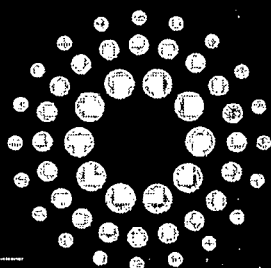


# POSITIVE STEPS OLDHAM - CHARITY ACCOUNTS

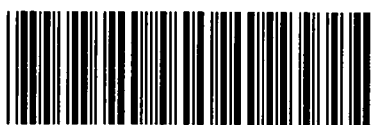
## REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021



**POSITIVE STEPS**  
SUPPORT | CHALLENGE | CHANGE

THURSDAY



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A08

27/01/2022

#191

COMPANIES HOUSE

POSITIVE STEPS OLDHAM (trading as POSITIVE STEPS)  
(A company limited by guarantee and not having share capital)  
Company number: 2563094. Registered Charity Number: 1017247

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INVESTOR IN PEOPLE

## REPORT OF THE TRUSTEES/DIRECTORS

The trustees/directors of Positive Steps Oldham (referred to as Positive Steps [PS] (the trading name), for the remainder of this report) present their twenty seventh Annual Report together with the financial statements. Included within the trustees' report is the directors' report as required by company law.

The **directors** or **members of the board** of the charitable company (the charity) are its trustees for the purpose of charity law. Throughout this report they are collectively referred to as the '**trustees**'.

Charity number: 1017247

Company number: 2563094

Chief Executive: Stephanie A Bolshaw

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

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

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

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

Key management personnel:

Stephanie Bolshaw

Paul Axon

Rina Dabhi

Clifford Shields

Chief Executive Office

Director of Young People's Services

Director of Families and Communities

Director of Corporate Services

Trustees	Representing	
Miss Joanne Marie Taylor	Independent	
Cllr Garth Harkness	Oldham Council	Resigned 7 <sup>th</sup> May 2021
Mr Muzahid Khan	Independent	
Ms Julie Anne Edmondson (Chair)	Independent	
Ms Hannah Jane Roberts	Independent	
Cllr Abdul Malik	Oldham Council	
Cllr Graham Shuttleworth	Oldham Council	

Cllr Fazlul Haque	Oldham Council	Resigned 7th May 2021
Mrs Nicola Jane Robinson	Independent	
Cllr Rosalynne Katya Birch	Oldham Council	Appointed 27 <sup>th</sup> July 2021
Cllr Diane Williamson	Oldham Council	Appointed 27 <sup>th</sup> July 2021

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governing Document**

Positive Steps Oldham is a company limited by guarantee governed by its Memorandum and Articles of Association which were redrafted and adopted by special resolution on 27<sup>th</sup> September 2016 having previously been amended August 2005 and November 2006. It is registered as a charity with the Charity Commission. Members are drawn from Oldham's public sector, private business sector, education and training sector, and voluntary sector communities, each of whom agree to contribute £1 in the event of the charity winding up.

### **Appointment of trustees**

The Memorandum and Articles of Association state that the Board of Trustees should total up to twelve members: four elected members of Oldham Council; and eight from statutory partners – (e.g. education, health, crime and disorder) and/or “community” representatives from private business, training, the voluntary sector and/or who are independent with an interest in furthering the objects of the Charity.

### **Trustees’ induction and training**

A formal induction process for trustees is in place and informal seminars, held as part of Board meetings covering key activities, delivered by service managers supplement this. Guidance Notes are issued to all trustees informing them of their rights and responsibilities.

### **Organisation**

The board delegates day-to-day operations of the company to the Chief Executive. Who is assisted by Directors and a number of senior managers with responsibility for operational delivery. It should be noted that these post holders are not Board members.

### **Remuneration of key management personnel**

The goal of our pay policy is to offer fair pay to attract and keep appropriately qualified staff to lead, manage, support and deliver the charity’s aims. Trustees are ultimately responsible for setting remuneration levels for the key management personnel. Pay for other staff is determined by a Job Evaluation Scheme with a cost-of-living award agreed by the Trustees annually. Positive Steps is a Real Living Wage accredited body and this will override the Job Evaluation grades, where applicable.

### **Related parties**

Close working relationships exist between the Charity and local authorities and a range of other local public, private and third sector organisations, which have proved invaluable to the charity in establishing improved links within the community and identifying relevant policy developments and prospective funding.

### **Subsidiaries**

During the 2020-21 financial year, PS had a subsidiary company:

**PSO Trading Limited** was incorporated on 2nd June 2005 and commenced trading on 31 October 2005. The company is a wholly-owned subsidiary of the charity and was formed to provide a range of trading activities from the offices of the charity. These include training; property hire; ICT services and projects; work experience; cycle repair/resale and DBS services for smaller voluntary sector organisations. Any surplus or profit from these trading activities is transferred to PS under a gift-aid arrangement.

## **OBJECTIVES AND ACTIVITIES**

As an independent sector organisation, PS is unique in England in the way it provides a range of integrated and targeted support services for young people. The trustees are mindful of the Charity Commission Guidance on public benefit. Its charitable objects are:

- *To advance the education and training of young people in order to prepare them for working and adult life.*
- *To promote the industry/education partnerships with particular reference to young people in their last years of formal education.*
- *The relief of unemployment for the public benefit in such ways as may be thought fit, including assistance to find employment.*
- *The provision of educational and recreational facilities for young people in the interests of social welfare.*
- *The promotion of public safety.*
- *The prevention of crime and the rehabilitation of young offenders.*
- *Such other ancillary or incidental training or educational activities and other associated activities for the benefit of the community*

During the year, the biggest contract continues to be with Oldham MBC who contract with us to deliver a range of integrated and targeted services for young people, adults and families mainly in the Borough of Oldham. We have continued to deliver Career Guidance services in both Rochdale and Tameside. Our work has been supported by a range of other local, regional and national funding, resulting in the following delivery model:

### **Young People's Services**

The work of this directorate focuses on two services – Careers Guidance and Support and Youth Justice and Prevention.

#### **Careers Guidance and Support**

Each local authority (Oldham, Rochdale and Tameside) funds information, advice and guidance (IAG) with young people who are at risk of becoming NEET and those in target groups, such as those in the care of the local authority, those involved with the criminal justice system, those with special educational needs or disabilities and teenage parents. Allied to that, we have contracts with over 50 schools and colleges to provide IAG for non-targeted students.

#### **Youth Justice and Prevention**

This work focuses on clients with the most complex needs including young people who are missing from home and at risk of child sexual exploitation and young people at risk of or involved in offending behaviour. The services are delivered in partnership with other statutory and voluntary sector organisations in Oldham. Positive Steps is actively involved in both strategic work and in the operational delivery of services for these clients. The services are provided in a holistic way with support offered to whole families in order to assess and support around systemic issues that may be influencing problematic behaviours. Positive Steps is unique as a third sector organisation delivering the statutory Youth Justice Service in Oldham.

### **Families, Health and Wellbeing**

The largest element of this Directorate is Early Intervention and Prevention (EIP). EIP is an Oldham-wide strategy to support individuals and families of all ages to stay in control of their lives by effectively managing issues that may be affecting them and preventing escalation to crisis services. The Positive Steps service consists of staff and many more volunteers who support families in their own homes and within District Hubs. Assessment and support can be offered for issues such as emotional wellbeing, financial difficulties, housing, relationship difficulties and behaviour management. The Early Help

service works closely in partnership with Oldham Council alongside other voluntary sector partners to deliver a holistic offer.

The Directorate delivers the Young Carers Service which provides support for young people who have a caring responsibility at home – identifying and engaging these vulnerable young people and their families to help them to develop social confidence increasing opportunities for them to engage fully with peers and their community.

Up until 31<sup>st</sup> December 2020 and 31<sup>st</sup> March 2021, the Directorate delivered the Health Improvement Service and Integrated Health Services for Oldham Council respectively. Unfortunately, following an unsuccessful tendering exercise these were transferred to new providers.

