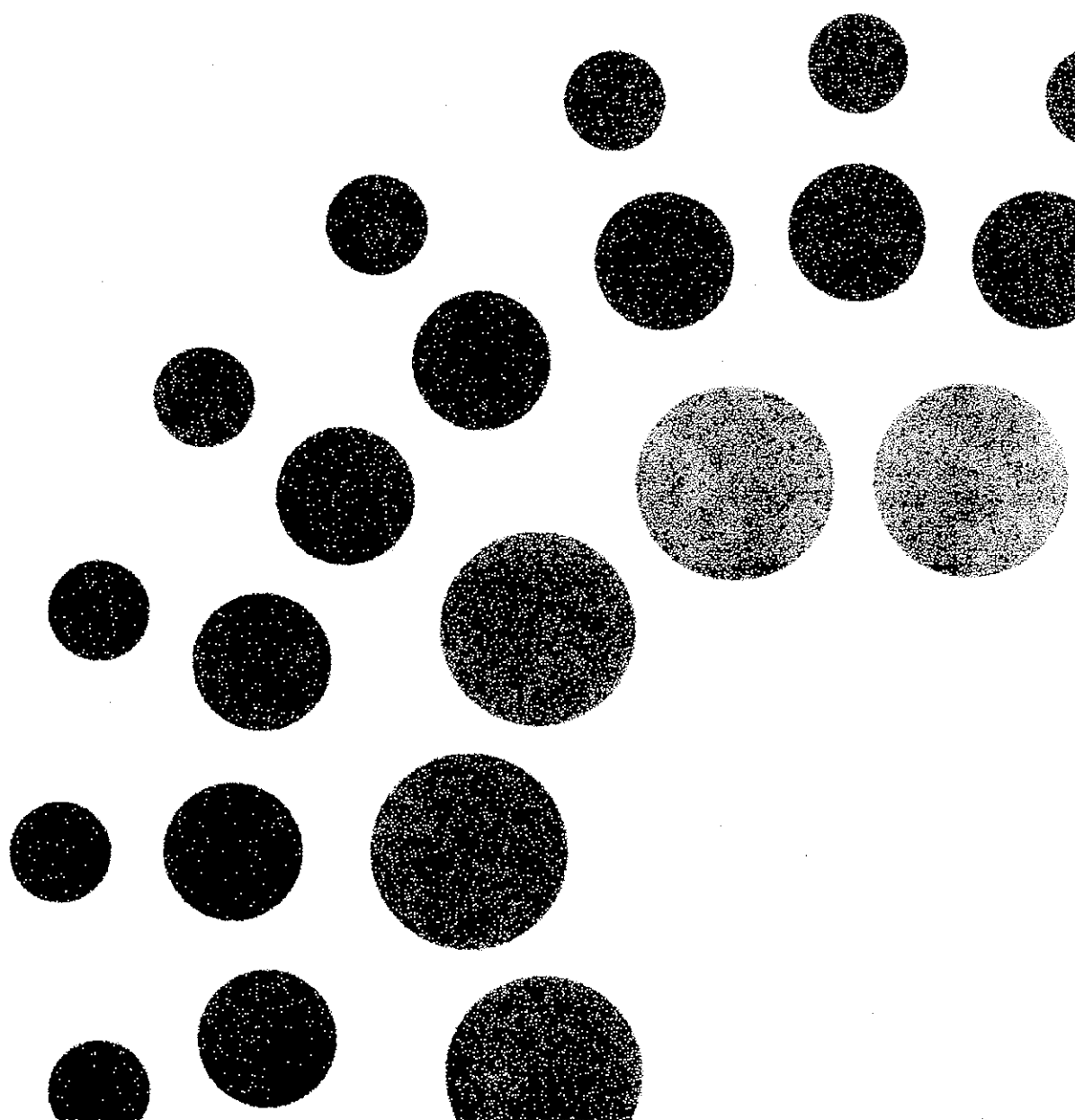


# POSITIVE STEPS OLDHAM GROUP ACCOUNTS



## REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017



**POSITIVE STEPS**

Oldham Community Foundation

POSITIVE STEPS OLDHAM (trading as POSITIVE STEPS)  
(A company limited by guarantee and not having a share capital)  
Company number: 05340594, Registered Charity Number: 1017347

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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 fifth 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>	Naphens, Greenbank Court, Challenge Way, Greenbank Business Park, Blackburn, BB1 5QB

Trustees	Representing	
Miss Joanne Marie Taylor	Independent	Appointed 6 <sup>th</sup> October 2016
Cllr Garth Harkness	Oldham Council	Appointed 7 <sup>th</sup> October 2016
Cllr Susan Margaret Dearden	Oldham Council	Resigned 27 <sup>th</sup> September 2016
Mr Muzahid Khan	Independent	Appointed 6 <sup>th</sup> October 2016
Mr Samuel David Breckell	Oldham College	
Mr Philip Morgan Pearson	Independent	Appointed 6 <sup>th</sup> October 2016
Mr Bernard Keay (Chair)	Independent	
Mr Sean Eric Fielding	Oldham Council	
Ms Julie Anne Edmondson	Perfect Fit People Limited	
Cllr Joy Wrigglesworth	Oldham Council	
Ms Hannah Jane Roberts	Independent	
Mrs Veronica Carolyn Devonport	Groundwork Oldham & Rochdale	
Cllr Amanda Chadderton	Oldham Council	Appointed 7 <sup>th</sup> October 2016
Miss Joanne Lesley Rendell	Independent	Resigned 27 <sup>th</sup> September 2016

## **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 and adopted by special resolution on 27<sup>th</sup> September 2016 having previously been 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 2016-17 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 77% of income derives originally from the UK Government (via regional and local funding bodies) and approximately 23% 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 2016 to March 2017 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.

