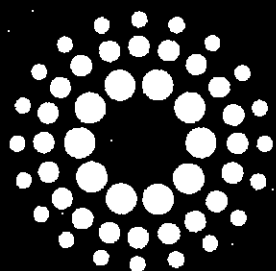


# POSITIVE STEPS OLDHAM GROUP ACCOUNTS



**POSITIVE STEPS**

SUPPORT | CHALLENGE | CHANGE

## **REPORT AND FINANCIAL STATEMENTS**

YEAR ENDED 31 MARCH 2019

POSITIVE STEPS OLDHAM (trading as POSITIVE STEPS)  
(A company limited by guarantee and not having share capital)  
Company number: 2563094. 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 seventh 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: Medtia 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	Resigned 11 <sup>th</sup> June 2019
Mr Muzahid Khan	Independent	
Ms Julie Anne Edmondson (Chair)	Independent	
Ms Hannah Jane Roberts	Independent	
Mrs Veronica Carolyn Devonport	Independent	
Cllr Amanda Chadderton	Oldham Council	Resigned 21 <sup>st</sup> December 2018

Cllr Mohon Ali	Oldham Council	Appointed 8 <sup>th</sup> May 2018 Resigned 11 <sup>th</sup> June 2019
Mr Shahed Alam	Independent	Appointed 19 <sup>th</sup> December 2018
Cllr Fazlul Haque	Oldham Council	Appointed 11 <sup>th</sup> June 2019
Cllr Valerie Leach	Oldham Council	Appointed 11 <sup>th</sup> June 2019 Resigned 15 <sup>th</sup> July 2019
Cllr Graham Shuttleworth	Oldham Council	Appointed 8th October 2019
Cllr Abdul Malik	Oldham Council	Appointed 19th December 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 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 who is assisted by Directors 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 2018-19 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; work experience; cycle repair/resale 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 who are at risk of becoming NEET and those in 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 Early Help. 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 service 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 (Corporate Services 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 two specialist teams each with an overall manager and appropriately skilled and experienced staff. The two teams are:

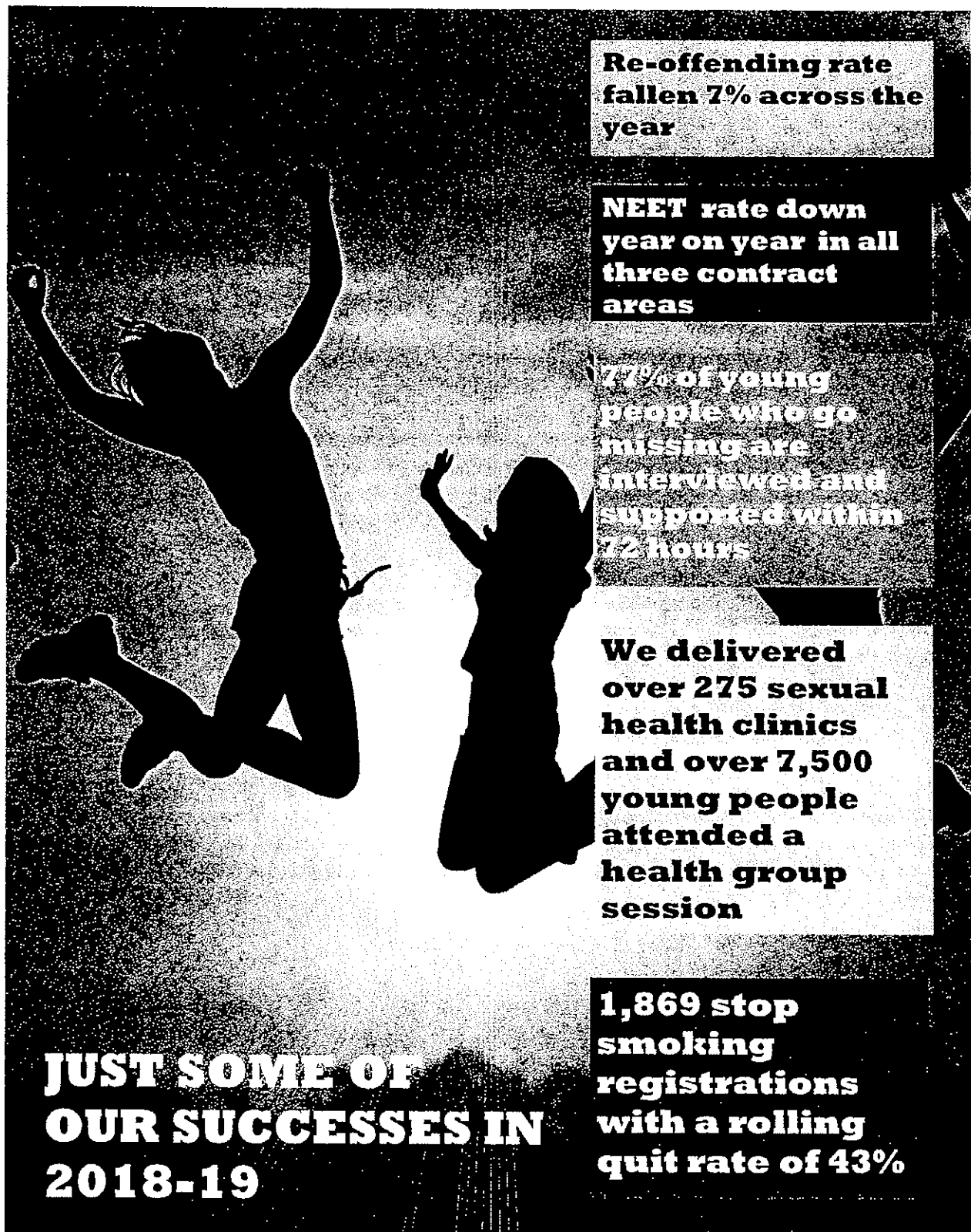
- Finance, HR, Facilities & Compliance
- Performance, ICT & Marketing

### **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, cycle repair and sale, 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 2018 to March 2019 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.



