

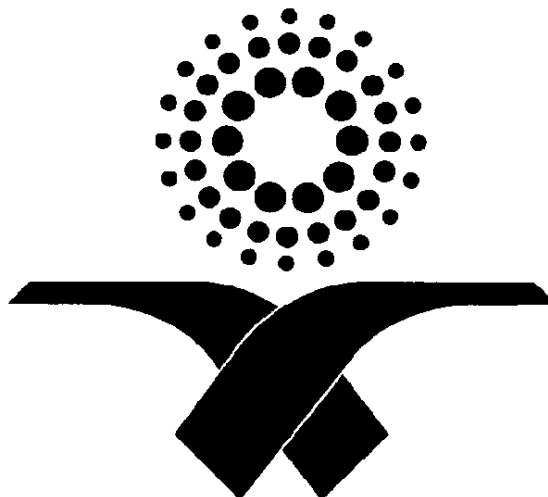
**POSITIVE STEPS OLDHAM**

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

**REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2010**

Company number 2563094

Registered Charity Number 1017247



**POSITIVE STEPS  
OLDHAM**

**WRIGLEY PARTINGTON**

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

SATURDAY



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## **CONSOLIDATED GROUP ACCOUNTS**

### **POSITIVE STEPS OLDHAM**

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## CONSOLIDATED GROUP ACCOUNTS

### 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>	Alison Driver
<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 2009-10

<u>Trustees</u>	<u>Organisation</u>	<u>Representing</u>
Mr Nick Brown OBE	Oldham Sixth Form College	Other statutory partners
Mr Joe Fitzpatrick (Chair)	Breeze Hill School	Other statutory partners
Ms Christine Symington (started 14/01/2010)	Extended Schools Co-ordinator, South Chadderton School	Other statutory partners
Cllr Javid Iqbal	Oldham Metropolitan Borough Council	Oldham MBC
Cllr Kay Knox	Oldham Metropolitan Borough Council	Oldham MBC
Cllr Brian Lord	Oldham Metropolitan Borough Council	Oldham MBC
Cllr Colin McLaren	Oldham Metropolitan Borough Council	Oldham MBC
Mr Daood Akram (ended 15/10/2009)	Alan Kirkham Estate Agents	Community bodies
Mr Roy McHugh (ended 15/10/2009)	Oldham Association of Training Providers	Other statutory partners
Mr Cliff Ellison (started 14/01/2010)	Chief Executive, Groundwork Oldham & Rochdale	Community bodies
Ms Nicola Melvin (started 15/10/2009)	Chadderton Together	Community bodies

## **CONSOLIDATED GROUP ACCOUNTS**

### **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 Director of Corporate Services (Alison Driver) who acts as Company Secretary 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 3<sup>rd</sup> 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*

## CONSOLIDATED GROUP ACCOUNTS

- *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 93% of income derives from the UK Government (via regional and local funding bodies) and approximately 7% from European funding and PSO Trading Activities

During the year, Oldham Council agreed to re-contract with Positive Steps Oldham 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.
- **Highway to Opportunities (H2O)** – delivered Next Step - part of the Government's national information, advice and guidance service for adults aged 18 and above in England. The target groups included clients who had not achieved an NVQ Level 2 or equivalent, Offenders or Ex-Offenders and over 50s (for Enhanced Services). Funding for this service was supplemented by Area-based Grant and other local and regional funding to extend this service to other adults in the Borough. H2O also delivered training services – chiefly Learndirect IT training and basic skills training - provided in the Company's town centre premises and in community venues.

### • 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

## CONSOLIDATED GROUP ACCOUNTS

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
  - 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
- **CORPORATE SERVICES**
  - The four operational directorates were supported by Corporate Services which covered Finance, Human Resources, Information and Communications Technology, Performance Management, Marketing and Communications, 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

## CONSOLIDATED GROUP ACCOUNTS

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

### 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. The table below outlines each of these indicators along with the target set for the 2009-10 financial year and the resulting achievement. Primary KPIs are revised each year.

Key Performance Indicator	Target	Qtr 4 Achievement (unless otherwise stated)
The RAG rating is as follows Green Target achieved (66.7%) Amber Target within 10% (22.2%) Red Target outside 10% (11.1%)		
1 Percentage of Schools Achieving Healthy Schools Status	97.0%	96.0%
2 Young people aged 16-19 with learning and other disabilities in Employment, Education or Training (EET)	77.0%	97.5%
3 Young males from a white background aged 16 to 18 year olds who are not in education, training or employment (NEET)	7.1%	7.9%
4 Teenage parents aged 16-19 in EET	32.5%	38.4%
5 Percentage of 16-18 year olds Not in Education, Employment or Training (NEET) Lowest performing ward	12.7%	13.6%
6 Young people within the Youth Justice System receiving a conviction in court who are sentenced to custody	5.4%	7.6%

