



POSITIVE STEPS

SUPPORT | CHALLENGE | CHANGE

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED MARCH 2022



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STRATEGIC REPORT INCLUDING FINANCIAL REVIEW

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 ninth Annual Report together with the financial statements. The directors or members of the board of the charitable company (the charity) are its trustees for the purpose of charity law. Throughout this report they are collectively referred to as the 'trustees'.

Charity number:

1017247

Company number:

2563094

Chief Executive:

Stephanie A Bolshaw

Registered Office:

Medtia Place, 80 Union Street, Oldham, Lancashire, OL1 1DJ

Auditors:

Third Sector Accountancy Limited, Holyoake House, Hanover Street, Manchester, Greater Manchester, M60 0AS

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 A Bolshaw	Chief Executive
Paul Axon	Director of Young People's Services
Rina Dabhi	Director of Families & Communities
Cliff Shields	Director of Corporate Services & Company Secretary

TRUSTEES	REPRESENTING	
Mrs Joanne Marie Forsdike	Independent	
Mr Muzahid Khan	Independent	Resigned 31st May 2022
Cllr Diane Tracey Williamson	Oldham Council	Appointed 27th July 2021
Ms Julie Anne Edmondson (Chair)	Independent	
Ms Hannah Jane Roberts	Independent	
Mr Abdul Malik	Independent	Resigned 27th November 2022
Cllr Graham Shuttleworth	Oldham Council	
Cllr Rosalynne Katya Birch	Oldham Council	Appointed 27th July 2021
Cllr George Hulme	Oldham Council	Appointed 30th August 2022
Mr Vinesh Mistry	Independent	Appointed 30th August 2022
Ms Mezreet Rasul	Independent	Appointed 30th August 2022

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 27th September 2016 having previously been amended August 2005 and November 2006. It is registered as a charity with the Charity Commission. Members are drawn from Oldham's public sector, private business sector, education and training sector, and voluntary sector communities, each of whom agree to contribute £1 in the event of the charity winding up.

Appointment of trustees

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

Trustees induction and training

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

Organisation

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

Related parties

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

Subsidiaries

During the 2021-22 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 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.

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.

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 and Communities

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

OBJECTIVES AND ACTIVITIES

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 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 for Oldham 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.

Corporate Services

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

Organisational Support:

This service contains a blend of appropriately skilled and experienced staff that provide Business Intelligence; ICT; Information Governance; Finance; Human Resources; and Quality advice, support and guidance.

Service Delivery Support:

This service provides the day-to-day support for operational service delivery. This includes Administrative Support; Communications & Marketing; Facilities; “Front of house”. In addition, a volunteers support service is delivered. Volunteers are integral to Positive Steps as a whole and we have successfully developed roles for volunteers; 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.

We support schools through traded services that organise work experience placements, sector visits, mock interviews and employer encounters. Our Positive Futures programme provides opportunities for young people who are not ready for work to gain valuable vocational experience in a range of activities – bicycle maintenance, DIY, environmental maintenance, hair salon and upcycling.

We operate an in-house bicycle project – Positive Cycles – based on donated bicycles the project involves young people and adults developing skills around bicycle maintenance and renovation. The renovated bicycles are then gifted to clients or sold at our low cost retail outlet.

ACHIEVEMENTS AND PERFORMANCE



ACHIEVEMENTS AND PERFORMANCE

Positive Steps has a long history of hitting and exceeding targets and the past year has proved no exception. During the April 2021 to March 2022 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 INTERVENTION AND PREVENTION

1331

Families referred to the service

4969

Individuals referred to the service

3027

Under 18's referred to the service

75

Adult only referrals

2 YEAR OLD

421

Families received FREE childcare

YOUTH JUSTICE SERVICE

THE RATE OF RE-OFFENDING IN OLDHAM OF 12.5% WAS BETTER THAN THE FIGURES FOR GREATER MANCHESTER (33.5%), THE NORTH WEST (33.0%), ENGLAND (32.3%) AND OUR YJS FAMILY COMPARATORS (32.2%)