**Re-offending rate  
fallen 7% across the  
year**

**NEET rate down  
year on year in all  
three contract  
areas**

**77% of young  
people who go  
missing are  
interviewed and  
supported within  
72 hours**

**We delivered  
over 275 sexual  
health clinics  
and over 7,500  
young people  
attended a  
health group  
session**

**1,869 stop  
smoking  
registrations  
with a rolling  
quit rate of 43%**

**JUST SOME OF  
OUR SUCCESSES IN  
2018-19**



# SUPPORTING FAMILIES

**Over 1,800 stop smoking interventions**

**We carried out 400 brief interventions and 153 people went on to receive Early Help Support**

## 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.

45-60 young carers attend support sessions every week.

All our young carers progressed into education when they left school.

All young carers can also have access to financial support through an early help assessment.



### CASE STUDY:

Matthew has complex health needs. He finds going out difficult so is reluctant. We met with Matthew and he was given information about social activities he could get involved in, with his Engagement Worker supporting him to attend and accessing taxi vouchers for Matthew to help him get there. He was also supported to access Healthy Minds.

A facilitator from one of the groups we helped him to access contacted us with the following feedback:

*"He's actually flourished within the group. The guys have arranged to pick him up and drop him off each Monday, so he can attend. He is also active in our closed Facebook support group, which gives him a regular point of contact. He attended one of our social functions last week and had a great time."*

*"On the back of him joining the group, we have arranged a trip for a few of us to watch Salford Rugby League, which he's passionate about, next week. A couple of the guys have also been to take him for a pint or coffee on a couple of occasions. He stated in the group this week that he didn't really have any friends a few weeks back and now he has 20".*

# INTEGRATED SEXUAL HEALTH & SUBSTANCE MISUSE SERVICES

**Over 7,500 people came to a group session and learned how to keep themselves safe**

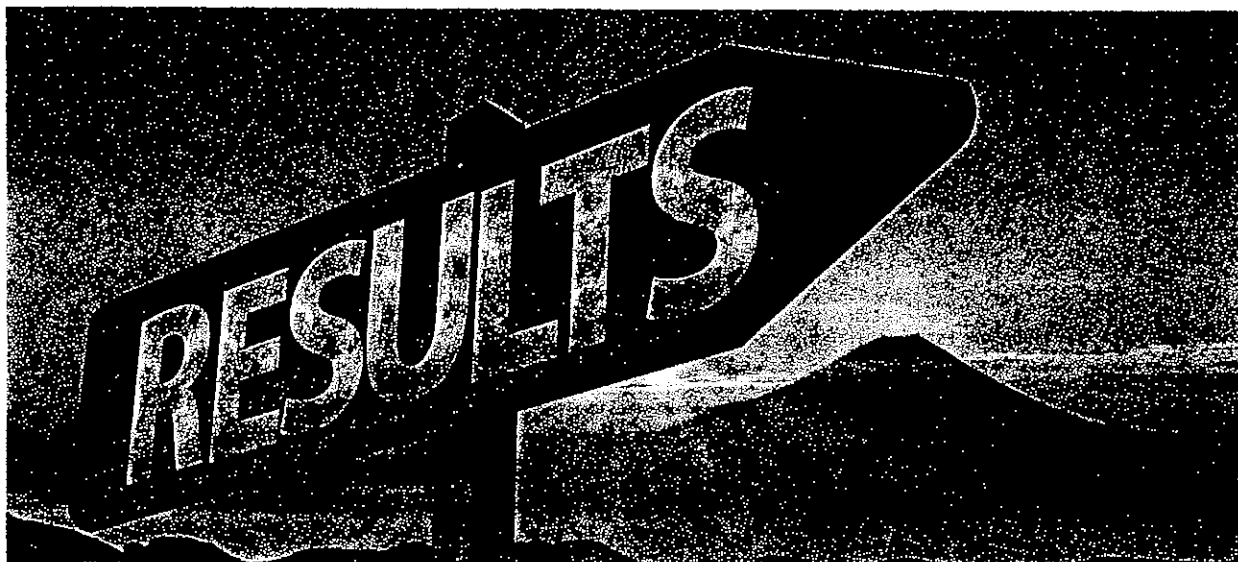
Positive Steps has led the way in integrated young people's services, with a long history of seamless service provision.

Our integrated health service shows the benefits of this model of working, where people can access sexual health advice and substance misuse provision in the same intervention, reducing the need to deal with stress and tackle the often intertwined issues that create problems for young people.

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

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 several 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



# VOLUNTEERS

**Volunteers contributed 10,267 hours of support to the people accessing our service areas**



**201 volunteers have passed their AQA level 1 Child, Vulnerable Adults Protection, Safeguarding and Security and Information Level 1**

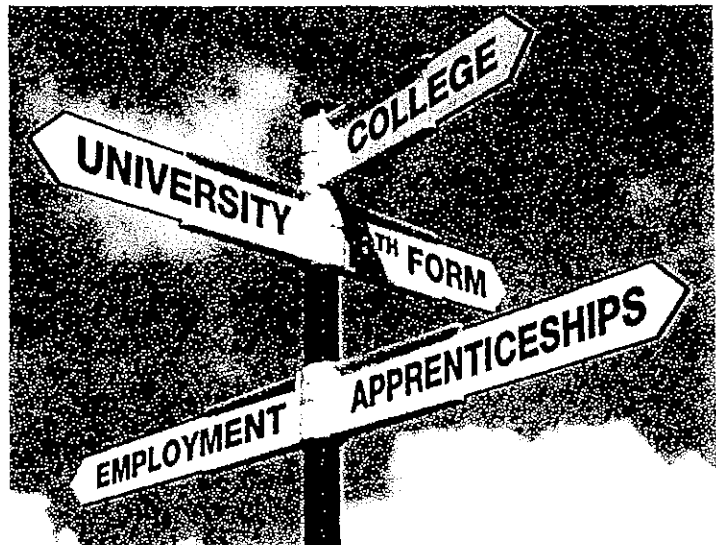
**22 volunteers have passed their AQA level 2 in peer mentoring 1**



## **CAREERS INFORMATION, ADVICE & GUIDANCE**

We pride ourselves on being able to offer “more than a careers service” and we deliver what we call “blended guidance” which is built upon career guidance theory and models of delivery with NLP techniques and strategies.