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# SUPPORTING FAMILIES

Over 2000 stop smoking interventions

We are currently  
over 14,000  
people in need of  
support with  
smoking, and  
alcohol, and

We've developed community outreach  
Hubs across Oldham to help reach  
people in need of support and link with  
communities groups

**1016**  
**People**  
**have had**  
**a health**  
**check**

We have a range of services

to help people with  
mental health issues  
and substance use  
problems

We have a range of  
services to help people  
with mental health issues

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## EMPLOYMENT AND SKILLS

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 1,880 work  
experience placements for  
young people.

Arranged 242 Mock Interviews



Young people who were referred to the service by their GP, school or other professionals



**1255 young people  
accessed our service  
for the first time**

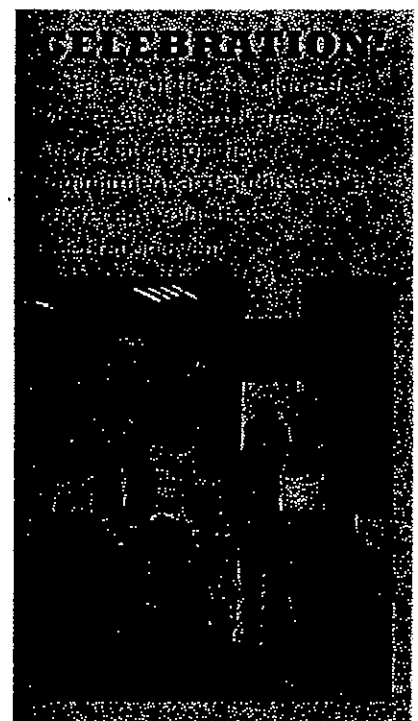
**9560  
people  
came to a  
group  
session**

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

100% of young people who were referred to the service by their GP, school or other professionals

# VOLUNTEERS

Volunteering is a great way to help others and make a difference in your community. It's also a great way to meet new people and learn new skills. If you're looking for a way to give back, volunteering is a great option.

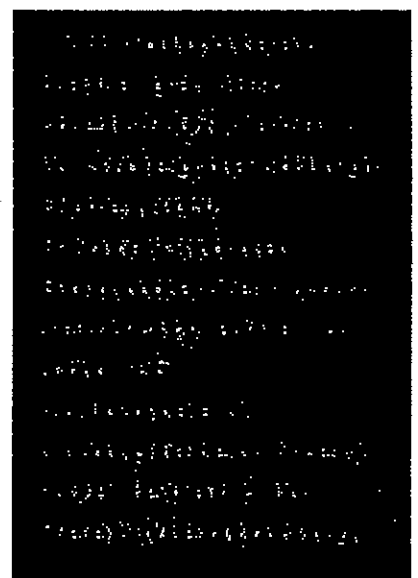


Here's some feedback from one of our Early Help clients – who is now a Positive Steps Volunteer...

*I was introduced to Positive Steps at a really low time in my life. I had lost a career that I loved due to an accident and my family was slowly sliding away from me. Also, my son was having real difficulties around his special needs. I just got to a stage where I was crying out for help and support. I felt isolated and alone. My mind was so full of negative thoughts and hopelessness that each day was a struggle to cope.*

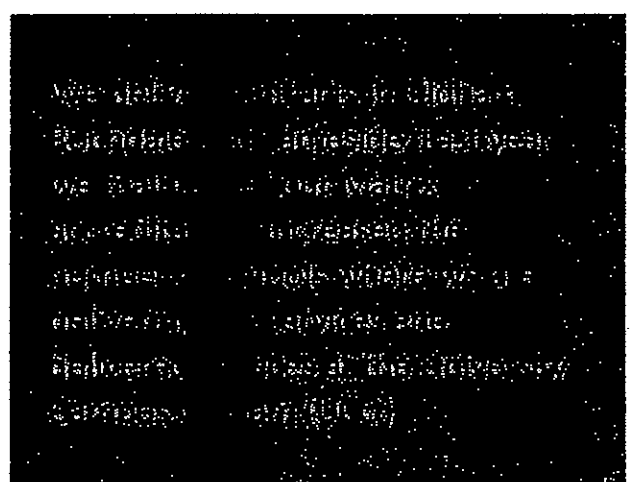
*A lady from the Early Help Team came to visit me, she listened with compassion and understanding and never judged me. I felt at ease around her as she helped me unpick all the issues and worries that were clogging up my mind. She also offered practical solutions to support my son who is now doing really well! When I heard that Positive Steps needed volunteers I jumped at the chance, it was a real opportunity to give something back, and gain experience too.*