OUR CUSTODY RATE PER 1,000 OF THE AGE 10-17 POPULATION OF 0.15 IS LOWER THAN ALL OUR COMPARATORS

ACHIEVEMENTS AND PERFORMANCE

CAREER GUIDANCE & SUPPORT SERVICES

These are the Participation rates achieved :

97.35%

OLDHAM

97.15%

ROCHDALE

95.76%

TAMESIDE

YOUNG CARERS

618

REGISTERED WITH THE SERVICE

100%

PROGRESSED INTO LEARNING
AFTER YEAR 11

MISSING FROM HOME

94.8%

OF THE 1405 REPORTED CASES WERE INTERVIEWED
WITHIN 72 HOURS

VOLUNTEERING

4,491

HOURS OF SUPPORT TO THE PEOPLE ACCESSING
OUR SERVICE AREAS

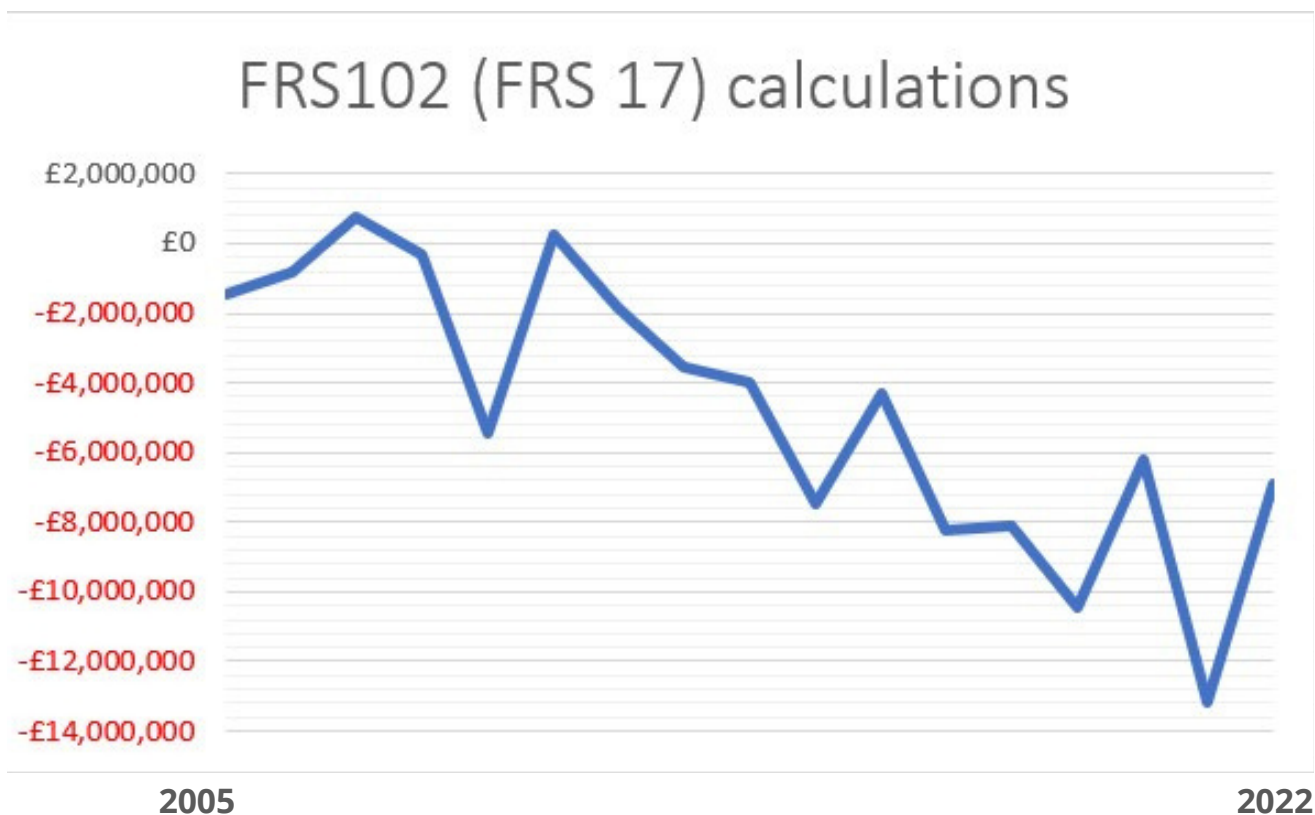
STRATEGIC REPORT INCLUDING FINANCIAL REVIEW

