

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018



POSITIVE STEPS

Support | Challenge | Change

POSITIVE STEPS OLDHAM (trading as POSITIVE STEPS)
(A company limited by guarantee and not having share capital)
Company number: 2503094; 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 sixth 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'.

Charity number: 1017247

Company number: 2563094

Chief Executive: Stephanie A Bolshaw

Registered office: Media Place, 80 Union Street, Oldham, Lancashire, OL1 1DJ

Auditors: Wrigley Partington, Sterling House, 501 Middleton Road,
Chadderton, Oldham, Lancashire, OL9 9LY

Bankers: Barclays Bank plc. 25 High Street, Oldham, Lancashire, OL1 3AZ

Solicitors: Napthens, Greenbank Court, Challenge Way, Greenbank Business
Park, Blackburn, BB1 5QB

Trustees	Representing	
Miss Joanne Marie Taylor	Independent	
Cllr Garth Harkness	Oldham Council	
Cllr Paul Jean Jacques	Oldham Council	Appointed 8 th August 2017
Mr Muzahid Khan	Independent	
Mr Samuel David Breckell	Oldham College	Resigned 8 th August 2017
Mr Philip Morgan Pearson	Independent	Resigned 7 th November 2017
Mr Bernard Keay (Chair)	Independent	Resigned 7 th November 2017
Mr Sean Eric Fielding	Oldham Council	Resigned 8 th August 2017
Ms Julie Anne Edmondson	Perfect Fit People Ltd	

Cllr Joy Wrigglesworth	Oldham Council	Resigned 8 th August 2017
Ms Hannah Jane Roberts	Independent	
Mrs Veronica Carolyn Devonport	Groundwork Oldham & Rochdale	
Cllr Amanda Chadderton	Oldham Council	
Cllr Nicola Kirkham	Oldham Council	Appointed 8 th August 2017 Resigned 30 th May 2018
Cllr Mohon Ali	Oldham Council	Appointed 8 th May 2018

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 27th 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 Directors, 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 2017-18 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 focuses 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.

Positive Steps has a long history of hitting and exceeding targets and the past year has proved no exception. During the April 2017 to March 2018 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.

NEET RATE DOWN IN ALL THREE LOCAL AUTHORITY AREAS

[illegible]

**We delivered
over 300 sexual
health clinics
and over 15000
young people
attended a health
group session**

**We're making
over 48,000
contacts a year
with the
families we are
working with**

JUST SOME OF OUR SUCCESSSES IN 2017-18

SUPPORTING FAMILIES

Over 2000 stop smoking interventions



POSITIVE STEPS
Early Help

EARLY HELP

SUPPORTING PEOPLE WITH:

- Employment
- Relationships
- Health and Wellbeing
- Housing

CONFIDENCE HOUSING HEALTH INDEPENDENCE EMPLOYMENT

phone: 0161 770 6672
steps.org.uk

We are making over 12,000 contacts per quarter with the families we are working with



YOUNG CARERS

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.

50-60 Young Carers attend support sessions every week.

86% of Young Carers progressed into learning when they left school.

All Young Carers' families have been offered support through an Early Help assessment.



CASE STUDY: We received a referral where the parents were struggling to manage their eleven-year-old daughter's behaviour. The daughter has used physical violence towards her parents and her brother and didn't listen to rules or the boundaries that were put in place. We referred Mum and Dad to Mind to work on their relationship and feelings. We also arranged a "Parenting Teenagers course" for mum. We assessed and engaged with the daughter and used therapeutic tools to help her to understand her behaviour and emotions. We worked with the whole family on building ground rules at home. The daughter set one about sitting and talking and getting her parents to listen to her. Mum and Dad made a chores list so that their daughter could learn more about responsibility.

OUTCOMES:

- Family working together, parents a united team and parenting consistently.
- Daughter feels listened to and is happier at home.
- Sanctions are consistent and fair
- Case closed to social care as no further concerns about family. Social worker for this family said that the family have really engaged well with our worker, and that the difference in them is clear to see. Mum seems more confident and the daughter is definitely happier in herself. They are a united unit.

INTEGRATED SEXUAL HEALTH & SUBSTANCE MISUSE SERVICES

**Over
9000
people
came to a
group
session**

Positive Steps has led the way in integrated young people's services with a long history of seamless service provision.