## CONSOLIDATED GROUP ACCOUNTS

Key Performance Indicator The RAG rating is as follows Green Target achieved (66.7%) Amber Target within 10% (22.2%) Red Target outside 10% (11.1%)	Target	Qtr 4 Achievement (unless otherwise stated)
7 Young offenders' engagement in suitable education, employment or training	83.0%	76.3%
8 Young offender's access to suitable accommodation	96.5%	96.9%
9 The percentage of 16-18 year olds in education or training as a percentage of the total 16-18 year olds	81.5%	82.7%
10 Number of first time entrants aged 10-17 to the youth justice system (per 100,000 young people aged 10-17)	1,329	1,213
11 Under 18 conception rate (percentage reduction since 1998)	-36.0%	-38.3%
12 16 to 18 year olds who are not in education, training or employment (NEET)	7.0%	7.6%
13 Percentage of 2009 Year 11 who are NEET on 1st November 2009	5.0%	4.7%
14 Percentage of 2009 Year 11 participating in learning on 1st November 2009	92.0%	94.0%
15 Percentage of Year 11 leavers for whom the "September Guarantee" is met (by end October)	97.0%	97.3%
16 Number of young people participating in Positive Activities for Young People (PAYP) * minimum total for year (Annual figure)	1,200	1,318
17 Percentage of working days lost through sickness absence	4.8%	3.2%
18 Employee turnover	14.0%	8.7%

### 6 Significant Strategic Factors

There have been a number of recent significant strategic factors which have the potential to impact on the future direction of the Company

The Government having published two key documents in June 2005 and March 2006 **Youth Matters** and, following a consultation period, **Youth Matters. Next Steps** subsequently published a Youth Crime Action Plan and Youth Alcohol Plan. These documents outlined a range of policies which interpreted the 'Every Child Matters' agenda for young people. In October 2009, the Information, Advice and Guidance (IAG) Standards were published. The key element of these proposals, Quality-marked Information, Advice and Guidance for young people placed PSO in a strong position to support the development. A sub-regional kite-mark "Inspiring IAG" was implemented in a number of Oldham schools.

Oldham formally established a Children's Trust model from April 2008. PSO continued to be represented on key partnership groups: the Children's Trust Executive Board (vice-chair), Local Safeguarding Board, Economy & Skills Partnership, Local Learning Partnership, and Safe & Strong Communities Board. PSO played a key role in the Corporate Area Assessment (CAA) and the Annual Performance Assessment of Children's Services, the grading of which improved to an overall assessment of "good". In the CAA two "green flags" were awarded – one for the reduction in teenage conception rates and the second for the 14-19 learning strategy for the area, including reduction in NEET.

### 7. Financial review

The Positive Steps Oldham Charity accounts for 2009-10 show overall income has increased from £10,287,027 in 2008-09 to £10,786,027 this year, an increase of 4.8%. Group income increased from £11,264,954 to £11,762,590, an increase of 4.4%.

The charity accounts show, initially, an operating surplus of £380,537. However, FRS17 Pension Scheme adjustments have identified an actuarial loss of -£5,320,000 resulting in a net movement in funds for the charity for the year of -£4,983,003 with the group movement being -£5,031,691.



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On reviewing the Balance Sheet, the net assets, **excluding pension liability** of the charity have increased from £785,848 to £942,845 and of the group from £752,233 to £860,542

The pension liability which featured in the previous two financial reports and statements has, following assessment by the Greater Manchester Pension Scheme's independent actuary, increased further from a deficit of £292,000 on 31<sup>st</sup> March 2009 to a deficit of £5,432,000 on 31<sup>st</sup> March 2010. Indications from the Scheme providers are that the deficit will reduce in 2010-11

### 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,       |
| • <b>Total</b>                           | <b>£525,250</b> |

The net assets minus the capital element on 31<sup>st</sup> March 2010 were £675,285 providing a contingency of £150,035

## 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

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

## CONSOLIDATED GROUP ACCOUNTS

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 retains 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. Presently PSO is in negotiation with the landlords with a view to purchasing the land

### 9. Trustees' responsibilities in relation to the financial statements

The trustees are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charity and group and of the surplus or deficit of the charity and group for that year. In preparing these financial statements, the trustees are required to

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's and group's transactions and disclose with reasonable accuracy at any time the financial position of the charity and group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

In so far as the Trustees are aware

- there is no relevant audit information (information needed by the charity's auditors in connection with preparing their report) of which the charity's auditors are unaware, and
- the Trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information

### Auditors

The auditors, Wrigley Partington, are deemed to be reappointed in accordance with Section 487(2) of the Companies Act 2006

This report was approved by the board on 11<sup>th</sup> November 2010 and signed on its behalf by

  
Alison Driver  
Company Secretary

# CONSOLIDATED GROUP ACCOUNTS

## POSITIVE STEPS OLDHAM

### 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. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's trustees, as a body, in accordance with Section 495 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 described in the Statement of Trustees' Responsibilities the company's trustees are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and for being satisfied that the charity's financial statements give a true and fair view.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006.

