

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2016



POSITIVE STEPS
Support | Challenge | Change

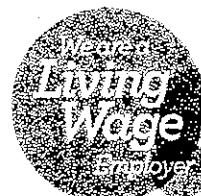
POSITIVE STEPS OLDHAM (trading as POSITIVE STEPS)
(A company limited by guarantee and not having share capital)
Company number: 2963094. Registered Charity Number: 1017247

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INVESTOR IN PEOPLE



REPORT OF THE TRUSTEES/DIRECTORS

The trustees/directors of Positive Steps Oldham (referred to as Positive Steps [PS] (the trading name), for the remainder of this report) present their twenty second Annual Report together with the financial statements. The directors or members of the board of the charitable company (the charity) are its trustees for the purpose of charity law. Throughout this report they are collectively referred to as the 'trustees'.

<u>Charity number:</u>	1017247
<u>Company number:</u>	2563094
<u>Company Secretary:</u>	Rachel Adamson
<u>Chief Executive:</u>	Stephanie A Bolshaw
<u>Registered office:</u>	Medtia Place, 80 Union Street, Oldham, Lancashire, OL1 1DJ
<u>Auditors:</u>	Wrigley Partington, Sterling House, 501 Middleton Road, Chadderton, Oldham, Lancashire, OL9 9LY
<u>Bankers:</u>	Barclays Bank plc. 25 High Street, Oldham, Lancashire, OL1 3AZ
<u>Solicitors:</u>	Napthens, Greenbank Court, Challenge Way, Greenbank Business Park, Blackburn, BB1 5QB

Trustees	Representing	
Ms Alicia Gail Freeman	Oldham Association of Secondary Heads and Principals	Resigned 23 rd February 2016
Cllr Diane Williamson	Oldham Council	
Cllr Susan Margaret Dearden	Oldham Council	Appointed 29 th May 2015
Mr Alun Francis	Oldham College	Resigned 4 th December 2015
Mr Samuel David Breckell	Oldham College	Appointed 20 th November 2015
Mrs Shauna Mary Dixon	Independent	Resigned 24 th April 2015
Mr Bernard Keay (Chair)	Independent	
Mr Sean Eric Fielding	Oldham Council	Appointed 29 th September 2015
Ms Julie Anne Edmondson	Jobwise plc	
Cllr Joy Wrigglesworth	Oldham Council	
Ms Hannah Jane Roberts	Independent	
Mrs Veronica Carolyn Devonport	Groundwork Oldham & Rochdale	
Cllr Amanda Chadderton	Oldham Council	Resigned 4 th December 2015
Miss Joanne Lesley Rendell	Independent	Appointed 10 th December 2015

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Positive Steps Oldham is a company limited by guarantee governed by its Memorandum and Articles of Association which were redrafted on 23rd March 2001 and amended August 2005 and November 2006. It is registered as a charity with the Charity Commission. Members are drawn from Oldham's public sector, private business sector, education and training sector, and voluntary sector communities, each of whom agree to contribute £1 in the event of the charity winding up.

Appointment of trustees

The Memorandum and Articles of Association state that the Board of Trustees should total up to twelve members: four elected members of Oldham Council; and eight from statutory partners – (e.g. education, health, crime and disorder) and/or “community” representatives from private business, training, the voluntary sector and/or who are independent with an interest in furthering the objects of the Charity.

Trustees’ induction and training

A formal induction process for trustees is in place and informal seminars, held as part of Board meetings covering key activities, delivered by service managers supplement this. Guidance Notes are issued to all trustees informing them of their rights and responsibilities.

Organisation

The board delegates day-to-day operations of the company to the Chief Executive. They are assisted by a Company Secretary and Finance Manager and a number of senior managers with responsibility for operational delivery. It should be noted that these post holders are not Board members.

Related parties

Close working relationships exist between the Charity and local authorities and a range of other local public, private and third sector organisations, which have proved invaluable to the charity in establishing improved links within the community and identifying relevant policy developments and prospective funding.

Subsidiaries

During the 2015-16 financial year, PS had a subsidiary company:

PSO Trading Limited was incorporated on 2nd June 2005 and commenced trading on 31 October 2005. The company is a wholly-owned subsidiary of the charity and was formed to provide a range of trading activities from the offices of the charity. These include training; property hire; ICT services; ICT projects and DBS services for smaller voluntary sector organisations. Any surplus or profit from these trading activities is transferred to PS under a gift-aid arrangement.

OBJECTIVES AND ACTIVITIES

As an independent sector organisation, PS is unique in England in the way it provides a range of integrated and targeted support services for young people. The trustees are mindful of the Charity Commission Guidance on public benefit. Its charitable objects are:

- *To advance the education and training of young people in order to prepare them for working and adult life.*
- *To promote the industry/education partnerships with particular reference to young people in their last years of formal education.*
- *The relief of unemployment for the public benefit in such ways as may be thought fit, including assistance to find employment.*
- *The provision of educational and recreational facilities for young people in the interests of social welfare.*
- *The promotion of public safety.*
- *The prevention of crime and the rehabilitation of young offenders.*
- *Such other ancillary or incidental training or educational activities and other associated activities for the benefit of the community*

Approximately 82% of income derives originally from the UK Government (via regional and local funding bodies) and approximately 18% from charitable sources, European funding and trading activities.