### **Corporate Services**

The Directorate has two key roles within the business, to provide corporate support and to develop the trading company, PSO Trading Ltd.

#### **Corporate Support**

This is delivered by two specialist teams each with a service lead and appropriately skilled and experience staff. The two teams are:

Professional & Facilities Support – Finance; Human Resources; Compliance and Facilities

Management & Systems Support – ICT; Management Information; Marketing and Administration

The “Front of House” and Volunteers service are delivered by an operational manager who also manages part of the trading activities. Volunteers are integral to Positive Steps as a whole. Over the past 18 months we have successfully developed roles for volunteers and have recruited and trained volunteers to work in all areas of the business. We strive to offer high quality and meaningful volunteering opportunities and offer an excellent training package and a range of opportunities including paid work.

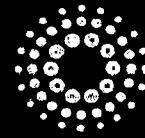
#### **PSO Trading Ltd**

PSO Trading Ltd is a wholly-owned subsidiary of Positive Steps and any trading surpluses are covenanted into the Positive Steps charitable trust. Non-charitable activity undertaken includes the sales of IT products and service, cycle repair and sale, Car Park hire, DBS service, room hire and a range of training and consultancy services.

We support schools through traded services that organise work experience placements, mock interviews and employer encounters, we have developed a Positive Futures programme, a mentor based supportive work experience offer (Year 9 upwards) working across all employment sectors.

We have also developed an in-house bicycle project – Positive Cycles – which works with young people and adults to develop skills around bicycle maintenance and renovation.

## ACHIEVEMENTS AND PERFORMANCE



POSITIVE STEPS



Positive Steps has a long history of hitting and exceeding targets and the past year has proved no exception. During the April 2019 to March 2020 period, we delivered a comprehensive, integrated range of services which helped young people, adults and families reach their full potential. Our approach throughout has been to understand and break down the barriers individuals face in reaching their goals.



# EARLY HELP SERVICES

**During 2020/21 Positive Steps delivered the medium and low intensity levels of the Early Help Service in Oldham. This included health check and stop smoking support, plus the two year old offer**

**1461 Early Help cases**

286 brief interventions carried out – 264 progressing to full Early Help Assessment

**69 Health checks and Health MOTs carried out**

859 Stop Smoking clients worked with leading to a quit rate of 46.50%

**761 families were engaged with the two year old offer**

## **INTEGRATED SEXUAL HEALTH & SUBSTANCE MISUSE SERVICES**

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

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

**A partnership had been successfully developed between Positive Steps and Brook**

**245 young people accessed the substance misuse service for the first time**

**225 sexual health clinics were delivered**

**100% of sexual health patients were seen within 48 hours**

# VOLUNTEERS

**Volunteers contributed 4,056 hours of support to the people accessing our service areas**



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

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



## CAREERS INFORMATION, ADVICE & GUIDANCE

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

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

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

We achieved participation rates of

Oldham	95.6%
Rochdale	96.7%
Tameside	96.4%

The number of looked after children who left school and remained in education/learning were

Oldham	85.7%
Rochdale	93.0%
Tameside	89.6%

## YOUTH JUSTICE

**Positive Steps delivers the statutory Youth Justice Service in Oldham.**

**We supervise children and young people aged 10 to 18. Some are serving court sentences; others have not been charged for their offending behaviour and are being dealt with outside the court system.**

**The rate of re-offending in Oldham of 27.30% was better than the figures for Greater Manchester, the North West, England and our YJS family comparators**

**Our custody rate per 1,000 of the age 10-17 population of 0.04 is lower than all our comparators**

## **VOLUNTEERING**

**Volunteers are integral to Positive Steps as a whole.**

**We strive to offer high quality and meaningful volunteering opportunities and offer an excellent training package and a range of opportunities including paid work.**

**Volunteers contributed 4,056 hours of support to the people accessing our service areas**

## **YOUNG CARERS SERVICE**

**We deliver the Young Carers service in Oldham.**

**It provides young people with a break from their caring duties and an opportunity to socialise and develop life skills**

**We had 601 young carers registered as at 31<sup>st</sup> March 2021. 90.6% progressed into learning on leaving school**

## **MISSING FROM HOME SERVICE**

**We deliver the Missing from home interview service in Oldham**

**During 2020/21 there were 1,186 reported cases, of which 87.7% were interviewed within 72 hours**

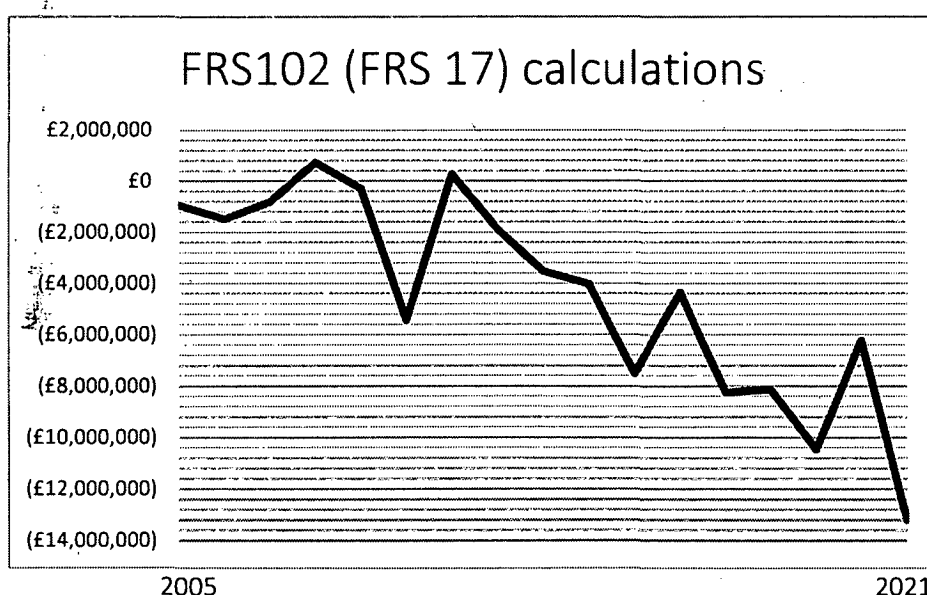
## STRATEGIC REPORT INCLUDING FINANCIAL REVIEW

The Positive Steps Oldham Charity accounts for 2020-21 show overall income decreasing from £6,690,550 in 2019-20 to £6,197,570, this year, a decrease of 7.4%. This was almost entirely attributable to funding cuts within the Career Guidance & Support Services directorate and restructuring costs.

The accounts show, initially, an operating loss of £103,518. However, FRS102 Pension Scheme adjustments of £426,000 and restructuring costs of £281,660 resulted in an operating deficit for the year of £811,188.

The figures presented in the GM Pension Fund's actuarial report are prepared only for the purposes of FRS102 and have no validity in other circumstances. **"In particular, they are not relevant for calculations undertaken for funding purposes.** The methodology of the Accounting Standard, in conjunction with the Fund's investment strategy, means that the surplus or deficit identified in the report can vary significantly over short periods of time." It is important to realise that the actual cost of the pension fund (i.e. how much money it will ultimately have to pay out to its members in the form of benefits) is unknown. This cost will not be known with certainty until the last benefit is paid to the last pensioner. The purpose of this valuation is to estimate what this cost will be, so that the Fund can then develop a funding strategy to meet it.

The pension asset and liability has featured in financial reports and statements since 2005, and has, following re-assessment by the Greater Manchester Pension Scheme's independent actuary, worsened from a deficit of £6,217,000 on 31<sup>st</sup> March 2020 to a deficit of £13,201,00 on 31<sup>st</sup> March 2021. The FRS102 (FRS 17) calculations continue to oscillate year on year with the following surpluses and deficits noted since the FRS102 (FRS 17) requirements were introduced in 2004-2005:



Further disclosures relating to the pension fund are given on note 27 to the accounts.

