

CONSOLIDATED GROUP ACCOUNTS

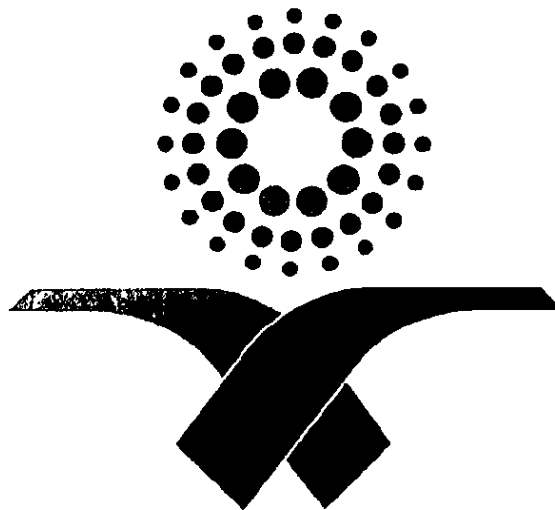
POSITIVE STEPS OLDHAM

(a company limited by guarantee
and not having share capital)

REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2011

Company number 2563094

Registered Charity Number 1017247



POSITIVE STEPS OLDHAM

WRIGLEY PARTINGTON

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

THURSDAY



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POSITIVE STEPS OLDHAM

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REPORT OF THE TRUSTEES/DIRECTORS

The trustees/directors of Positive Steps Oldham (referred to as 'PSO' for the remainder of this report) present their eighteenth 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**'

1. Reference and Administrative Information

<u>Charity number</u>	1017247
<u>Company number</u>	2563094
<u>Company Secretary</u>	Janet Richardson
<u>Chief Executive</u>	Timothy Mitchell
<u>Principal office</u>	Media Place, 80 Union Street, Oldham, Lancashire, OL1 1DT
<u>Auditors</u>	Wrigley Partington, Sterling House, 501 Middleton Road, Chadderton, Oldham, Lancashire, OL9 9LY
<u>Bankers</u>	Barclays Bank plc 25 High Street, Oldham, Lancashire, OL1 3AZ
<u>Solicitors</u>	Wrigley Claydon, 29-33 Union Street, Oldham, Lancashire, OL1 1HH

Trustees Serving During 2010-11

<u>Trustees</u>	<u>Organisation</u>	<u>Representing</u>
Mr Nick Brown OBE (Chair)	Independent	Community bodies
Mr Joe Fitzpatrick (ended 11/11/2010)	Breeze Hill School	Other statutory partners
Ms Christine Symington	Oasis Academy	Other statutory partners
Mr Alun Francis	The Oldham College	Other statutory partners
Mrs Shauna Dixon	NHS Oldham	Other statutory partners
Cllr Jack Hulme	Oldham Metropolitan Borough Council	Council
Cllr Glenys Butterworth	Oldham Metropolitan Borough Council	Council
Cllr Brian Lord	Oldham Metropolitan Borough Council	Council
Cllr Joy Wrigglesworth	Oldham Metropolitan Borough Council	Council
Mr Cliff Ellison	Groundwork Oldham & Rochdale	Community bodies
Ms Nicola Melvin	Chadderton Together	Community bodies

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2 Structure, Governance and Management

Governing Document

PSO is a company limited by guarantee governed by its Memorandum and Articles of Association which were redrafted on 23rd March 2001, 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 should total twelve members: four elected members of Oldham Metropolitan Borough Council, four from other "statutory" partners – e.g. education, health, crime and disorder, and four "community" representatives from private business, training and the voluntary sector.

Trustees' induction and training

A formal induction process for trustees is in place and informal seminars covering key activities, delivered by service managers, supplement this and are held after board meetings. 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 (Tim Mitchell). He is assisted by a Company Secretary and Head of Finance and a number of directors 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 these representatives, which have proved invaluable to the charity in establishing improved links within the community and identifying relevant policy developments and prospective funding.

Subsidiaries

PSO has two subsidiary companies.

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 room hire and other trading activities from the offices of the charity. Any surplus or profit from these trading activities is transferred to PSO under a gift aid arrangement.

Highway to Opportunities was incorporated on 19th April 2005, following a merger between PSO's Adult Careers Guidance Service, Opportunities for Women Ltd and West Pennine Housing Association's *Routes to Employment* programme. It began operations on 3rd May 2005, as a company limited by guarantee and not having a share capital. The company is also a Registered Charity providing information, advice, guidance and basic skills and IT training to adults over the age of 19 living or working in the Oldham Borough. Its activities are under the control of PSO.

3 Objectives and activities

As an independent sector organisation, PSO is unique in England in the way it provides a range of integrated and targeted support services for young people. 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*

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- *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 90% of income derives from the UK Government (via regional and local funding bodies) and approximately 10% from charitable sources, European funding and PSO Trading Activities

During the year, the main contract with Oldham Council continued, with Positive Steps Oldham tasked to deliver a range of integrated and targeted services for young people mainly in the Borough of Oldham. This main contract was supported by a range of other local, regional and national funding, resulting in the following delivery model