During the year, the biggest contract continues to be with Oldham MBC who contract with us to deliver a range of integrated and targeted services for young people, adults and families mainly in the Borough of Oldham. We have continued to deliver Career Guidance services in both Rochdale and Tameside and have continued to grow our family services directorate and focused more resource into work with volunteers. Our work has been supported by a range of other local, regional and national funding, resulting in the following delivery model:

Career Guidance & Support Services

The work of this directorate focuses mainly on young people aged 13 to 19. Each local authority (Oldham, Rochdale and Tameside) funds information, advice and guidance (IAG) with young people in particular target groups, such as those in the care of the local authority, those involved with the criminal justice system, those with special educational needs or disabilities and teenage parents. Allied to that, we have contracts with over 50 schools and colleges to provide IAG for non-targeted students.

We also deliver support to 16-18 year old young people who are not in education, training or employment (NEET) through a project funded by the European Union's European Social Fund (ESF). We support schools through traded services that organise work experience placements and mock interviews and mentor them to gain the *Inspiring IAG* quality award for careers education and guidance. Our work with adults is through the Work Programme and involves providing employability support to those who have been on benefits for a certain amount of time.

Targeted Services

The work of this directorate focusses on clients with the most complex needs including young people who are missing from home and at risk of child sexual exploitation, young people who require support around substance misuse and/or sexual health services and young people at risk of or involved in offending behaviour. The services are delivered in partnership with other statutory and voluntary sector organisations in Oldham. Positive Steps is actively involved in both strategic work and in the operational delivery of services for these clients. The services are provided in a holistic way with support offered to whole families in order to assess and support around systemic issues that may be influencing problematic behaviours. Positive Steps is unique as a third sector organisation delivering the statutory Youth Justice Service in Oldham.

Family Services

The largest element of this Directorate is the Early Help team. Early Help is an Oldham-wide strategy to support individuals and families of all ages to stay in control of their lives by effectively managing issues that may be affecting them and preventing escalation to crisis services. The Positive Steps Early Help team consists of around 40 staff and many more volunteers who support families in their own homes and within District Hubs. Assessment and support can be offered for issues such as emotional wellbeing, financial difficulties, housing, relationship difficulties and behaviour management. The Early Help service works closely in partnership with Oldham Council alongside other voluntary sector partners to deliver a holistic offer.

Volunteers are integral to Positive Steps as a whole. Over the past 18 months we have successfully developed roles for volunteers and have recruited and trained volunteers to work in all areas of the business. We strive to offer high quality and meaningful volunteering opportunities and offer an excellent training package and a range of opportunities including paid work.

We have also developed an in-house bicycle project – Positive Cycles – which works with young people and adults to develop skills around bicycle maintenance and renovation.

The Families Directorate offers Young Carers support for young people who have a caring responsibility at home – identifying and engaging these vulnerable young people and their families to help them to develop social confidence increasing opportunities for them to engage fully with peers and their community.

Business Support Services (Chief Executive's Directorate)

A team of highly qualified business managers who ensure the operational delivery is supported by specialists of the highest quality. The Business Support Directorate is delivered by four specialist teams each with an overall manager and a number of appropriately skilled and experienced staff. The four teams are:

- Finance & Premises
- HR and Admin (including main reception)
- Information & Communication Technology
- Performance Management and Marketing

PSO Trading Ltd

PSO Trading Ltd is a wholly-owned subsidiary of Positive Steps and any trading surpluses are covenanted into the Positive Steps charitable trust. Non-charitable activity undertaken includes the sales of IT products and service, Car Park hire, DBS service, room hire and a range of training and consultancy services.

ACHIEVEMENTS AND PERFORMANCE



Positive Steps has a long history of hitting and exceeding targets and the past year has proved no exception. During the April 2015 to March 2016 period, we delivered a comprehensive, integrated range of services which helped young people, adults and families reach their full potential. Our approach throughout has been to understand and break down the barriers individuals face in reaching their goals.

Positive Steps delivers the statutory Youth Justice Service in Oldham and this year we have achieved the following:

The number of young people reoffending is the lowest in GM and in our comparative group

The number of offences committed is the lowest in GM and lower than all in our comparative group

Appointed a former service user as an apprentice

Led on work with girls and young women across the whole of GM

Promoted and developed links between theory and practice in partnership with Manchester Metropolitan University

MISSING FROM HOME

Since taking over the contract we've increased the number of young people interviewed and supported within 72 hours from

34% to 77%

SUPPORTING FAMILIES

All Oldham secondary schools visited

4016

**People seen in
group sessions**

832

**People have had
a health check**

2351 stop smoking interventions

YOUNG CARERS PROGRAMME

We deliver the Young Carers service in Oldham. It provides young people with a break from their caring duties and an opportunity to socialise and develop life skills.

45-60 Young Carers attend support sessions every week

92% of Young Carers progressed into learning when they left school



EMPLOYMENT AND SKILLS

We've provided Mentoring support for the Inspiring IAG quality award in 43 schools

Delivered support around the Personal, Social, Health, Citizenship and Employability educational curriculum

Secured 2,157 work experience placements for young people.