**We deliver contracts in Rochdale, Tameside and Oldham, and work in selected schools in Bury and Manchester**



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

We continued to work with a number of schools in Rochdale, Tameside and Oldham, and we also worked with a number of schools in Bury and Manchester. We also worked with a number of schools in Bury and Manchester.

**In Rochdale, the participation figure has improved compared to last year- up from 95.9% to 96.1.**

**In Tameside, the participation rate for those with special education needs or disabilities rose to an all-time high of 100%**

## YOUTH JUSTICE

Positive Steps delivers the statutory Youth Justice Service in Oldham. We supervise children and young people aged 10 to 18. Some are serving court sentences; others have not been charged for their offending behaviour and are being dealt with outside the court system.

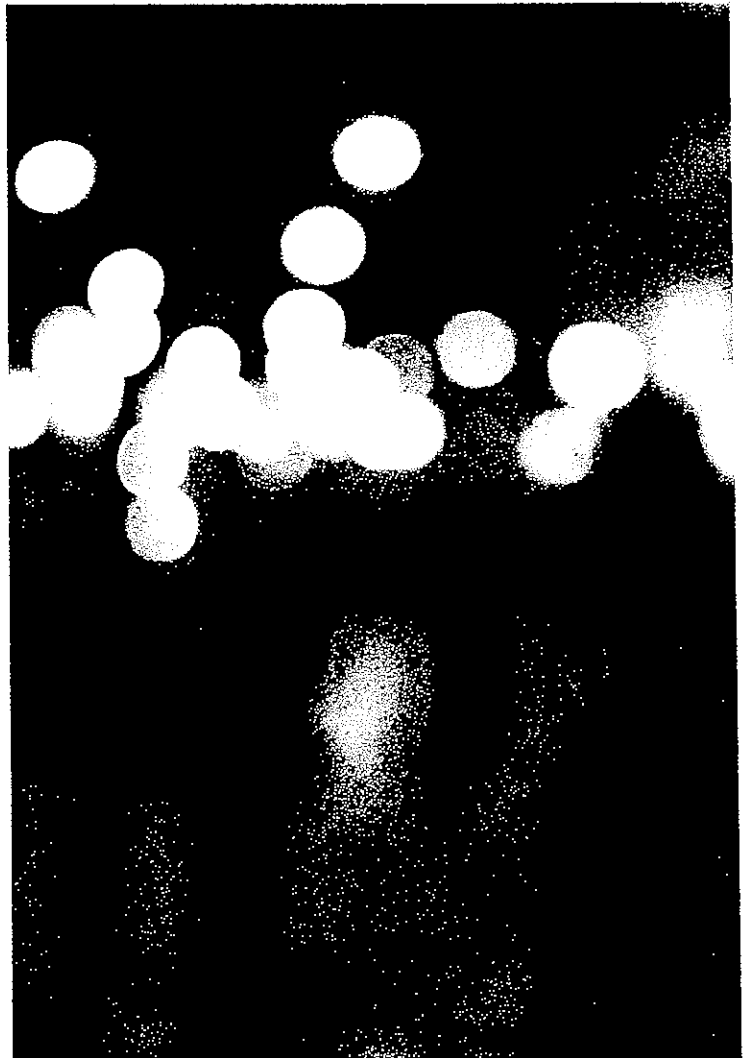
Oldham Youth Justice Service "puts children and young people at the heart of everything they do", according to HM Inspectorate of Probation. Inspectors gave the service an overall rating of 'Good' - it's second highest rating.

Inspectors found staff at Oldham Youth Justice Service were "respected, skilled and highly motivated". Staff had a deep understanding of the children and young people that they worked with and involved them at every stage of the process.

Oldham Youth Justice Service  
 delivers a range of services  
 to children and young people  
 who are at risk of offending  
 or who have offended. The  
 service is designed to  
 support children and young  
 people to stop offending and  
 to become positive citizens.

Oldham Youth Justice Service  
 is a multi-agency service  
 that works with children and  
 young people who are at  
 risk of offending or who  
 have offended. The service  
 is designed to support  
 children and young people  
 to stop offending and to  
 become positive citizens.

**Custody rates are  
 down by a third in  
 the year**



## STRATEGIC REPORT INCLUDING FINANCIAL REVIEW

The Positive Steps Oldham Group accounts for 2018-19 show overall income **decreasing** from £6,734,720 in 2017-18 to £6,540,482 this year, a decrease of 2.9%. This was almost entirely attributable to funding cuts within the Career Guidance & Support Services directorate.

The accounts show, initially, an operating surplus of £8,002. However, FRS102 Pension Scheme adjustments have identified a balance of -£643,000, resulting in a deficit of -£634,998 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 £8,139,000 on 31<sup>st</sup> March 2018 to a deficit of £10,471,000 on 31<sup>st</sup> March 2019. 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
31-03-2019	-£10,471,000

On reviewing the Balance Sheet, the net assets, excluding pension reserve, have increased from £2,155,997 to £2,163,999.

### 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 Media 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 2019 were:

• Essential Building & Other Maintenance:	£450,000:
• Reduction in funding	£500,000:
• Pension Liability:	£650,000:
• <b>Total</b>	<b>£1,600,000</b>

## Plans for Future Periods

### Contracting/Funding Activity

The Rochdale Young People's Support and Guidance Services contract has been secured for a further year, with an option of a further two year period.

