

**POSITIVE STEPS OLDHAM
(formerly OLDHAM EDUCATION, BUSINESS
AND GUIDANCE SERVICES)**

(A Company limited by guarantee
and not having a Share Capital)

**Company Number 2563094
Registered Charity Number 1017247**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2005**

**WRIGLEY PARTINGTON
Chartered Accountants
Sterling House
501 Middleton Road
Chadderton
Oldham
OL9 9LY**



POSITIVE STEPS OLDHAM

INFORMATION

Chief Executive	Timothy Mitchell
Secretary	Alison Driver
Registered Office/ Business Address	Medtia Place 80 Union Street Oldham OL1 1DT
Auditors	Wrigley Partington Sterling House 501 Middleton Road Chadderton Oldham OL9 9LY
Bankers	Barclays Bank plc 25 High Street Oldham OL1 3AZ
Solicitors	Wrigley Claydon 29 - 33 Union Street Oldham OL1 1HH

POSITIVE STEPS OLDHAM

CONTENTS

	<u>Page No.</u>
Trustees/Directors' Report	1-4
Report of the Auditors	5
Statement of Financial Activities	6
Balance Sheet	7
Cash Flow Statement	8
Notes to the Financial Statements	9-14

POSITIVE STEPS OLDHAM

TRUSTEES/DIRECTORS' REPORT

The directors present their fourteenth annual report and the audited financial statements of the company for the year ended 31 March 2005.

Objects of the Charity

The objectives of the charity are to advance the education and training of young people in the Borough of Oldham and to prepare them for adult and working life through the provision of integrated information, advice, guidance and support services. To promote industry/education partnerships within the boundaries of the Oldham borough with particular reference to young people in the last years of formal education. The relief of unemployment for public benefit in such ways as may be thought fit, including assistance to find employment.

Policies to further the Charity's Objects

The income and property of the Company from whatever source derived, shall be applied solely towards the promotion of its objects as set forth above. No portion thereof shall be paid or transferred directly or indirectly by way of dividend, bonus, or otherwise by way of profit to the Members of the Company.

Organisation

On 6 December 2004 the company's name was changed from Oldham Education,Business and Guidance Services to **Positive Steps Oldham (PSO)**.

The company is owned and controlled by members drawn from throughout Oldham's civic, business, education and training, and voluntary sector communities. The board of directors is made up of representatives from these sectors.

The board delegates day-to-day operations of the Company to the Chief Executive (Tim Mitchell). He is assisted by a Director of Corporate Services (Alison Driver) and a Director of Operations (Steve Murphy). It should be noted that these post holders are not Board members.

Review of activities and future developments

As stated above the main object of the charity is the advancement of education and training for young people and to prepare them for adult and working life through the provision of integrated information, advice, guidance and support services.

As part of this process the company has expanded the range of activities it undertakes so that they now include:

POSITIVE STEPS OLDHAM

TRUSTEES/DIRECTORS' REPORT continued ..

1. Connexions Oldham

Oldham is one of the 10 boroughs which is part of the Greater Manchester Connexions Service area, from September 2002. Connexions provides a universal information, advice and support service to all young people aged 13-19 (and through to 25 for young adults with learning or other disabilities). The delivery of this service supports a raft of cross-governmental targets, ranging from educational achievement and youth unemployment through to teenage pregnancy and young offenders. Before then, Oldham was chosen by the Department for Education & Skills to pilot the new Connexions strategy, within a local delivery area. PSO (then as OEBGS) and Oldham Council (and the voluntary sector) were the major partners involved in the Connexions pilot for the Borough.

2. Oldham Youth offending Team

PSO assumed responsibility for the day-to-day management of the Youth Offending Service (YOS) from March 2002. The YOS is co-located within the same premises and YOS services are delivered from the Connexions Centre. The YOS is a multi-agency team providing a range of services to support the Government's Youth Justice agenda. The Youth Inclusion Programme (YIP) and Youth Inclusion Support Panels (YISP) are part of the YOS preventative strategy.

3. Oldham Alcohol & Substance Intervention Service (OASIS@Connexions)

OASIS@Connexions is co-located with the main Connexions Services and managed through PSO. The service provides the substance misuse advice, information and intervention service for young people in Oldham.

4. Curriculum Support

Curriculum Support services include : education-business links; Gender Equality-Race Inclusion (GERI); Positive Activities for Young People programmes; Citizenship; On-line Progress File; Mentoring; and the Healthy Schools initiative.