• EDUCATION SERVICES

- **Connexions** – the national support service for all young people aged 13 - 19 in England. It provided information, advice and guidance and access to a range of opportunities to help young people, attending schools and colleges, in the Oldham area make a smooth transition to adulthood and working life. The primary objective of Connexions work in education was to ensure that young people were prevented from becoming not in education, employment or training (NEET) by assisting them to make the right post-16 and post-18 choices for them. It provided information, advice and guidance service to all 13-19 year olds in education settings, although around 40% of its resources were targeted at those young people who were likely to experience most difficulty in sustaining a settled education, employment or training pathway post-16.
- **Personal Development Curriculum Support** - PSO provided a range of services to schools and colleges to support the delivery of the school curriculum. These included
 - Careers Education programmes,
 - Personal Health and Social Education (PSHE) including the National Healthy Schools Standards,
 - Education-Business Links forged partnerships between the worlds of work and education with services that include Work Experience, Placements in Industry for Teachers, Mock Interviews, and other projects which supported the work-related curriculum in schools and colleges,
 - The area's **Teenage Pregnancy Strategy** was co-ordinated through this area.
- **Young Carers Service** – providing advice and support for children and young people who act as carers within the family. The service was chosen as one of the Mayoral charities in 2009-10.

• COMMUNITY SERVICES

- **Connexions** – The main purpose of Connexions Community Services was to work towards eliminating the number of 16-18 year olds who were not in education, employment or training (NEET). It provided information, advice and guidance service to all 16-19 year olds (and to 25 for young people with Learning Difficulties and/or other Disabilities). Although it provided a service for all 16-19 year olds who were currently employed or undertaking training programmes, around 90% of its resources were targeted at those young people who experienced most difficulty in sustaining a settled education, employment or training pathway post-16. Oldham was also part of the Greater Manchester Activity Agreement pilot, aimed at reducing NEET. At the end of the year, the adult information, advice and guidance services (Next Step) delivered by Highway to Opportunities were merged and co-located with Connexions Community Services in the company's Media Place premises.

• PREVENTION SERVICES

- PSO commissioned the **Positive Activities for Young People** programme. These programmes taking place during school holidays, throughout the year, were delivered by a range of statutory and voluntary organisations and targeted at young people at risk of being involved in youth crime or school exclusion or being NEET at 16.
- **Kickstart** a motor vehicle and light engineering-based project provided an alternative Key Stage 4 educational experience for young people who were either at risk of or actually disengaged from mainstream schooling. Places on the programmes were purchased by schools and pupil referral units in Oldham, Tameside, Middleton and Manchester.

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- PSO was commissioned to deliver a number of **Youth Inclusion Programmes** across the area which engaged with young people aged 8 -16 who were deemed to be at risk of involvement in crime, anti-social behaviour (ASB) and other negative outcomes. These operated in areas where prevalence of crime and ASB were highest.
 - The area's **Challenge & Support Team** combining youth engagement workers from PSO and Police Officers worked together to carry out activities funded through the Government's Youth Crime Action Plan. These included working with young people subject to ASBO and Acceptable Behaviour Contracts, Operation Staysafe (large scale operations to tackle street drinking and other anti-social behaviour), after-school patrols etc. They also delivered crime reduction and restorative justice programmes in secondary schools.
 - **TARGETED SERVICES**
 - **Oldham Alcohol and Substance Intervention Service (OASIS)** provided substance misuse advice, information and intervention service for young people from Tier 1 to 4
 - Tier 1 – Universal Education,
 - Tier 2 - Targeted Education,
 - Tier 3 – Targeted Interventions with alcohol and drugs users and children whose parents are users,
 - Tier 4 – Treatment
 - It also provided training for professionals working with young people, to help them to identify and assist young people who may have substance misuse issues. The service was co-located with Connexions and the Youth Offending Service.
 - The **Youth Offending Service (YOS)** aimed to prevent re-offending by children and young people aged 10 – 17 years. This multi-agency team, which included staff from Oldham Council, Greater Manchester Police, Probation, PSO and local health services, remained committed to working in partnership with individual children, young people and their families and the wider community to find effective solutions to youth crime. PSO managed the Youth Offending Service (YOS) through a three year management agreement, with the Council agreed April 2004. This was again extended for a further 24 months. It was co-located with other PSO services and delivered from The Centre. The YOS delivered two core services
 - targeted one to one and group interventions with 10-17 year olds who are either cautioned or convicted of an offence, and
 - rehabilitation of persistent offenders who may have either custodial or community sentences.

In addition the YOS also established a **Youth Crime Family Intervention Project (FIP)** with a focus on intervening with whole families where youth crime or the risk of crime was high.

 - **The Centre** – The final development of The Centre was completed during the year with the opening of the whole of the Ground Floor of Media Place for the delivery of individual and group engagement with young people. In addition to accommodating the delivery of PSO's services, The Centre also housed the Positive Health Team from Oldham Community Health Services, a Housing Mediation service, counselling services, and staff from the Council's After-Care team.
- **BUSINESS SUPPORT SERVICES**
 - The four operational directorates were supported by Business Support Services which covered Finance, Human Resources, Information and Communications Technology, Performance Management, and general administration and premises management.
- **Drugs and Alcohol Action Team - (DAAT)** is a strategic partnership which co-ordinates the work of local authorities, social services, education, police, probation, health and voluntary organisations to deliver the targets of the National Anti-Drugs Strategy locally. Every borough has a Drugs Action Team (DAT), with Oldham choosing to become a 'DAAT' in recognition of the fact that alcohol is a substance which, when used to excess or in certain circumstances, can cause a great deal of harm to individuals, their families and the community at large.

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4. Risk management

The trustees and senior managers were 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 to maintain and improve contacts with national and local government and other funding bodies.

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

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

The Company continued to operate a 'safe recruitment' policy in line with Local Safeguarding Children Board standards. All posts within the organisation were subject to an Enhanced CRB 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.