We also report to you if, in our opinion, the Trustees' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the charity's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

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

#### Basis of audit opinion

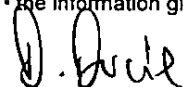
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group'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 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,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006, and
- the information given in the Trustees' Annual Report is consistent with the financial statements.



David Ducie (Senior Statutory Auditor)

For and on behalf of

**WRIGLEY PARTINGTON**

Chartered Accountants

Statutory Auditor

Date

17 November 2010

Sterling House  
501 Middleton Road  
Chadderton  
Oldham  
OL9 9LY

# CONSOLIDATED GROUP ACCOUNTS

## POSITIVE STEPS OLDHAM

### CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (including income and expenditure account) · YEAR ENDED 31 MARCH 2010

	<i>Note</i>	Unrestricted Funds £	Restricted Funds £	Total Funds 2010 £	Total Funds 2009 £
<b>INCOMING RESOURCES</b>					
<i>Incoming resources from generated funds:</i>					
<i>Activities for generating funds</i>					
Commercial trading operations	3	91,351	-	91,351	78,383
Other income	4	28,214	-	28,214	54,966
<i>Investment income</i>	5	6,771	-	6,771	88,554
		126,336	-	126,336	221,903
<i>Incoming resources from charitable activities.</i>					
Development funds receivable	6	11,508,521	127,733	11,636,254	11,043,051
<b>Total incoming resources</b>		<b>11,634,857</b>	<b>127,733</b>	<b>11,762,590</b>	<b>11,264,954</b>
<b>RESOURCES EXPENDED</b>					
<i>Costs of generating funds:</i>					
Commercial trading operations	7	87,636	-	87,636	75,053
Charitable activities	7	11,201,559	129,669	11,331,228	10,990,710
Governance costs	7	55,417	-	55,417	53,078
<b>Total resources expended</b>	7	<b>11,344,612</b>	<b>129,669</b>	<b>11,474,281</b>	<b>11,118,841</b>
<b>Net (outgoing) incoming resources before other recognised gains and losses</b>		<b>290,245</b>	<b>(1,936)</b>	<b>288,309</b>	<b>146,113</b>
<b>Other recognised gains and losses</b>					
Actuarial gains/(losses) on defined benefit pension schemes	20	(5,320,000)	-	(5,320,000)	(1,049,000)
<b>Net movement in funds</b>		<b>(5,029,755)</b>	<b>(1,936)</b>	<b>(5,031,691)</b>	<b>(902,887)</b>
<i>Reconciliation of funds</i>					
Total funds brought forward as reported		458,297	1,936	460,233	1,363,120
<b>Total funds carried forward</b>	21	<b>(4,571,458)</b>	<b>-</b>	<b>(4,571,458)</b>	<b>460,233</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

# CONSOLIDATED GROUP ACCOUNTS

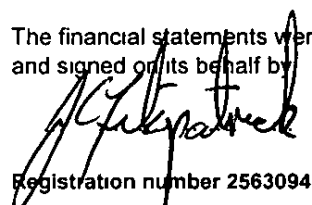
## POSITIVE STEPS OLDHAM

### CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2010

	<i>Note</i>	Group 2010 £	Group 2009 £	Charity 2010 £	Charity 2009 £
<b>FIXED ASSETS</b>					
Tangible assets	12	327,827	293,256	267,550	244,695
Investments	13	-	-	1	1
		<u>327,827</u>	<u>293,256</u>	<u>267,551</u>	<u>244,696</u>
<b>CURRENT ASSETS</b>					
Debtors	14	1,190,553	2,655,471	1,553,098	2,751,667
Cash at bank and in hand		2,149,398	5,956,836	1,982,205	5,882,432
		<u>3,339,951</u>	<u>8,612,307</u>	<u>3,535,303</u>	<u>8,634,099</u>
<b>CREDITORS</b>					
Amounts falling due within one year	15	2,807,236	8,153,330	2,860,009	8,092,947
<b>NET CURRENT ASSETS</b>		<u>532,715</u>	<u>458,977</u>	<u>675,294</u>	<u>541,152</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>860,542</u>	<u>752,233</u>	<u>942,845</u>	<u>785,848</u>
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>		860,542	752,233	942,845	785,848
Defined benefit pension scheme liability	20	(5,432,000)	(292,000)	(5,432,000)	(292,000)
<b>NET ASSETS INCLUDING PENSION LIABILITY</b>	22	<u>(4,571,458)</u>	<u>460,233</u>	<u>(4,489,155)</u>	<u>493,848</u>
<b>FUNDS</b>					
<i>Restricted funds</i>	21	-	1,936	-	-
<i>Unrestricted funds</i>					
Designated	21	-	-	-	-
General	21	860,542	750,297	942,845	785,848
Pension reserve	21	(5,432,000)	(292,000)	(5,432,000)	(292,000)
<b>TOTAL FUNDS</b>	21	<u>(4,571,458)</u>	<u>460,233</u>	<u>(4,489,155)</u>	<u>493,848</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