The Positive Steps Oldham Charity accounts for 2021-22 show overall income decreasing from £6,197,570 in 2020-21 to £5,630,079, this year, a decrease of 9.2%. This was almost entirely attributable to the loss of two contracts within the Families and Communities directorate.

The accounts show, initially, an operating surplus of £111,957. However, the FRS102 Pension Scheme adjustment of £917,000, results in a reported deficit of £805,043 for the year.

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

The pension asset and liability has featured in financial reports and statements since 2005, and has, following reassessment by the Greater Manchester Pension Scheme's independent actuary, improved from a deficit of £13,201,000 on 31st March 2021 to a deficit of £6,930,000 on 31st March 2022. 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 in note 27 to the accounts.

On reviewing the Balance Sheet, the net assets, excluding pension liability, have increased from £2,066,015 to £2,177,971

STRATEGIC REPORT INCLUDING FINANCIAL REVIEW

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 May 2022, 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.

A 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 2022 were:

Building and Capital Asset Reserve	£250,000
Opportunity Reserve	£500,000
Operating Reserve	£250,000
	<hr/>
	£1,000,000

STRATEGIC REPORT INCLUDING FINANCIAL REVIEW

PLANS FOR FUTURE PERIOD

Contracting/Funding activity

The Oldham Integrated Support Services for Oldham Young People's contract has been extended for a further 12 months until March 2023.

The Rochdale Young People's Support and Guidance Services has been retained to March 2023 with further potential extensions to March 2025.

The Tameside Careers Guidance and Support Service contract has also been extended for a further twelve months to December 2023.

We were successful in securing six-month lead partner funding through the UK Government Community Renewal Fund for the Roots of Opportunity programme that started in January 2022 and funding as a sub-contracted partner for a Connect to Your Future project funded by European Social Funding until September 2023.

During 2022/23 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 embraced a hybrid model of working, all staff are enabled to work remotely and have been equipped with Chromebook laptops, mobile phones and peripherals.

Reviews of working practices are ongoing, both to meet the demands of hybrid working and to improve efficiency. Continuing reduction of paper-based processes and the development of more ICT based processes are planned in 2022/23, including the development and launch of a new "digital front door".

Our "state of the art" Oldham HQ offices have attracted a range of partners to co-locate with us and we continually develop the integrated offer.

Environmental Responsibility

Positive Steps takes its environmental responsibility seriously with schemes for the recycling of waste, unwanted furniture and redundant ICT equipment alongside actions to reduce energy usage and ethical procurement.

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

STRATEGIC REPORT INCLUDING FINANCIAL REVIEW

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 created as a result of new project demands. Staff turnover and sickness absence, during the year, were below industry norms. Although similar to all sectors recruiting new staff to vacancies and new roles continues to be a challenge and improved methods of online recruitment have been introduced. The easing of covid-19 restrictions and the uncertainty surrounding the cost of living crisis have seen higher than expected turnover levels in 2022. The Strategic Group are investigating ways to improve staff rewards and retention and a whole organisation job evaluation review is to be undertaken in early 2023.

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.

STRATEGIC REPORT INCLUDING FINANCIAL REVIEW

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.

STRATEGIC REPORT INCLUDING FINANCIAL REVIEW

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 6th December 2022 and signed on its behalf by:

JA Edmondson

Julie Edmondson
Trustee/Director

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 2022 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 2022 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. 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.