Our integrated health service shows the benefits of this model of working. Young people can access sexual health advice and substance misuse provision in the same intervention, reducing their need to retell their stories and tackle the, often, interlinked, issues that create problems for young people.

The partnership has been successfully developed between Brook and Positive Steps.

This provision has been highlighted as national best practice by the Care Quality Commission inspection in recognition of its contribution towards safeguarding young people and improving service access.

This can be done in a number of ways, such as:

- One off lessons in educational settings
- A bespoke programme of sessions over a number of weeks
- Targeted group work
- Assemblies
- Health promotion days
- Professional training
- Informal drop in sessions

change →

VOLUNTEERS

Volunteers contributed 9,642 hours of support to the people accessing our service areas



VOLUNTEERING CASE STUDY: We were working with an Early Help client experiencing domestic violence, financial difficulties, drug and alcohol misuse and mental health issues. Following assessment, we supported a referral to Inspire Women's group, which she attended regularly three times per week.

A referral was also made to CAB, and the client decided to pay back her debt. By the end of our intervention, her drug debts were paid off.

She now attends One Recovery regularly and has cut down on her alcohol and drug use.

OUTCOMES:

Her routines at home have improved, since her alcohol and drug use decreased.

She has told us that her self-worth and self-confidence has increased.

She has completed job and training applications

She is now trained as a volunteer with Positive Steps and regularly contributes her time, helping her to gain in confidence, social skills and employability skills.

CAREERS INFORMATION, ADVICE & GUIDANCE

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

STRATEGIC REPORT INCLUDING FINANCIAL REVIEW

The Positive Steps Oldham Group accounts for 2017-18 show overall income decreasing from £7,164,233 in 2016-17 to £ 6,734,720, this year, a decrease of 6.0%. This was almost entirely attributable to funding cuts within the Targeted Services directorate.

The accounts show, initially, an operating surplus of £104,737. However, FRS102 Pension Scheme adjustments have identified a balance of -£909,000, resulting in a deficit of -£804,263 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, improved from a deficit of £8,239,000 on 31st March 2017 to a deficit of £8,139,000 on 31st March 2018. The FRS102 (FRS 17) calculations continue to oscillate year on year with the following surpluses 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
31-03-2018	-£8,139,000

On reviewing the Balance Sheet, the net assets, excluding pension reserve, have increased from £2,051,260 to £2,155,997

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 2018 were:

- | | |
|---|------------|
| • Essential Building & Other Maintenance: | £450,000: |
| • Reduction in funding | £500,000: |
| • Pension Liability: | £650,000: |
| • Total | £1,600,000 |

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 has now been agreed to roll the contract over until March 2020. 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 which Positive Steps have exercised; Positive Steps are 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 Rochdale, Bury, Manchester and Tameside areas and is planning to expand further.

In line with the building lease Positive Steps are undergoing a series of property improvements including refurbishing the lift, decorating 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

The charity's trustees are responsible for preparing the annual report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the charity's and group's incoming resources and applications of resources during the year and of its state of affairs at the end of the year. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP,
- make 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 keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enables them to ensure that the financial statements comply with the Companies Act 2006. The trustees are also responsible for safeguarding the assets of the charity and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure to our auditors

In so far as the Trustees are aware at the time of approving this report:

- There is no relevant audit information, being information needed by the auditor in connection with preparing their report, of which the auditor is unaware, and
- The trustees, having made enquiries of fellow directors and the auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Compliance with accounting standards

The trustees confirm that the financial statements comply with current statutory requirements, the requirements of the company's memorandum and articles of association and the requirements of the Charities SORP (FRS 102).

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 12th November 2018 and signed on its behalf by:

Trustee/Director



INDEPENDENT AUDITORS' REPORT

To the members of Positive Steps Oldham

We have audited the Group and Charity financial statements of Positive Steps Oldham for the year ended 31 March 2018 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2018 and of its incoming resources and application of resources 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Use of our report

This report is made solely to the charitable company's members, 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 charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matter prescribed by the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the trustees' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.