  
Registration number 2563094

Trustee/Director  
J. FITZPATRICK

17th November 2010

# CONSOLIDATED GROUP ACCOUNTS

## POSITIVE STEPS OLDHAM

### CONSOLIDATED CASH FLOW STATEMENT · YEAR ENDED 31 MARCH 2010

	<i>Note</i>	<b>2010 £</b>	<b>2009 £</b>
<b>NET CASH (OUTFLOW)/ INFLOW FROM OPERATIONS</b>	<b>18</b>	<b>(3,645,080)</b>	<b>2,882,129</b>
<b>RETURNS ON INVESTMENT AND SERVICING OF FINANCE</b>			
Investment income receipts		6,771	88,554
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>			
Payments to acquire tangible fixed assets		(146,630)	(106,830)
<b>FINANCING</b>			
Other new loans (repayments)		(21,577)	34,668
<b>NET CASH INFLOW/ (OUTFLOW) FOR THE YEAR</b>		<u><b>(3,806,516)</b></u>	<u><b>2,898,521</b></u>
<b>Reconciliation of net cashflow to movement in net cash resources (note 19)</b>			
<b>Net cashflow for the year</b>		<b>(3,806,516)</b>	<b>2,898,521</b>
Cashflow from financing		21,577	(34,668)
Change in net cash resources resulting from cashflows		<u><b>(3,784,939)</b></u>	<u><b>2,863,853</b></u>
<b>NET FUNDS 1 APRIL 2009</b>		<b>5,806,676</b>	<b>2,942,823</b>
<b>NET FUNDS 31 MARCH 2010</b>	<b>19</b>	<u><u><b>2,021,737</b></u></u>	<u><u><b>5,806,676</b></u></u>

# CONSOLIDATED GROUP ACCOUNTS

## POSITIVE STEPS OLDHAM

### NOTES TO THE FINANCIAL STATEMENTS · YEAR ENDED 31 MARCH 2010

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#### **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 2010

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#### 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 2010

**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 2010 £	Total 2009 £
<b>Incoming resources</b>	<b>10,786,027</b>	<b>888,927</b>	<b>-</b>	<b>87,636</b>	<b>11,762,590</b>	<b>11,264,954</b>
<b>Costs of generating funds</b>						
Commercial trading operations	-	-	-	87,636	87,636	75,053
Charitable activities	10,354,746	976,482	-	-	11,331,228	10,990,710
Governance costs	50,744	4,673	-	-	55,417	53,078
<b>Total resources expended</b>	<b>10,405,490</b>	<b>981,155</b>	<b>-</b>	<b>87,636</b>	<b>11,474,281</b>	<b>11,118,841</b>
<b>Net (outgoing) incoming resources before other recognised gains and losses</b>	<b>380,537</b>	<b>(92,228)</b>	<b>-</b>	<b>-</b>	<b>288,309</b>	<b>146,113</b>
<b>Other recognised gains and losses</b>						
Actuarial losses on defined benefit pension schemes	(5,320,000)	-	-	-	(5,320,000)	(1,049,000)
Intercompany loan writeoff	(43,540)	-	43,540	-	-	-
<b>Net movement in funds</b>	<b>(4,983,003)</b>	<b>(92,228)</b>	<b>43,540</b>	<b>-</b>	<b>(5,031,691)</b>	<b>(902,887)</b>
<b>Balance Sheet</b>						
Tangible fixed assets	267,550	59,959	-	318	327,827	293,256
Net current assets (liabilities)	675,294	(142,197)	-	(382)	532,715	502,517
Defined benefit pension scheme asset (liability)	(5,432,000)	-	-	-	(5,432,000)	(292,000)
<b>Net assets (liabilities)</b>	<b>(4,489,156)</b>	<b>(82,238)</b>	<b>-</b>	<b>(64)</b>	<b>(4,571,458)</b>	<b>503,773</b>
<b>Aggregate share capital and reserves</b>	<b>(4,489,156)</b>	<b>(82,238)</b>	<b>-</b>	<b>(64)</b>	<b>(4,571,458)</b>	<b>503,773</b>