Patrick Morrello (Senior Statutory Auditor)

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

Holyoake House

Hanover Street

Manchester

M60 0AS

30 / 12 / 2022

Date

Positive Steps Oldham
Consolidated Statement of Financial Activities
(including Income and Expenditure account)
for the year ended 31 March 2022

	Note	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Unrestricted funds £	Restricted funds £	Total funds 2021 £
Income from:							
Donations and legacies	3	171,934	-	171,934	197,954	-	197,954
Charitable activities	4	4,795,127	401,755	5,196,883	5,733,791	120,466	5,854,257
Other trading activities	5	223,894	-	223,894	138,504	-	138,504
Investments	6	37,368	-	37,368	6,855	-	6,855
Total income		5,228,323	401,755	5,630,079	6,077,104	120,466	6,197,570
Expenditure on:							
Raising funds	7	367,219	-	367,219	252,379	-	252,379
Charitable activities	8	5,630,133	440,533	6,070,666	6,441,494	33,225	6,474,719
Other expenditure	10	(2,763)	-	(2,763)	281,660	-	281,660
Total expenditure		5,994,589	440,533	6,435,122	6,975,533	33,225	7,008,758
Net income/(expenditure)		(766,266)	(38,778)	(805,043)	(898,429)	87,241	(811,188)
Remeasurement gain/(loss) on defined benefit pension plan	27	7,188,000	-	7,188,000	(6,558,000)	-	(6,558,000)
Net movement in funds	11	6,421,734	(38,778)	6,382,957	(7,456,429)	87,241	(7,369,188)
Reconciliation of funds							
Total funds brought forward		(11,237,877)	102,892	(11,134,985)	(3,781,448)	15,651	(3,765,797)
Total funds carried forward		(4,816,143)	64,114	(4,752,028)	(11,237,877)	102,892	(11,134,985)

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 2022

		The group		The Charity	
	Note	2022	2021	2022	2021
		£	£	£	£
Fixed assets					
Tangible assets	16	775,810	953,962	775,385	952,843
Investments	17	-	-	1	1
Total fixed assets		775,810	953,962	775,386	952,844
Current assets					
Stock		-	3,906	-	-
Debtors	20	755,500	341,477	1,046,823	424,043
Cash at bank and in hand		1,446,842	1,855,999	1,169,221	1,770,395
Total current assets		2,202,342	2,201,382	2,216,044	2,194,438
Liabilities					
Creditors: amounts falling due in less than one year	21	(800,181)	(1,089,329)	(770,740)	(1,048,422)
Net current assets		1,402,161	1,112,053	1,445,304	1,146,016
Total assets less current liabilities		2,177,971	2,066,015	2,220,690	2,098,860
Net assets excluding pension liability					
Defined benefit pension scheme liability	27	(6,930,000)	(13,201,000)	(6,930,000)	(13,201,000)
Net liabilities		(4,752,029)	(11,134,985)	(4,709,310)	(11,102,140)
Funds of the charity:					
Restricted income funds	22	64,114	102,892	64,114	102,892
Unrestricted income funds:					
General	23	2,113,857	1,963,123	2,156,576	1,995,968
Pension reserve		(6,930,000)	(13,201,000)	(6,930,000)	(13,201,000)
Total charity funds		(4,752,029)	(11,134,985)	(4,709,310)	(11,102,140)

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 22 to 46 form part of these accounts.


Approved by the trustees on 6th December 2022 and signed on their behalf by:



J A Edmondson (Trustee)



Joanne Forsdike (Trustee)



Cliff Shields (Secretary)

Positive Steps Oldham

Consolidated Statement of Cash Flows
for the year ending 31 March 2022

	Note	2022 £	2021 £
Cash provided by/(used in) operating activities	26	(440,102)	377,560
<i>Cash flows from investing activities:</i>			
Dividends, interest, and rents from investments		37,368	6,855
Purchase of tangible fixed assets		(6,422)	(909,064)
Cash provided by/(used in) investing activities		30,946	(902,209)
Increase/(decrease) in cash and cash equivalents in the year		(409,156)	(524,649)
Cash and cash equivalents at the beginning of the year		1,855,999	2,380,648
Total cash equivalents at the end of the year		1,446,843	1,855,999

Positive Steps Oldham

Notes to the accounts for the year ended 31 March 2022

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.