Arranged 239 Mock Interviews

INTEGRATED SEXUAL HEALTH & SUBSTANCE MISUSE SERVICES



**377 young people
accessed our service
for the first time**

**9045
people
came to a
group
session**

Delivery continued in
Accident and Emergency
settings with a
registered nurse,
employed by Positive
Steps, offering support
and aftercare to those
young people presenting
with substance-related
health problems

**303 sexual health clinics were
delivered - beating our target**

VOLUNTEERS



Four ex-volunteers have successfully secured paid employment at Positive Steps

221 volunteers have passed their AQA level 1 in Safeguarding, Diversity, Professional Boundaries and Security training

12 ex-service users have become volunteers with us

CAREERS INFORMATION, ADVICE & GUIDANCE

We matched or bettered our statistical neighbours performance in Rochdale, Tameside and Oldham

We deliver contracts in Rochdale, Tameside and Oldham, and last year we achieved Matrix re-accreditation, increased the number of schools where we are delivering IAG services, increased the take up of apprenticeships in all three areas, and delivered services at the University Campus Oldham

STRATEGIC REPORT INCLUDING FINANCIAL REVIEW

The Positive Steps Oldham Charity accounts for 2015-16 show overall income increasing from £7,132,578 in 2014-15 to £ 7,318,594, this year, an increase of 2.6%. This was almost entirely attributable to the securing of the Early Help contract.

The accounts show, initially, an operating surplus of £85,037. However, FRS102 Pension Scheme adjustments have identified a balance of -£738,000, resulting in a deficit of -£652,963 for the year.

The figures presented in the GM Pension Fund's actuarial report are prepared only for the purposes of FRS102 and have no validity in other circumstances. "In particular, they are not relevant for calculations undertaken for funding purposes. The methodology of the Accounting Standard, in conjunction with the Fund's investment strategy, means that the surplus or deficit identified in the report can vary significantly over short periods of time."

The pension asset and liability has featured in financial reports and statements since 2005, and has, following re-assessment by the Greater Manchester Pension Scheme's independent actuary, worsened from a deficit of £3,522,000 on 31st March 2013 to a deficit of £4,009,000 on 31st March 2014.

The plan continues to show a deficit of £4,333,000 at 31st March 2016. The FRS102 (FRS 17) calculations continue to oscillate year on year with the following surplus and deficits noted since the FRS102 (FRS 17) requirements were introduced in 2004-2005:

Year Ending	Pension Asset/Liability
31-03-2005	-£943,000
31-03-2006	-£1,476,000
31-03-2007	-£805,000
31-03-2008	£745,000
31-03-2009	-£292,000
31-03-2010	-£5,432,000
31-03-2011	£282,000
31-03-2012	-£1,865,000
31-03-2013	-£3,522,000
31-03-2014	-£4,009,000
31-03-2015	-£7,497,000
31-03-2016	-£4,333,000

On reviewing the Balance Sheet, the net assets, excluding pension reserve, have increased from £1,745,882 to £1,830,919.

Investment Powers and Policy

Under the Memorandum and Articles of Association, the Company has the power to invest in any way the trustees wish.

The trustees, having regard to the liquidity requirements of operating the business of the Company and the Reserves Policy, have, where possible, kept available cash funds in an interest bearing deposit account and seek to achieve a rate of interest which matches or exceeds inflation measured by the retail price index.

Reserves Policy

In January 2010, the trustees approved the following Reserves Policy:

- Reserves should be regarded as realisable 'cash assets' namely: cash in the bank; and the difference between moneys owed to creditors and moneys owed by debtors. Capital assets in their current form (i.e. equipment and capitalised building improvements) would not be included;
- Reserves should include cash set aside for essential building maintenance to comply with the leases (e.g. a redecoration schedule) and 'rainy day' funds to cover unforeseen repairs and renewals on repair and maintenance leases;
- Reserves should not include money set aside for in-year revenue costs, e.g. future staff training or additional staffing;
- Reserves should not include in-year capital costs and re-investment in out of date equipment should be built in to annual budgets.

It was resolved that the reserves held by the company were divided into three main categories i.e. funds set aside:

- for essential building and other maintenance to comply with leases (e.g. a redecoration schedule) and 'rainy day' funds to cover unforeseen repairs and renewals given the nature of the repair and maintenance leases held on Medtia Place and other sites;
- to cover payments needed in the event of economic dismissal as a direct result of any reduction in funding to public services; and
- to allow for future potential pension liabilities as a result of retirement on ill health grounds.

The values of the three elements at 31st March 2016 were:

- | | |
|---|------------|
| • Essential Building & Other Maintenance: | £420,000; |
| • Reduction in funding | £380,000; |
| • Pension Liability: | £500,000; |
| • Total | £1,300,000 |

Plans for Future Periods

Oldham Council agreed (in January 2015) to award a three year contract for the provision of Integrated Support Services for Oldham's Young People. This contract was to operate from April 2015 to March 2018. It was split into 3 Lots: Sexual Health and Substance Misuse Service, The Prevention and Reduction of Youth Offending and Support for Vulnerable Young People. It remains subject to constant review as national and local priorities change and overall funding reduces in line with both central and local government deficit reductions.

In addition, the Charity was awarded the contract for the provision of Outreach and Low Intensity 1:1 support for the All Age Early Help Offer. The duration of the contract was 3 years starting 1st April 2015 with an option to extend by 12 months; Positive Steps would be the lead organisation and are sub-contracting the provision of some elements to local partners.

It also secured a range of commissioned services in both the Oldham and Tameside areas.

In line with the building lease Positive Steps are undergoing a series of property improvements including modernisation of the existing toilet facilities at Medtia Place, installing a new air conditioning unit in the training room, refurbishing the lift and upgrading the lighting system throughout the building.