*There are lots of areas you can work in. I chose Early Help because they offered me that lifeline that helped us so much. The process is easier than you think. Now I am out there helping and supporting others and I feel wanted and valued. They need volunteers to carry on this positive work in the community. If you are reading this and you can help, then give them a call.*



## CAREERS INFORMATION, ADVICE & GUIDANCE

**We continued to keep 16-18 NEET figures low, while reducing the number of young people with who we had lost touch**



## **STRATEGIC REPORT INCLUDING FINANCIAL REVIEW**

---

The Positive Steps Oldham Group accounts for 2016-17 show overall income decreasing from £7,406,712 in 2015-16 to £ 7,164,233, this year, a decrease of 3.38%. This was almost entirely attributable to funding cuts within the Targeted Services directorate.

The accounts show, initially, an operating surplus of £220,070. However, FRS102 Pension Scheme adjustments have identified a balance of -£456,000, resulting in a deficit of -£235,930 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." It is important to realise that the actual cost of the pension fund (i.e. how much money it will ultimately have to pay out to its members in the form of benefits) is unknown. This cost will not be known with certainty until the last benefit is paid to the last pensioner. The purpose of this valuation is to estimate what this cost will be, so that the Fund can then develop a funding strategy to meet it.

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 £4,333,000 on 31<sup>st</sup> March 2016 to a deficit of £8,239,000 on 31<sup>st</sup> March 2017. 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
31-03-2017	-£8,239,000

On reviewing the Balance Sheet, the net assets, excluding pension reserve, have increased from £1,831,190 to £2,051,260.

### 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 2017 were:

- |                                           |            |
|-------------------------------------------|------------|
| • Essential Building & Other Maintenance: | £450,000;  |
| • Reduction in funding                    | £500,000;  |
| • Pension Liability:                      | £500,000;  |
| • Total                                   | £1,450,000 |

## **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 1<sup>st</sup> 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 replacing all the existing windows, 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 (2018-2020). 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 7<sup>th</sup> November 2017 and signed on its behalf by:



Rachel Adamson  
Company Secretary

# **INDEPENDENT AUDITORS' REPORT**

## **TO THE MEMBERS OF POSITIVE STEPS OLDHAM**

We have audited the Group financial statements of Positive Steps Oldham for the year ended 31 March 2017 which comprise the Consolidated Statement of Financial Activities, the Group and Company Balance Sheets, the Consolidated Cash Flow Statement, and 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 FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company'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 group and 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 group's and the charity's affairs as at 31 March 2017 and of 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.

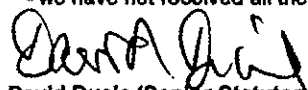
### **Opinion on other matter prescribed by the Companies Act 2006**

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 Duce (Senior Statutory Auditor)

For and on behalf of WRIGLEY PARTINGTON  
Chartered Accountants and Statutory Auditors  
Sterling House  
501 Middleton Road  
Chadderton  
Oldham  
OL9 9LY

7th November 2017

**POSITIVE STEPS OLDHAM**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**(Including Income and expenditure account): YEAR ENDED 31 MARCH 2017**

	<i>Note</i>	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £	Total Funds 2016 £
<b><u>INCOME</u></b>					
Income from investments	3	3,588	-	3,588	6,330
Income from trading activities	4	157,362	-	157,362	104,752
Other income	5	53,874	-	53,874	52,029
<i>Income from charitable activities:</i>					
Development funds receivable	6	6,939,583	9,826	6,949,409	7,243,601
<b>Total Income</b>		<b>7,154,407</b>	<b>9,826</b>	<b>7,164,233</b>	<b>7,406,712</b>
<b><u>EXPENDITURE</u></b>					
Raising funds	7	176,728	-	176,728	88,118
Charitable activities	7	7,213,609	9,826	7,223,435	7,971,557
<b>Total expenditure</b>	<b>7</b>	<b>7,390,337</b>	<b>9,826</b>	<b>7,400,163</b>	<b>8,059,675</b>
<b>Net income (expenditure) for the year</b>		<b>(235,930)</b>	<b>-</b>	<b>(235,930)</b>	<b>(652,963)</b>
<b>Other recognised gains and losses</b>					
Actuarial gains/(losses) on defined benefit pension schemes		(3,450,000)	-	(3,450,000)	3,902,000
<b>Net movement in funds</b>		<b>(3,685,930)</b>	<b>-</b>	<b>(3,685,930)</b>	<b>3,249,037</b>
<b><i>Reconciliation of funds</i></b>					
Total funds brought forward		(2,501,810)	-	(2,501,810)	(5,750,847)
<b>Total funds carried forward</b>	<b>21</b>	<b>(6,187,740)</b>	<b>-</b>	<b>(6,187,740)</b>	<b>(2,501,810)</b>

