 31 March 2008	63,703
	<hr/>
<i>Net book value</i>	
At 31 March 2008	5,025
	<hr/> <hr/>
At 31 March 2007	5,423
	<hr/> <hr/>

Notes to the accounts *(continued)*

11. Debtors

	2008	2007
	£	£
Training fees due	-	3,978
Grants	113,070	21,192
Sundry prepayments	9,056	8,006
	<hr/>	<hr/>
	122,126	33,176
	<hr/> <hr/>	<hr/> <hr/>

12. Creditors

	2008	2007
	£	£
<i>Amounts falling due within one year</i>		
HMRC	8,529	8,841
Standard Life pension contributions (paid in full due to tax change)	-	3,020
Sundry accruals	7,782	6,682
Funds held for individuals (balance of Princes Trust grants) *	394	-
Deferred income (note 13)	191,555	101,208
	<hr/>	<hr/>
	208,260	119,751
	<hr/> <hr/>	<hr/> <hr/>
<i>Amounts falling due after more than one year</i>		
Deferred income (note 13)	6,666	20,972
	<hr/> <hr/>	<hr/> <hr/>

* Funds received for and operated on behalf of individual clients. Total amount received from The Princes Trust during the year was £530. Total payments from these funds £136.

13. Deferred income

	2008	2007
	£	£
<i>Amounts falling due within one year</i>		
East Lothian Council Housing Service (Homemaker): April 08 to March 09	34,860	30,559
ELC Housing Service (PDW): April 08 to March 09	47,371	30,285
ELC Housing Service (Home Maintenance Support): April 08 to March 09	41,571	10,000
ELC Community Planning Partnership (Personal Tutor): April to Aug 08	17,660	17,660
Midlothian Council Community Planning P'ship (PDW): April to May 08	7,084	7,104
Esmee Fairbairn Foundation (Way2Work): April-October 2008	11,942	-
Big Lottery Fund (Way2Work): April 2008	2,731	-
Laidlaw Youth Trust (adult literacies): April-December 2008	17,370	-
The Gannochy Trust (adult literacies): April-December 2008	3,334	-
Community Food and Health Scotland (healthy eating groups)	3,132	-
BBC Children in Need: April to May 2008	4,500	5,600
	<hr/>	<hr/>
	191,555	101,208
	<hr/> <hr/>	<hr/> <hr/>
<i>Amounts falling due after more than one year</i>		
The Gannochy Trust (adult literacies, years 2 and 3)	6,666	-
ELC Housing Service (Homemaker): April to November 2008	-	20,972
	<hr/> <hr/>	<hr/> <hr/>

Notes to the accounts *(continued)*

14. Unrestricted funds

	Opening balance £	Incoming resources £	Resources expended £	Transfers £	Closing balance £
<i>Unrestricted</i>					
General	21,437	224,498	(138,299)	(41,071)	66,565
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<i>Designated funds</i>					
Fixed assets	5,423	-	(4,196)	3,798	5,025
Youth literacy and numeracy	20,000	-	(20,000)	3,516	3,516
Employability and life skills	8,000	-	(8,000)	15,707	15,707
Groupwork and skills development	6,600	-	(6,600)	10,550	10,550
Administrative staff	8,450	-	(8,450)	-	-
Training facilities	-	-	-	7,500	7,500
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<i>Total designated funds</i>	48,473	-	(47,246)	41,071	42,298
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<i>Total unrestricted fund</i>	69,910	224,498	(185,545)	-	108,863
	=====	=====	=====	=====	=====

Notes to the accounts (continued)

15. Restricted funds

	Opening balance £	Incoming resources £	Resources expended £	Transfers £	Closing balance £	Restriction
Restricted						
Donations, various	2,582	80	(620)	-	2,042	Direct beneficiary costs
East Lothian Council	1,177	-	-	(1,177)	-	Independent living
East Lothian Council Education and Children's Services CCSF/NEET package	-	36,000	(34,748)	(1,252)	-	Employability and life skills
East Lothian Council Housing Service (Homemaker)	479	30,559	(29,863)	1,177	2,352	Independent living
East Lothian Council Community Planning Partnership (NFF)	328	31,788	(29,550)	(2,566)	-	Personal tutor/adult literacies
East Lothian Council Housing Service (Way2Work)	5,177	30,285	(32,071)	252	3,643	Employability and life skills
East Lothian Council Housing Service (Home Maintenance Support Worker)	249	40,000	(35,166)	-	5,083	Independent living
East Lothian Council Housing Service (housing information)	-	10,000	(10,000)	-	-	Independent living
Midlothian Council Community Planning Partnership (NFF)	891	42,520	(37,591)	(5,820)	-	Employability and life skills
Midlothian Get Ready For Work	-	14,521	(14,521)	-	-	Employability and life skills
Midlothian Adult Literacy and Numeracy Initiative	-	13,000	(13,000)	-	-	Personal tutor/adult literacies
BBC Children in Need/other funds package	3,715	21,350	(25,065)	5,820	5,820	Employability and life skills
Big Lottery Fund/Esmee Fairbairn Foundation package	-	23,116	(18,341)	-	4,775	Employability and life skills
Laidlaw Youth Trust/ELC NFF package	-	16,390	(12,049)	2,566	6,907	Personal tutor/adult literacies
Ponton House Trust	-	700	(180)	-	520	Clinical play therapy supervision
Various sources for specific group activities	-	8,800	(8,527)	1,000	1,273	Specific group activities
Project Scotland	-	3,596	(3,596)	-	-	Volunteer costs
Sundry European income	-	257	(257)	-	-	European information exchange
Red House Home Trust	700	-	(700)	-	-	Outdoor activities
Restricted income funds	15,298	322,962	(305,845)	-	32,415	
Restricted endowment funds	60,000	-	-	-	60,000	
Total restricted funds	75,298	322,962	(305,845)	-	92,415	

Notes to the accounts *(continued)*

16. Analysis of net assets between funds

	Unrestricted Funds	Designated Funds	Restricted Funds	Endowment Funds	Total 2008	Total 2007
	£	£	£	£	£	£
Fixed assets	-	5,025	-	-	5,025	5,423
Net current assets	66,565	37,273	39,081	60,000	202,919	160,757
Creditors due after more than one year	-	-	(6,666)	-	(6,666)	(20,972)
	<u>66,565</u>	<u>42,298</u>	<u>32,415</u>	<u>60,000</u>	<u>201,278</u>	<u>145,208</u>
	<u><u>66,565</u></u>	<u><u>42,298</u></u>	<u><u>32,415</u></u>	<u><u>60,000</u></u>	<u><u>201,278</u></u>	<u><u>145,208</u></u>

17. Commitments

The charity has annual commitments under operating leases as follows:

	2008	2007
	£	£
<i>Operating leases which expire:</i>		
In less than one year	-	-
In more than five years	31,000	31,000
	<u><u>31,000</u></u>	<u><u>31,000</u></u>