Relationships with the main trade union – Unison were extremely good and any proposed changes to terms and conditions of employment or other workplace issues were subject to full consultation. In addition the Company established an Employee Consultative Committee, in 2004, which comprised elected representatives from the different service areas of PSO along with the two company-based trade union representatives. Meetings are held bi-monthly.

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

5. Achievements and performance

Over 100 separate Key Performance Indicators (KPIs) were set by the Company's funding bodies, the PSO Board agreed a set of 18 primary KPIs which it monitored on a quarterly basis.

6. Significant Strategic Factors

There have been a number of recent significant strategic factors which have impacted on the future direction of the Company.

The outcome of General Election in May 2010 has already placed considerable pressure on the funding of public services. During the financial year, the local Area-based Grant, through which a significant percentage of PSO's services were funded, was reduced during the year. The effect on PSO was a reduction of around 11% in Area-based Grant from October 2010 onwards.

Initial savings were found through non-staff costs, however a number of voluntary and, eventually, compulsory redundancies had to be made.

This pattern of funding reductions has continued into 2011-12. By the start of the financial year, 2011-12, a further 24% of savings across the Group budget had to be found.

7 Financial review

The Positive Steps Oldham Group accounts for 2010-11 show overall income fell from £11,762,590 in 2009-10 to £11,343,298 this year, a decrease of 3.6%.

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The accounts show, initially, an operating surplus of £260,898. However, FRS17 Pension Scheme adjustments have identified a balance of +£1,627,000 resulting in an overall operating surplus of £1,887,898 for the Group.

On reviewing the Balance Sheet, the net assets, **excluding pension reserve**, have increased from £860,542 to £1,121,440.

The pension asset (which for the last two years has been a liability) and featured, as such, in the previous two financial reports and statements has, following re-assessment by the Greater Manchester Pension Scheme's independent actuary, improved from a deficit of £5,432,000 on 31st March 2010 to a surplus of £282,000 on 31st March 2011. Indications from the Scheme providers are that the surplus will continue to increase in 2011-12.

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, Brunswick House 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.

Value of the Three Elements

• Essential Building & Other Maintenance	£175,000,
• Economic Dismissal	£200,250,
• Pension Liability	£150,000,
• Total	£525,250

8 Plans for future periods

Following two years of contract "roll-over", the Council agreed (in September 2009) to award a three year contract to PSO for the "basket of services" it currently delivered under separate contracting arrangements. This contract will be subject to constant review as national and local priorities change and overall funding reduces in line with both central and local government deficit reductions.

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

The trustees are mindful that the further reduction in public expenditure announced in the CSR in October 2010 will have an impact on the PSO Group over the medium term (2011-2014). The trustees will take steps to ensure that future expenditure reflects the reduced resources available to the organisation. The trustees will ensure that overhead costs (including premises and non-staff resources) are minimised through the development of a medium term "estates review", and ensure that the Group is positioned well to respond to any further action taken by Councils and other public bodies to out-source services locally and in the sub-region which fall within its collective charitable objects.

The company retained a lease on approximately ½ acre of unused land (a former bus depot) in Regent Street, Mumps. After a modest initial investment the land has been used to create a car park for staff. This asset has now been purchased by PSO.

9 Trustees' responsibilities in relation to the financial statements

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of its surplus or deficit for that year. In preparing these financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- make sound judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Auditors

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

This report was approved by the board on 6th September 2011 and signed on its behalf by



Janet Richardson
Company Secretary

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INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF POSITIVE STEPS OLDHAM

We have audited the Group financial statements for the year ended 31 March 2010 which comprise the Consolidated Statement of Financial Activities, the Group and Company Balance Sheets, the Consolidated Cash Flow Statement, and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's trustees, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

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

Scope of the audit of the financial statements

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

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the charity's affairs as at 31 March 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

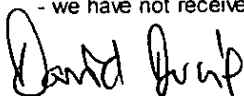
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



David Duce (Senior Statutory Auditor)

For and on behalf of
WRIGLEY PARTINGTON

Chartered Accountants
Statutory Auditor

Date

6th September 2011

Sterling House
501 Middleton Road
Chadderton
Oldham
OL9 9LY

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POSITIVE STEPS OLDHAM

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(including income and expenditure account) : YEAR ENDED 31 MARCH 2011

	<i>Note</i>	Unrestricted Funds £	Restricted Funds £	Total Funds 2011 £	Total Funds 2010 £
<u>INCOMING RESOURCES</u>					
<i>Incoming resources from generated funds:</i>					
<i>Activities for generating funds</i>					
Commercial trading operations	3	148,020	-	148,020	91,351
Other income	4	94,047	-	94,047	28,214
<i>Investment income</i>	5	3,050	-	3,050	6,771
		245,117	-	245,117	126,336
<i>Incoming resources from charitable activities:</i>					
Development funds receivable	6	11,024,196	73,985	11,098,181	11,636,254
Total incoming resources		11,269,313	73,985	11,343,298	11,762,590
<u>RESOURCES EXPENDED</u>					
<i>Costs of generating funds:</i>					
Commercial trading operations	7	132,499	-	132,499	87,636
Charitable activities	7	9,193,641	73,985	9,267,626	11,331,228
Governance costs	7	55,275	-	55,275	55,417
Total resources expended	7	9,381,415	73,985	9,455,400	11,474,281
Net (outgoing) incoming resources before other recognised gains and losses		1,887,898	0	1,887,898	288,309
<i>Other recognised gains and losses</i>					
Actuarial gains/(losses) on defined benefit pension schemes	20	4,087,000	-	4,087,000	(5,320,000)
Net movement in funds		5,974,898	0	5,974,898	(5,031,691)
<i>Reconciliation of funds</i>					
Total funds brought forward as reported		(4,571,458)	-	(4,571,458)	460,233
Total funds carried forward	21	1,403,440	-	1,403,440	(4,571,458)