The Tameside Careers Guidance and Support Service contracts end in December 2019 and we will be bidding to secure a new three year, with a two year option, contract.

The Oldham Integrated Support Services for Oldham Young People's contract ends in March 2020 and we will be tendering to secure a new two year, with a one year option, contract.

The existing Oldham Council All Age Early Help Offer contract has been extended to December 2020 and we will be looking to tender for the new contract, once it is specified.

During 2019/20 we will be looking to expand our range of commissioned services into existing and new geographical areas.

Furthermore, we will continue to bid for specific funding opportunities from the Home Office; Children in Need; Community Safety and other funders.

Our trading arm, Positive Steps Trading, will be focussing on developing its range of services and expanding its existing customer base.

#### Future Ways of Working

Commissioners are expecting more locality working in future contracts and, in response, we will be moving to more agile working in the near future.

This will require a review of ICT equipment to enable continued effective service delivery in a more agile way. A move away from static workstations to chromebooks and mobile phones is planned during 2019/20.

Reviews of existing working practices are also planned, both to meet the demands of agile working and to realise efficiency savings. A reduction in paper-based processes and the development of a corporate intranet are key projects planned for 2019/20.

Furthermore, we will be reviewing our Oldham HQ offices to ensure they are fit to support agile working and are a “state of the art” service delivery hub.

#### Environmental Responsibility

Positive Steps takes its environmental responsibility seriously with existing schemes for the recycling of waste, unwanted furniture and redundant ICT equipment and for ethical procurement.

During 2019/20 we plan to replace our diesel van with an electric vehicle; reduce our use of paper; and adopt a policy to eradicate the use of single-use plastics across our operations and services.

#### 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 **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.



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 17<sup>th</sup> December 2019 and signed on its behalf by:



Trustee/Director

J A EDMONDSON

**Opinion**

We have audited the Group and Charity financial statements of Positive Steps Oldham for the year ended 31 March 2019 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated and Charity 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 2019 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.

**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 trustee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustee's 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.

POSITIVE STEPS OLDHAM

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POSITIVE STEPS OLDHAM (continued)

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 10, 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.

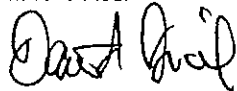
Auditor's responsibilities for the audit of the financial statements

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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.



David Ducie (Senior statutory auditor)

For and on behalf of

Wrigley Partington

Chartered Accountants and

Statutory Auditor

Date: 18th December 2019

Sterling House  
501 Middleton Road  
Chadderton  
Oldham  
OL9 9LY

GROUP ACCOUNTS

POSITIVE STEPS OLDHAM

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(including income and expenditure account) : YEAR ENDED 31 MARCH 2019

	<i>Note</i>	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
<b>INCOME</b>							
Income from investments	3	13,957	-	13,957	5,375	-	5,375
Income from trading activities	4	216,872	4,657	221,529	179,980	-	179,980
Other income	5	72,060	-	72,060	92,978	-	92,978
<i>Income from charitable activities:</i>							
Development funds receivable	6	6,225,209	7,727	6,232,936	6,456,387	-	6,456,387
<b>Total income</b>		<b>6,528,098</b>	<b>12,384</b>	<b>6,540,482</b>	<b>6,734,720</b>	<b>-</b>	<b>6,734,720</b>
<b>EXPENDITURE</b>							
Raising funds	7	282,221	4,657	286,878	208,411	-	208,411
Charitable activities	7	6,655,875	7,727	6,663,602	7,099,572	-	7,099,572
Net interest on the defined benefit pension liability		225,000	-	225,000	231,000	-	231,000
<b>Total expenditure</b>	<b>7</b>	<b>7,163,096</b>	<b>12,384</b>	<b>7,175,480</b>	<b>7,538,983</b>	<b>-</b>	<b>7,538,983</b>
<b>Net income (expenditure) for the year</b>		<b>(634,998)</b>	<b>-</b>	<b>(634,998)</b>	<b>(804,263)</b>	<b>-</b>	<b>(804,263)</b>
<b>Other recognised gains and losses</b>							
Actuarial gains/(losses) on defined benefit pension schemes		(1,689,000)	-	(1,689,000)	1,009,000	-	1,009,000
<b>Net movement in funds</b>		<b>(2,323,998)</b>	<b>-</b>	<b>(2,323,998)</b>	<b>204,737</b>	<b>-</b>	<b>204,737</b>
<b>Reconciliation of funds</b>							
Total funds brought forward		(5,983,003)	-	(5,983,003)	(6,187,740)	-	(6,187,740)
<b>Total funds carried forward</b>	<b>21</b>	<b>(8,307,001)</b>	<b>-</b>	<b>(8,307,001)</b>	<b>(5,983,003)</b>	<b>-</b>	<b>(5,983,003)</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.