On reviewing the Balance Sheet, the net assets, excluding pension reserve, have decreased from £2,451,203 to £2,066,015.

### 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 June 2019, the trustees approved the following Reserves Policy:

Reserves should be regarded as realisable "cash assets" namely: funds in the bank; and the difference between moneys owed to creditors and moneys owed by debtors.

Fixed assets would not be included.

A Building and Capital Asset Reserve intended to provide a ready source of funds for repair or acquisition of buildings, leaseholds, furniture, fixtures, and equipment necessary for the effective operation of the organisation and programs.

An Opportunity Reserve intended as a source of internal funds for organisational capacity building such as staff development, research and development, or investment in infrastructure that will build long-term capacity.

An Operating Reserve intended to provide an internal source of funds for situations such as a sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding, or uninsured losses. The Operating Reserve is not intended to replace a permanent loss of funds or eliminate an ongoing budget gap.

A Pensions Liability Reserve intended to allow for future potential pension liabilities as a result of retirement on ill health grounds.

The set aside values for these reserves as at 31st March 2021 were:

Building and Capital Asset Reserve	£750,000
Opportunity Reserve	£200,000
Operating Reserve	£250,000
Pensions Liability Reserve	<u>£650,000</u>
	£1,850,000

Cash assets as defined above as at 31 March 2021 were £1,112,053.

## **Plans for Future Periods**

### **Contracting/Funding Activity**

The Oldham Integrated Support Services for Oldham Young People's contract is secured until March 2022, with an optional additional year, for Lots 2 (The Prevention and Reduction of Youth Offending) and 3 (Support for Vulnerable Young People).

The Rochdale Young People's Support and Guidance Services has been extended through to March 2022 when we will be tendering to secure the new contact

The Tameside Careers Guidance and Support Service contract was secured until December 2022, with the possibility of two single year further extensions.

We were successful in securing the All Age Early Intervention and Prevention contract for Oldham until March 26, with the possibility of an optional two years.



During 2021/22 we will be looking to expand our range of commissioned services into existing and new geographical areas.

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

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

#### Future Ways of Working

We have moved to a hybrid model of working, in line with locality working and the impact of the covid-19 pandemic

All staff can work remotely and have been equipped with chromebooks, mobile phones and peripherals.

Reviews of working practices are ongoing, both to meet the demands of hybrid working and to realise efficiency savings. Further reduction of paper-based processes and the development of a ICT based processes are key projects planned for 2021/22.

Our “state of the art” Oldham HQ offices are attracting partners to co-locate with us and it is planned that this will developed to further enhance the integrated offer.

#### Environmental Responsibility

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

In April 2020 we adopted an Environmental Policy that contains 12 objectives that will focus our commitment to environmental sustainability.

#### Principal Risks and Uncertainties

The trustees and senior managers remained mindful of the major risks, both internal and external, facing the organisation and where appropriate, systems or procedures have been established to mitigate those risks.

External risks to funding have led to the development of a strategy to continue to diversify activities and seek to diversify business within the sub-region.

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

In particular robust HR systems and processes have minimised employee relations risk and helped to create a more flexible and generic employee base which has minimised economic dismissals through enabling movement into other posts which have been created as a result of new project demands. Staff turnover and sickness absence, during the year, were **below** industry norms. Although the loss of the Health Improvement and Integrated Health contracts led to a number of staff transferring to the new provider, under TUPE regulations, and will necessitate a corporate restructure in early 2021/22 that will result in a number of redundancies.

The Company continued to operate a 'safe recruitment' policy in line with Local Safeguarding Children Board standards. All posts, undertaking regulated activity for the organisation, were subject to an Enhanced DBS disclosure at the point of recruitment and reviewed every three years.

Other procedures ensured compliance with health and safety regulations for staff, volunteers, clients and visitors and full insurance cover was maintained in relation to public and employer liability.

The company recognises two trade unions: Unison and GMB. Any proposed changes to terms and conditions of employment or other workplace issues were subject to full consultation.

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

### **Trustees' responsibilities in relation to the financial statements**

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

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

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enables them to ensure that the financial statements comply with the Companies Act 2006. The trustees are also responsible for safeguarding the assets of the charity and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Statement as to disclosure to our auditors**

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

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

### **Compliance with accounting standards**

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

## Auditors

The auditors, Third Sector Accountancy Ltd, will be proposed for re-appointment in accordance with Section 487 (2) of the Companies Act 2006.

This report was approved by the board on 11<sup>th</sup> January 2022 and signed on its behalf by:

*J A Edmondson*

J A Edmondson, Trustee

# Independent auditor's report to the members of Positive Steps Oldham

## Opinion

We have audited the financial statements of Positive Steps Oldham (the 'parent charitable company') and its subsidiary ('the group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2021 and of the group's 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;
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

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

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## Other information

The other information comprises the information included in the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material

## Independent auditor's report to the members of Positive Steps Oldham

misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

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

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

### Matters on which we are required to report by exception

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

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

### Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 18, the trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibilities for the audit of the financial statements

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

## Independent auditor's report to the members of Positive Steps Oldham

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

### Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the group and environment in which it operates, we identified the principal risks of non-compliance with laws and regulations related to pension legislation, tax legislation, employment legislation, health and safety legislation, and other legislation specific to the industry in which the group operates, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the reporting requirements under the Charities SORP and FRS102, and the Charities Act 2011.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to:

- Posting manual journal entries to manipulate financial performance, including the treatment of deferred income being inconsistent with FRS102 SORP income recognition and the treatment of the redundancy costs incurred in the year; and
- Management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

#### Compliance with laws and regulations:

- Discussions with management including consideration of known or suspected instances of non-compliance with relevant laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit;
- Review minutes of meetings for issues relating to non-compliance;
- Reviewing both the design and implementation of key policies, including safeguarding.
- Review of correspondence with the regulators and with legal advisors;

#### Material Fraud in the financial statements:

- Making enquiries of management and those charged with governance on whether they had any knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud;
- Addressing the risks of fraud through management override of controls by performing journal entry testing; and
- Challenging assumptions and judgments made by management, including reviewing management's recognition of income in line with FRS102 SORP, use of depreciation policies, treatment of restructuring costs in the year and the defined benefit pension liability and associated disclosures;

## Independent auditor's report to the members of Positive Steps Oldham

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

### Use of the audit report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and, the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*P Morrello*

Patrick Morrello (Senior Statutory Auditor)

For and on behalf of Third Sector Accountancy Limited, Statutory Auditor

Holyoake House

Hanover Street

Manchester

M60 0AS

25 / 01 / 2022

Date

Positive Steps Oldham  
Consolidated Statement of Financial Activities  
(including Income and Expenditure account)  
for the year ended 31 March 2021

	Note	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Unrestricted funds £	As re-stated Restricted funds £	Total funds 2020 £
<b>Income from:</b>							
Donations and legacies	3	197,954	-	197,954	60,285	-	60,285
Charitable activities	4	5,733,791	120,466	5,854,257	6,188,604	51,224	6,239,828
Other trading activities	5	138,504	-	138,504	311,769	5,343	317,112
Investments	6	6,855	-	6,855	73,325	-	73,325
<b>Total income</b>		<b>6,077,104</b>	<b>120,466</b>	<b>6,197,570</b>	<b>6,633,983</b>	<b>56,567</b>	<b>6,690,550</b>
<b>Expenditure on:</b>							
Raising funds	7	252,379	-	252,379	320,725	5,343	326,068
Charitable activities	8	6,474,719	33,225	6,474,719	6,866,705	35,573	6,902,278
Other expenditure	10	281,660	-	281,660	-	-	-
<b>Total expenditure</b>		<b>7,008,758</b>	<b>33,225</b>	<b>7,008,758</b>	<b>7,187,430</b>	<b>40,916</b>	<b>7,228,346</b>
<b>Net income/(expenditure)</b>		<b>(931,654)</b>	<b>87,241</b>	<b>(811,188)</b>	<b>(553,447)</b>	<b>15,651</b>	<b>(537,796)</b>
Remeasurement gain/(loss) on defined benefit pension plan	27	(6,558,000)	-	(6,558,000)	5,079,000	-	5,079,000
<b>Net movement in funds</b>	<b>11</b>	<b>(7,489,654)</b>	<b>87,241</b>	<b>(7,369,188)</b>	<b>4,525,553</b>	<b>15,651</b>	<b>4,541,204</b>
<b>Reconciliation of funds</b>							
Total funds brought forward		(3,781,448)	15,651	(3,765,797)	(8,307,001)	-	(8,307,001)
<b>Total funds carried forward</b>		<b>(11,271,102)</b>	<b>102,892</b>	<b>(11,134,985)</b>	<b>(3,781,448)</b>	<b>15,651</b>	<b>(3,765,797)</b>

The statement of financial activities includes all gains and losses recognised in the year.  
All income and expenditure derive from continuing activities.