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

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CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2011

	<i>Note</i>	Group 2011 £	Group 2010 £	Charity 2011 £	Charity 2010 £
FIXED ASSETS					
Tangible assets	12	246,362	327,827	195,709	267,550
Investments	13	-	-	1	1
		<u>246,362</u>	<u>327,827</u>	<u>195,710</u>	<u>267,551</u>
CURRENT ASSETS					
Debtors	14	531,975	1,190,553	777,578	1,553,098
Cash at bank and in hand		2,616,890	2,149,398	2,552,600	1,982,205
		<u>3,148,865</u>	<u>3,339,951</u>	<u>3,330,178</u>	<u>3,535,303</u>
CREDITORS					
Amounts falling due within one year	15	2,273,787	2,807,236	2,377,759	2,860,009
NET CURRENT ASSETS		<u>875,078</u>	<u>532,715</u>	<u>952,419</u>	<u>675,294</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,121,440</u>	<u>860,542</u>	<u>1,148,129</u>	<u>942,845</u>
NET ASSETS EXCLUDING PENSION LIABILITY		1,121,440	860,542	1,148,129	942,845
Defined benefit pension scheme liability	20	282,000	(5,432,000)	282,000	(5,432,000)
NET ASSETS INCLUDING PENSION LIABILITY	22	<u>1,403,440</u>	<u>(4,571,458)</u>	<u>1,430,129</u>	<u>(4,489,155)</u>
FUNDS					
<i>Restricted funds</i>	21	-	-	-	-
<i>Unrestricted funds</i>					
Designated	21	-	-	-	-
General	21	1,121,440	860,542	1,148,129	942,845
Pension reserve	21	282,000	(5,432,000)	282,000	(5,432,000)
TOTAL FUNDS	21	<u>1,403,440</u>	<u>(4,571,458)</u>	<u>1,430,129</u>	<u>(4,489,155)</u>

The accompanying notes are an integral part of these balance sheets

The financial statements were approved by the Board on 6 September 2011 and signed on its behalf by

 , Trustee/Director
N. Brown
Registration number 2563094

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CONSOLIDATED CASH FLOW STATEMENT YEAR ENDED 31 MARCH 2011

	<i>Note</i>	2011 £	2010 £
NET CASH (OUTFLOW)/ INFLOW FROM OPERATIONS	18	499,850	(3,645,080)
RETURNS ON INVESTMENT AND SERVICING OF FINANCE			
Investment income receipts		3,050	6,771
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Payments to acquire tangible fixed assets		(16,832)	(146,630)
Receipts from sale of tangible fixed assets		3,000	-
FINANCING			
Other new loans (repayments)		(21,576)	(21,577)
NET CASH INFLOW/ (OUTFLOW) FOR THE YEAR		<u>467,492</u>	<u>(3,806,516)</u>
Reconciliation of net cashflow to movement in net cash resources (note 19)			
Net cashflow for the year		467,492	(3,806,516)
Cashflow from financing		21,576	21,577
Change in net cash resources resulting from cashflows		<u>489,068</u>	<u>(3,784,939)</u>
NET FUNDS 1 APRIL 2010		2,021,737	5,806,676
NET FUNDS 31 MARCH 2011	19	<u>2,510,805</u>	<u>2,021,737</u>

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NOTES TO THE FINANCIAL STATEMENTS . YEAR ENDED 31 MARCH 2011

1 Accounting policies

a) **Basis of preparation**

The financial statements have been prepared under the historical cost convention, and in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005) issued in March 2005, applicable UK Accounting Standards and the Companies Act 2006. The principal accounting policies adopted in the preparation of the financial statements are as set out below.

The Statement of Financial Activities (SOFA) and balance sheet consolidate the financial statements of the Charity and its subsidiary undertakings on a line by line basis. 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 paragraph 397 of the SORP.

b) **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.

c) **Incoming resources**

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

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

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

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

Investment income is recognised on a receivable basis.

d) **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).

- Costs of generating funds are those costs incurred in trading activities that raise funds.

- 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.

CONSOLIDATED GROUP ACCOUNTS

POSITIVE STEPS OLDHAM

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2011

1 Accounting policies continued

e) **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.

f) **Operating leases**

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

g) **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

Double decker bus - over 5 years

Motor vehicles - over 4 years

h) **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.

i) **Pensions**

Defined benefit scheme

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

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

CONSOLIDATED GROUP ACCOUNTS

POSITIVE STEPS OLDHAM

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2011

2 Analysis of consolidated results between the parent charity Positive Steps Oldham, its charitable subsidiaries Highway To Opportunities and Kickstart Project, and its trading subsidiary PSO Trading Limited