# GROUP ACCOUNTS

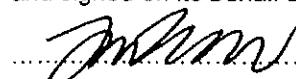
## POSITIVE STEPS OLDHAM

### CONSOLIDATED BALANCE SHEET : AS AT 31 MARCH 2019

	<i>Note</i>	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
<b>FIXED ASSETS</b>					
Tangible assets	12	268,737	310,227	264,294	308,462
Investments	13	-	-	1	1
		<u>268,737</u>	<u>310,227</u>	<u>264,295</u>	<u>308,463</u>
<b>CURRENT ASSETS</b>					
Debtors	14	484,717	423,736	502,232	441,088
Cash at bank and in hand		2,298,724	2,456,271	2,268,726	2,425,333
		<u>2,783,441</u>	<u>2,880,007</u>	<u>2,770,958</u>	<u>2,866,421</u>
<b>CREDITORS:</b>					
Amounts falling due within one year	15	888,179	1,034,237	877,738	1,019,158
<b>NET CURRENT ASSETS</b>		<u>1,895,262</u>	<u>1,845,770</u>	<u>1,893,220</u>	<u>1,847,263</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,163,999</u>	<u>2,155,997</u>	<u>2,157,515</u>	<u>2,155,726</u>
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>		2,163,999	2,155,997	2,157,515	2,155,726
Defined benefit pension scheme liability	20	(10,471,000)	(8,139,000)	(10,471,000)	(8,139,000)
<b>NET ASSETS INCLUDING PENSION LIABILITY</b>	22	<u>(8,307,001)</u>	<u>(5,983,003)</u>	<u>(8,313,485)</u>	<u>(5,983,274)</u>
<b>FUNDS</b>					
Restricted funds	21	-	-	-	-
Unrestricted funds:					
Designated	21	-	-	-	-
General	21	2,163,999	2,155,997	2,157,515	2,155,726
Pension reserve	21	(10,471,000)	(8,139,000)	(10,471,000)	(8,139,000)
<b>TOTAL FUNDS</b>	21	<u>(8,307,001)</u>	<u>(5,983,003)</u>	<u>(8,313,485)</u>	<u>(5,983,274)</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  
J M TAYLOR  
Registration number 2563094

17<sup>th</sup> December 2019

GROUP ACCOUNTS

POSITIVE STEPS OLDHAM

CONSOLIDATED CASH FLOW STATEMENT : YEAR ENDED 31 MARCH 2019

		Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
	<i>Note</i>				
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>18</b>	<b>(120,437)</b>	<b>(111,689)</b>	<b>(122,699)</b>	<b>(142,964)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>					
Investment income receipts		13,957	5,375	13,374	5,209
Payments to acquire tangible fixed assets		(51,067)	(82,788)	(47,282)	(80,754)
Receipts from sale of tangible fixed assets		-	-	-	-
<b>CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>		<b>(37,110)</b>	<b>(77,413)</b>	<b>(33,908)</b>	<b>(75,545)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>					
Repayment of borrowing		-	-	-	-
<b>CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
 <b>Increase (decrease) in cash and cash equivalents in the year</b>		 <b>(157,547)</b>	 <b>(189,102)</b>	 <b>(156,607)</b>	 <b>(218,509)</b>
 <b>Cash and cash equivalents at the beginning of the year</b>		 <b>2,456,271</b>	 <b>2,645,373</b>	 <b>2,425,333</b>	 <b>2,643,842</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>19</b>	<b>2,298,724</b>	<b>2,456,271</b>	<b>2,268,726</b>	<b>2,425,333</b>

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

POSITIVE STEPS OLDHAM

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2019

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**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. The company maintains a sufficient level of reserves/net assets (excluding the defined benefit pension scheme liability).

**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, receipt is probable, and the amount can be quantified with reasonable accuracy.

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.

**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.



POSITIVE STEPS OLDHAM

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2019

---

1 Accounting policies continued

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) **Retirement benefits**

***Defined benefit scheme***

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in measuring surplus or deficit in the period in which they arise.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in surplus or deficit as finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to surplus or deficit in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

## POSITIVE STEPS OLDHAM

## NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2019

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

	Positive Steps Oldham £	PSO Trading Limited £	Total 2019 £	Total 2018 £
<b>Income</b>	<b>6,247,391</b>	<b>293,091</b>	<b>6,540,482</b>	<b>6,734,720</b>
<b>Expenditure</b>				
Raising funds	-	286,878	286,878	208,411
Charitable activities	6,888,602	-	6,888,602	7,330,572
<b>Total expenditure</b>	<b>6,888,602</b>	<b>286,878</b>	<b>7,175,480</b>	<b>7,538,983</b>
<b>Net Income (expenditure) for the year</b>	<b>(641,211)</b>	<b>6,213</b>	<b>(634,998)</b>	<b>(804,263)</b>
<b>Other recognised gains and losses</b>				
Actuarial gains (losses) on defined benefit pension schemes	(1,689,000)	-	(1,689,000)	1,009,000
<b>Net movement in funds</b>	<b>(2,330,211)</b>	<b>6,213</b>	<b>(2,323,998)</b>	<b>204,737</b>
<b>Balance Sheet</b>				
Tangible fixed assets	264,295	4,443	268,738	310,228
Net current assets (liabilities)	1,893,220	2,042	1,895,262	1,845,770
Defined benefit pension scheme asset (liability)	(10,471,000)	-	(10,471,000)	(8,139,000)
<b>Net assets (liabilities)</b>	<b>(8,313,485)</b>	<b>6,485</b>	<b>(8,307,000)</b>	<b>(5,983,002)</b>
<b>Aggregate share capital and reserves</b>	<b>(8,313,485)</b>	<b>6,485</b>	<b>(8,307,000)</b>	<b>(5,983,002)</b>

## GROUP ACCOUNTS

### POSITIVE STEPS OLDHAM

#### NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2019

	Unrestricted 2019 £	Restricted 2019 £	Total 2019 £	Total 2018 £
<b>3 <u>Income from investments</u></b>				
Bank deposit interest	13,957	-	13,957	5,375
	<u>13,957</u>	<u>-</u>	<u>13,957</u>	<u>5,375</u>
<b>4 <u>Income from trading activities</u></b>				
Work experience	53,273	-	53,273	67,918
Room hire	22,851	-	22,851	5,208
Projects	115,063	4,657	119,720	79,074
Training materials and sundry sales	25,685	-	25,685	27,780
	<u>216,872</u>	<u>4,657</u>	<u>221,529</u>	<u>179,980</u>
<b>5 <u>Other income</u></b>				
Rent receivable	70,779	-	70,779	78,650
Other income	1,281	-	1,281	14,328
	<u>72,060</u>	<u>-</u>	<u>72,060</u>	<u>92,978</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	2,334,944	-	2,334,944	2,652,888
Targeted Services	1,790,856	7,727	1,798,583	1,768,569
Family Support Services	2,099,409	-	2,099,409	2,034,930
	<u>6,225,209</u>	<u>7,727</u>	<u>6,232,936</u>	<u>6,456,387</u>