# CONSOLIDATED GROUP ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2010

	Unrestricted 2010 £	Restricted 2010 £	Total 2010 £	Total 2009 £
<b>3 Commercial trading operations</b>				
Internet café	-	-	-	930
Room hire	715	-	715	1,705
Bus hire	3,000	-	3,000	1,400
Training materials and sundry sales	87,636	-	87,636	74,348
	<u>91,351</u>	<u>-</u>	<u>91,351</u>	<u>78,383</u>
<b>4 Other income</b>				
Sub-let	19,524	-	19,524	27,452
Other income	8,690	-	8,690	27,514
Restricted fund donations	-	-	-	-
	<u>28,214</u>	<u>-</u>	<u>28,214</u>	<u>54,966</u>
<b>5 Investment income</b>				
Bank deposit interest	6,771	-	6,771	88,554
	<u>6,771</u>	<u>-</u>	<u>6,771</u>	<u>88,554</u>
<b>6 Incoming resources from charitable activities</b>				
<b><u>Positive Steps Oldham</u></b>				
<i>Development funds receivable</i>				
Connexions Core Funding	2,560,335	-	2,560,335	2,486,158
Connexions Other Funding	1,272,476	-	1,272,476	1,354,595
Drugs and Alcohol Funding	2,735,470	-	2,735,470	2,760,626
EBL/Curriculum Support	387,519	-	387,519	335,314
Teenage Pregnancy	151,000	-	151,000	184,513
Youth Offending Service	3,221,373	-	3,221,373	2,458,665
Oldham Children & Youth Alliance	-	78,079	78,079	70,729
Kickstart Project	264,728	-	264,728	391,847
Miscellaneous Projects	96,978	-	96,978	140,778
	<u>10,689,879</u>	<u>78,079</u>	<u>10,767,958</u>	<u>10,183,225</u>
<b><u>Highway To Opportunities</u></b>				
Adult Guidance and Training Activities	818,642	49,654	868,296	859,826
	<u>818,642</u>	<u>49,654</u>	<u>868,296</u>	<u>859,826</u>
<b><u>Total incoming resources from charitable activities</u></b>	<u>11,508,521</u>	<u>127,733</u>	<u>11,636,254</u>	<u>11,043,051</u>

# CONSOLIDATED GROUP ACCOUNTS

POSITIVE STEPS OLDHAM

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2010

## 7 Total resources expended

### [a] Positive Steps Oldham

	Charitable activities								Governance	Total 2010 £	Total 2009 £
	Generating funds	Connections	Drugs & Alcohol	EBU/Curriculum support	Teenage Pregnancy	Youth Offending Service	Kickstart	Oldham Children & Youth Alliance			
£	£	£	£	£	£	£	£	£	£		
<b>Costs directly allocated to activities</b>											
Staff costs	2 365 823	570 996	302 416	48 914	1 932 262	266 392	44 359	-	42 692	5 573 854	5 345 492
Project costs	530 087	1 875 184	18 323	80 840	482 982	26 506	32 883	25 995	-	3 082 800	2 747 117
Travel, subsistence and transport	16 939	6 717	4 130	142	38 633	3 397	583	480	-	71 021	87 921
Rent and property costs	67 038	32 608	9 339	3	53 336	33 065	-	-	-	195 389	199 701
Printing and promotions	9 319	2 994	1 218	-	1 887	-	-	-	-	15 418	22 373
Stationery and administration	43 673	28 749	9 815	99	48 383	9 713	88	-	-	140 520	158 600
Telephone and data communications	10 413	5 029	1,198	-	18 508	3 258	76	-	-	38 480	44 875
Computer maintenance and software	66 795	24 129	6 127	-	87 166	7 415	-	-	-	171 632	235 376
Depreciation	20 861	7 353	2 333	-	48 395	-	-	-	-	78 942	73 176
Audit and accountancy	-	-	-	-	-	-	-	-	8 052	8 052	7 973
Evaluation and research	-	-	-	-	-	-	-	-	-	-	14 100
Careers library initiative	6 212	-	-	-	-	-	-	-	-	6 212	7 013
Library maintenance	-	-	-	-	-	-	-	-	-	-	112
Work experience insurance cost	-	-	2 250	-	-	-	-	-	-	2 250	2 250
	3,137,180	2,553,759	357,147	129,998	2,701,552	349,746	77,989	26,475	50,744	9,384,570	8,946,079
<b>Support costs</b>											
Staff costs	212 649	52 785	22 892	-	180 362	-	-	-	-	468 688	574 988
Training and employee costs	43 178	24 386	4 498	185	33 645	1 598	15	-	-	107 505	132 553
Rent and property costs	134 077	65 216	18 678	7	106 671	66,129	-	-	-	390 778	399 402
Depreciation	7 789	2,912	1 127	-	7 664	-	-	-	-	19 472	14 018
Professional services	12 360	2 122	2 156	39	7 892	6 495	49	-	-	31 113	15 412
Consultancy	17 823	9,914	2 755	33	27 683	447	26	-	-	58 681	67 988
Sums written off	(55 317)	-	-	-	-	-	-	-	-	(55 317)	10 829
	372,539	157,335	52,106	264	363,917	74,669	90	-	-	1,020,920	1,215,190
<b>Total resources expended</b>	-	3,509,699	2,711,094	409,253	130,262	3,065,469	424,415	78,079	50,744	10,405,490	10,161,269