	Positive Steps Oldham £	Highway To Opportunities £	Kickstart Project £	PSO Trading Limited £	Total 2011 £	Total 2010 £
Incoming resources	10,328,440	882,104	-	148,020	11,358,564	11,762,590
Costs of generating funds						
Commercial trading operations	-	-	-	147,765	147,765	87,636
Charitable activities	8,445,425	822,201	-	-	9,267,626	11,331,228
Governance costs	50,731	4,544	-	-	55,275	55,417
Total resources expended	8,496,156	826,745	-	147,765	9,470,666	11,474,281
Net (outgoing) incoming resources before other recognised gains and losses	1,832,284	55,359	-	255	1,887,898	288,309
Other recognised gains and losses						
Actuarial gains (losses) on defined benefit pension schemes	4,087,000	-	-	-	4,087,000	(5,320,000)
Net movement in funds	5,919,284	55,359	-	255	5,974,898	(5,031,691)
Balance Sheet						
Tangible fixed assets	195,709	50,398	-	255	246,362	327,827
Net current assets (liabilities)	952,419	(77,277)	-	(64)	875,078	532,715
Defined benefit pension scheme asset (liability)	282,000	-	-	-	282,000	(5,432,000)
Net assets (liabilities)	1,430,128	(26,879)	-	191	1,403,440	(4,571,458)
Aggregate share capital and reserves	1,430,128	(26,879)	-	191	1,403,440	(4,571,458)

CONSOLIDATED GROUP ACCOUNTS

POSITIVE STEPS OLDHAM

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2011

	Unrestricted 2011 £	Restricted 2011 £	Total 2011 £	Total 2010 £
3 Commercial trading operations				
The Centre Cafe	7,489	-	7,489	7,598
Room hire	28,240	-	28,240	715
Bus hire	-	-	-	3,000
Training materials and sundry sales	112,291	-	112,291	80,038
	<u>148,020</u>	<u>-</u>	<u>148,020</u>	<u>91,351</u>
4 Other income				
Sub-let	84,182	-	84,182	19,524
Other income	9,865	-	9,865	8,690
Restricted fund donations	-	-	-	-
	<u>94,047</u>	<u>-</u>	<u>94,047</u>	<u>28,214</u>
5 Investment income				
Bank deposit interest	3,050	-	3,050	6,771
	<u>3,050</u>	<u>-</u>	<u>3,050</u>	<u>6,771</u>
6 Incoming resources from charitable activities				
<u>Positive Steps Oldham</u>				
<i>Development funds receivable</i>				
Education Services	2,092,126	-	2,092,126	2,674,111
Community IAG Services	766,253	-	766,253	1,189,641
Drugs and Alcohol Funding	2,793,138	-	2,793,138	2,340,771
Targeted Services	2,701,265	-	2,701,265	2,789,423
Prevention Services	1,610,572	-	1,610,572	1,417,221
Oldham Children & Youth Alliance	-	73,985	73,985	78,079
Kickstart Project	175,537	-	175,537	264,728
Miscellaneous Projects	73,703	-	73,703	13,984
	<u>10,212,594</u>	<u>73,985</u>	<u>10,286,579</u>	<u>10,767,958</u>
<u>Highway To Opportunities</u>				
Adult Guidance and Training Activities	811,602	-	811,602	868,296
	<u>811,602</u>	<u>-</u>	<u>811,602</u>	<u>868,296</u>
<u>Total incoming resources from charitable activities</u>	<u>11,024,196</u>	<u>73,985</u>	<u>11,098,181</u>	<u>11,636,254</u>

CONSOLIDATED GROUP ACCOUNTS

POSITIVE STEPS OLDHAM

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2011

7 Total resources expended

[a] Positive Steps Oldham

	Charitable activities								Governance	Total 2011 £	Total 2010 £
	Education Services	Community /AG Services	Drugs & Alcohol	Targeted Services	Prevention Services	Kickstart	Oldham Children & Youth Alliance	Misc Projects			
Generating funds	£	£	£	£	£	£	£	£	£		
Costs directly allocated to activities											
Staff costs	1 577 083	550 458	360 269	1 867 494	808 649	238 111	47 627	40 246	42 600	5 532 537	5 739 454
Project costs	118 081	13 215	2 256 914	220 562	431 130	17 086	30 870	500	-	3 088 358	3 082 800
Travel subsistence and transport	9 217	2 084	822	17 175	5 017	438	463	-	-	35 216	71 021
Rent and property costs	65 767	34 965	34 607	76 515	26 231	58 564	-	123	-	296 772	195 389
Printing and promotions	2 436	322	513	1 624	308	232	-	-	-	5 435	15 418
Stationery and administration	25 486	15 177	23 115	30 141	10 672	9 645	1 483	-	-	115 719	140 520
Telephone and data communications	5 778	2 509	2 648	9 766	9 648	2 852	174	-	-	33 375	38 480
Computer maintenance and software	44 605	17 819	10 726	40 854	22 413	13 066	-	569	-	150 052	171 632
Depreciation	13 646	4 687	17 726	9 387	9 366	2 635	542	273	-	58 262	78 942
Audit and accountancy	-	-	-	-	-	-	-	-	8 131	8 131	8 052
Evaluation and research	-	-	-	-	-	-	-	-	-	-	-
Careers library initiative	5 575	-	-	-	-	-	-	-	-	5 575	6 212
Library maintenance	54	290	-	-	-	-	-	-	-	344	-
Work experience insurance cost	2 250	-	-	-	-	-	-	-	-	2 250	2 250
-	1 869 978	641 526	2 707 340	2 273 518	1 323 434	342 629	81 159	41 711	50 731	9 332 026	9 550 170
Support costs											
Staff costs	150 011	54 886	18 868	170 242	103 240	29 971	3 009	-	-	530 227	483 088
Training and employee costs	13 458	9 027	3 447	20 085	9 212	421	6	-	-	55 656	107 505
Rent and property costs	32 883	17 470	17 304	38 257	13 114	29 282	-	60	-	148 370	390 778
Depreciation	6 823	2 344	8 863	-	4 683	1 318	271	136	-	24 438	19 472
Professional services	7 347	2 655	4 032	7 580	3 398	6 735	12	530	-	32 289	31 113
Consultancy	150	-	-	-	-	-	-	-	-	150	58 681
Sums written off	-	-	-	-	-	-	-	-	-	-	(55 317)
-	210 672	86 382	52 514	236 164	133 647	67 727	3 298	726	-	791 130	1 035 320
Total expenditure	-	2,080,650	727,908	2,769,854	2,509,882	1 457 081	410,356	84,457	50,731	10,123 156	10,585,490
Pension scheme adjustments (FRS 17)	-	(476 386)	(162 689)	(101 828)	(547 588)	(245 164)	(72 073)	(10 472)	(10 800)	-	(1 627 000)
Total resources expended	-	1 604 264	565 219	2 658 026	1 962 094	1 211 917	338 283	73 985	50 731	8 496 156	10 405 490