The Government continues to indicate a new role for local authorities as strategic leaders and commissioners of services, rather than as service providers. Over the coming years, PS will need to continue to deliver high quality services and achieve outstanding performance, provided using Best Value principles, as more council-based services may be externalised and available for tender.

The trustees are mindful that the further reductions in public expenditure will have an impact on the PS Group over the medium term (2015-2017). The trustees will take steps to ensure that future expenditure reflects the

reduced resources available to the organisation: The trustees will ensure that overhead costs (including premises and non-staff resources) are minimised; and ensure that the Charity is positioned, well, to respond to any further action taken by Councils and other public bodies to out-source services locally and in the sub-region which fall within its collective charitable objects.

Principal Risks and Uncertainties

The trustees and senior managers remained mindful of the major risks, both internal and external, facing the organisation and where appropriate, systems or procedures have been established to mitigate those risks.

External risks to funding have led to the development of a strategy to continue to diversify activities and seek to diversify business within the sub-region.

Internal control risks were minimised by the implementation of procedures for authorisation of all financial transactions. Contract negotiation with funding bodies is supported by external legal advice. Detailed procedures and protocols existed which supported grievance and disciplinary processes, which were again underpinned by specialist external legal advice.

In particular, robust HR systems and processes have minimised employee relations risk, and helped to create a more flexible and generic employee base which has minimised economic dismissals through enabling movement into other posts which have been created as a result of new project demands. Staff turnover and sickness absence, during the year, were **well below** industry norms.

The Company continued to operate a 'safe recruitment' policy in line with Local Safeguarding Children Board standards. All posts within the organisation were subject to an Enhanced DBS disclosure at the point of recruitment and employees directly involved in client contact reviewed every three years. Employees with no direct client contact were reviewed every five years.

Other procedures ensured compliance with health and safety regulations for staff, volunteers, clients and visitors and full insurance cover was maintained in relation to public and employer liability.

The company recognises two trade unions: Unison and GMB. Any proposed changes to terms and conditions of employment or other workplace issues were subject to full consultation. In addition the company established an Employee Consultative Committee, in 2004, which comprised elected representatives from the different service areas of PS along with company-based trade union representatives. Meetings are held bi-monthly.

All procedures relating to finance, human resources, IT and professional practice were kept under constant review in the light of changes in legal requirements and improvements in professional standards.

Trustees' responsibilities in relation to the financial statements

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of its surplus or deficit for that year. In preparing these 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;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The auditors, Wrigley Partington, will be proposed for re-appointment in accordance with Section 487 (2) of the Companies Act 2006.

This report was approved by the board on 27th September 2016 and signed on its behalf by:



Rachel Adamson
Company Secretary

INDEPENDENT AUDITORS' REPORT

To the members of Positive Steps Oldham

We have audited the financial statements of Positive Steps Oldham for the year ended 31 March 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the charity's members and trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities the company's trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic and Trustees/Directors Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

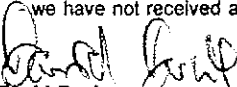
In our opinion the information given in the Strategic and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or

we have not received all the information and explanations we require for our audit.


David Ducie (Senior Statutory Auditor)

For and on behalf of

WRIGLEY PARTINGTON, Chartered Accountants and Statutory Auditors

Sterling House
501 Middleton Road
Chadderton
Oldham
OL9 9LY

27th September 2016

POSITIVE STEPS OLDHAM

STATEMENT OF FINANCIAL ACTIVITIES

(including income and expenditure account) : YEAR ENDED 31 MARCH 2016

	Note	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £	Total Funds 2015 £
INCOME:					
Income from investments	3	6,330	-	6,330	6,156
Other income	4	68,663	-	68,663	40,078
<i>Income from charitable activities:</i>					
Development funds receivable	5	7,223,943	19,658	7,243,601	7,086,344
Total income		7,298,936	19,658	7,318,594	7,132,578
EXPENDITURE:					
Raising funds	6	-	-	-	-
Charitable activities	6	7,951,899	19,658	7,971,557	7,429,302
Total expenditure	6	7,951,899	19,658	7,971,557	7,429,302
Net Income (expenditure) for the year		(652,963)	-	(652,963)	(296,724)
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes		3,902,000	-	3,902,000	(2,995,000)
Net movement in funds		3,249,037	-	3,249,037	(3,291,724)
Reconciliation of funds					
Total funds brought forward		(5,751,118)	-	(5,751,118)	(2,459,394)
Total funds carried forward	20	(2,502,081)	-	(2,502,081)	(5,751,118)

All incoming resources and resources expended are derived from continuing activities.
The accompanying notes are an integral part of this statement of financial activities.

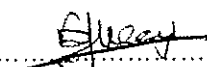
POSITIVE STEPS OLDHAM

BALANCE SHEET : AS AT 31 MARCH 2016

	Note	2016 £	2015 £
FIXED ASSETS			
Tangible assets	11	366,426	245,662
Investments	12	1	1
		<u>366,427</u>	<u>245,663</u>
CURRENT ASSETS			
Debtors	13	650,409	598,839
Cash at bank and in hand		2,061,924	2,123,371
		<u>2,712,333</u>	<u>2,722,210</u>
CREDITORS:			
Amounts falling due within one year	14	1,247,841	1,221,991
NET CURRENT ASSETS		<u>1,464,492</u>	<u>1,500,219</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,830,919</u>	<u>1,745,882</u>
NET ASSETS EXCLUDING PENSION LIABILITY		1,830,919	1,745,882
Defined benefit pension scheme asset (liability)	19	(4,333,000)	(7,497,000)
NET ASSETS INCLUDING PENSION LIABILITY	21	<u>(2,502,081)</u>	<u>(5,751,118)</u>
FUNDS			
<i>Restricted funds</i>	20	-	-
<i>Unrestricted funds:</i>			
Designated	20	-	-
General	20	1,830,919	1,745,882
Pension reserve	20	(4,333,000)	(7,497,000)
TOTAL FUNDS	20	<u>(2,502,081)</u>	<u>(5,751,118)</u>

The accompanying notes are an integral part of these balance sheets.