GROUP ACCOUNTS

POSITIVE STEPS OLDHAM

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2019

7 Total resources expended

[a] Positive Steps Oldham

	Charitable activities						
Generating funds	Career Guidance & Support Services	Targeted Services	Family Support Services	Governance	Total 2019	Total 2018	
£	£	£	£	£	£	£	
<u>Costs directly allocated to activities</u>							
Staff costs	1,836,799	1,188,264	1,295,797	32,636	4,351,496	4,353,400	
Project costs	30,028	220,557	311,337	-	561,920	614,367	
Travel, subsistence and transport	13,289	14,751	8,715	-	36,735	31,540	
Rent and property costs	75,895	89,934	104,660	-	270,289	321,173	
Printing and promotions	477	83	1,467	-	2,027	1,994	
Stationery and administration	21,200	15,244	29,630	-	66,074	127,269	
Telephone and data communications	7,239	8,865	12,968	-	29,072	21,662	
Computer maintenance and software	109,774	67,204	96,762	-	273,740	283,638	
Depreciation	25,453	15,862	19,652	-	60,967	59,245	
Audit and accountancy	-	-	-	9,214	9,214	9,752	
-	2,119,932	1,618,764	1,880,988	41,850	5,661,534	5,804,040	
<u>Support costs</u>							
Staff costs	140,050	90,144	97,599	-	327,793	346,436	
Training and employee costs	9,231	9,875	7,358	-	26,464	38,595	
Rent and property costs	37,848	44,967	52,331	-	135,146	160,586	
Depreciation	12,726	7,931	9,826	-	30,483	29,624	
Professional services	24,734	11,125	12,204	-	48,063	24,822	
Consultancy	7,119	4,277	4,723	-	16,119	17,469	
-	231,708	168,319	184,041	-	584,068	617,532	
<b>Total expenditure</b>							
-	2,351,640	1,787,083	2,065,029	41,850	6,245,602	6,421,572	
<u>Pension scheme adjustments (FRS102):</u>							
Current service cost less employer contributions	-	178,592	114,021	124,472	2,915	418,000	
Net interest on the defined benefit pension liability	-	95,056	81,375	67,000	1,569	225,000	
<b>Total resources expended</b>							
-	2,623,288	1,962,479	2,256,501	46,334	6,888,602	7,330,572	

GROUP ACCOUNTS

POSITIVE STEPS OLDHAM

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2019

7 Total resources expended (continued...)

	Generating funds	Charitable activities	Governance	Total 2018 £	Total 2018 £
	£	£	£		
<b>[b] PSO Trading Limited</b>					
<i>Costs directly allocated to activities</i>	286,878	-	-	286,878	208,411
Total resources expended	286,878	-	-	286,878	208,411
<b><u>Total resources expended</u></b>	<b>286,878</b>	<b>6,842,268</b>	<b>46,334</b>	<b>7,175,480</b>	<b>7,538,983</b>

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.

## GROUP ACCOUNTS

### POSITIVE STEPS OLDHAM

#### NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2019

	Total 2019 £	Total 2018 £
<b>8 <u>Staff costs</u></b>		
Total staff emoluments for the year were as follows:		
Salaries	3,979,708	3,952,054
National Insurance	350,976	352,836
Pension costs	962,113	1,211,341
	<u>5,292,797</u>	<u>5,516,231</u>

#### **9 Staff numbers**

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

	Number	Number
Charitable activities	157	166
Raising funds	7	4
Governance	2	2
	<u>166</u>	<u>172</u>

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

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

All of the employees whose emoluments were greater than £60,000 are part of a defined benefit pension scheme. Employer contributions of £ 35,129 (2018 : £ 30,986) were made during the year for these people.

None of the Trustees received any remuneration or benefits during the year to 31 March 2019 (2018 : £Nil).

#### **10 Net movement in funds**

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

Depreciation of tangible fixed assets	92,557	89,238
Auditors' remuneration:		
audit of charitable company	9,200	9,200
audit of subsidiary undertakings	500	500
Operating lease rentals - land and buildings	276,684	276,684

#### **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.

# GROUP ACCOUNTS

## POSITIVE STEPS OLDHAM

### NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2019

#### 12 Tangible fixed assets

<u>Group</u>	Rented Property Improvements	Computer & Office Equipment	Total
<u>Cost</u>			
At 1 April 2018	119,992	542,208	662,200
Additions	-	51,067	51,067
Disposals	-	(62,169)	(62,169)
At 31 March 2019	119,992	531,106	651,098
<u>Depreciation</u>			
At 1 April 2018	82,320	269,653	351,973
Charge for the period	5,646	86,911	92,557
Disposals	-	(62,169)	(62,169)
At 31 March 2019	87,966	294,395	382,361
<u>Net Book Value</u>			
At 31 March 2019	32,026	236,711	268,737
At 31 March 2018	37,672	272,555	310,227

<u>Charity</u>	Rented Property Improvements	Computer & Office Equipment	Total
<u>Cost</u>			
At 1 April 2018	119,992	536,814	656,806
Additions	-	47,282	47,282
Disposals	-	(62,169)	(62,169)
At 31 March 2019	119,992	521,927	641,919
<u>Depreciation</u>			
At 1 April 2018	82,320	266,024	348,344
Charge for the period	5,646	85,804	91,450
Disposals	-	(62,169)	(62,169)
At 31 March 2019	87,966	289,659	377,625
<u>Net Book Value</u>			
At 31 March 2019	32,026	232,268	264,294
At 31 March 2018	37,672	270,790	308,462