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



**POSITIVE STEPS OLDHAM GROUP ACCOUNTS**  
**CONSOLIDATED BALANCE SHEET: AS AT 31 MARCH 2017**

	<u>Note</u>	<b>Group 2017 £</b>	<b>Group 2016 £</b>	<b>Charity 2017 £</b>	<b>Charity 2016 £</b>
<b>FIXED ASSETS</b>					
Tangible assets	12	316,677	366,426	316,577	366,426
Investments	13	-	-	1	1
		<u>316,677</u>	<u>366,426</u>	<u>316,578</u>	<u>366,427</u>
<b>CURRENT ASSETS</b>					
Debtors	14	469,743	610,538	460,376	650,409
Cash at bank and in hand		2,645,373	2,121,640	2,643,842	2,061,924
		<u>3,115,116</u>	<u>2,732,178</u>	<u>3,104,218</u>	<u>2,712,333</u>
<b>CREDITORS:</b>					
Amounts falling due within one year	15	1,380,533	1,267,414	1,369,807	1,247,841
<b>NET CURRENT ASSETS</b>		<u>1,734,583</u>	<u>1,464,764</u>	<u>1,734,411</u>	<u>1,464,492</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,051,260</u>	<u>1,831,190</u>	<u>2,050,989</u>	<u>1,830,919</u>
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>		2,051,260	1,831,190	2,050,989	1,830,919
Defined benefit pension scheme liability	20	(8,239,000)	(4,333,000)	(8,239,000)	(4,333,000)
<b>NET ASSETS INCLUDING PENSION LIABILITY</b>	22	<u>(6,187,740)</u>	<u>(2,501,810)</u>	<u>(6,188,011)</u>	<u>(2,502,081)</u>
<b>FUNDS</b>					
Restricted funds	21	-	-	-	-
Unrestricted funds:					
Designated	21	-	-	-	-
General	21	2,051,260	1,831,190	2,050,989	1,830,919
Pension reserve	21	(8,239,000)	(4,333,000)	(8,239,000)	(4,333,000)
<b>TOTAL FUNDS</b>	21	<u>(6,187,740)</u>	<u>(2,501,810)</u>	<u>(6,188,011)</u>	<u>(2,502,081)</u>

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

The financial statements were approved by the Board on 7th November 2017  
and signed on its behalf by:

.....  
Registration number 2563094      Trustee/Director  
B. KEAY

**POSITIVE STEPS OLDHAM GROUP ACCOUNTS**  
**CONSOLIDATED CASH FLOW STATEMENT: YEAR ENDED 31 MARCH 2017**

	<i>Note</i>	<b>2017 £</b>	<b>2016 £</b>
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>18</b>	<b><u>548,680</u></b>	<b><u>166,978</u></b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>			
Investment income receipts		3,588	6,330
Payments to acquire tangible fixed assets		(28,820)	(192,543)
Receipts from sale of tangible fixed assets		285	1,274
<b>CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>		<b><u>(24,947)</u></b>	<b><u>(184,939)</u></b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>			
Repayment of borrowing		-	-
<b>CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>		<b><u>-</u></b>	<b><u>-</u></b>
 <b>Increase in cash and cash equivalents in the year</b>		 <b>523,733</b>	 <b>(17,961)</b>
 <b>Cash and cash equivalents at the beginning of the year</b>		 <b>2,121,640</b>	 <b>2,139,601</b>
 <b>Cash and cash equivalents at the end of the year</b>	<b>19</b>	 <b><u>2,645,373</u></b>	 <b><u>2,121,640</u></b>

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

**POSITIVE STEPS OLDHAM GROUP ACCOUNTS**  
**NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2017**

**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.

The Statement of Financial Activities (SOFA) and balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking drawn up to 31 March each year. A separate statement of financial activities and income and expenditure account are not presented for the charity itself following the exemptions afforded by section 408 of the Companies Act 2006, and the Charities SORP (FRS 102).

**b) Functional currency**

The financial statements are prepared in sterling, which is the functional currency of the entity.

**c) Assessment of going concern**

The Trustees consider that there are no material uncertainties about the group's ability to continue as a going concern and the Financial Statements are drawn up on the Going Concern basis which assumes that the group 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 group.

**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.

**POSITIVE STEPS OLDHAM GROUP ACCOUNTS**  
**NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2017**

**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 GROUP ACCOUNTS**  
**NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2017**