CONSOLIDATED GROUP ACCOUNTS

POSITIVE STEPS OLDHAM

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2011

7 Total resources expended (continued)

(b) Highway To Opportunities

Generating funds	Charitable activities		Total 2011 £	Total 2010 £
	Adult guidance & training	Governance		
£	£	£		
Costs directly allocated to activities				
Staff costs	631 141	-	631 141	761 039
Rent and property costs	76 549	-	76,549	80,403
Printing and promotions	2,167	-	2 167	3 003
Depreciation	15 178	-	15 178	13 644
Project costs	26 789	-	26 789	41 070
Audit and accountancy	-	3 498	3 498	3 552
Professional services (legal)	-	-	-	-
Consultancy	1 668	-	1 668	6 962
-	753 492	3 498	756,990	909,673
Support costs				
Training and employee costs	8 698	132	8 830	8 488
Travel, subsistence and transport	701	11	712	4 610
Stationery and administration	25 201	384	25 585	28 049
Telephone and data communications	2,680	41	2 721	4 274
Computer maintenance and software	29 052	442	29 494	23 403
Professional services (employee related)	2,377	36	2 413	2,658
-	68 709	1 046	69 755	71,482
Total resources expended	822 201	4 544	826,745	981 155

(c) PSO Trading Limited

Costs directly allocated to activities	132 499	-	-	132,499	87,636
Total resources expended	132 499	-	-	132,499	87 636

	<u>Generating funds</u>	<u>Charitable activities</u>	<u>Governance</u>	Total 2011	Total 2010
	£	£	£	£	£
Total resources expended	132,499	9,267,626	55,275	9,455,400	11,474,281

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

CONSOLIDATED GROUP ACCOUNTS

POSITIVE STEPS OLDHAM

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2011

	Total 2011 £	Total 2010 £
8 Staff costs		
Total staff emoluments for the year were as follows		
Salaries	5,781,773	5,933,829
National Insurance	441,556	453,098
Pension	551,034	645,339
	<u>6,774,363</u>	<u>7,032,266</u>
FRS17 Retirement Benefits (adjustments)	(1,627,000)	(180,000)
	<u>5,147,363</u>	<u>6,852,266</u>

Salaries includes £nil (2010 £43,619) temporary agency staff and tutor costs

The FRS17 Retirement Benefits (adjustments) for this year includes £11,000 in respect of efficiency and other early retirements and £(1,822,000) in respect of the changes to pension increases introduced in the Chancellor's budget statement

9 Staff numbers

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

	Number	Number
Charitable activities	225	223
Generating funds	2	1
Governance	3	3
	<u>230</u>	<u>227</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	1
£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 £24,640 (2010 £16,896) were made during the year for these people

10 Net movement in funds

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

Depreciation of tangible fixed assets	- unrestricted	97,940	110,122
	- restricted	-	1,936
Auditors' remuneration			
audit of charitable company		8,131	8,052
audit of subsidiary undertakings		3,498	3,552
Operating lease rentals - land and buildings		308,140	383,871

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

CONSOLIDATED GROUP ACCOUNTS

POSITIVE STEPS OLDHAM

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2011

12 Tangible fixed assets

<u>Group</u>	Rented Property Improvements	Computer & Office Equipment	Motor Vehicles	Total
<u>Cost</u>				
At 1 April 2010	234,110	506,690	89,558	830,358
Additions	7,445	9,387	-	16,832
Disposals	-	(68,768)	-	(126,939)
At 31 March 2011	241,555	447,309	31,387	720,251
<u>Depreciation</u>				
At 1 April 2010	100,280	312,757	89,494	502,531
Charge for the period	19,829	78,047	64	97,940
Disposals	-	(68,411)	(58,171)	(126,582)
At 31 March 2011	120,109	322,393	31,387	473,889
<u>Net Book Value</u>				
At 31 March 2011	121,446	124,916	-	246,362
At 31 March 2010	133,830	193,933	64	327,827