# CONSOLIDATED GROUP ACCOUNTS

POSITIVE STEPS OLDHAM

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2010

## 7 Total resources expended (continued ..)

### [b] Highway To Opportunities

Generating funds	Charitable activities		Total 2010 £	Total 2009 £
	Adult guidance & training	Governance		
£	£	£		
<b>Costs directly allocated to activities</b>				
Staff costs	761,039		761,039	634,910
Rent and property costs	80,403	-	80,403	72,158
Printing and promotions	3,003	-	3,003	3,574
Depreciation	13,644	-	13,644	29,203
Project costs	41,070	-	41,070	37,811
Audit and accountancy	-	3,552	3,552	2,329
Professional services (legal)	-	-	-	1,729
Consultancy	6,962	-	6,962	1,413
-	906,121	3,552	909,673	783,127
<b>Support costs</b>				
Training and employee costs	8,355	133	8,488	5,225
Travel, subsistence and transport	4,538	72	4,610	2,224
Stationery and administration	27,609	440	28,049	62,562
Telephone and data communications	4,207	67	4,274	4,400
Computer maintenance and software	23,036	367	23,403	23,202
Professional services (employee related)	2,616	42	2,658	1,779
-	70,361	1,121	71,482	99,392
Total resources expended	-	976,482	4,673	981,155
-	976,482	4,673	981,155	882,519

### [c] PSO Trading Limited

<b>Costs directly allocated to activities</b>	87,636	-	-	87,636	75,053
Total resources expended	87,636	-	-	87,636	75,053

Generating funds	Charitable activities	Governance	Total 2010 £	Total 2009 £
£	£	£		
<b>Total resources expended</b>	87,636	11,331,228	55,417	11,474,281
				11,118,841

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 2010

	Total 2010 £	Total 2009 £
<b>8 Staff costs</b>		
Total staff emoluments for the year were as follows		
Salaries	5,933,829	5,606,728
National Insurance	453,098	413,688
Pension	645,339	583,384
FRS17 Retirement Benefits (adjustments)	(180,000)	(12,000)
	<u>6,852,266</u>	<u>6,591,800</u>

Salaries includes £43,619 (2009 £67,163) temporary agency staff and tutor costs

### 9 Staff numbers

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

	Number	Number
Charitable activities	223	214
Generating funds	1	1
Governance	3	4
	<u>227</u>	<u>219</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	0
£70,001 - £80,000	0	1
£80,001 - £90,000	1	0

All of the employees whose emoluments were greater than £60,000 are part of a defined benefit pension scheme Employer contributions of £16,896 (2009 £9,473) 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	110,122	104,783
	- restricted	1,936	11,614
Auditors' remuneration			
audit of charitable company		8,052	7,973
audit of subsidiary undertakings		3,552	2,329
Operating lease rentals - land and buildings		383,871	376,271

### 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 2010

#### 12 Tangible fixed assets

<u>Group</u>	<u>Rented Property Improvements</u>	<u>Computer &amp; Office Equipment</u>	<u>Motor Vehicles</u>	<u>Total</u>
<b><u>Cost</u></b>				
At 1 April 2009	226,463	401,205	89,558	717,226
Additions	7,647	138,983	-	146,630
Disposals	-	(33,498)	-	(33,498)
At 31 March 2010	234,110	506,690	89,558	830,358
<b><u>Depreciation</u></b>				
At 1 April 2009	71,880	265,054	87,036	423,970
Charge for the period	28,400	81,201	2,458	112,059
Disposals	-	(33,498)	-	(33,498)
At 31 March 2010	100,280	312,757	89,494	502,531
<b><u>Net Book Value</u></b>				
At 31 March 2010	133,830	193,933	64	327,827
At 31 March 2009	154,583	136,151	2,522	293,256

Fixed assets include certain donated assets transferred to the company from Opportunities For Women Limited with a net book value of £nil (2009 £1,936)

<u>Charity</u>	<u>Rented Property Improvements</u>	<u>Computer &amp; Office Equipment</u>	<u>Motor Vehicles</u>	<u>Total</u>
<b><u>Cost</u></b>				
At 1 April 2009	166,354	347,285	31,387	545,026
Additions	-	121,270	-	121,270
Disposals	-	(33,498)	-	(33,498)
At 31 March 2010	166,354	435,057	31,387	632,798
<b><u>Depreciation</u></b>				
At 1 April 2009	57,940	211,134	31,257	300,331
Charge for the period	20,732	77,617	66	98,415
Disposals	-	(33,498)	-	(33,498)
At 31 March 2010	78,672	255,253	31,323	365,248
<b><u>Net Book Value</u></b>				
At 31 March 2010	87,682	179,804	64	267,550
At 31 March 2009	108,414	136,151	130	244,695

# CONSOLIDATED GROUP ACCOUNTS

## POSITIVE STEPS OLDHAM

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2010

#### 13 Subsidiary undertakings

	Registered in	Percentage capital held	Number of £1 ordinary shares held
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.