**2 Analysis of consolidated results between the parent charity Positive Steps Oldham and its subsidiary undertaking.**

	Positive Steps Oldham £	PSO Trading Limited £	Total 2017 £	Total 2016 £
<b>Income</b>	<b>6,987,505</b>	<b>176,728</b>	<b>7,164,233</b>	<b>7,406,712</b>
<b>Expenditure</b>				
Raising funds	-	176,728	176,728	88,118
Charitable activities	7,223,435	-	7,223,435	7,971,557
<b>Total expenditure</b>	<b>7,223,435</b>	<b>176,728</b>	<b>7,400,163</b>	<b>8,059,675</b>
<b>Net Income (expenditure) for the year</b>	<b>(235,930)</b>	<b>-</b>	<b>(235,930)</b>	<b>(652,963)</b>
<b>Other recognised gains and losses</b>				
Actuarial gains (losses) on defined benefit pension schemes	(3,450,000)	-	(3,450,000)	3,902,000
<b>Net movement in funds</b>	<b>(3,685,930)</b>	<b>-</b>	<b>(3,685,930)</b>	<b>3,249,037</b>
<b>Balance Sheet</b>				
Tangible fixed assets	316,578	100	316,678	366,427
Net current assets (liabilities)	1,734,411	172	1,734,583	1,464,764
Defined benefit pension scheme asset (liability)	(8,239,000)	-	(8,239,000)	(4,333,000)
<b>Net assets (liabilities)</b>	<b>(6,188,011)</b>	<b>272</b>	<b>(6,187,739)</b>	<b>(2,501,809)</b>
<b>Aggregate share capital and reserves</b>	<b>(6,188,011)</b>	<b>272</b>	<b>(6,187,739)</b>	<b>(2,501,809)</b>

**POSITIVE STEPS OLDHAM GROUP ACCOUNTS**  
**NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2017**

	Unrestricted 2017 £	Restricted 2017 £	Total 2017 £	Total 2016 £
<b>3 <u>Income from investments</u></b>				
Bank deposit interest	3,588	-	3,588	6,330
	<u>3,588</u>	<u>-</u>	<u>3,588</u>	<u>6,330</u>
<b>4 <u>Income from trading activities</u></b>				
Work experience	59,578	-	59,578	-
Room hire	8,712	-	8,712	5,115
Training materials and sundry sales	89,072	-	89,072	99,637
	<u>157,362</u>	<u>-</u>	<u>157,362</u>	<u>104,752</u>
<b>5 <u>Other income</u></b>				
Other income	53,874	-	53,874	52,029
	<u>53,874</u>	<u>-</u>	<u>53,874</u>	<u>52,029</u>
<b>6 <u>Income from charitable activities</u></b>				
<b><u>Positive Steps Oldham</u></b>				
<i>Development funds receivable:</i>				
Career Guidance & Support Services	2,961,755	-	2,961,755	2,886,704
Targeted Services	1,875,280	-	1,875,280	2,154,340
Family Support Services	2,102,548	9,826	2,112,374	2,202,557
	<u>6,939,583</u>	<u>9,826</u>	<u>6,949,409</u>	<u>7,243,601</u>

**POSITIVE STEPS OLDHAM GROUP ACCOUNTS**  
**NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2017**

**7 Total resources expended**

**[a] Positive Steps Oldham**

	Generating funds	Charitable activities				Total 2017 £	Total 2016 £
		Career Guidance & Support Services	Targeted Services	Family Support Services	Governance		
	£	£	£	£	£		
<b><u>Costs directly allocated to activities</u></b>							
Staff costs		2,138,389	1,170,206	1,295,462	34,791	4,638,848	5,172,440
Project costs		105,776	310,822	367,513	-	784,111	770,414
Travel, subsistence and transport		14,652	14,489	9,781	-	38,922	43,265
Rent and property costs		72,081	81,031	93,624	-	246,736	292,675
Toilet refurbishment		22,889	25,711	29,786	-	78,386	-
Printing and promotions		1,014	269	1,793	-	3,076	3,968
Stationery and administration		35,653	33,076	48,768	-	117,497	119,175
Telephone and data communications		9,706	8,976	11,978	-	30,660	28,855
Computer maintenance and software		96,689	55,234	76,903	-	228,826	194,116
Depreciation		22,688	6,302	23,174	-	52,164	47,079
Loss on disposal of fixed assets		-	-	-	-	-	-
Audit and accountancy		-	-	-	9,539	9,539	9,546
Careers library initiative		330	-	-	-	330	330
Work experience insurance cost		-	-	-	-	-	2,200
	-	2,519,867	1,706,116	1,958,782	44,330	6,229,095	6,684,063
<b><u>Support costs</u></b>							
Staff costs		136,613	75,476	102,643	-	314,732	331,863
Training and employee costs		5,212	5,273	4,890	-	15,375	27,153
Rent and property costs		36,041	40,515	46,812	-	123,368	146,339
Toilet refurbishment		11,445	12,855	14,893	-	39,193	-
Depreciation		11,344	3,151	11,587	-	26,082	23,540
Loss on disposal of fixed assets		-	-	-	-	-	-
Professional services		4,705	2,579	5,683	-	12,967	12,035
Consultancy		2,925	1,726	1,972	-	6,623	8,564
	-	208,285	141,575	188,480	-	538,340	549,494
Total expenditure	-	2,728,152	1,847,691	2,147,262	44,330	6,767,435	7,233,557
Pension scheme adjustments (FRS102)	-	211,793	115,900	128,307	-	456,000	738,000
Total resources expended	-	2,939,945	1,963,591	2,275,569	44,330	7,223,435	7,971,557