David Ducie (Senior statutory auditor)

For and on behalf of

Wrigley Partington

Chartered Accountants and
Statutory Auditor

Date: 20th December 2018

Sterling House
501 Middleton Road
Chadderton
Oldham
OL9 9LY

POSITIVE STEPS OLDHAM

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(including income and expenditure account) : YEAR ENDED 31 MARCH 2018

	<i>Note</i>	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £	Total Funds 2017 £
<u>INCOME</u>					
Income from investments	3	5,375	-	5,375	3,588
Income from trading activities	4	179,980	-	179,980	157,362
Other income	5	92,978	-	92,978	53,874
<i>Income from charitable activities:</i>					
Development funds receivable	6	6,456,387	-	6,456,387	6,949,409
Total income		6,734,720	-	6,734,720	7,164,233
<u>EXPENDITURE</u>					
Raising funds	7	208,411	-	208,411	176,728
Charitable activities	7	7,330,572	-	7,330,572	7,223,435
Total expenditure	7	7,538,983	-	7,538,983	7,400,163
Net income (expenditure) for the year		(804,263)	-	(804,263)	(235,930)
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes		1,009,000	-	1,009,000	(3,450,000)
Net movement in funds		204,737	-	204,737	(3,685,930)
<i>Reconciliation of funds</i>					
Total funds brought forward		(6,187,740)	-	(6,187,740)	(2,501,810)
Total funds carried forward	21	(5,983,003)	-	(5,983,003)	(6,187,740)

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.

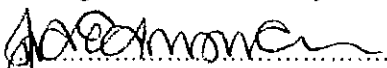
POSITIVE STEPS OLDHAM

CONSOLIDATED BALANCE SHEET : AS AT 31 MARCH 2018

	<i>Note</i>	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
FIXED ASSETS					
Tangible assets	12	310,227	316,677	308,462	316,577
Investments	13	-	-	1	1
		<u>310,227</u>	<u>316,677</u>	<u>308,463</u>	<u>316,578</u>
CURRENT ASSETS					
Debtors	14	423,736	469,743	441,088	460,376
Cash at bank and in hand		2,456,271	2,645,373	2,425,333	2,643,842
		<u>2,880,007</u>	<u>3,115,116</u>	<u>2,866,421</u>	<u>3,104,218</u>
CREDITORS:					
Amounts falling due within one year	15	1,034,237	1,380,533	1,019,158	1,369,807
NET CURRENT ASSETS		<u>1,845,770</u>	<u>1,734,583</u>	<u>1,847,263</u>	<u>1,734,411</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,155,997</u>	<u>2,051,260</u>	<u>2,155,726</u>	<u>2,050,989</u>
NET ASSETS EXCLUDING PENSION LIABILITY		2,155,997	2,051,260	2,155,726	2,050,989
Defined benefit pension scheme liability	20	(8,139,000)	(8,239,000)	(8,139,000)	(8,239,000)
NET ASSETS INCLUDING PENSION LIABILITY	22	<u>(5,983,003)</u>	<u>(6,187,740)</u>	<u>(5,983,274)</u>	<u>(6,188,011)</u>
FUNDS					
<i>Restricted funds</i>	21	-	-	-	-
<i>Unrestricted funds:</i>					
Designated	21	-	-	-	-
General	21	2,155,997	2,051,260	2,155,726	2,050,989
Pension reserve	21	(8,139,000)	(8,239,000)	(8,139,000)	(8,239,000)
TOTAL FUNDS	21	<u>(5,983,003)</u>	<u>(6,187,740)</u>	<u>(5,983,274)</u>	<u>(6,188,011)</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

Registration number 2563094

POSITIVE STEPS OLDHAM

CONSOLIDATED CASH FLOW STATEMENT : YEAR ENDED 31 MARCH 2018

	<i>Note</i>	2018 £	2017 £
NET CASH GENERATED FROM OPERATING ACTIVITIES	18	<u>(111,689)</u>	<u>548,680</u>
CASH FLOW FROM INVESTING ACTIVITIES:			
Investment income receipts		5,375	3,588
Payments to acquire tangible fixed assets		(82,788)	(28,820)
Receipts from sale of tangible fixed assets		-	285
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		<u>(77,413)</u>	<u>(24,947)</u>
CASH FLOW FROM FINANCING ACTIVITIES:			
Repayment of borrowing		-	-
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		<u>-</u>	<u>-</u>
 Increase (decrease) in cash and cash equivalents in the year		 (189,102)	 523,733
 Cash and cash equivalents at the beginning of the year		 2,645,373	 2,121,640
 Cash and cash equivalents at the end of the year	19	 <u>2,456,271</u>	 <u>2,645,373</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.