	Group 2010 £	Group 2009 £	Charity 2010 £	Charity 2009 £
14 <u>Debtors</u>				
Development funds outstanding	1,137,336	2,615,428	994,583	2,479,607
Amounts owed by subsidiary undertaking	-	-	526,758	253,522
Prepayments	39,026	31,239	31,757	18,538
Accrued income	14,191	8,804	-	-
	<u>1,190,553</u>	<u>2,655,471</u>	<u>1,553,098</u>	<u>2,751,667</u>

#### 15 Creditors amounts falling due within one year

Bank overdraft	-	922	-	-
Trade creditors	1,503,839	6,922,610	1,494,991	6,903,565
Amounts owed to subsidiary undertakings	-	-	114,051	6,330
Taxation and social security	211,512	147,737	211,512	147,737
Accruals	143,019	134,650	138,947	128,886
Deferred income	821,205	798,173	772,847	757,191
Futurebuilders loans	127,661	149,238	127,661	149,238
	<u>2,807,236</u>	<u>8,153,330</u>	<u>2,860,009</u>	<u>8,092,947</u>

#### 16 Operating lease commitments

At 31 March 2010 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	21,171	22,500	21,171
between one and five years	55,250	-	-	-
in over five years	230,390	362,700	230,390	315,200
	<u>308,140</u>	<u>383,871</u>	<u>252,890</u>	<u>336,371</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 2010

	2010 £	2009 £
<b>18 <u>Reconciliation of net incoming resources to net cash inflow from operations</u></b>		
Net (outgoing) incoming resources	288,309	146,113
Investment income	(6,771)	(88,554)
Depreciation	112,059	116,397
Decrease (increase) in debtors	1,464,918	(1,640,915)
(Decrease) increase in creditors	(5,323,595)	4,361,088
Increase in pension scheme liability	(180,000)	(12,000)
<b>Net cash (outflow)/inflow from operations</b>	<b>(3,645,080)</b>	<b>2,882,129</b>

### 19 Analysis of changes in net cash resources

	Opening balance £	Cash flows £	Other Changes £	Closing balance £
Cash at bank and in hand	5,955,914	(3,806,516)	-	2,149,398
Debt due within one year	(149,238)	21,577	-	(127,661)
<b>Net Funds</b>	<b>5,806,676</b>	<b>(3,784,939)</b>	<b>-</b>	<b>2,021,737</b>



## CONSOLIDATED GROUP ACCOUNTS

### POSITIVE STEPS OLDHAM

#### NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2010

#### 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 £645,339 (2009 £ 489,642)

The actuarial valuation described above has been updated at 31 March 2010 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:

	2010 %pa	2009 %pa	2008 %pa
Price increases	3.8	3.1	3.6
Salary increases	5.3	4.6	5.1
Pension increases	3.8	3.1	3.6
Discount rate	5.5	6.9	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:

	2010		2009		2008	
	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	7,747	7.8	5,295	7.0	5,550	7.7
Bonds	1,850	5.0	1,264	5.4	1,644	5.7
Property	694	5.8	553	4.9	765	5.7
Cash	1,272	4.8	790	4.0	837	4.8
<b>Total fair value of assets</b>	<b>11,563</b>	<b>6.9</b>	<b>7,902</b>	<b>6.3</b>	<b>8,796</b>	<b>6.9</b>
Present value of scheme liabilities	16,995		8,194		8,051	
Present value of unfunded liabilities	-		-		-	
<b>Total value of liabilities</b>	<b>16,995</b>		<b>8,194</b>		<b>8,051</b>	
<b>Asset (liability) in the scheme</b>	<b>(5,432)</b>		<b>(292)</b>		<b>745</b>	