Positive Steps Oldham  
Company number 2563094

Balance Sheets  
as at 31 March 2021

		The group		The Charity	
	Note	2021	As re-stated 2020	2021	As re-stated 2020
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	16	953,962	226,190	952,843	224,374
Investments	17	-	-	1	1
<b>Total fixed assets</b>		<b>953,962</b>	<b>226,190</b>	<b>952,844</b>	<b>224,375</b>
<b>Current assets</b>					
Stock		3,906	-	-	-
Debtors	20	341,477	450,273	424,043	446,027
Cash at bank and in hand		1,855,999	2,380,648	1,770,395	2,319,697
<b>Total current assets</b>		<b>2,201,382</b>	<b>2,830,921</b>	<b>2,194,438</b>	<b>2,765,724</b>
<b>Liabilities</b>					
Creditors: amounts falling due in less than one year	21	(1,089,329)	(605,908)	(1,048,422)	(588,810)
<b>Net current assets</b>		<b>1,112,053</b>	<b>2,225,013</b>	<b>1,146,016</b>	<b>2,176,914</b>
<b>Total assets less current liabilities</b>		<b>2,066,015</b>	<b>2,451,203</b>	<b>2,098,860</b>	<b>2,401,289</b>
<b>Net assets excluding pension liability</b>		<b>2,066,015</b>	<b>2,451,203</b>	<b>2,098,860</b>	<b>2,401,289</b>
Defined benefit pension scheme liability	27	(13,201,000)	(6,217,000)	(13,201,000)	(6,217,000)
<b>Net liabilities</b>		<b>(11,134,985)</b>	<b>(3,765,797)</b>	<b>(11,102,140)</b>	<b>(3,815,711)</b>
<b>Funds of the charity:</b>					
Restricted income funds	22	102,892	15,651	102,892	15,651
Unrestricted income funds:					
General	23	1,963,123	2,435,552	1,995,968	2,385,638
Pension reserve		(13,201,000)	(6,217,000)	(13,201,000)	(6,217,000)
<b>Total charity funds</b>		<b>(11,134,985)</b>	<b>(3,765,797)</b>	<b>(11,102,140)</b>	<b>(3,815,711)</b>

These accounts are prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The notes on pages 27 to 50 form part of these accounts.

Approved by the trustees on 11 January 2022 and signed on their behalf by:

*J A Edmondson*

J A Edmondson (Trustee)

*Joanne Taylor*

Joanne Taylor (Trustee)

*Cliff Shields*

Cliff Shields (Secretary)

# Positive Steps Oldham

## Consolidated Statement of Cash Flows for the year ending 31 March 2021

	Note	2021 £	2020 £
<b>Cash provided by/(used in) operating activities</b>	26	<b>377,560</b>	<b>58,642</b>
<hr/>			
<i>Cash flows from investing activities:</i>			
Dividends, interest, and rents from investments		6,855	73,325
Purchase of tangible fixed assets		(909,064)	(50,043)
<hr/>			
<b>Cash provided by/(used in) investing activities</b>		<b>(902,209)</b>	<b>23,282</b>
<hr/>			
Increase/(decrease) in cash and cash equivalents in the year		(524,649)	81,924
Cash and cash equivalents at the beginning of the year		2,380,648	2,298,724
<hr/>			
<b>Total cash equivalents at the end of the year</b>		<b>1,855,999</b>	<b>2,380,648</b>
<hr/>			

Notes to the accounts for the year ended 31 March 2021

**1 Accounting policies**

The principal accounting policies adopted, judgments and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

**a Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Positive Steps Oldham meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

**b Group financial statements**

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiary PSO Trading Limited 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 exemptions afforded by section 408 of the Companies Act 2006.

**c Preparation of the accounts on a going concern basis**

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

**d Key judgments and estimates**

**Defined benefit pension scheme**

The present value of Positive Steps Oldham's defined benefit pension scheme liabilities is calculated every three years by an appointed actuary. For the purpose of reporting the actuarial present value of promised retirement benefits, this liability value is updated annually in intervening years by the Actuary. The methodology used is in line with accepted guidelines and in accordance with FRS102. Assumptions underpinning the valuations are agreed with the Actuary. This estimate is subject to significant variances based on change to the underlying assumptions. See note 27 for summary of assumptions used and sensitivity analysis performed.

It is difficult to assess the accuracy of the rolled-forward obligations shown in the accounts without conducting a full valuation using updated individual membership data. Such a valuation is generally not practical in the time available to meet the Employer's reporting requirements. The estimated rolled-forward obligations as at the accounting date will therefore not reflect differences in demographic experience from that assumed (e.g. member longevity), the impact of differences between aggregate changes in salaries or changes for specific individuals (e.g. individual members transfers in/out of an Employer).

In addition, whilst the obligations calculated under FRS102 include an allowance for some premature retirements on grounds of ill-health, there is no allowance for early retirements on grounds of redundancy or efficiency.

Notes to the accounts for the year ended 31 March 2021 (continued)

**1 Accounting policies (continued)**

**Defined benefit pension scheme (continued)**

There are risks and uncertainties associated with whatever assumptions are adopted. FRS102 requires the assumptions to be determined on a best estimate basis. However the assumptions are in effect projections of future investment returns and demographic experience many years into the future and there is inevitably a great deal of uncertainty in what constitutes best estimate for such projections.

It should also be noted that the actuary's estimation will likely be less accurate in the second and third years following the last triennial valuation, as greater estimation uncertainty is involved. See note 27 for full disclosure of the pension scheme estimates, including uncertainties.

There are no other key judgments or estimates relevant to the financial statements.

**e Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of a provision of a specified service is deferred until the criteria for income recognition are met.

**f Donated services and facilities**

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer is not recognised; refer to the trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

**g Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

Notes to the accounts for the year ended 31 March 2021 (continued)

**1 Accounting policies (continued)**

**h Fund accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of charity.

Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

**i Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of commercial trading in the subsidiary company and associated support costs.
- Expenditure on charitable activities includes the costs undertaken to further the purposes of the charity and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**j Allocation of support costs**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 9.

**k Operating leases**

Operating leases are leases in which the title to the assets, and the risks and rewards of ownership, remain with the lessor. Rental charges are charged on a straight line basis over the term of the lease.

**l Tangible fixed assets**

Individual fixed assets are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis as follows:

Leasehold improvements	The remaining term of the lease
Office fixtures and equipment	3 to 10 years

Notes to the accounts for the year ended 31 March 2021 (continued)

**1 Accounting policies (continued)**

**m Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**n Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**o Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**p Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**q Pensions**

**Defined contribution scheme**

Employees of the charity are entitled to join a defined contribution 'money purchase' scheme. The charity's contribution is restricted to the contributions disclosed in note 12. There were no outstanding contributions at the year end. The costs of the defined contribution scheme are included within support and governance costs and allocated to the funds of the charity using the methodology set out in note 9.