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 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.

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

	Positive Steps Oldham £	PSO Trading Limited £	Total 2018 £	Total 2017 £
Income	6,526,309	208,411	6,734,720	7,164,233
Expenditure				
Raising funds	-	208,411	208,411	176,728
Charitable activities	7,330,572	-	7,330,572	7,223,435
Total expenditure	7,330,572	208,411	7,538,983	7,400,163
Net Income (expenditure) for the year	(804,263)	-	(804,263)	(235,930)
Other recognised gains and losses				
Actuarial gains (losses) on defined benefit pension schemes	1,009,000	-	1,009,000	(3,450,000)
Net movement in funds	204,737	-	204,737	(3,685,930)
Balance Sheet				
Tangible fixed assets	308,463	1,765	310,228	316,678
Net current assets (liabilities)	1,847,263	(1,493)	1,845,770	1,734,583
Defined benefit pension scheme asset (liability)	(8,139,000)	-	(8,139,000)	(8,239,000)
Net assets (liabilities)	(5,983,274)	272	(5,983,002)	(6,187,739)
Aggregate share capital and reserves	(5,983,274)	272	(5,983,002)	(6,187,739)

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2018

	Unrestricted 2018 £	Restricted 2018 £	Total 2018 £	Total 2017 £
3 <u>Income from investments</u>				
Bank deposit interest	5,375	-	5,375	3,588
	<u>5,375</u>	<u>-</u>	<u>5,375</u>	<u>3,588</u>
4 <u>Income from trading activities</u>				
Work experience	67,918	-	67,918	59,578
Room hire	5,208	-	5,208	8,712
Training materials and sundry sales	106,854	-	106,854	89,072
	<u>179,980</u>	<u>-</u>	<u>179,980</u>	<u>157,362</u>
5 <u>Other income</u>				
Rent receivable	78,650	-	78,650	50,874
Other income	14,328	-	14,328	3,000
	<u>92,978</u>	<u>-</u>	<u>92,978</u>	<u>53,874</u>
6 <u>Income from charitable activities</u>				
<u>Positive Steps Oldham</u>				
<i>Development funds receivable:</i>				
Career Guidance & Support Services	2,652,888	-	2,652,888	2,961,755
Targeted Services	1,768,569	-	1,768,569	1,875,280
Family Support Services	2,034,930	-	2,034,930	2,112,374
	<u>6,456,387</u>	<u>-</u>	<u>6,456,387</u>	<u>6,949,409</u>

7 Total resources expended[a] Positive Steps Oldham

	Generating funds	Charitable activities				Total 2018 £	Total 2017 £
		Career Guidance & Support Services	Targeted Services	Family Support Services	Governance		
<u>Costs directly allocated to activities</u>							
Staff costs		1,996,230	1,124,045	1,200,474	32,651	4,353,400	4,638,848
Project costs		32,135	237,415	344,817	-	614,367	784,111
Travel, subsistence and transport		10,664	13,797	7,079	-	31,540	38,922
Rent and property costs		133,277	80,632	107,284	-	321,173	246,736
Toilet refurbishment		-	-	-	-	-	78,386
Printing and promotions		937	179	878	-	1,994	3,076
Stationery and administration		38,038	33,141	56,090	-	127,269	117,497
Telephone and data communications		5,743	6,716	9,203	-	21,662	30,860
Computer maintenance and software		120,117	61,295	82,226	-	263,638	228,826
Depreciation		34,507	14,843	9,795	-	59,245	52,164
Audit and accountancy		-	-	-	9,752	9,752	9,539
Careers library initiative		-	-	-	-	-	330
Work experience insurance cost						-	-
-		2,371,648	1,572,163	1,817,828	42,403	5,804,040	6,229,095
<u>Support costs</u>							
Staff costs		154,558	87,822	104,056	-	346,436	314,732
Training and employee costs		18,047	10,979	9,569	-	38,595	15,375
Rent and property costs		68,838	40,316	53,632	-	160,586	123,368
Toilet refurbishment		-	-	-	-	-	39,193
Depreciation		17,254	7,472	4,898	-	29,624	26,082
Professional services		9,854	6,103	8,865	-	24,822	12,967
Consultancy		8,033	4,328	5,108	-	17,469	6,823
-		274,384	157,020	186,128	-	617,532	538,340
Total expenditure	-	2,646,032	1,729,183	2,003,954	42,403	6,421,572	6,767,435
Pension scheme adjustments (FRS102)	-	419,987	236,477	252,556	-	909,000	456,000
Total resources expended	-	3,065,999	1,965,660	2,256,510	42,403	7,330,572	7,223,435