The financial statements were approved by the Board on
and signed on its behalf by:

.....  Trustee/Director

27 September 2016

B. KEAY

Registration number 2563094

POSITIVE STEPS OLDHAM

CASH FLOW STATEMENT : YEAR ENDED 31 MARCH 2016

	<i>Note</i>	2016 £	2015 £
NET CASH GENERATED FROM OPERATING ACTIVITIES	17	<u>123,492</u>	<u>3,526</u>
CASH FLOW FROM INVESTING ACTIVITIES:			
Investment income receipts		6,330	6,156
Payments to acquire tangible fixed assets		(192,543)	(74,433)
Receipts from sale of tangible fixed assets		1,274	155,000
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		<u>(184,939)</u>	<u>86,723</u>
CASH FLOW FROM FINANCING ACTIVITIES:			
Repayment of borrowing		-	(51,375)
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		<u>-</u>	<u>(51,375)</u>
 Increase in cash and cash equivalents in the year		 (61,447)	 38,874
 Cash and cash equivalents at the beginning of the year		 2,123,371	 2,084,497
Cash and cash equivalents at the end of the year	18	<u>2,061,924</u>	<u>2,123,371</u>

The accompanying notes are an integral part of this cash flow statement.

1 Accounting policies

a) Basis of preparation

The financial statements have been prepared on an accruals basis under the historical cost convention, and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

b) Reconciliation with previous Generally Accepted Accounting Practice

In preparing these accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP (FRS 102) a restatement of comparative items was required (see note 23).

c) Assessment of going concern

The Trustees consider that there are no material uncertainties about the Company's ability to continue as a going concern and the Financial Statements are drawn up on the Going Concern basis which assumes that the company will continue in operational existence for the foreseeable future. The major risks for the business relate to potential reductions in funding for the public and charitable sectors but cashflow is carefully managed. There is a policy to diversify activities and future expenditure is monitored so that it will match any changes in the resources available to the company.

d) Company status

The charity is a company limited by guarantee. The members of the company are drawn from throughout Oldham's civic, business, education and training, and voluntary sector communities. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

e) Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income, there is certainty of receipt and the amount can be quantified with reasonable accuracy.

Grants received to aid the finance of rented property improvements are credited to the SOFA over the remaining term of the lease. Other grants received towards specific project costs are credited to the SOFA when received.

Income relating to contracts is deferred where the services have only been partially performed at the year end.

Income from commercial trading activities is recognised as earned (as the related goods and services are provided).

Investment income is recognised on a receivable basis.

1 Accounting policies continued

f) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis (eg. number of employees or estimated usage).

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services, and include both the direct costs and support costs relating to these activities.

- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

g) Irrecoverable VAT

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

h) Operating leases

Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred.

i) Tangible fixed assets and depreciation

Depreciation has been provided on all tangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life as follows :

Computer equipment - over 3 years.

Fixtures and fittings - over 5 and 10 years.

Rented property improvements - over the remaining term of the lease.

Motor vehicles - over 4 years.

j) Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds that are available for use at the discretion of the trustees/directors in furtherance of the general objectives of the Charity and that have not been designated for other purposes.

Restricted funds are funds subject to restrictions imposed by the donor or by the specific terms of the appeal under which the funds are raised.

Designated funds comprise unrestricted funds that have been put aside at the discretion of the trustees/directors for particular purposes.

k) Employee Benefits

Defined benefit scheme

The cost of providing pension and related benefits is charged to the SOFA over the employees' service lives on the basis of a constant percentage of earnings which is an estimate of the regular cost. Actuarial gains and losses are recognised immediately in the 'Other recognised gains and losses' section of the SOFA.

The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, is presented separately after other net assets on the face of the balance sheet.

The pension scheme asset or liability is a theoretical, actuarial calculation which is required by FRS102 but it does not represent an asset which can be realised nor a liability that will become payable in the short term.

POSITIVE STEPS OLDHAM

NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2016

	Unrestricted 2016 £	Restricted 2016 £	Total 2016 £	Total 2015 £
2 <u>Income from fund raising activities</u>				
The charity does not carry out any fund raising activities or receive income from commercial trading operations.				
3 <u>Income from investments</u>				
Bank deposit interest	6,330	-	6,330	6,156
	<u>6,330</u>	<u>-</u>	<u>6,330</u>	<u>6,156</u>
4 <u>Other income</u>				
Miscellaneous income	292	-	292	328
Profit on disposal of fixed assets	113	-	113	-
Income from subsidiary company	68,258	-	68,258	39,750
	<u>68,663</u>	<u>-</u>	<u>68,663</u>	<u>40,078</u>
5 <u>Income from charitable activities</u>				
<i>Development funds receivable:</i>				
Career Guidance & Support Services	2,886,704	-	2,886,704	3,834,957
Targeted Services	2,154,340	-	2,154,340	3,251,387
Family Support Services	2,182,899	19,658	2,202,557	-
	<u>7,223,943</u>	<u>19,658</u>	<u>7,243,601</u>	<u>7,086,344</u>