**Defined benefit scheme**

Qualifying employees of Positive Steps participate in the Greater Manchester Pension Fund ('the Fund') administered by Tameside Metropolitan Borough Council, under the regulations governing the Local Government Pension Scheme (LGPS). The scheme is a defined benefit scheme. Full disclosure of the accounting policies used is given in note 27.

**2 Legal status of the charity**

The charity is a company limited by guarantee registered in England and Wales and has no share capital. 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. The registered office address is disclosed on page 1.

Positive Steps Oldham

Notes to the accounts for the year ended 31 March 2021 (continued)

**3 Income from donations and legacies**

	Unrestricted £	Restricted £	Total 2021 £	Unrestricted £	Restricted £	Total 2020 £
Refurbishment contribution from landlord	144,684	-	144,684	60,285	-	60,285
In kind donation: Property Lease	27,250	-	27,250	-	-	-
HMRC schemes	26,020	-	26,020	-	-	-
	<u>197,954</u>	<u>-</u>	<u>197,954</u>	<u>60,285</u>	<u>-</u>	<u>60,285</u>

**4 Income from charitable activities**

	Unrestricted £	Restricted £	Total 2021 £	Unrestricted £	<i>As re-stated</i> Restricted £	Total 2020 £
Young Peoples Services	3,362,293	100,000	3,462,293	3,497,277	21,273	3,518,550
Families Health and Wellbeing	2,371,498	20,466	2,391,964	2,691,327	29,951	2,721,278
	<u>5,733,791</u>	<u>120,466</u>	<u>5,854,257</u>	<u>6,188,604</u>	<u>51,224</u>	<u>6,239,828</u>

**5 Income from other trading activities**

	Unrestricted £	Restricted £	2021 £	Unrestricted £	Restricted £	2020 £
Work experience	63,638	-	63,638	147,376	-	147,376
Room hire	8,450	-	8,450	8,562	-	8,562
Projects	66,104	-	66,104	127,556	5,343	132,899
Training materials and sundry sales	312	-	312	28,275	-	28,275
	<u>138,504</u>	<u>-</u>	<u>138,504</u>	<u>311,769</u>	<u>5,343</u>	<u>317,112</u>

Positive Steps Oldham

Notes to the accounts for the year ended 31 March 2021 (continued)

**6 Investment income**

	Unrestricted £	Restricted £	Total 2021 £	Unrestricted £	Restricted £	Total 2020 £
Income from bank deposits	2,043	-	2,043	14,726	-	14,726
Rent receivable	4,812	-	4,812	58,599	-	58,599
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	6,855	-	6,855	73,325	-	73,325
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**7 Cost of raising funds**

	Unrestricted £	Restricted £	2021 £	Unrestricted £	Restricted £	2020 £
Activity costs - PSO Trading Limited	104,390	-	104,390	320,725	5,343	326,068
Staff costs - PSO Trading Limited	109,726	-	109,726	-	-	-
Pension scheme adjustments	9,644	-	9,644	-	-	-
Support costs (see note 9)	27,718	-	27,718	-	-	-
Governance costs (see note 9)	901	-	901	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	252,379	-	252,379	320,725	5,343	326,068
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>



Positive Steps Oldham

Notes to the accounts for the year ended 31 March 2021 (continued)

8 Analysis of expenditure on charitable activities

	Young Peoples Services £	Family, Health, and wellbeing £	Total 2021 £	Young Peoples Services £	<b>As re-stated</b> Family, Health, and wellbeing £	Total 2020 £
Staff costs	2,598,145	1,342,469	3,940,614	2,452,632	1,550,415	4,003,047
Training and employee costs	10,542	2,825	13,367	-	-	-
Project costs	41,493	389,783	431,276	55,627	468,265	523,892
Travel, subsistence and transport	7,738	3,265	11,003	26,509	14,842	41,351
Rent and property costs	154,644	132,080	286,724	133,406	111,371	244,777
Printing and promotions	-	-	-	678	397	1,075
Stationery and administration	8,847	5,371	14,218	15,474	8,886	24,360
Telephone and data communications	21,179	15,201	36,380	22,312	13,060	35,372
Computer maintenance and software	125,233	57,003	182,236	147,065	86,080	233,145
Depreciation	103,937	53,705	157,642	37,717	22,078	59,795
Professional services	14,467	12,632	27,099	-	-	-
Pension scheme adjustments:						
Current service costs less employer contribution	150,099	77,557	227,656	333,600	222,400	556,000
Net interest on the defined benefit pension liability	78,266	40,440	118,706	161,400	107,600	269,000
Support costs (see note 9)	656,319	339,122	995,441	546,145	334,128	880,273
Governance costs (see note 9)	21,334	11,023	32,357	18,731	11,460	30,191
	<u>3,992,243</u>	<u>2,482,476</u>	<u>6,474,719</u>	<u>3,951,296</u>	<u>2,950,982</u>	<u>6,902,278</u>

Positive Steps Oldham

Notes to the accounts for the year ended 31 March 2021 (continued)

9 Analysis of governance and support costs

	Support £	Governance £	Total 2021 £	Support £	Governance £	Total 2020 £
Staff costs	776,321	20,000	796,321	665,009	19,191	684,200
Pension scheme adjustments	68,235	1,758	69,993	-	-	-
Training and employee costs	6,714	-	6,714	33,658	-	33,658
Telephone and data communication	3,261	-	3,261	-	-	-
Computer maintenance and software	42,924	-	42,924	-	-	-
Stationery and administration	5,540	-	5,540	-	-	-
Rent and property costs	78,722	-	78,722	122,389	-	122,389
Depreciation	31,056	-	31,056	29,896	-	29,896
Audit and accountancy	-	11,500	11,500	-	11,000	11,000
Professional services	10,386	-	10,386	29,321	-	29,321
	<u>1,023,159</u>	<u>33,258</u>	<u>1,056,417</u>	<u>880,273</u>	<u>30,191</u>	<u>910,464</u>
<b>Allocated as follows:</b>						
Cost of raising funds	27,718	901	28,619	-	-	-
Young Peoples Services	656,319	21,334	677,653	546,145	18,731	564,876
Family, Health, and Wellbeing	339,122	11,023	350,145	334,128	11,460	345,588
	<u>1,023,159</u>	<u>33,258</u>	<u>1,056,417</u>	<u>880,273</u>	<u>30,191</u>	<u>910,464</u>

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.

## Notes to the accounts for the year ended 31 March 2021 (continued)

## 10 Other expenditure

	2021 £	2020 £
<b>Early Help Restructuring</b>		
Redundancy costs	59,530	-
Pension strain costs	13,923	-
	<hr/> 73,453	<hr/> -
<b>Corporate Restructuring</b>		
Redundancy costs	82,630	-
Pension strain costs	125,577	-
	<hr/> 208,207	<hr/> -
<b>Total Restructuring Costs</b>	<hr/> 281,660	<hr/> -

Early help restructuring costs relates to the fact the required redundancies due to the loss of the Early Help contract. 5 employees were made redundant during the period, with all members of staff leaving Positive Steps in the current financial year.

Corporate restructuring costs relates to significant internal reorganisation required due to the above mentioned loss of contracts and the impact of fixed price long-term commissions. As part of the restructuring plan, 7 employees were made redundant, all with a final working date in July 2021.

The liability for the corporate restructuring costs have been accrued in the year ending 31st March 2021 due to the fact that it is deemed to have met the three criteria for recognition of a liability under FRS102. As at the year end, It is an obligation that exists as a result of a past event (obligation), it is more likely than not that a transfer of economic benefits will be required in settlement (probable) and the amount of the obligation can be measured or estimated reliably (measurement).

In addition, Under FRS102 Section 28 Employment Benefits, an entity is required to recognise redundancy costs in profit or loss immediately once the entity is demonstrably committed to terminate employment or make payment due to an offer made to encourage redundancy.

Positive Steps were deemed demonstrably committed due to the fact that as at the year end they had:

- prepared and approved a detailed formal plan to terminate employment; and
- raised a valid expectation in those affected by redundancies that it will carry out the restructuring by announcing it's main features to those affected by it.