7 Total resources expended (continued...)

	<u>Generating funds</u>	<u>Charitable activities</u>	<u>Governance</u>	<u>Total</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>2018</u>	<u>2017</u>
				<u>£</u>	<u>£</u>
[b] <u>PSO Trading Limited</u>					
<i>Costs directly allocated to activities</i>	208,411	-	-	208,411	176,728
Total resources expended	208,411	-	-	208,411	176,728
 <u>Total resources expended</u>	 208,411	 7,288,169	 42,403	 7,538,983	 7,400,163

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.

	Total 2018 £	Total 2017 £
8 Staff costs		
Total staff emoluments for the year were as follows:		
Salaries	3,952,054	4,135,966
Redundancy	-	36,231
National Insurance	352,836	372,745
Pension	533,341	535,479
	<u>4,838,231</u>	<u>5,080,421</u>
FRS102 : Retirement Benefits (adjustments)	909,000	456,000
	<u>5,747,231</u>	<u>5,536,421</u>

9 Staff numbers

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

	Number	Number
Charitable activities	166	175
Generating funds	4	3
Governance	2	2
	<u>172</u>	<u>180</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	2
£70,001 - £80,000	0	0
£80,001 - £90,000	1	1
£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 £ 30,986 (2017 : £27,036) 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	89,238	78,284
Auditors' remuneration:		
audit of charitable company	9,000	9,000
audit of subsidiary undertakings	500	500
Operating lease rentals - land and buildings	276,684	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.

12 Tangible fixed assets

<u>Group</u>	Rented Property Improvements	Computer & Office Equipment	Total
<u>Cost</u>			
At 1 April 2017	119,992	485,326	605,318
Additions	-	82,788	82,788
Disposals	-	(25,906)	(25,906)
At 31 March 2018	119,992	542,208	662,200
<u>Depreciation</u>			
At 1 April 2017	76,674	211,967	288,641
Charge for the period	5,646	83,592	89,238
Disposals	-	(25,906)	(25,906)
At 31 March 2018	82,320	269,653	351,973
<u>Net Book Value</u>			
At 31 March 2018	37,672	272,555	310,227
At 31 March 2017	43,318	273,359	316,677

<u>Charity</u>	Rented Property Improvements	Computer & Office Equipment	Total
<u>Cost</u>			
At 1 April 2017	119,992	481,966	601,958
Additions	-	80,754	80,754
Disposals	-	(25,906)	(25,906)
At 31 March 2018	119,992	536,814	656,806
<u>Depreciation</u>			
At 1 April 2017	76,674	208,707	285,381
Charge for the period	5,646	83,223	88,869
Disposals	-	(25,906)	(25,906)
At 31 March 2018	82,320	266,024	348,344
<u>Net Book Value</u>			
At 31 March 2018	37,672	270,790	308,462
At 31 March 2017	43,318	273,259	316,577

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH
2018

13 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.

	<u>Group 2018</u>	<u>Group 2017</u>	<u>Charity 2018</u>	<u>Charity 2017</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
14 <u>Debtors</u>				
Development funds outstanding	364,044	341,646	312,614	271,943
Amounts owed by subsidiary undertaking	-	-	72,695	60,336
Prepayments	58,319	51,617	54,406	51,617
Accrued income	1,373	76,480	1,373	76,480
	<u>423,736</u>	<u>469,743</u>	<u>441,088</u>	<u>460,376</u>