<u>Charity</u>	Rented Property Improvements	Computer & Office Equipment	Motor Vehicles	Total
<u>Cost</u>				
At 1 April 2010	166,354	435,057	31,387	632,798
Additions	1,471	9,387	-	10,858
Disposals	-	(67,275)	-	(67,275)
At 31 March 2011	167,825	377,169	31,387	576,381
<u>Depreciation</u>				
At 1 April 2010	78,672	255,253	31,323	365,248
Charge for the period	10,488	72,147	64	82,699
Disposals	-	(67,275)	-	(67,275)
At 31 March 2011	89,160	260,125	31,387	380,672
<u>Net Book Value</u>				
At 31 March 2011	78,665	117,044	-	195,709
At 31 March 2010	87,682	179,804	64	267,550

CONSOLIDATED GROUP ACCOUNTS

POSITIVE STEPS OLDHAM

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2011

13 Subsidiary undertakings

	<u>Registered in</u>	<u>Percentage capital held</u>	<u>Number of ordinary shares held</u>
PSO Trading Limited	England and Wales	100%	1
Highway to Opportunities	England and Wales	n/a	n/a
Kickstart Project	England and Wales	n/a	n/a

Highway to Opportunities

Highway to Opportunities was incorporated on 19 April 2005 as a company limited by guarantee and not having a share capital. The company is also a Registered Charity providing adult guidance activities under the control of Positive Steps Oldham.

Positive Steps Oldham exercises dominant influence over Highway to Opportunities, and both organisations are managed on a unified basis.

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.

Kickstart Project

Kickstart Project is a company limited by guarantee and not having a share capital, and is a registered charity with the Charity Commission. With effect from 1 April 2007 all activities, assets, and liabilities of Kickstart Project were transferred (under a business transfer agreement) to Positive Steps Oldham. Kickstart Project then became dormant.

14 Debtors

	<u>Group 2011</u>	<u>Group 2010</u>	<u>Charity 2011</u>	<u>Charity 2010</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Development funds outstanding	481,450	1,137,336	309,532	994,583
Amounts owed by subsidiary undertaking	-	-	422,758	526,758
Prepayments	50,525	39,026	30,022	31,757
Accrued income	-	14,191	15,266	-
	<u>531,975</u>	<u>1,190,553</u>	<u>777,578</u>	<u>1,553,098</u>

15 Creditors amounts falling due within one year

Trade creditors	1,284,772	1,503,839	1,280,860	1,494,991
Amounts owed to subsidiary undertakings	-	-	163,242	114,051
Taxation and social security	240,223	211,512	240,223	211,512
Accruals	48,986	143,019	30,669	138,947
Deferred income	593,721	821,205	556,680	772,847
Futurebuilders loans	106,085	127,661	106,085	127,661
	<u>2,273,787</u>	<u>2,807,236</u>	<u>2,377,759</u>	<u>2,860,009</u>

16 Operating lease commitments

At 31 March 2011 the charity had annual commitments under non-cancellable operating leases in respect of land and buildings as follows:

Operating leases which expire				
within one year	-	22,500	-	22,500
between one and five years	342,434	55,250	287,184	-
in over five years	-	230,390	-	230,390
	<u>342,434</u>	<u>308,140</u>	<u>287,184</u>	<u>252,890</u>

17 Share capital

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

CONSOLIDATED GROUP ACCOUNTS

POSITIVE STEPS OLDHAM

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2011

	2011 £	2010 £
18 <u>Reconciliation of net incoming resources to net cash inflow from operations</u>		
Net (outgoing) incoming resources	1,887,898	288,309
Investment income	(3,050)	(6,771)
Depreciation	97,940	112,059
Profit on sale of tangible fixed assets	(2,643)	-
Decrease (increase) in debtors	658,578	1,464,918
(Decrease) increase in creditors	(511,873)	(5,323,595)
Increase in pension scheme liability	(1,627,000)	(180,000)
Net cash (outflow)/inflow from operations	499,850	(3,645,080)

19 Analysis of changes in net cash resources

	Opening balance £	Cash flows £	Other Changes £	Closing balance £
Cash at bank and in hand	2,149,398	467,492	-	2,616,890
Debt due within one year	(127,661)	21,576	-	(106,085)
Net Funds	2,021,737	489,068	-	2,510,805

CONSOLIDATED GROUP ACCOUNTS

POSITIVE STEPS OLDHAM

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2011

20 Pension fund

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

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

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

The pension cost to the company for the year was £551,034 (2010 £ 645,339)

The actuarial valuation described above has been updated at 31 March 2011 by a qualified actuary using revised assumptions that are consistent with the requirements of FRS17. Investments for this purpose have been valued at fair value.

The financial assumptions used by the actuary to calculate the scheme liabilities under FRS17 were as follows:

	2011	2010	2009
	%pa	%pa	%pa
Price increases	2.8	3.8	3.1
Salary increases	4.3	5.3	4.6
Pension increases	2.8	3.8	3.1
Discount rate	5.5	5.5	6.9

The fair value of assets in the scheme, the present value of the liabilities in the scheme and the expected rate of return at the balance sheet date were:

	2011		2010		2009	
	Fair value	Expected rate of return	Fair value	Expected rate of return	Fair value	Expected rate of return
	£'000	%pa	£'000	%pa	£'000	%pa
Equities	8,908	7.5	7,747	7.8	5,295	7.0
Bonds	2,294	4.9	1,850	5.0	1,264	5.4
Property	675	5.5	694	5.8	553	4.9
Cash	1,620	4.6	1,272	4.8	790	4.0
Total fair value of assets	13,497	6.6	11,563	6.9	7,902	6.3
Present value of scheme liabilities	(13,215)		16,995		8,194	
Present value of unfunded liabilities	-		-		-	
Total value of liabilities	(13,215)		16,995		8,194	
Asset (liability) in the scheme	282		(5,432)		(292)	