**POSITIVE STEPS OLDHAM GROUP ACCOUNTS**  
**NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2017**

**7 Total resources expended (continued...)**

	<u>Generating funds</u>	<u>Charitable activities</u>	<u>Governance</u>	<b>Total 2017</b>	<b>Total 2016</b>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<b>[b] <u>PSO Trading Limited</u></b>					
<i>Costs directly allocated to activities</i>	176,728	-	-	176,728	88,118
<b>Total resources expended</b>	<u>176,728</u>	<u>-</u>	<u>-</u>	<u>176,728</u>	<u>88,118</u>
 <b><u>Total resources expended</u></b>	 <u>176,728</u>	 <u>7,179,105</u>	 <u>44,330</u>	 <u>7,400,163</u>	 <u>8,059,675</u>

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



**POSITIVE STEPS OLDHAM GROUP ACCOUNTS**  
**NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2017**

	Total 2017 £	Total 2016 £
<b>8</b> <b><u>Staff costs</u></b>		
Total staff emoluments for the year were as follows:		
Salaries	4,135,966	4,560,147
Redundancy	36,231	83,492
National Insurance	372,745	311,475
Pension	535,479	602,615
	<u>5,080,421</u>	<u>5,557,729</u>
FRS102 : Retirement Benefits (adjustments)	456,000	738,000
	<u>5,536,421</u>	<u>6,295,729</u>

Salaries includes £ Nil (2016: £11,823) temporary agency staff and tutor costs.

**9**    **Staff numbers**

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

	Number	Number
Charitable activities	175	190
Generating funds	3	2
Governance	2	2
	<u>180</u>	<u>194</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	2	1
£70,001 - £80,000	0	1
£80,001 - £90,000	1	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 £ 27,036 (2016 : £18,864) were made during the year for these people.

**10**    **Net movement in funds**

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

Depreciation of tangible fixed assets	78,284	71,030
Loss on disposal of tangible fixed assets	-	-
Auditors' remuneration:		
audit of charitable company	9,000	8,850
audit of subsidiary undertakings	500	500
Operating lease rentals - land and buildings	264,684	264,684

**11**    **Taxation**

The company is a registered charity and no provision is considered necessary for taxation. The trading subsidiary PSO Trading Limited, passes any profits on which tax would be payable to Positive Steps Oldham under a Gift Aid arrangement, accordingly there is no corporation tax payable.

**POSITIVE STEPS OLDHAM GROUP ACCOUNTS**  
**NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2017**

**12 Tangible fixed assets**

<u>Group</u>	<b>Rented Property Improvements</b>	<b>Computer &amp; Office Equipment</b>	<b>Total</b>
<b><u>Cost</u></b>			
At 1 April 2016	119,992	476,219	596,211
Additions	-	28,820	28,820
Disposals	-	(19,713)	(19,713)
At 31 March 2017	<u>119,992</u>	<u>485,326</u>	<u>605,318</u>
<b><u>Depreciation</u></b>			
At 1 April 2016	71,028	158,757	229,785
Charge for the period	5,646	72,638	78,284
Disposals	-	(19,428)	(19,428)
At 31 March 2017	<u>76,674</u>	<u>211,967</u>	<u>288,641</u>
<b><u>Net Book Value</u></b>			
At 31 March 2017	<u>43,318</u>	<u>273,359</u>	<u>316,677</u>
At 31 March 2016	<u>48,964</u>	<u>317,462</u>	<u>366,426</u>

<u>Charity</u>	<b>Rented Property Improvements</b>	<b>Computer &amp; Office Equipment</b>	<b>Total</b>
<b><u>Cost</u></b>			
At 1 April 2016	119,992	472,997	592,989
Additions	-	28,682	28,682
Disposals	-	(19,713)	(19,713)
At 31 March 2017	<u>119,992</u>	<u>481,966</u>	<u>601,958</u>
<b><u>Depreciation</u></b>			
At 1 April 2016	71,028	155,535	226,563
Charge for the period	5,646	72,600	78,246
Disposals	-	(19,428)	(19,428)
At 31 March 2017	<u>76,674</u>	<u>208,707</u>	<u>285,381</u>
<b><u>Net Book Value</u></b>			
At 31 March 2017	<u>43,318</u>	<u>273,259</u>	<u>316,577</u>
At 31 March 2016	<u>48,964</u>	<u>317,462</u>	<u>366,426</u>

**POSITIVE STEPS OLDHAM GROUP ACCOUNTS**  
**NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2017**

**13 Subsidiary undertakings**

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

	<u>Group</u>	<u>Group</u>	<u>Charity</u>	<u>Charity</u>
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<b>14 <u>Debtors</u></b>				
Development funds outstanding	341,646	529,980	271,943	479,583
Amounts owed by subsidiary undertaking	-	-	60,336	93,642
Prepayments	51,617	56,858	51,617	53,484
Accrued income	76,480	23,700	76,480	23,700
	<u>469,743</u>	<u>610,538</u>	<u>460,376</u>	<u>650,409</u>