15 Creditors : amounts falling due within one year

Trade creditors	149,547	506,598	147,621	505,237
Amounts owed to subsidiary undertakings	-	-	204	237
Taxation and social security	226,462	243,962	220,280	236,642
Accruals	41,352	149,360	41,349	148,958
Deferred income	616,876	480,613	609,704	478,733
	<u>1,034,237</u>	<u>1,380,533</u>	<u>1,019,158</u>	<u>1,369,807</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	1,070,736	1,082,736	1,070,736	1,082,736
Later than five years	485,254	749,938	485,254	749,938
	<u>1,832,674</u>	<u>2,109,358</u>	<u>1,832,674</u>	<u>2,109,358</u>

17 Share capital

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

	2018 £	2017 £
18 <u>Reconciliation of net movement in funds to net cash flow from operating activities</u>		
Net movement in funds	(804,263)	(235,930)
Investment income	(5,375)	(3,588)
Depreciation and profit or loss on sale	89,238	78,284
Decrease (increase) in debtors	46,007	140,795
(Decrease) increase in creditors	(346,296)	113,119
Pension scheme adjustment	909,000	456,000
Net cash provided from operating activities	<u>(111,689)</u>	<u>548,680</u>
19 <u>Analysis of cash and cash equivalents</u>		
Cash at bank and in hand	2,456,271	2,645,373
Total cash and cash equivalents	<u>2,456,271</u>	<u>2,645,373</u>

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 £ 496,186 (2017 : £521,949).

The actuarial valuation described above has been updated at 31 March 2018 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 2018.

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

	2018	2017
	<u>%pa</u>	<u>%pa</u>
Pension increase rate	2.3	2.4
Salary increase rate	3.1	3.2
Discount rate	2.7	2.7

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	21.5 years	24.1 years
Future Pensioners	23.7 years	26.2 years

20 Pension fund continued

	2018 £	2017 £
The amounts charged or (credited) in Statement of Financial Activities (including income and expenditure account) are as follows:		
Current service cost	1,175,000	739,000
Contributions by employers	(497,000)	(505,000)
Loss on curtailments	-	61,000
Interest on obligation	976,000	981,000
Interest income on plan assets	(745,000)	(820,000)
Total	909,000	456,000

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	28,608,000	27,461,000
Present value of funded retirement benefit obligations	(36,747,000)	(35,700,000)
Net Liability	(8,139,000)	(8,239,000)

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

	%	%
Equities	66	75
Bonds	16	16
Property	7	5
Cash	11	4

20 Pension fund continued

Changes in the fair value of the Scheme Assets are as follows:

	2018 £	2017 £
Opening fair value of scheme assets at 1 April 2017	27,461,000	22,612,000
Interest income on plan assets	745,000	820,000
Contributions by employer	497,000	505,000
Contributions by members	197,000	223,000
Benefits paid	(386,000)	(378,000)
Return on assets excluding amounts included in net interest	94,000	3,679,000
Closing fair value of scheme assets at 31 March 2018	<u>28,608,000</u>	<u>27,461,000</u>

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

Opening defined benefit obligation as at 1 April 2017	(35,700,000)	(26,945,000)
Current service cost	(1,175,000)	(739,000)
Interest cost on defined benefit obligation	(976,000)	(981,000)
Losses on Curtailments	-	(61,000)
Benefits paid	386,000	378,000
Changes in demographic assumptions	-	(19,000)
Changes in financial assumptions	915,000	(7,728,000)
Other experience	-	618,000
Contributions by members	(197,000)	(223,000)
Closing defined benefit obligation as at 31 March 2018	<u>(36,747,000)</u>	<u>(35,700,000)</u>

The total actuarial gains and losses recognised in the Statement of Financial Activities - Other recognised gains and losses at 31 March 2018 was a profit of £ 1,009,000 (2017 : loss of (£3,450,000)).