CONSOLIDATED GROUP ACCOUNTS

POSITIVE STEPS OLDHAM

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2011

20 Pension fund continued

	2011 £'000	2010 £'000
Analysis of the amount charged to operating profit		
Current service cost	733	277
Past service cost (gain)	(1,811)	-
Settlement and curtailments	39	-
Decrease in irrecoverable surplus	-	-
Total operating charge	(1,039)	277
Analysis of the amount credited to operating profit		
Expected return on assets	824	520
Interest on pension scheme liabilities	(882)	(581)
Other finance income credit/(charge) to Statement of Financial Activity	(58)	(61)
Net charge to revenue account	(981)	338
Movement of surplus/(deficit) during the year		
Surplus/(Deficit) in scheme at beginning of year	(5,432)	(292)
Current service cost	(733)	(277)
Contributions	646	518
Contributions in respect of unfunded benefits	-	-
Past service (costs) gains	1,811	-
Gains and losses on any settlements or curtailments	(39)	-
Net return on assets	(58)	(61)
Actuariaal (loss)/gain	4,087	(5,320)
Surplus/(Deficit) in scheme at end of year	282	(5,432)
Amount recognised in Statement of Total Recognised Gains and Losses (STRGL)		
Actuariaal gains/(losses) in pension plan	4,087	(5,320)
Increase / (decrease) in irrecoverable surplus from membership fall and other factors	-	-
Actuariaal gains/(losses) recognised in the statement of total recognised gains and losses	4,087	(5,320)

CONSOLIDATED GROUP ACCOUNTS

POSITIVE STEPS OLDHAM

NOTES TO THE FINANCIAL STATEMENTS · YEAR ENDED 31 MARCH 2011

20 Pension fund continued .

	2011 £'000	2010 £'000	2009 £'000
History of experience gains and losses			
Fair value of employer assets	13,497	11,563	7,903
Present value of defined benefit obligation	(13,215)	(16,995)	(8,194)
Surplus/deficit	282	(5,432)	(292)
Experience gains/losses on assets	331	2,433	(2,200)
Experience gains/losses on liabilities	647	0	0

The employee numbers in the scheme at 31 March 2011, and 31 March 2010 (the date of the last triennial actuarial valuation), were

	Number 31 03 11	Number 31 03 10
Active employees	153	156
Deferred pensioners	113	101
Pensioners	26	20

The most recent triennial valuation was carried out as at 31 March 2010 using the following principal assumptions

	%pa
Expected return on assets	6.9
Salary increases	5.3
Pension increases	3.8
Discount rate	5.5

The contributions of the company and employees have been set at 12.8 percent and 6 percent of earnings respectively

CONSOLIDATED GROUP ACCOUNTS

POSITIVE STEPS OLDHAM

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2011

21 Analysis of charitable funds

Analysis of fund movements

	At 1 April 2010 £	Incoming resources £	Resources expended £	Gains (losses) £	At 31 March 2011 £
<i>Restricted funds</i>					
Donated assets	-	-	-	-	-
Oldham Children & Youth Alliance	-	73,985	(73,985)	-	-
<i>Total restricted funds</i>	-	73,985	(73,985)	-	-
<i>Unrestricted funds</i>					
Designated funds	-	-	-	-	-
General Fund	860,542	11,269,313	(11,008,415)	-	1,121,440
Pension Reserve	(5,432,000)	-	1,627,000	4,087,000	282,000
<i>Total unrestricted funds</i>	(4,571,458)	11,269,313	(9,381,415)	4,087,000	1,403,440
Total	(4,571,458)	11,343,298	(9,455,400)	4,087,000	1,403,440

The donated assets relate to fixed assets transferred to the company from Opportunities For Women Limited following the merging of activities and the formation of Highway To Opportunities in April 2005

22 Analysis of group net assets between funds

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	246,362	-	-	246,362
Current assets	3,148,865	-	-	3,148,865
Current liabilities	(2,273,787)	-	-	(2,273,787)
Defined benefit pension liability	282,000	-	-	282,000
Net assets 31 March 2010	1,403,440	-	-	1,403,440

CONSOLIDATED GROUP ACCOUNTS

POSITIVE STEPS OLDHAM

NOTES TO THE FINANCIAL STATEMENTS . YEAR ENDED 31 MARCH 2011

23 Related party transactions

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

	<u>2011</u>	<u>2010</u>
	<u>£</u>	<u>£</u>
<u>Highway To Opportunities</u>		
Recharge of staff costs and other transactions	720,463	872,356
Amount owed by Highway To Opportunities at 31 March 2011	386,160	498,428
Amount owed to Highway To Opportunities at 31 March 2011	154,510	108,920
 <u>PSO Trading Limited</u>		
Recharge of staff costs and other transactions	116,651	71,934
Purchase of training costs	(17,950)	(10,479)
Covenanted profits - transferred from subsidiary company	15,266	-
Amount owed by PSO Trading Ltd at 31 March 2011	51,864	28,331
Amount owed to PSO Trading Ltd at 31 March 2011	8,732	5,131
 <u>Kickstart Project</u>		
Amount owed by Kickstart Project at 31 March 2011	-	-

Kickstart Project is a company limited by guarantee and not having a share capital, and is a registered charity with the Charity Commission With effect from 1 April 2007 all activities, assets, and liabilities of Kickstart Project were transferred (under a business transfer agreement) to Positive Steps Oldham Kickstart Project then became dormant

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