GROUP ACCOUNTS

POSITIVE STEPS OLDHAM

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2019

13 Subsidiary undertakings

<u>Charity</u>	<u>Registered in</u>	<u>Percentage 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 2019 £</u>	<u>Group 2018 £</u>	<u>Charity 2019 £</u>	<u>Charity 2018 £</u>
14 <u>Debtors</u>				
Development funds outstanding	367,850	364,044	319,059	312,614
Amounts owed by subsidiary undertaking	-	-	73,771	72,695
Prepayments	41,567	58,319	34,102	54,406
Accrued income	75,300	1,373	75,300	1,373
	<u>484,717</u>	<u>423,736</u>	<u>502,232</u>	<u>441,088</u>

15 Creditors : amounts falling due within one year

Trade creditors	220,913	149,547	215,816	147,621
Amounts owed to subsidiary undertakings	-	-	8,769	204
Taxation and social security	130,988	226,462	126,676	220,280
Accruals	28,560	41,352	28,560	41,349
Deferred income	507,718	616,876	497,917	609,704
	<u>888,179</u>	<u>1,034,237</u>	<u>877,738</u>	<u>1,019,158</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	1,058,736	1,070,736	1,058,736	1,070,736
Later than five years	154,399	419,083	154,399	419,083
	<u>1,489,819</u>	<u>1,766,503</u>	<u>1,489,819</u>	<u>1,766,503</u>

17 Share capital

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



GROUP ACCOUNTS

POSITIVE STEPS OLDHAM

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2019

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
<b>18 <u>Reconciliation of net movement in funds to net cash flow from operating activities</u></b>				
Net movement in funds	(634,998)	(804,263)	(641,211)	(804,263)
Investment income	(13,957)	(5,375)	(13,374)	(5,209)
Depreciation and profit or loss on sale	92,557	89,238	91,450	88,869
Decrease (increase) in debtors	(60,981)	46,007	(61,144)	19,288
(Decrease) increase in creditors	(146,058)	(346,296)	(141,420)	(350,649)
Pension scheme adjustments	643,000	909,000	643,000	909,000
<b>Net cash provided from operating activities</b>	<b>(120,437)</b>	<b>(111,689)</b>	<b>(122,699)</b>	<b>(142,964)</b>

**19 Analysis of cash and cash equivalents**

Cash at bank and in hand	2,298,724	2,456,271	2,268,726	2,425,333
<b>Total cash and cash equivalents</b>	<b>2,298,724</b>	<b>2,456,271</b>	<b>2,268,726</b>	<b>2,425,333</b>

**20 Retirement benefit scheme****Defined benefit schemes**

The company operates a defined benefit scheme for qualifying employees. The GMPF is a multi-employer scheme, which is administered by Tameside MBC under the regulations governing the Local Government Pension Scheme (LGPS), a defined benefit scheme. The most recent formal actuarial valuation was completed as at 31 March 2016 and rolled forward, allowing for the different financial assumptions required under FRS 102, to 31 March 2019 by a qualified independent actuary.

*Key assumptions:*

	<b>2019</b>	<b>2018</b>
	<b><u>%pa</u></b>	<b><u>%pa</u></b>
Discount rate	2,5	2,7
Expected rate of increase of pensions in payment	2,4	2,3
Expected rate of salary increases	3,2	3,1

*Mortality assumptions:*

Assumed life expectations on retirement at age 65:

	<b>2019</b>	<b>2018</b>
	<b><u>Years</u></b>	<b><u>Years</u></b>
Retiring today		
- Males	21,5	21,5
- Females	24,1	24,1
<hr/>		
Retiring in 20 years		
- Males	23,7	23,7
- Females	26,2	26,2
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POSITIVE STEPS OLDHAM

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2019

20 Retirement benefit scheme (continued) ....

	2019 £	2018 £
<i>The amounts charged or (credited) in Statement of Financial Activities (including income and expenditure account) are as follows:</i>		
Current service cost	923,000	1,175,000
Net interest on defined benefit liability / (asset)	225,000	231,000
Past service cost	-	-
Total	<u>1,148,000</u>	<u>1,406,000</u>

*Other recognised gains and losses:*

Actuarial return on scheme assets	(1,360,000)	(94,000)
Less: calculated interest element	-	-
Return on scheme assets excluding interest income	(1,360,000)	(94,000)
Actuarial changes relating to obligations	3,049,000	(915,000)
Total cost / (income)	<u>1,689,000</u>	<u>(1,009,000)</u>

The amounts included in the balance sheet arising from the Company's obligations in respect of defined

Present value of funded retirement benefit obligations	41,498,000	36,747,000
Fair value of plan assets	(31,027,000)	(28,608,000)
Deficit in scheme	<u>10,471,000</u>	<u>8,139,000</u>

*Movements in the present value of defined benefit obligations*

Liabilities as at 1 April 2018	36,747,000	35,700,000
Current service cost	923,000	1,175,000
Past service cost	-	-
Benefits paid	(402,000)	(386,000)
Contributions from scheme members	180,000	197,000
Actuarial gains and losses	3,049,000	(915,000)
Interest cost on defined benefit obligation	1,001,000	976,000
Liabilities as at 31 March 2019	<u>41,498,000</u>	<u>36,747,000</u>

POSITIVE STEPS OLDHAM

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2019

20 Retirement benefit scheme (continued) ....

	2019 £	2018 £
<i>The defined benefit obligations arise from plan funded as follows:</i>		
Wholly unfunded obligations	-	-
Wholly or partly funded obligations	41,498,000	36,747,000
<i>Movement in the fair value of plan assets:</i>		
Opening fair value of scheme assets at 1 April 2018	28,608,000	27,461,000
Interest income on plan assets	776,000	745,000
Contributions by employer	505,000	497,000
Contributions by members	180,000	197,000
Benefits paid	(402,000)	(386,000)
Return on assets excluding amounts included in net interest	1,360,000	94,000
Closing fair value of scheme assets at 31 March 2019	31,027,000	28,608,000