The estimated Employer's contributions for the period to 31 March 2019 will be approximately £ 557,000

Amounts for the current period are as follows:

	2018 £	2017 £
Fair value of plan assets at 31 March	28,608,000	27,461,000
Present value of defined benefit obligation at 31 March	(36,747,000)	(35,700,000)
Deficit in the plan	<u>(8,139,000)</u>	<u>(8,239,000)</u>

Experience adjustments arising on plan assets	(94,000)	(3,679,000)
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21 Analysis of charitable funds

Analysis of fund movements:

	At 1 April 2017 £	Incoming resources £	Resources expended £	Gains (losses) £	At 31 March 2018 £
<u>Restricted funds:</u>	-	-	-	-	-
<u>Designated funds:</u>	-	-	-	-	-
<u>Unrestricted funds:</u>					
Designated funds	-	-	-	-	-
General Fund	2,051,260	6,734,720	(6,629,983)		2,155,997
Pension Reserve	(8,239,000)	-	(909,000)	1,009,000	(8,139,000)
<u>Total unrestricted funds</u>	<u>(6,187,740)</u>	<u>6,734,720</u>	<u>(7,538,983)</u>	<u>1,009,000</u>	<u>(5,983,003)</u>
<u>Total</u>	<u>(6,187,740)</u>	<u>6,734,720</u>	<u>(7,538,983)</u>	<u>1,009,000</u>	<u>(5,983,003)</u>

22 Analysis of group net assets between funds

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	310,227	-	-	310,227
Current assets	2,880,007	-	-	2,880,007
Current liabilities	(1,034,237)	-	-	(1,034,237)
Defined benefit pension liability	(8,139,000)	-	-	(8,139,000)
<u>Net assets 31 March 2018</u>	<u>(5,983,003)</u>	<u>-</u>	<u>-</u>	<u>(5,983,003)</u>

23 Related party transactions

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

	<u>2018</u> <u>£</u>	<u>2017</u> <u>£</u>
<u>PSO Trading Limited</u>		
Recharge of staff costs and other transactions	212,854	172,243
Purchase of training and other administration costs	(2,894)	(4,273)
Covenanted profits - transferred from subsidiary company	50,385	31,607
Amount owed by PSO Trading Ltd at 31 March 2018	72,695	60,336
Amount owed to PSO Trading Ltd at 31 March 2018	(204)	(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.

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

DETAILED INCOME AND EXPENDITURE ACCOUNT : YEAR ENDED 31 MARCH 2018

		PSO		2018	2017
	<i>Note</i>	PSO £	TRADING £	£	£
INCOME FROM TRADE	4	-	179,980	179,980	157,362
DEVELOPMENT FUNDS RECEIVABLE	6	6,456,387	-	6,456,387	6,949,409
OTHER INCOME AND DONATIONS	5	64,713	28,265	92,978	53,874
INVESTMENT INCOME	3	5,209	166	5,375	3,588
		<u>6,526,309</u>	<u>208,411</u>	<u>6,734,720</u>	<u>7,164,233</u>
LESS EXPENDITURE :					
Salaries, NI and Pension Contributions	8	4,699,836	138,395	4,838,231	5,080,421
Training and Employee Costs		38,595	4,431	43,026	18,955
Travel, Subsistence and Transport Costs		31,540	622	32,162	39,369
Rent and Property Costs		363,949	14,744	378,693	382,439
Toilet Refurbishment		108	-	108	117,579
Property Repairs		117,810	4,062	121,872	-
Printing and Promotions		1,994	692	2,686	3,098
Depreciation on Fixed Assets		88,869	369	89,238	78,284
Stationery and Administration		119,110	2,612	121,722	120,470
Telephone and Data Communication		21,662	-	21,662	30,661
Computer Maintenance and Software		263,638	16,552	280,190	243,066
Project Costs		614,259	16,025	630,284	783,413
Audit and Accountancy		9,752	-	9,752	9,539
Professional Services		32,981	1,751	34,732	18,883
DBS Checks		-	8,156	8,156	11,034
Consultancy		17,469	-	17,469	6,622
Careers Library Initiative		-	-	-	330
TOTAL EXPENDITURE		<u>6,421,572</u>	<u>208,411</u>	<u>6,629,983</u>	<u>6,944,163</u>
<u>SURPLUS (DEFICIT) INCOME</u>					
<u>OVER EXPENDITURE</u>		104,737	-	104,737	220,070
Pension scheme adjustments (FRS102)	8	(909,000)	-	(909,000)	(456,000)
<u>SURPLUS (DEFICIT) AFTER FRS102</u>					
<u>PENSION SCHEME ADJUSTMENTS</u>		<u>(804,263)</u>	<u>-</u>	<u>(804,263)</u>	<u>(235,930)</u>