5. Adult Careers Guidance Services

PSO is firmly committed to lifelong learning, and has for many years sought funding to provide careers guidance services for adult clients. This allows us to operate a small team of advisers who provide the full range of services to any adult who either lives or works in Oldham. From May 2005 this service merged with Opportunities for Women and the West Pennine Housing Association's Routes to Employment Programme to form Highway to Opportunities (H2O), a PSO-controlled company.

6. Strategies Team

In addition PSO provides the management for the Drugs and Alcohol Action Team (DAAT) and Teenage Pregnancy Strategies for the Borough.

POSITIVE STEPS OLDHAM

TRUSTEES/DIRECTORS' REPORT continued ..

Reserves policy and risk management

The trustees are mindful of the difficulties in securing long-term funds from Government and other agencies and keep the level of reserves appropriate to the company under continuous review to allow for unforeseen liability e.g. loss of income streams resulting in redundancies; and foreseen liability e.g. lease commitments.

The charity is a non-profit making organisation supported by funding from the DfES, Youth Justice Board and a range of other national, regional and local sources.

The surplus of income over expenditure for the year amounted to £ 8,689 (2004 : £ 26,720).

Fixed Assets

Details of fixed assets are shown in note 6 to the financial statements.

The directors took the decision to relocate the whole of the organisation to a single site very close to the existing premises. The decision has been influenced by the requirements of the Disability Discrimination Act, and its impact upon the existing offices, the lapse of one of the leases at Brunswick Square, the quality of part of the premises currently occupied, and the reception arrangements at Media Square. The relocation took place during December 2004. Some of the accommodation at Brunswick Square continued to be occupied by the Adult Careers Guidance Service after that date.

The effect of the relocation on the accounts is that Rented Property Improvements with a net book value of £116,248 have been disposed of.

Employment policy

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. During the year, the policy of providing employees with information about the company has been continued through the Employee Consultative Committee formed in 2004.

POSITIVE STEPS OLDHAM

TRUSTEES/DIRECTORS' REPORT continued ..

Directors

The following members of the company have served as directors during the period:

Mr Tariq Amin
Mr Nicholas Brown
Mrs Patricia Gray
Cllr David Hibbert
Mrs Pamela Greenwood
Dr Robin Henshaw
Cllr Hugh McDonald
Mr Roy McHugh
Mr Allen Lester Mills
Mr Paul Roberts
Ms Andrea Julie Sharpe
Dr Charles William Shaw
Cllr Anne Wingate

Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to


- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The auditors, Wrigley Partington , will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report was approved by the board on 18th August 2005 and signed on its behalf by


Alison Driver
Company Secretary

POSITIVE STEPS OLDHAM

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF POSITIVE STEPS OLDHAM

We have audited the financial statements of Positive Steps Oldham for the year ended 31 March 2005 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, and related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

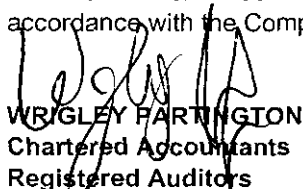
Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the judgements made by the directors in the preparation of the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the charitable company's state of affairs as at 31 March 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


WRIGLEY PARTINGTON
Chartered Accountants
Registered Auditors

18th August 2005

Sterling House
501 Middleton Road
Chadderton
Oldham
OL9 9LY

POSITIVE STEPS OLDHAM

**STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT) : YEAR ENDED 31 MARCH 2005**

INCOME AND EXPENDITURE

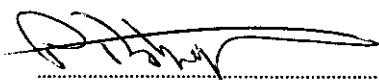
	<u>Note</u>	<u>2005</u> £	<u>2004</u> £
<u>INCOMING RESOURCES</u>			
Development Funds Receivable	2	7,831,806	5,232,550
Other income and donations	3	23,775	14,545
Investment Income	4	15,561	4,319
Total Incoming Resources		<u>7,871,142</u>	<u>5,251,414</u>
<u>RESOURCES EXPENDED</u>			
Direct Charitable Expenditure		7,192,738	4,714,620
Printing and Promotions		58,045	63,477
Administration, Premises and Equipment		611,670	446,597
Total Resources Expended		<u>7,862,453</u>	<u>5,224,694</u>
Net Incoming (Outgoing) Resources for the year		£ <u>8,689</u>	£ <u>26,720</u>
Net Movement in Funds		8,689	26,720
Fund Balances - brought forward 1 April 2004		628,427	601,707
Fund Balances carried forward 31 March 2005		£ <u>637,116</u>	£ <u>628,427</u>

The notes on pages 9 to 14 form
part of these accounts.