# Positive Steps Oldham

## Notes to the accounts for the year ended 31 March 2021 (continued)

<b>11 Net income/(expenditure) for the year</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
This is stated after charging/(crediting):		
Depreciation	165,809	92,557
Loss on disposal of fixed assets	23,585	-
Defined benefit pension costs:		
Current year service costs	830,000	1,078,000
Past service cost	-	3,000
Net interest	146,000	269,000
Restructuring costs (as note 10 above)	281,660	-
Operating lease rentals:		
Land and buildings	264,684	276,684
Auditor's remuneration - audit fees	9,000	11,000
Auditor's remuneration - accountancy fees	3,400	-
	<hr/>	<hr/>

## 12 Staff costs

Staff costs during the year were as follows:

	<b>2021</b>	<b>As re-stated</b>
	<b>£</b>	<b>2020</b>
		<b>£</b>
Wages and salaries	3,888,142	3,929,520
Social security costs	336,613	347,674
Pension costs	590,706	570,059
Redundancy costs	281,660	-
Other staff costs	31,200	-
	<hr/>	<hr/>
	5,128,321	4,847,253
	<hr/>	<hr/>

The average number of employees and secondees during the year was as follows:

Charitable activities	150	153
Raising funds	5	8
	<hr/>	<hr/>
	155	161
	<hr/>	<hr/>

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

£60,001 - £70,000	1	1
£70,001 - £80,000	1	1
£80,001 - £90,000	1	-
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-

The key management personnel of the charity comprise the trustees and the Senior Management Team. The total employee benefits of the key management personnel of the charity were £327,176.

## Notes to the accounts for the year ended 31 March 2021 (continued)

**13 Trustee remuneration and expenses, and related party transactions**

Neither the trustees nor any persons connected with them received any remuneration or reimbursed expenses during the year (2020: Nil).

In line with the definition of a related party per FRS102, any entity that is a post-employment benefit plan for the benefit of employees of the reporting entity is a related party and hence is to be disclosed. Under this basis, Greater Manchester Pension Fund are a related party. For more details of associated transactions please see note 27.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

Stephanie Bolshaw, the CEO, is a trustee of Mahdlo (Oldham Youth Zone), charity number 1134427. During the year, the group supplied services and equipment to Mahdlo for £18,961.

Four trustees are also Oldham Metropolitan Borough Councillors. During the year, the charity was paid £3,854,121 by the council for services. The charity also paid £10,083 for charges made by the council.

The charity is the sole member of its subsidiary company PSO Trading Limited. The charity is a director of PSO Trading Limited, as are two members of the charity's senior management team.

During the year the charity had the following transactions with the subsidiary:

	£
Payroll costs re-charged to the subsidiary	109,726
Other costs recharged to the subsidiary	49,389
Charges by subsidiary to parent charity	(14,034)
Payment of donation from subsidiary to parent	51,778

As at 31 March 2021 the subsidiary owed the parent charity £127,938.

Apart from the above, no trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity, including guarantees, during the year (2020: nil).

**14 Government grants**

The government grants recognised in the accounts were as follows:

	2021 £	2020 £
HM Revenue and Customs	26,020	-
Children in Need	20,466	29,951
Ministry of Justice	30,596	-
	<hr/>	<hr/>
	77,082	29,951
	<hr/>	<hr/>

There were no unfulfilled conditions and contingencies attaching to the grants.

## Notes to the accounts for the year ended 31 March 2021 (continued)

**15 Corporation tax**

The charity is exempt from tax on income and gains falling within Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

The charity's trading subsidiary PSO Trading Limited gift aids available profits to the parent charity. Its charge to corporation tax in the year was:

	2021 £	2020 £
UK corporation tax at 19% (2020: 19%)	-	-

**16 Fixed assets: tangible assets****The group**

	Leasehold improvements £	Office equipment £	Total £
<b>Cost</b>			
At 1 April 2020	308,089	374,218	682,307
Additions	636,814	272,250	909,064
Disposals	(112,201)	(143,940)	(256,141)
At 31 March 2021	832,702	502,528	1,335,230
<b>Depreciation</b>			
At 1 April 2020	192,509	263,608	456,117
Charge for the year	80,686	85,124	165,810
Disposals	(93,186)	(147,473)	(240,659)
At 31 March 2021	180,009	201,259	381,268
<b>Net book value</b>			
At 31 March 2021	652,693	301,269	953,962
At 31 March 2020	115,580	110,610	226,190

# Positive Steps Oldham

## Notes to the accounts for the year ended 31 March 2021 (continued)

### 16 Fixed assets: tangible assets (continued)

#### The charity

	Leasehold improvements £	Office equipment £	Total £
<b>Cost</b>			
At 1 April 2020	308,089	368,125	676,214
Additions	636,814	272,250	909,064
Disposals	(112,201)	(141,097)	(253,298)
At 31 March 2021	832,702	499,278	1,331,980
<b>Depreciation</b>			
At 1 April 2020	192,509	259,331	451,840
Charge for the year	80,684	84,429	165,113
Disposals	(93,186)	(144,630)	(237,816)
At 31 March 2021	180,007	199,130	379,137
<b>Net book value</b>			
At 31 March 2021	652,695	300,148	952,843
At 31 March 2020	115,580	108,794	224,374

### 17 Investments

	The group		The charity	
	2021 £	2020 £	2021 £	2020 £
Investment in group undertakings	-	-	1	1

The charity owns one share in PSO Trading Limited which represents 100% of the issued share capital of that company.

## Notes to the accounts for the year ended 31 March 2021 (continued)

**18 Subsidiary undertaking**

The Charitable company owns the whole of the issued ordinary share capital of PSO Trading Limited, a company registered in England. The subsidiary is used for non-primary purpose trading activities. Available profits are gift aided to the charitable company. A summary of the results of the subsidiary is shown below:

Profit and loss account	2021 £	2020 £
Turnover	143,317	375,711
Administration costs	(214,116)	(326,068)
Other operating income	30,918	-
	<hr/>	<hr/>
Net (loss)/profit	£ (39,881)	£ 49,643
	<hr/>	<hr/>
 Balance sheet	 2021 £	 2020 £
Fixed assets	1,120	1,815
Current assets	134,882	48,100
Creditors due in less than one year	(168,845)	-
	<hr/>	<hr/>
	(£32,843)	£49,915
	<hr/>	<hr/>
Called up share capital	1	1
Profit and loss account	18,934	49,914
Gift aid payment to parent	(51,778)	-
	<hr/>	<hr/>
	(£32,843)	£49,915
	<hr/>	<hr/>

**19 Parent charity**

The parent charity's gross income and the results for the year are disclosed as follow:

	2021 £	2020 £
Gross income	6,175,939	6,055,131
Net surplus/(deficit)	(687,726)	(724,230)
Actuarial (losses)/gains on defined benefit pension sche	(6,598,707)	5,079,000
Net movement in funds	(7,286,433)	4,354,770
	<hr/>	<hr/>



## Notes to the accounts for the year ended 31 March 2021 (continued)

**20 Debtors**

	The group		The charity	
	2021 £	2020 £	2021 £	2020 £
Trade debtors	273,538	240,365	230,690	195,856
Amounts owed by subsidiary undertaking	-	-	127,939	46,685
Prepayments	45,823	46,064	43,298	43,892
Accrued income	22,116	4,250	22,116	-
Other debtors	-	159,594	-	159,594
	<u>341,477</u>	<u>450,273</u>	<u>424,043</u>	<u>446,027</u>

**21 Creditors: amounts falling due within one year**

	The group		The charity	
	2021 £	As re-stated 2020 £	2021 £	As re-stated 2020 £
Trade creditors	280,217	131,621	270,805	129,680
Amounts owed to subsidiary undertaking	-	-	-	7,730
Accruals	391,139	164,214	376,820	157,271
Deferred income	186,753	111,507	171,345	100,479
Taxation and social security costs	231,220	198,566	229,452	193,650
	<u>1,089,329</u>	<u>605,908</u>	<u>1,048,422</u>	<u>588,810</u>

Deferred income is service contract income where amounts have been received or billed in advance of the performance of the services.