## CONSOLIDATED GROUP ACCOUNTS

### POSITIVE STEPS OLDHAM

#### NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2010

##### 20 Pension fund continued . .

	2010 £'000	2009 £'000
<b>Analysis of the amount charged to operating profit</b>		
Current service cost	277	336
Past service cost	-	194
Settlement and curtailments	-	-
Decrease in irrecoverable surplus	-	-
<b>Total operating charge</b>	<b>277</b>	<b>530</b>
<b>Analysis of the amount credited to operating profit</b>		
Expected return on assets	520	630
Interest on pension scheme liabilities	(581)	(580)
Other finance income credit/(charge) to Statement of Financial Activity	(61)	50
<b>Net charge to revenue account</b>	<b>338</b>	<b>480</b>
<b>Movement of surplus/(deficit) during the year</b>		
Surplus/(Deficit) in scheme at beginning of year	(292)	745
Current service cost	(277)	(337)
Contributions	518	493
Contributions in respect of unfunded benefits	-	-
Past service costs	-	(194)
Gains and losses on any settlements or curtailments	-	-
Net return on assets	(61)	50
Actuarial (loss)/gain	(5,320)	(1,049)
<b>Surplus/(Deficit) in scheme at end of year</b>	<b>(5,432)</b>	<b>(292)</b>
<b>Amount recognised in Statement of Total Recognised Gains and Losses (STRGL)</b>		
Actuarial gains/(losses) in pension plan	(5,320)	(1,049)
Increase / (decrease) in irrecoverable surplus from membership fall and other factors	-	-
<b>Actuarial gains/(losses) recognised in the statement of total recognised gains and losses</b>	<b>(5,320)</b>	<b>(1,049)</b>

## CONSOLIDATED GROUP ACCOUNTS

### POSITIVE STEPS OLDHAM

#### NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2010

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#### 20 Pension fund continued ..

	2010 £'000	2009 £'000	2008 £'000
<b>History of experience gains and losses</b>			
Fair value of employer assets	11,563	7,903	8,796
Present value of defined benefit obligation	(16,995)	(8,194)	(8,051)
Surplus/deficit	(5,432)	(292)	745
Experience gains/losses on assets	2,433	(2,200)	(915)
Experience gains/losses on liabilities	0	0	22

The employee numbers in the scheme at 31 March 2010, and 31 March 2007 (the date of the last triennial actuarial valuation), were

	Number <u>31 03 10</u>	Number <u>31 03 07</u>
Active employees	155	167
Deferred pensioners	103	56
Pensioners	17	9

The most recent triennial valuation was carried out as at 31 March 2007 using the following principal assumptions

	%pa
Price increases	3.2
Salary increases	4.7
Pension increases	3.2
Discount rate	5.4

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 2010

#### 21 Analysis of charitable funds

##### Analysis of fund movements

	At 1 April 2009 £	Incoming resources £	Resources expended £	Gains (losses) £	At 31 March 2010 £
<i>Restricted funds</i>					
Donated assets	1,936	-	(1,936)	-	-
Big Lottery Funding	-	49,654	(49,654)	-	-
Oldham Children & Youth Alliance	-	78,079	(78,079)	-	-
<i>Total restricted funds</i>	<u>1,936</u>	<u>127,733</u>	<u>(129,669)</u>	<u>-</u>	<u>-</u>
<i>Unrestricted funds</i>					
Designated funds	-	-	-	-	-
General Fund	750,297	11,634,857	(11,524,612)	-	860,542
Pension Reserve	(292,000)	-	180,000	(5,320,000)	(5,432,000)
<i>Total unrestricted funds</i>	<u>458,297</u>	<u>11,634,857</u>	<u>(11,344,612)</u>	<u>(5,320,000)</u>	<u>(4,571,458)</u>
<b>Total</b>	<b>460,233</b>	<b>11,762,590</b>	<b>(11,474,281)</b>	<b>(5,320,000)</b>	<b>(4,571,458)</b>

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

The Big Lottery Funding above relates to "Oldham Communities into Learning and Work" and is regarded as restrictive funding

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

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	327,827	-	-	327,827
Current assets	3,339,951	-	-	3,339,951
Current liabilities	(2,807,236)	-	-	(2,807,236)
Defined benefit pension liability	(5,432,000)	-	-	(5,432,000)
<b>Net assets 31 March 2010</b>	<b>(4,571,458)</b>	<b>-</b>	<b>-</b>	<b>(4,571,458)</b>

## CONSOLIDATED GROUP ACCOUNTS

### POSITIVE STEPS OLDHAM

#### NOTES TO THE FINANCIAL STATEMENTS . YEAR ENDED 31 MARCH 2010

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##### 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>2010</u> <u>£</u>	<u>2009</u> <u>£</u>
<u>Highway To Opportunities</u>		
Recharge of staff costs and other transactions	872,356	736,619
Amount owed by Highway To Opportunities at 31 March 2010	498,428	182,826
Amount owed to Highway To Opportunities at 31 March 2010	108,920	-
<u>PSO Trading Limited</u>		
Recharge of staff costs and other transactions	71,934	53,616
Purchase of training costs	(10,479)	(10,598)
Amount owed by PSO Trading Ltd at 31 March 2010	28,331	27,156
Amount owed to PSO Trading Ltd at 31 March 2010	5,131	6,330
<u>Kickstart Project</u>		
Amount owed by Kickstart Project at 31 March 2010	-	43,540

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