POSITIVE STEPS OLDHAM**BALANCE SHEET : AS AT 31 MARCH 2005**

	<u>Note</u>	2005		2004	
		£	£	£	£
FIXED ASSETS					
Tangible Assets	6		331,357		350,015
CURRENT ASSETS					
Debtors	7	1,382,605		959,252	
Cash in Hand		200		200	
Cash at Bank		<u>1,205,275</u>		<u>146,045</u>	
		2,588,080		1,105,497	
CREDITORS : Amounts falling due within one year	8	<u>(2,282,321)</u>		<u>(827,085)</u>	
NET CURRENT ASSETS			305,759		278,412
NET ASSETS			<u>637,116</u>		<u>628,427</u>
Represented by :					
REGISTERED CAPITAL	9		-		-
FUNDS - UNRESTRICTED	10		<u>637,116</u>		<u>628,427</u>
			<u>637,116</u>		<u>628,427</u>

Approved by the Board of Directors
on 18th August 2005



Trustee/Director

P. ROBERTS

The notes on pages 9 to 14
form part of these accounts.

POSITIVE STEPS OLDHAM

CASH FLOW STATEMENT : YEAR ENDED 31 MARCH 2005

	<u>Note</u>	2005 £	2004 £
NET CASH (OUTFLOW) INFLOW FROM OPERATIONS	13	1,261,743	(105,350)
RETURNS ON INVESTMENT AND SERVICING OF FINANCE			
Investment income receipts		15,561	4,319
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Payments for tangible fixed assets		(218,074)	(143,205)
Proceeds from sale of tangible fixed assets		-	216
NET CASH INFLOW FOR THE YEAR	14	<u>1,059,230</u>	<u>(244,020)</u>
NET FUNDS 1 APRIL 2004		146,245	390,265
NET FUNDS 31 MARCH 2005		<u><u>1,205,475</u></u>	<u><u>146,245</u></u>

The notes on pages 9 to 14
form part of these accounts.

1. ACCOUNTING POLICIES

Basis of Preparation of Accounts

The financial statements are prepared under the historical cost convention and incorporate the results of the principal activity which is described in the directors' report and which is continuing. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in October 2000 and applicable accounting standards. The charity has availed itself of paragraph 3 (3) of schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the charity's activities.

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.

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.

Incoming Resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income 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.

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.

Pension costs

The costs 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. (see note 12 to the accounts).

Operating leases

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

POSITIVE STEPS OLDHAM

NOTES TO THE ACCOUNTS : YEAR ENDED 31 MARCH 2005 continued ...

2. DEVELOPMENT FUNDS RECEIVABLE	2005	2004
	£	£
DfES - Holiday Activities Programme	468,356	566,063
Greater Manchester Connexions Contract	2,292,204	2,258,459
Greater Manchester Connexions EBL Contract	176,204	173,992
SRB Projects	-	72,474
Adult Guidance Projects	216,754	195,903
Progress File Demonstration Projects	-	10,000
DAAT	699,703	447,336
Youth Justice Board Mentoring Plus Project	44,748	87,488
Teenage Pregnancy Grant	185,969	190,882
ESF Young Offenders	172,000	33,000
Youth Offending Service	2,642,450	500,908
Health4me	50,566	48,629
14-19 Curriculum Pathfinder	254,319	206,315
GERI	129,562	-
Higher Skills in Oldham	105,952	-
OCVYS	30,061	44,350
PRISE	139,724	110,570
New Deal for Communities	56,959	60,000
Miscellaneous Projects	166,275	196,181
Mentoring capital grant	-	30,000
	7,831,806	5,232,550

POSITIVE STEPS OLDHAM

NOTES TO THE ACCOUNTS : YEAR ENDED 31 MARCH 2005 continued ..