Included within accruals is a balance of £133k (2020: £66k) in respect of a holiday pay accrual. The accrual has increased significantly in the year due to the fact that as part of Covid-19 and related government guidelines, employees were allowed to carry forward up to 15 days (PY: 5 days) into the following holiday year. As such, this combined with the fact that holiday uptake was down during the year due to Covid-19, the holiday pay accrual balance has increased significantly year on year. This balance is expected to decrease back to standard in the following years.

# Positive Steps Oldham

## Notes to the accounts for the year ended 31 March 2021 (continued)

### 22 Analysis of movements in restricted funds

#### Current reporting period

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2021 £
Barclays Covid	-	100,000	(14,033)	-	85,967
Children in Need	15,651	20,466	(19,192)	-	16,925
<b>Total</b>	<b>15,651</b>	<b>120,466</b>	<b>(33,225)</b>	<b>-</b>	<b>102,892</b>

#### Previous reporting period

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers £	Balance at 1 April 2020 £
Co-op Foundation	-	7,616	(7,616)	-	-
Children in Need	-	29,951	(14,300)	-	15,651
Home Office	-	19,000	(19,000)	-	-
<b>Total</b>	<b>-</b>	<b>56,567</b>	<b>(40,916)</b>	<b>-</b>	<b>15,651</b>

#### Name of restricted fund

#### Description, nature and purposes of the fund

Co-op Foundation	Building Connections Fund Youth Strand
Children in Need	Health and wellbeing project for young carers
Home Office	Provision of knife crime community fund
Barclays Covid	Provision of free bicycles and tablets to people during the pandemic

### 23 Analysis of movement in unrestricted funds

#### Current period

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers £	As at 31 March 2021 £
General fund	2,435,552	6,077,104	(6,549,533)	-	1,963,123
Pension reserve	(6,217,000)	-	(426,000)	(6,558,000)	(13,201,000)
	<b>(3,781,448)</b>	<b>6,077,104</b>	<b>(6,975,533)</b>	<b>(6,558,000)</b>	<b>(11,237,877)</b>

# Positive Steps Oldham

## Notes to the accounts for the year ended 31 March 2021 (continued)

### Previous reporting period

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers £	As at 1 April 2020 £
General fund	2,163,999	6,633,983	(6,362,430)	-	2,435,552
Pension reserve	(10,471,000)	-	(825,000)	5,079,000	(6,217,000)
	<u>(8,307,001)</u>	<u>6,633,983</u>	<u>(7,187,430)</u>	<u>5,079,000</u>	<u>(3,781,448)</u>

Name of	Description, nature and purposes of the fund
General fund	The free reserves after allowing for all designated funds
Pension reserve	Reserves allocated to the defined benefit pension fund liability

## 24 Analysis of group net assets between funds

### Current reporting period

	General fund £	Designated funds £	Restricted funds £	Total £
Tangible fixed assets	953,962	-	-	953,962
Net current assets/(liabilities)	1,009,161	-	102,892	1,112,053
Provision for pension liability	-	(13,201,000)	-	(13,201,000)
Total	<u>1,963,123</u>	<u>(13,201,000)</u>	<u>102,892</u>	<u>(11,134,985)</u>

### Previous reporting period

	General fund £	Designated funds £	Restricted funds £	Total £
Tangible fixed assets	226,190	-	-	226,190
Net current assets/(liabilities)	2,225,013	-	-	2,225,013
Provision for pension liability	-	(6,217,000)	-	(6,217,000)
Total	<u>2,451,203</u>	<u>6,217,000</u>	<u>-</u>	<u>(3,765,797)</u>

## 25 Operating lease commitments

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	The group		The charity	
	2021 £	2020 £	2021 £	2020 £
<b>Land and buildings:</b>				
Less than one year	120,000	264,684	120,000	264,684
One to five years	480,000	1,058,736	480,000	1,058,736
Over five years	420,000	1,213,135	420,000	1,213,135
	<u>1,020,000</u>	<u>2,536,555</u>	<u>1,020,000</u>	<u>2,536,555</u>

## Notes to the accounts for the year ended 31 March 2021 (continued)

**25 Operating lease commitments (Continued)**

The 2021 figures for future minimum lease payments are stated net of the refurbishment contribution agreed with the landlord. In the accounts, the refurbishment contribution is included income. The annual rent before refurbishment contribution is £264,700. The lease expires on 22 October 2029.

**26 Reconciliation of net movement in funds to net cash flow from operating activities**

	2021 £	2020 £
<b>Net income/(expenditure) for the year</b>	<b>(811,188)</b>	<b>(537,796)</b>
<b>Adjustments for:</b>		
Depreciation charge and disposals	181,292	92,591
Dividends, interest and rents from investments	(6,855)	(73,325)
Decrease/(increase) in stock	(3,906)	-
Decrease/(increase) in debtors	108,796	34,444
Increase/(decrease) in creditors	483,422	(282,272)
Pension scheme adjustments	425,999	825,000
<b>Net cash provided by/(used in) operating activities</b>	<b>377,560</b>	<b>58,642</b>

**27 Retirement benefit scheme****Defined benefit scheme**

Qualifying employees of Positive Steps participate in the Greater Manchester Pension Fund ('the Fund') administered by Tameside Metropolitan Borough Council, under the regulations governing the Local Government Pension Scheme (LGPS). The scheme is a defined benefit scheme. The fund was valued using the projected unit method. The purpose of the valuation was to determine the financial position of the fund and to recommend the contribution rate to be paid by TfGM and the other participating employers.

The market value of the Fund's assets at 31 March 2019 amounted to £23,844 million. The funding level of the Fund as measured using the actuarial method of valuation was 102% as at 31 March 2019.

A full actuarial valuation was carried out at 31 March 2019 by a qualified independent actuary. The principal long term assumptions used by the actuary at that date were:

Discount rate	3.6 % per annum
Inflation assumption	2.3 % per annum
Expected rate of salary increases	3.1 % per annum

## Notes to the accounts for the year ended 31 March 2021 (continued)

**27 Retirement benefit scheme (continued)****Basis for estimating assets and liabilities**

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, rates of inflation and discount rates. The Local Government Pension Scheme liability has been estimated by Hymans Robertson LLP, an independent firm of actuaries. Positive Steps Oldham's share of pension fund assets is rolled forward, by the actuary, from the latest formal valuation date (31 March 2019). The roll forward amount is then adjusted for investment returns, the effective contributions paid into and estimated benefits paid from the fund by Positive Steps and its employees. As such this estimate may differ significantly from the actual assets held by the Pension Fund at 31 March 2021. The significant assumptions used by the actuary have been as below.

**Key assumptions**

	2021 %pa	2020 %pa
Discount rate	2.1	2.3
Expected rate of increase of pensions in payment	2.8	1.8
Expected rate of salary increases	3.6	2.6

**Mortality assumptions**

	2021 years	2020 years
--	---------------	---------------

**Assumed life expectations on retirement at aged 65:**

Retiring today:		
- Males	20.5	20.5
- Females	23.3	23.1
Retiring in 20 years		
- Males	21.9	22
- Females	25.3	25

**Commutation**

An allowance is included for future retirements to elect to take 55% of the maximum additional tax-free cash up to HMRC limits for pre-April 2008 service and 60% of the maximum tax-free cash for post-April 2008 service.