**Creditors: amounts falling due within one**

<b>15 <u>year</u></b>				
Trade creditors	506,598	727,592	505,237	727,344
Amounts owed to subsidiary undertaking	-	-	237	-
Taxation and social security	243,962	246,290	236,642	236,719
Accruals	149,360	65,384	148,958	64,720
Deferred income	480,613	228,148	478,733	219,058
	<u>1,380,533</u>	<u>1,267,414</u>	<u>1,369,807</u>	<u>1,247,841</u>

**16 Operating lease commitments**

The future minimum operating lease payments are as follows:

Not later than one year	276,684	276,684	276,684	276,684
Later than one year and not later than five years	1,082,736	1,094,736	1,082,736	1,094,736
Later than five years	749,938	1,014,622	749,938	1,014,622
	<u>2,109,358</u>	<u>2,386,042</u>	<u>2,109,358</u>	<u>2,386,042</u>

**17 Share capital**

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

**POSITIVE STEPS OLDHAM GROUP ACCOUNTS**  
**NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2017**

	2017 £	2016 £
<b>18 <u>Reconciliation of net movement in funds to net cash flow from operating activities</u></b>		
Net movement in funds	(235,930)	(652,963)
Investment income	(3,588)	(6,330)
Depreciation and profit or loss on sale	78,284	70,917
Decrease (increase) in debtors	140,795	(6,093)
(Decrease) increase in creditors	113,119	23,447
Pension scheme adjustment	456,000	738,000
<b>Net cash provided from operating activities</b>	<b><u>548,680</u></b>	<b><u>166,978</u></b>
<b>19 <u>Analysis of cash and cash equivalents</u></b>		
Cash at bank and in hand	2,645,373	2,121,640
<b>Total cash and cash equivalents</b>	<b><u>2,645,373</u></b>	<b><u>2,121,640</u></b>

**20 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 £521,949 (2016: £596,340).

The actuarial valuation described above has been updated at 31 March 2017 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 2016.

**Disclosures under FRS102 as at 31 March 2017.**

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

	<b>2017</b>	<b>2016</b>
	<b>%pa</b>	<b>%pa</b>
Pension increase rate	2.4	2.2
Salary increase rate	3.2	3.5
Discount rate	2.7	3.6

**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:

	<b>Males</b>	<b>Females</b>
Current Pensioners	21.5 years	24.1 years
Future Pensioners	23.7 years	26.2 years

**POSITIVE STEPS OLDHAM GROUP ACCOUNTS**  
**NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2017**

**20 Pension fund continued ....**

	2017. £	2016 £
<b>The amounts charged or (credited) in Statement of Financial Activities (Including income and expenditure account) are as follows:</b>		
Current service cost	739,000	1,055,000
Contributions by employers	(505,000)	(573,000)
Loss on curtailments	61,000	-
Interest on obligation	981,000	999,000
Interest income on plan assets	(820,000)	(743,000)
<b>Total</b>	<b><u>456,000</u></b>	<b><u>738,000</u></b>

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	27,461,000	22,612,000
Present value of funded retirement benefit obligations	(35,700,000)	(26,945,000)
<b>Net Liability</b>	<b><u>(8,239,000)</u></b>	<b><u>(4,333,000)</u></b>

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

	%	%
Equities	75	73
Bonds	16	17
Property	5	6
Cash	4	4

**POSITIVE STEPS OLDHAM GROUP ACCOUNTS**  
**NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2017**

**20 Pension fund continued ....**

<b>Changes in the fair value of the Scheme Assets are as follows:</b>	<b>2017 £</b>	<b>2016 £</b>
Opening fair value of scheme assets at 1 April 2016	22,612,000	22,313,000
Interest income on plan assets	820,000	743,000
Contributions by employer	505,000	573,000
Contributions by members	223,000	258,000
Benefits paid	(378,000)	(401,000)
Return on assets excluding amounts included in net interest	3,679,000	(874,000)
Closing fair value of scheme assets at 31 March 2017	<u>27,461,000</u>	<u>22,612,000</u>

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

Opening defined benefit obligation as at 1 April 2016	(26,945,000)	(29,810,000)
Current service cost	(739,000)	(1,055,000)
Interest cost on defined benefit obligation	(981,000)	(999,000)
Losses on Curtailments	(61,000)	-
Benefits paid	378,000	401,000
Changes in demographic assumptions	(19,000)	-
Changes in financial assumptions	(7,728,000)	4,469,000
Other experience	618,000	307,000
Contributions by members	(223,000)	(258,000)
Closing defined benefit obligation as at 31 March 2017	<u>(35,700,000)</u>	<u>(26,945,000)</u>

The total actuarial gains and losses recognised in the Statement of Financial Activities - Other recognised gains and losses at 31 March 2017 was a loss of £ (3,450,000) (2016: profit of £3,902,000).

The estimated Employer's contributions for the period to 31 March 2018 will be approximately £574,000.