6 Total resources expended

Charitable activities

	Raising funds	Career Guidance & Support Services	Targeted Services	Family Support Services	Governance	Total 2016	Total 2015
	£	£	£	£	£	£	£
<u>Costs directly allocated to activities</u>							
Staff costs		2,404,647	1,339,610	1,389,390	38,793	5,172,440	5,309,527
Project costs		123,988	335,886	310,540	-	770,414	283,351
Travel, subsistence and transport		17,946	12,204	13,115	-	43,265	34,567
Rent and property costs		67,455	106,079	99,141	-	292,675	311,295
Printing and promotions		1,609	313	2,046	-	3,968	5,329
Stationery and administration		45,607	35,894	37,674	-	119,175	119,554
Telephone and data communications		8,929	8,835	11,091	-	28,855	27,556
Computer maintenance and software		89,946	48,300	55,870	-	194,116	179,390
Depreciation		5,261	14,805	27,013	-	47,079	36,108
Loss on disposal of fixed assets		-	-	-	-	-	1,156
Audit and accountancy		-	-	-	9,546	9,546	11,021
Careers library initiative		330	-	-	-	330	330
Work experience insurance cost		2,200	-	-	-	2,200	2,120
	-	2,787,918	1,901,926	1,945,880	48,339	6,684,063	6,321,304
<u>Support costs</u>							
Staff costs		145,560	89,917	96,386	-	331,863	385,154
Training and employee costs		7,834	10,778	8,541	-	27,153	34,112
Rent and property costs		43,728	53,040	49,571	-	146,339	155,648
Depreciation		2,631	7,403	13,506	-	23,540	18,054
Loss on disposal of fixed assets		-	-	-	-	-	578
Professional services		4,212	3,839	3,984	-	12,035	17,559
Consultancy		4,650	1,964	1,950	-	8,564	3,893
	-	208,615	166,941	173,938	-	549,494	614,998
Total expenditure	-	2,996,533	2,068,867	2,119,818	48,339	7,233,557	6,936,302
Pension scheme adjustments (FRS102)	-	344,938	192,979	200,063	-	738,000	493,000
Total resources expended	-	3,341,471	2,261,846	2,319,901	48,339	7,971,557	7,429,302

Support costs have been apportioned in most cases using numbers of employees per area of activity, or on a basis which is considered consistent with the use of the resources.

	Total 2016 £	Total 2015 £
7 Staff costs		
Total staff emoluments for the year were as follows:		
Salaries	4,516,111	4,764,981
Redundancy	83,492	-
National Insurance	308,359	327,978
Pension	596,340	601,722
	5,504,302	5,694,681
FRS102 : Retirement Benefits (adjustments)	738,000	493,000
	<u>6,242,302</u>	<u>6,187,681</u>

Salaries include £11,823 (2015: £53,781) for temporary agency staff.

8 Staff numbers

The average number of full-time equivalent employees and secondees during the year was as follows:

	Number	Number
Charitable activities	190	188
Raising funds	-	-
Governance	2	2
	<u>192</u>	<u>190</u>

The number of employees whose emoluments (gross salary and employer pension contribution), amounted to over £60,000 in the year were as follows:

	Number	Number
£60,001 - £70,000	1	2
£70,001 - £80,000	1	1
£80,001 - £90,000	0	0
£90,001 - £100,000	0	0

All of the employees whose emoluments were greater than £60,000 are part of a defined benefit pension scheme. Employer contributions of £ 18,864 (2015 : £16,704) were made during the year for these people.

9 Net movement in funds

Net movement in funds is arrived at after charging /(crediting):

Depreciation of tangible fixed assets	70,618	54,163
(Profit) Loss on sale of tangible fixed assets	(113)	1,734
Auditors' remuneration:		
audit of charitable company	8,850	8,850
Operating lease rentals - land and buildings	264,684	287,184

10 Taxation

The company is a registered charity and no provision is considered necessary for taxation.

POSITIVE STEPS OLDHAM

NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2016

11 Tangible fixed assets

	Rented Property Improvements	Computer & Office Equipment	Total
<u>Cost</u>			
At 1 April 2015	119,992	375,441	495,433
Additions	-	192,543	192,543
Disposals		(94,987)	(94,987)
At 31 March 2016	119,992	472,997	592,989
<u>Depreciation</u>			
At 1 April 2015	65,382	184,389	249,771
Charge for the period	5,646	64,972	70,618
Disposals		(93,826)	(93,826)
At 31 March 2016	71,028	155,535	226,563
<u>Net Book Value</u>			
At 31 March 2016	48,964	317,462	366,426
At 31 March 2015	54,610	191,052	245,662

12 Subsidiary undertakings

	<u>Registered in</u>	<u>Percentage of capital held</u>	<u>Number of £1 ordinary shares held</u>
PSO Trading Limited	England and Wales	100%	1

PSO Trading Limited

PSO Trading Limited was incorporated on 2 June 2005 and commenced trading on 31 October 2005. The company is a wholly owned subsidiary of the charity and was formed to provide room hire and other trading activities from the offices of the charity.