**Sensitivity analysis**

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

# Positive Steps Oldham

## Notes to the accounts for the year ended 31 March 2021 (continued)

### 27 Retirement benefit scheme (continued)

#### Sensitivity analysis (continued)

	2020/ 21		2019/20	
	Approximate % increase to Defined Benefit Obligation	Approximate monetary amount (£000)	Approximate % increase to Defined Benefit Obligation	Approximate monetary amount (£000)
Changes in assumptions				
0.5% decrease in real discount rate	13%	5,987,000	12%	4,173,000
0.5% increase in the salary increase rate	1%	636,000	1%	468,000
0.5% increase in the pension increase rate (cpi)	11%	5,224,000	11%	3,668,000

The principal demographic assumption is the longevity assumption (i.e. member life expectancy). For sensitivity purposes, we estimate that a one year increase in life expectancy would approximately increase the Employer's Defined Benefit Obligation by around 3-5% (2020: 3-5%). In practice the actual cost of a one year increase in life expectancy will depend on the structure of the revised assumption (i.e. if improvements to survival rates predominantly apply at younger or older ages).

#### Impact on the accounts

	2021 £	2020 £
The amounts charged or (credited) in the Statement of Financial Activities are as follows:		
Current service cost	830,000	1,078,000
Net interest on defined benefit liability	146,000	269,000
Past service cost	-	3,000
	<u>976,000</u>	<u>1,350,000</u>
Other recognised (gains) or losses:		
Actuarial return on scheme assets	(5,231,000)	4,706,000
Less: calculated interest element	-	-
	<u>(5,231,000)</u>	<u>4,706,000</u>
Actuarial changes relating to obligations	11,789,000	(9,785,000)
Total cost/(income)	<u>6,558,000</u>	<u>(5,079,000)</u>

The amounts included in the balance sheet arising from the company's obligations in respect of defined benefit plans are as follows:

Present value of funded retirement benefit obligatio	46,618,000	33,528,000
Fair value of plan assets	(33,417,000)	(27,311,000)
	<u>13,201,000</u>	<u>6,217,000</u>

# Positive Steps Oldham

## Notes to the accounts for the year ended 31 March 2021 (continued)

### 27 Retirement benefit scheme (continued)

#### Impact on the accounts (continued)

The increase in pension liabilities is included in the SOFA as follows:

Other recognised losses/gains	(6,558,000)	5,079,000
Current service cost	(830,000)	(1,078,000)
Contributions paid by employer	550,000	519,000
Net interest on defined benefit liability	(146,000)	(269,000)
Past service cost	-	3,000
(Increase)/decrease in liability	(6,984,000)	4,254,000

#### Movements in the present value of defined benefit obligations

Liabilities brought forward	33,528,000	41,498,000
Current service cost	830,000	1,078,000
Past service cost	-	3,000
Benefits paid	(466,000)	(484,000)
Contributions from scheme members	160,000	169,000
Remeasurements:		
Changes in financial assumptions	11,921,000	(3,311,000)
Changes in demographic assumptions	205,000	(991,000)
Other experience	(337,000)	(5,483,000)
Interest cost on defined benefit obligations	777,000	1,049,000
Liabilities carried forward	46,618,000	33,528,000

The defined benefit obligations arising from the plan are funded as follows:

Wholly unfunded obligations	-	-
Wholly funded obligations	46,618,000	33,528,000
	46,618,000	33,528,000

### 27 Retirement benefit scheme (continued)

#### Movement in the fair value of plan assets

Opening fair value of the scheme assets	27,311,000	31,027,000
Interest income on plan assets	631,000	780,000
Contributions by employer	550,000	525,000
Contributions by members	160,000	169,000
Benefits paid	(466,000)	(484,000)

## Positive Steps Oldham

### Notes to the accounts for the year ended 31 March 2021 (continued)

Return on assets excluding amounts included in net interest

5,231,000	(4,706,000)
33,417,000	27,311,000
33,417,000	27,311,000

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

	%	%
Equities	72	69
Bonds	12	15
Property	7	7
Cash	9	9

The analysis of the scheme assets at the reporting date was as follows:

	£	£
Equities	24,060,240	18,844,590
Bonds	4,010,040	4,096,650
Property	2,339,190	1,911,770
Cash	3,007,530	2,457,990
	33,417,000	27,311,000
	33,417,000	27,311,000

#### Review of the 2021 results

##### Assets

In the year ending 31 March 2021, investment returns have been significantly greater than expected (compared to last year's accounting discount rate assumption). As such, this has resulted in a £5,231,000 increase in the fair value of the scheme assets.

##### Obligations

The remeasurements in the obligations rollforward are split into three separate parts to differentiate between 'changes in financial assumptions', 'changes in demographic assumptions' and 'other experience'.

As at 31st March 2021, the real discount rate has fallen compared to 31st March 2020. This is due to the combination of a lower discount rate assumption and a significantly higher CPI assumption. This has resulted in an increase to the liabilities of £11,921,000.

Changes in financial assumptions

#### 27 Retirement benefit scheme (continued)

##### Review of the 2021 results- Obligations (continued)

Changes in demographic assumptions

Using a more up-to-date longevity assumption as at 31st March 2021 has resulted in an increase of the liability of £205,000.

Changes in other experience

The 'other experience' item captures the positive impact of applying the actual Pensions Increases Order for April 2021 of 0.5%, as it is lower than the pension increase rate assumption built



## Notes to the accounts for the year ended 31 March 2021 (continued)

**Impact of Covid-19**

The main impacts of the Covid-19 pandemic, and subsequent lockdowns, on the FRS102 accounting figures can be summarised as follows:

- Asset returns and values have followed market movements prompted by the pandemic and lockdowns, among other factors, which has therefore impacted the asset share value;
- Bond yields and inflation expectations have also followed market movements, which will therefore affect the obligations value;
- Life expectancy assumptions have not been updated as the data is not yet available to make an evidence based assessment on the pandemic's impact on longer term expectations.

**Future impact**

The projected charge to the SOFA for the year ending 31 March 2022 is likely to significantly increase compared to the charge for this year, as a result of the significantly lower real discount rate as at 31st March 2021.

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. TfGM has agreed a strategy with the scheme's actuary to achieve a funding level of 100%. Funding levels are monitored on an annual basis. As at 31 March 2019 it was determined that Positive Steps were to pay 22.4% contributions per annum for the foreseeable future, a marked increase on the previous contribution. The next triennial valuation is due to be completed as at 31 March 2022.

Positive Steps anticipates paying £548,000 in expected employer's contributions to the scheme in 2021/22.

**Key differences between funding and accounting valuations**

The purpose of the formal funding valuation, which is carried out every three years, is to assess the ongoing financial position of the fund and to determine the cash contribution rates at which the employing bodies participating in the fund should contribute in the future. The aim of the funding valuation is to ensure that the existing assets alongside future expected investment returns and contributions will be sufficient to meet future benefit payments from the fund.

In terms of the above cash contributions that need to be paid into the fund, an employer's accounting valuation position has no effect. Under FRS102, the purpose is to facilitate consistent comparison of pension positions between employers.

Importantly, as the method and assumptions underlying the funding and accounting calculations are different, the accounting calculations can produce significantly different results from the formal funding valuation calculations.

**28 Prior period adjustment**

	Unrestricted funds	Restricted funds	Total
	£	£	£
Funds brought forward as previously stated	2,308,199	-	2,308,199

**FRS102 (SORP) income recognition**

# Positive Steps Oldham

## Notes to the accounts for the year ended 31 March 2021 (continued)

### Early Help:

Income previously incorrectly deferred	250,270	-	250,270
Subcontractor costs - missing accrual	(67,869)	-	(67,869)
Children in Need - deferred income correction	-	15,651	15,651

### **Corrections to accruals**

Holiday pay accrual	(55,048)	-	(55,048)
Funds carried forward as restated	2,435,552	15,651	2,451,203

### **FRS102 (SORP) income recognition**

Prior period errors were noted in relation to the Early Help and Children in Need income from charitable activities. Errors resulted due to incorrect application of the FRS102 (SORP) income recognition policy.

### **Corrections to accruals**

Prior period error noted in respect of accruals due to the lack of a holiday pay accrual as at 31st March 2020 of £55,048 which has been deemed a material error and hence a prior period adjustment posted.