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

	%	%
Equities	69	66
Bonds	15	16
Property	8	7
Cash	8	11

	2019 £	2018 £
<i>The analysis of the scheme assets at the reporting date were as follows:</i>		
Equity instruments	21,408,630	18,881,280
Bonds	4,654,050	4,577,280
Property	2,482,160	2,002,560
Cash	2,482,160	3,146,880
	31,027,000	28,608,000

GROUP ACCOUNTS

POSITIVE STEPS OLDHAM

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2019

21 Analysis of charitable funds

Analysis of fund movements:

	At 1 April 2018 £	Incoming resources £	Resources expended £	Gains (losses) £	At 31 March 2019 £
<u>Restricted funds:</u>					
[1] Co-op Foundation	-	7,727	(7,727)	-	-
[2] Co-op Foundation	-	4,657	(4,657)	-	-
	-	12,384	(12,384)	-	-
<u>Designated funds:</u>	-	-	-	-	-
<u>Unrestricted funds:</u>					
Designated funds	-	-	-	-	-
General Fund	2,155,997	6,528,098	(6,520,096)	-	2,163,999
Pension Reserve	(8,139,000)	-	(643,000)	(1,689,000)	(10,471,000)
<u>Total unrestricted funds</u>	<u>(5,983,003)</u>	<u>6,528,098</u>	<u>(7,163,096)</u>	<u>(1,689,000)</u>	<u>(8,307,001)</u>
<b>Total</b>	<b><u>(5,983,003)</u></b>	<b><u>6,540,482</u></b>	<b><u>(7,175,480)</u></b>	<b><u>(1,689,000)</u></b>	<b><u>(8,307,001)</u></b>

Restricted funds comprise:

[1] Co-op Foundation - Building Connections Fund Youth strand

[2] Co-op Foundation - Building Connections Fund Community Spaces project

22 Analysis of group net assets between funds

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	268,737	-	-	268,737
Current assets	2,783,441	-	-	2,783,441
Current liabilities	(880,563)	-	(7,616)	(888,179)
Defined benefit pension liability	(10,471,000)	-	-	(10,471,000)
<b>Net liabilities 31 March 2019</b>	<b><u>(8,299,385)</u></b>	<b><u>-</u></b>	<b><u>(7,616)</u></b>	<b><u>(8,307,001)</u></b>

## POSITIVE STEPS OLDHAM

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2019

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**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>2019</u> £	<u>2018</u> £
<u>PSO Trading Limited</u>		
Recharge of staff costs and other transactions	290,401	212,854
Purchase of training and other administration costs	(2,343)	(2,894)
Covenanted profits - transferred from subsidiary company	-	50,385
Amount owed by PSO Trading Ltd at 31 March 2019	73,771	72,695
Amount owed to PSO Trading Ltd at 31 March 2019	(8,769)	(204)

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.

GROUP ACCOUNTS

POSITIVE STEPS OLDHAM

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

## GROUP ACCOUNTS

## POSITIVE STEPS OLDHAM

For information only - not  
part of statutory accounts**DETAILED INCOME AND EXPENDITURE ACCOUNT : YEAR ENDED 31 MARCH 2019**

		PSO	PSO	2019	2018
	<u>Note</u>	£	TRADING £	£	£
INCOME FROM TRADE	4	-	221,529	221,529	179,980
DEVELOPMENT FUNDS RECEIVABLE	6	6,232,936	-	6,232,936	6,456,387
OTHER INCOME AND DONATIONS	5	1,081	70,979	72,060	92,978
INVESTMENT INCOME	3	13,374	583	13,957	5,375
		<u>6,247,391</u>	<u>293,091</u>	<u>6,540,482</u>	<u>6,734,720</u>
<b>LESS EXPENDITURE :</b>					
Salaries		3,816,405	163,303	3,979,708	3,952,054
National Insurance		337,974	13,002	350,976	352,836
Pension Costs		524,910	19,203	544,113	533,341
Training and Employee Costs		26,464	3,257	29,721	43,026
Travel, Subsistence and Transport Costs		36,735	280	37,015	32,162
Rent and Property Costs		361,014	20,525	381,539	378,693
Toilet Refurbishment		-	-	-	108
Property Repairs		44,421	-	44,421	121,872
Printing and Promotions		2,027	10	2,037	2,686
Depreciation on Fixed Assets		91,450	1,107	92,557	89,238
Stationery and Administration		62,434	2,920	65,354	121,722
Telephone and Data Communication		29,072	-	29,072	21,662
Computer Maintenance and Software		273,740	33,098	306,838	280,190
Project Costs		561,920	17,306	579,226	630,284
Audit and Accountancy		9,214	-	9,214	9,752
Professional Services		51,703	1,910	53,613	34,732
DBS Checks		-	10,957	10,957	8,156
Consultancy		16,119	-	16,119	17,469
<b>TOTAL EXPENDITURE</b>		<u>6,245,602</u>	<u>286,878</u>	<u>6,532,480</u>	<u>6,629,983</u>
<b><u>SURPLUS (DEFICIT) INCOME</u></b>					
<b><u>OVER EXPENDITURE</u></b>		1,789	6,213	8,002	104,737
Pension scheme adjustments (FRS102):					
- Current service cost less employer contributions		(418,000)	-	(418,000)	(678,000)
- Net interest on the defined benefit pension liability		(225,000)	-	(225,000)	(231,000)
<b><u>SURPLUS (DEFICIT) AFTER FRS102</u></b>					
<b><u>PENSION SCHEME ADJUSTMENTS</u></b>		<u>(641,211)</u>	<u>6,213</u>	<u>(634,998)</u>	<u>(804,263)</u>