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.

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
Mechanical systems	8 to 15 years

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 2022 (continued)

3 Income from donations and legacies

	Unrestricted £	Restricted £	Total 2022 £	<i>Unrestricted</i> £	<i>Restricted</i> £	<i>Total 2021</i> £
Refurbishment contribution from landlord	144,684	-	144,684	144,684	-	144,684
In kind donation: Property Lease	27,250	-	27,250	27,250	-	27,250
HMRC schemes	-	-	-	26,020	-	26,020
	<u>171,934</u>	<u>-</u>	<u>171,934</u>	<u>197,954</u>	<u>-</u>	<u>197,954</u>

4 Income from charitable activities

	Unrestricted £	Restricted £	Total 2022 £	<i>Unrestricted</i> £	<i>Restricted</i> £	<i>Total 2021</i> £
Young Peoples Services	3,470,268	385,593	3,855,861	3,362,293	100,000	3,462,293
Families Health and Wellbeing	1,324,859	16,162	1,341,021	2,371,498	20,466	2,391,964
	<u>4,795,127</u>	<u>401,755</u>	<u>5,196,882</u>	<u>5,733,791</u>	<u>120,466</u>	<u>5,854,257</u>

5 Income from other trading activities

	Unrestricted £	Restricted £	Total 2022 £	<i>Unrestricted</i> £	<i>Restricted</i> £	<i>Total 2021</i> £
Work experience	144,983	-	144,983	63,638	-	63,638
Room hire	19,476	-	19,476	8,450	-	8,450
Projects	54,188	-	54,188	66,104	-	66,104
Training materials and sundry sales	5,247	-	5,247	312	-	312
	<u>223,894</u>	<u>-</u>	<u>223,894</u>	<u>138,504</u>	<u>-</u>	<u>138,504</u>

Positive Steps Oldham

Notes to the accounts for the year ended 31 March 2022 (continued)

6 Investment income

	Unrestricted £	Restricted £	Total 2022 £	<i>Unrestricted</i> £	<i>Restricted</i> £	<i>Total 2021</i> £
Income from bank deposits	258	-	258	2,043	-	2,043
Rent receivable	37,110	-	37,110	4,812	-	4,812
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	37,368	-	37,368	6,855	-	6,855
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

7 Cost of raising funds

	Unrestricted £	Restricted £	2022 £	<i>Unrestricted</i> £	<i>Restricted</i> £	<i>2021</i> £
Activity costs - PSO Trading Limited	147,029	-	147,029	104,390	-	104,390
Staff costs - PSO Trading Limited	179,218	-	179,218	109,726	-	109,726
Pension scheme adjustments	40,972	-	40,972	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/>
	367,219	-	367,219	252,379	-	252,379
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Positive Steps Oldham

Notes to the accounts for the year ended 31 March 2022 (continued)

8 Analysis of expenditure on charitable activities

	Young Peoples Services £	Family, Health, and wellbeing £	Total 2022 £	Young Peoples Services £	Family, Health, and wellbeing £	Total 2021 £
Staff costs	2,475,596	828,036	3,303,632	2,598,145	1,342,469	3,940,614
Training and employee costs	3,990	510	4,500	10,542	2,825	13,367
Project costs	347,162	111,510	458,672	41,493	389,783	431,276
Travel, subsistence and transport	14,533	1,763	16,296	7,738	3,265	11,003
Rent and property costs	170	-	170	154,644	132,080	286,724
Stationery and administration	1,149	-	1,149	8,847	5,371	14,218
Telephone and data communications	-	-	-	21,179	15,201	36,380
Computer maintenance and software	-	-	-	125,233	57,003	182,236
Depreciation	118,829	39,746	158,575	103,937	53,705	157,642
Professional services	2,981	4,667	7,648	14,467	12,632	27,099
Pension scheme adjustments:						
Current service costs less employer contribution	395,001	132,120	527,121	150,099	77,557	227,656
Net interest on the defined benefit pension liability	170,961	57,183	228,144	78,266	40,440	118,706
Support costs (see note 9)	1,012,536	338,673	1,351,209	656,319	339,122	995,441
Governance costs (see note 9)	10,154	3,396	13,550	21,334	11,023	32,357
	<u>4,553,062</u>	<u>1,517,604</u>	<u>6,070,666</u>	<u>3,992,243</u>	<u>2,482,476</u>	<u>6,474,719</u>