	2016 £	2015 £
13 Debtors		
Development funds outstanding	479,583	314,129
Amount owed by subsidiary undertakings	93,642	46,950
Prepayments	53,484	42,016
Accrued income	23,700	195,744
	<u>650,409</u>	<u>598,839</u>

14 Creditors : amounts falling due within one year

Trade creditors	727,344	707,838
Amount owed to subsidiary undertakings	-	144
Taxation and social security	236,719	241,093
Accruals	64,720	45,645
Deferred income	219,058	227,271
	<u>1,247,841</u>	<u>1,221,991</u>

15 Operating lease commitments

The future minimum operating lease payments are as follows:

	2016 £	2015 £
Not later than one year	276,684	264,684
Later than one year and not later than five years	1,094,736	1,058,736
Later than five years	1,014,622	1,279,306
	<u>2,386,042</u>	<u>2,602,726</u>

16 Share capital

The company has no share capital, and the liability of members is limited by guarantee to £1 per member.

POSITIVE STEPS OLDHAM

NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2016

	2016 £	2015 £
17 <u>Reconciliation of net movement in funds to net cash flow from operating activities</u>		
Net movement in funds	(652,963)	(296,724)
Investment income	(6,330)	(6,156)
Depreciation	70,505	55,897
Decrease (increase) in debtors	(51,570)	(122,818)
(Decrease) increase in creditors	25,850	(119,673)
Pension scheme adjustment	738,000	493,000
Net cash provided from operating activities	<u>123,492</u>	<u>3,526</u>

18 Analysis of cash and cash equivalents

Cash at bank and in hand	2,061,924	2,123,371
Total cash and cash equivalents	<u>2,061,924</u>	<u>2,123,371</u>

19 Pension fund

The company is an "admitted body" within Greater Manchester Pension Fund.

The scheme is a defined benefit pension scheme providing retirement benefits based on final pensionable remuneration. The assets of the scheme are held separately from those of the company, being invested by the appointed advisors of the Management Committee of Greater Manchester Pension Fund.

The pension cost is assessed in accordance with the advice of an independent qualified actuary using the projected unit credit method on the basis of annual valuations, and charged to the Statement of Financial Activities as described below.

The pension cost to the company for the year was £ 596,340 (2015: £601,722).

The actuarial valuation described above has been updated at 31 March 2016 by a qualified actuary using revised assumptions that are consistent with the requirements of FRS102. Investments for this purpose have been valued at fair value. The most recent formal valuation was as at 31 March 2013.

Disclosures under FRS102 as at 31 March 2016.

The financial assumptions used by the actuary to calculate the scheme liabilities under FRS102 were as follows:

	2016	2015
	%pa	%pa
Pension increase rate	2.2	2.5
Salary increase rate	3.5	3.7
Discount rate	3.6	3.3

Mortality

Vita Curves with improvements in line with the CMI2010 model assuming the current rate of improvements has peaked and will converge to a long term rate of 1.25% p.a.

Based on these assumptions, the average future life expectancies at age 65 are:

	Males	Females
Current Pensioners	21.4 years	24.0 years
Future Pensioners	24.0 years	26.6 years

POSITIVE STEPS OLDHAM

NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2016

19 Pension fund continued

	2016 £	2015 £
The amounts charged or (credited) in Statement of Financial Activities (including income and expenditure account) are as follows:		
Current service cost	1,055,000	894,000
Contributions by employers	(573,000)	(607,000)
Loss on curtailments	-	27,000
Interest on obligation	999,000	1,026,000
Interest income on plan assets	(743,000)	(847,000)
Total	738,000	493,000

The interest on obligation and interest income on plan assets were included in other financial expenditure.

The amounts recognised in the balance sheet are as follows:

Fair value of plan assets	22,612,000	22,313,000
Present value of funded retirement benefit obligations	(26,945,000)	(29,810,000)
Net Liability	(4,333,000)	(7,497,000)

The major categories of plan assets as a percentage of total plan assets are as follows:

	%	%
Equities	73	73
Bonds	17	17
Property	6	6
Cash	4	4

POSITIVE STEPS OLDHAM

NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2016

19 Pension fund continued ...

Changes in the fair value of the Scheme Assets are as follows:	2016 £	2015 £
Opening fair value of scheme assets at 1 April 2015	22,313,000	19,417,000
Interest income on plan assets	743,000	847,000
Contributions by employer	573,000	607,000
Contributions by members	258,000	271,000
Benefits paid	(401,000)	(268,000)
Return on assets excluding amounts included in net interest	(874,000)	1,439,000
Closing fair value of scheme assets at 31 March 2016	<u>22,612,000</u>	<u>22,313,000</u>

Changes in the present value of the defined benefit obligation are as follows:

Opening defined benefit obligation as at 1 April 2015	(29,810,000)	(23,426,000)
Current service cost	(1,055,000)	(894,000)
Interest cost on defined benefit obligation	(999,000)	(1,026,000)
Losses on Curtailments	-	(27,000)
Benefits paid	401,000	268,000
Changes in financial assumptions	4,469,000	(4,616,000)
Other experience	307,000	182,000
Contributions by members	(258,000)	(271,000)
Closing defined benefit obligation as at 31 March 2016	<u>(26,945,000)</u>	<u>(29,810,000)</u>

The total actuarial gains and losses recognised in the Statement of Financial Activities - Other recognised gains and losses at 31 March 2016 was a profit of £3,902,000 (2015 : loss of £2,995,000).