<b>Amounts for the current period are as follows:</b>	<b>2017 £</b>	<b>2016 £</b>
Fair value of plan assets at 31 March	27,461,000	22,612,000
Present value of defined benefit obligation at 31 March	(35,700,000)	(26,945,000)
Deficit in the plan	<u>(8,239,000)</u>	<u>(4,333,000)</u>

Experience adjustments arising on plan assets	(3,679,000)	874,000
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**POSITIVE STEPS OLDHAM GROUP ACCOUNTS**  
**NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2017**

**21 Analysis of charitable funds**

Analysis of fund movements:

	At 1 April 2016 £	Incoming resources £	Resources expended £	Gains (losses) £	At 31 March 2017 £
<u>Restricted funds:</u>	-	9,826	(9,826)	-	-
<u>Designated funds:</u>	-	-	-	-	-
<u>Unrestricted funds:</u>					
Designated funds	-	-	-	-	-
General Fund	1,831,190	7,154,407	(6,934,337)		2,051,260
Pension Reserve	(4,333,000)	-	(456,000)	(3,450,000)	(8,239,000)
<u>Total unrestricted funds</u>	<u>(2,501,810)</u>	<u>7,154,407</u>	<u>(7,390,337)</u>	<u>(3,450,000)</u>	<u>(6,187,740)</u>
<b>Total</b>	<b>(2,501,810)</b>	<b>7,164,233</b>	<b>(7,400,163)</b>	<b>(3,450,000)</b>	<b>(6,187,740)</b>

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

**22 Analysis of group net assets between funds**

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	316,677	-	-	316,677
Current assets	3,115,116	-	-	3,115,116
Current liabilities	(1,380,533)	-	-	(1,380,533)
Defined benefit pension liability	(8,239,000)	-	-	(8,239,000)
<b>Net assets 31 March 2017</b>	<b>(6,187,740)</b>	<b>-</b>	<b>-</b>	<b>(6,187,740)</b>



**POSITIVE STEPS OLDHAM GROUP ACCOUNTS**  
**NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2017**

**23 Related party transactions**

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

	<u>2017</u> £	<u>2016</u> £
<u>PSO Trading Limited</u>		
Recharge of staff costs and other transactions	172,243	103,047
Purchase of training and other administration costs	(4,273)	(16,520)
Covenanted profits - transferred from subsidiary company	31,607	68,258
Amount owed by PSO Trading Ltd at 31 March 2017	60,336	93,642
Amount owed to PSO Trading Ltd at 31 March 2017	(237)	-

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.

## **POSITIVE STEPS OLDHAM GROUP ACCOUNTS**

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

**POSITIVE STEPS OLDHAM GROUP ACCOUNTS****DETAILED INCOME AND EXPENDITURE ACCOUNT: YEAR ENDED 31 MARCH 2017**

		PSO	PSO	2017	2016
	<i>Note</i>	£	TRADING £	£	£
<b>INCOME FROM TRADE</b>	3	-	157,362	157,362	104,752
<b>DEVELOPMENT FUNDS RECEIVABLE</b>	6	6,949,409	-	6,949,409	7,243,601
<b>OTHER INCOME AND DONATIONS</b>	4	34,607	19,267	53,874	52,029
<b>INVESTMENT INCOME</b>	5	3,489	99	3,588	6,330
		<u>6,987,505</u>	<u>176,728</u>	<u>7,164,233</u>	<u>7,406,712</u>
<b>LESS EXPENDITURE:</b>					
Salaries, NI and Pension Contributions	8	4,953,580	126,841	5,080,421	5,557,729
Training and Employee Costs		15,375	3,580	18,955	28,666
Travel, Subsistence and Transport Costs		38,922	447	39,369	45,147
Rent and Property Costs		370,105	12,334	382,439	443,015
Toilet Refurbishment		117,579	-	117,579	-
Printing and Promotions		3,076	22	3,098	4,248
Depreciation on Fixed Assets		78,246	38	78,284	71,030
Loss on Disposal of Fixed Assets		-	-	-	-
Stationery and Administration		114,722	5,748	120,470	122,139
Telephone and Data Communication		30,661	-	30,661	28,855
Computer Maintenance and Software		228,826	14,240	243,066	200,828
Project Costs		781,401	2,012	783,413	770,414
Audit and Accountancy		9,539	-	9,539	9,547
Professional Services		18,451	432	18,883	15,009
DBS Checks		-	11,034	11,034	13,954
Consultancy		6,622	-	6,622	8,564
Careers Library Initiative		330	-	330	330
Work Experience Insurance Costs		-	-	-	2,200
<b>TOTAL EXPENDITURE</b>		<u>6,767,435</u>	<u>176,728</u>	<u>6,944,163</u>	<u>7,321,675</u>
<b><u>SURPLUS (DEFICIT) INCOME</u></b>					
<b><u>OVER EXPENDITURE</u></b>		<u>220,070</u>	<u>-</u>	<u>220,070</u>	<u>85,037</u>
Pension scheme adjustments (FRS102)	8	(456,000)	-	(456,000)	(738,000)
<b><u>SURPLUS (DEFICIT) AFTER FRS102</u></b>					
<b><u>PENSION SCHEME ADJUSTMENTS</u></b>		<u>(235,930)</u>	<u>-</u>	<u>(235,930)</u>	<u>(652,963)</u>