Positive Steps Oldham

Notes to the accounts for the year ended 31 March 2022 (continued)

9 Analysis of governance and support costs

	Support £	Governance £	Total 2022 £	Support £	Governance £	Total 2021 £
Staff costs	528,230	-	528,230	776,321	20,000	796,321
Pension scheme adjustments	120,762	-	120,762	68,235	1,758	69,993
Training and employee costs	17,547	-	17,547	6,714	-	6,714
Project costs	2,173	-	2,173	-	-	-
Telephone and data communication	36,847	-	36,847	3,261	-	3,261
Computer maintenance and software	226,894	-	226,894	42,924	-	42,924
Stationery and administration	19,471	-	19,471	5,540	-	5,540
Rent and property costs	332,405	-	332,405	78,722	-	78,722
Depreciation	25,302	-	25,302	31,056	-	31,056
Professional services	41,577	-	41,577	10,386	-	10,386
Audit and accountancy	-	13,550	13,550	-	11,500	11,500
	<u>1,351,208</u>	<u>13,550</u>	<u>1,364,758</u>	<u>1,023,159</u>	<u>33,258</u>	<u>1,056,417</u>
Allocated as follows:						
Cost of raising funds	-	-	-	27,718	901	28,619
Young Peoples Services	1,012,536	10,154	1,022,690	656,319	21,334	677,653
Family, Health, and Wellbeing	338,673	3,396	342,069	339,122	11,023	350,145
	<u>1,351,209</u>	<u>13,550</u>	<u>1,364,759</u>	<u>1,023,159</u>	<u>33,258</u>	<u>1,056,417</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

	2022	2021
	£	£
Early Help Restructuring		
Redundancy costs	-	59,530
Pension strain costs	-	13,923
	-	73,453
Corporate Restructuring		
Redundancy costs		82,630
Pension strain costs	(2,763)	125,577
	(2,763)	208,207
Total Restructuring Costs	(2,763)	281,660

Current Year

Current year expenditure relates to the difference between the expected pension strain costs accrual as at 31st March 2021 and the actual cost incurred during the current financial year.

Prior Year

Early help restructuring costs relates to 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)

11 Net income/(expenditure) for the year	2022	2021
	£	£
This is stated after charging/(crediting):		
Depreciation	184,574	165,809
Loss on disposal of fixed assets	-	23,585
Defined benefit pension costs:		
Current year service costs	1,053,000	830,000
Past service cost	131,000	-
Net interest	277,000	146,000
Restructuring costs (as note 10 above)	(2,763)	281,660
Movement in holiday pay accrual	(43,183)	72,175
Operating lease rentals: Land and buildings	120,000	120,000
Auditor's remuneration - audit fees	10,000	9,000
Auditor's remuneration - accountancy fees	3,400	3,400

12 Staff costs

Staff costs during the year were as follows:

	2022	2021
	£	£
Wages and salaries	3,283,489	3,847,167
Social security costs	290,116	336,613
Pension costs	483,421	590,706
Movement in holiday pay accrual	(43,183)	72,175
Redundancy costs	(2,763)	281,660
	<u>4,011,080</u>	<u>5,128,321</u>

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

Charitable activities	125	143
Raising funds	5	5
	<u>130</u>	<u>148</u>

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	2
£70,001 - £80,000	1	1
£90,001 - £100,000	1	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 £310,488 (2021:£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 (2021: 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 £20,074 (2021:£18,961). A balance of £8,802 (2021:£4,114) was owed as at year end from Mahdlo to the group.