The estimated Employer's contributions for the period to 31 March 2017 will be approximately £573,000.

Amounts for the current period are as follows:	2016 £	2015 £
Fair value of plan assets at 31 March	22,612,000	22,313,000
Present value of defined benefit obligation at 31 March	(26,945,000)	(29,810,000)
Deficit in the plan	<u>(4,333,000)</u>	<u>(7,497,000)</u>

Experience adjustments arising on plan assets	874,000	1,439,000
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POSITIVE STEPS OLDHAM

NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2016

20 Analysis of charitable funds

Analysis of fund movements:

	At 1 April 2015 £	Incoming resources £	Resources expended £	Gains (losses) £	At 31 March 2016 £
<i>Restricted Funds:</i>	-	19,658	(19,658)	-	-
<i>Designated Funds</i>	-	-	-	-	-
<i>Unrestricted funds:</i>					
General Funds	1,745,882	7,298,936	(7,213,899)	-	1,830,919
Pension Reserve	(7,497,000)	-	(738,000)	3,902,000	(4,333,000)
Total	(5,751,118)	7,318,594	(7,971,557)	3,902,000	(2,502,081)

The restricted funds above relate to Health and Social Care Volunteering Fund, and are restricted by the donor for specific uses.

21 Analysis of net assets between funds

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	366,426	-	-	366,426
Investments	1	-	-	1
Current assets	2,712,333	-	-	2,712,333
Current liabilities	(1,247,841)	-	-	(1,247,841)
Defined benefit pension liability	(4,333,000)	-	-	(4,333,000)
Net liabilities 31 March 2016	(2,502,081)	-	-	(2,502,081)

POSITIVE STEPS OLDHAM

NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2016

22 Related party transactions

During the year Positive Steps Oldham had transactions and balances with its subsidiary undertaking on an arm's length basis as follows:

	<u>2016</u> £	<u>2015</u> £
<u>PSO Trading Limited</u>		
Recharge of staff costs and other transactions	103,047	115,439
Purchase of training and other administration costs	(16,520)	(1,380)
Covenanted profits - transferred from subsidiary company	68,258	39,750
Amount owed by PSO Trading Ltd at 31 March 2016	93,642	46,950
Amount owed to PSO Trading Ltd at 31 March 2016	-	(144)

Members of the Board of Trustees are drawn from Oldham Metropolitan Borough Council, and representatives of business, education and training, and voluntary sector communities.

Close working relationships exist between the Charity and these representatives, which have proved invaluable to the charity in establishing improved links within the community and identifying relevant policy developments and prospective funding.

Where any transactions take place between the charity and organisations with which the trustees might be connected they are on normal commercial terms.

The charity trustees were not paid or reimbursed expenses during the year and no charity trustee received any emoluments or payment for professional or other services.

23 Transition to FRS 102

In preparing the financial statements, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP (FRS 102) from the transition date of 1 April 2014, a restatement of comparative items was required.

In respect of the defined benefit pension scheme, under FRS 102 the removal of the 'expected return on assets' assumption has resulted in a change to the previously reported Actuarial gains and (losses) on the defined benefit pension scheme as reported in the SOFA (including income and expenditure account) under the heading 'Other recognised gains and losses'.

The result of the changes above on the reported results for the comparative year to 31 March 2015, is a reduction in net income/(expenditure) of £315,000 from a surplus of £18,276 to a deficit of £(296,724), and a corresponding reduction in the Actuarial losses recognised of £315,000 from an original loss of £(3,310,000) to a revised loss of £(2,995,000).

There were no changes required to the fund values reported in the balance sheet at 31 March 2015.

No other transitional adjustments were required following the adoption of FRS 102 and the Charities SORP (FRS 102).

POSITIVE STEPS OLDHAM

The following pages do not form part of the statutory accounts.

DETAILED INCOME AND EXPENDITURE ACCOUNT: YEAR ENDED 31 MARCH 2016

	<i>Note</i>	2016 £	2015 £
INVESTMENT INCOME	3	6,330	6,156
OTHER INCOME	4	68,663	40,078
DEVELOPMENT FUNDS RECEIVABLE	5	7,243,601	7,086,344
		<u>7,318,594</u>	<u>7,132,578</u>
LESS EXPENDITURE :			
Salaries, NI and Pension Contributions	7	5,504,302	5,694,681
Training and Employee Costs		26,429	32,940
Travel, Subsistence and Transport Costs		43,989	38,582
Rent and Property Costs		439,014	466,943
Printing and Promotions		3,968	5,329
Depreciation on Fixed Assets		70,618	54,162
Loss on Disposal of Fixed Assets		-	1,734
Stationery and Administration		116,345	113,262
Telephone and Data Communication		28,855	27,556
Computer Maintenance and Software		194,117	179,391
Project Costs		770,414	283,351
Audit and Accountancy		9,547	11,021
Professional Services		14,865	21,007
Consultancy		8,564	3,893
Careers Library Initiative		330	330
Work Experience Insurance Costs		2,200	2,120
TOTAL EXPENDITURE		<u>7,233,557</u>	<u>6,936,302</u>
SURPLUS (DEFICIT) INCOME OVER EXPENDITURE		85,037	196,276
 Pension scheme adjustments (FRS102)	7	 (738,000)	 (493,000)
SURPLUS (DEFICIT) AFTER FRS102 PENSION SCHEME ADJUSTMENTS		<u>(652,963)</u>	<u>(296,724)</u>