	2005 £	2004 £	
3. <u>OTHER INCOME AND DONATIONS</u>			
Sub-let	23,775	-	
Release of OASIS Centre Grants	-	14,545	
	£ <u>23,775</u>	£ <u>14,545</u>	
4. <u>INVESTMENT INCOME</u>			
Bank Deposit Interest	£ <u>15,561</u>	£ <u>4,319</u>	
5. <u>EMPLOYEES</u>			
Number of employees			
The average monthly numbers of employees and secondees during the year were 235 (2004 : 142)			
Employment costs			
Salaries	4,381,333	2,844,643	
Social security costs	304,207	207,570	
Pension costs	475,638	349,921	
Redundancy	-	5,042	
	£ <u>5,161,178</u>	£ <u>3,407,176</u>	
6. <u>FIXED ASSETS</u>			
<u>Cost</u>	Rented Property Improvements	Computer & Office Equipment	Total
At 1 April 2004	399,379	270,590	669,969
Additions	105,581	112,493	218,074
Disposals	(208,733)	(10,884)	(219,617)
At 31 March 2005	£ <u>296,227</u>	<u>372,199</u>	<u>668,426</u>
<u>Depreciation</u>			
At 1 April 2004	175,141	144,813	319,954
Charge for the period	39,641	80,843	120,484
Disposals	(92,485)	(10,884)	(103,369)
At 31 March 2005	£ <u>122,297</u>	<u>214,772</u>	<u>337,069</u>
<u>Net Book Value</u>			
At 31 March 2005	£ <u>173,930</u>	<u>157,427</u>	<u>331,357</u>
At 31 March 2004	£ <u>224,238</u>	<u>125,777</u>	<u>350,015</u>

POSITIVE STEPS OLDHAM

NOTES TO THE ACCOUNTS : YEAR ENDED 31 MARCH 2005 continued ..

	<u>2005</u> £	<u>2004</u> £
7. <u>DEBTORS</u>		
Development Funds Outstanding	1,276,829	888,543
Prepayments and accrued income	105,776	70,709
	£ <u>1,382,605</u>	£ <u>959,252</u>
8. <u>CREDITORS : Amounts falling due within one year</u>		
Trade Creditors	1,720,575	476,871
VAT Creditor	100,351	87,939
Sundry Accruals & Deferred Income	461,395	262,275
	£ <u>2,282,321</u>	£ <u>827,085</u>
9. <u>REGISTERED CAPITAL</u>		
The company has no share capital, and the liability of members is limited by guarantee to £1 per member.		
10. <u>GENERAL FUNDS</u>		
Balance brought forward 1 April 2004	628,427	601,707
Surplus for the period	8,689	26,720
Balance carried forward 31 March 2005	£ <u>637,116</u>	£ <u>628,427</u>
11. <u>LEASE COMMITMENTS</u>		
At 31 March 2005 the company had annual commitments under non-cancellable operating leases in respect of land and buildings as follows:		
Operating leases which expire:		
within one year	-	38,872
between two and five years	41,929	41,929
in over five years	307,600	77,500
	£ <u>349,529</u>	£ <u>158,301</u>

12. PENSION SCHEME

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

The company operates a pension scheme providing benefits based on final pensionable pay. 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. Contributions to the scheme are charged to the SOFA so as to spread the cost of pensions over employees' working lives with the company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was as at 31 March 2004.

The assumptions that have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rate of increase in salaries and pensions. It was assumed that the investment returns would be 6.3 per cent per year for equities and 4.3 per cent for bonds, that salary increases would average 4.4 per cent per year and that present and future pensions would increase at the rate of 2.8 per cent per year.

The pension charge for the year was £ 475,638 (2004 : £349,921).

The most recent accounts for Greater Manchester Pension Fund made up to 31 March 2004 show net assets of £6.59 billion (2003:£5.31 billion). The Actuary's Statement attached to these accounts confirmed that "The funding level (ratio of assets to past service liabilities) as at 31 March 2004 is 93% (compared to 105% as at 31 March 2001). This corresponds to a past service deficit of £461m for the Greater Manchester Pension Fund".

The contributions of the company and employees have been set at 12.8 per cent and 6 per cent of earnings respectively.

POSITIVE STEPS OLDHAM

NOTES TO THE ACCOUNTS : YEAR ENDED 31 MARCH 2005 continued ..

**13. RECONCILIATION OF NET INCOMING RESOURCES TO
NET CASH INFLOW FROM OPERATIONS**

	<u>2005</u> £	<u>2004</u> £
Net incoming resources	8,689	26,720
Investment income	(15,561)	(4,319)
(Profit)/loss on disposal of fixed assets	116,248	(216)
Depreciation	120,484	147,015
Decrease (increase) in debtors	(423,353)	(238,555)
(Decrease) increase in creditors	1,455,236	(35,995)
Net cash (outflow)/inflow from operations	<u><u>1,261,743</u></u>	<u><u>(105,350)</u></u>

14. ANALYSIS OF CHANGES IN NET CASH RESOURCES

	Cash at bank and in hand
Net funds 1 April 2004	146,245
Net cash (outflow)/inflow for the year	1,059,230
Net funds 31 March 2005	<u><u>1,205,475</u></u>