Four trustees are also Oldham Metropolitan Borough Councillors. During the year, the charity was paid £2,769,370 (2021: £3,854,121) by the council for services. The charity also paid £22,394 (2021: £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:

	2022	2021
	£	£
Payroll costs re-charged to the subsidiary	180,160	109,726
Other costs recharged to the subsidiary	46,718	49,389
Charges by subsidiary to parent charity	(85,967)	(14,034)
Payment of donation from subsidiary to parent	-	51,778

As at 31 March 2022 the subsidiary owed the parent charity £371,371 (2021: £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 (2021: nil).

14 Government grants

The government grants recognised in the accounts were as follows:

	2022	2021
	£	£
HM Revenue and Customs	-	26,020
Children in Need	16,162	20,466
Ministry of Justice	-	30,596
Roots of Oppurtunities	385,593	-
	<u>401,755</u>	<u>77,082</u>

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:

	2022 £	2021 £
UK corporation tax at 19% (2021: 19%)	-	-

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

	Leasehold improvements £	Office equipment £	Total £
Cost			
At 1 April 2021	832,702	502,528	1,335,230
Additions	-	6,422	6,422
At 31 March 2022	832,702	508,950	1,341,652
Depreciation			
At 1 April 2021	180,009	201,259	381,268
Charge for the year	92,149	92,425	184,574
At 31 March 2022	272,158	293,684	565,842
Net book value			
At 31 March 2022	560,544	215,266	775,810
At 31 March 2021	652,693	301,269	953,962

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
	£	£	£
Cost			
At 1 April 2021	832,702	499,278	1,331,980
Additions	-	6,420	6,420
	<hr/>	<hr/>	<hr/>
At 31 March 2022	832,702	505,698	1,338,400
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Depreciation			
At 1 April 2021	180,007	199,130	379,137
Charge for the year	92,149	91,729	183,878
	<hr/>	<hr/>	<hr/>
At 31 March 2022	272,156	290,859	563,015
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Net book value			
At 31 March 2022	560,546	214,839	775,385
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>At 31 March 2021</i>	<i>652,695</i>	<i>300,148</i>	<i>952,843</i>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

17 Investments

	The group		The charity	
	2022	2021	2022	2021
	£	£	£	£
Investment in group undertakings	-	-	1	1
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

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:

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

18 Subsidiary undertaking (continued)

Profit and loss account	2022 £	2021 £
Turnover	316,374	143,317
Administration costs	(326,247)	(214,116)
Other operating income	-	30,918
	<hr/>	<hr/>
Net (loss)/profit	(£9,873)	(£39,881)
	<hr/> <hr/>	<hr/> <hr/>
Balance sheet	2022 £	2021 £
Fixed assets	424	1,120
Current assets	357,672	134,882
Creditors due in less than one year	(400,812)	(168,845)
	<hr/>	<hr/>
	(£42,716)	(£32,843)
	<hr/> <hr/>	<hr/> <hr/>
Called up share capital	1	1
Profit and loss account	(42,717)	18,934
Gift aid payment to parent	-	(51,778)
	<hr/>	<hr/>
	(£42,716)	(£32,843)
	<hr/> <hr/>	<hr/> <hr/>

19 Parent charity

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

	2022 £	2021 £
Gross income	5,640,994	6,175,939
Net surplus/(deficit)	(795,171)	(687,726)
Actuarial (losses)/gains on defined benefit pension scheme	7,188,000	(6,598,707)
Net movement in funds	6,392,829	(7,286,433)
	<hr/> <hr/>	<hr/> <hr/>

Positive Steps Oldham

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

20 Debtors

	The group		The charity	
	2022 £	2021 £	2022 £	2021 £
Trade debtors	584,435	273,538	517,556	230,690
Amounts owed by subsidiary undertaking	-	-	371,372	127,939
Prepayments	105,348	45,823	105,348	43,298
Accrued income	65,717	22,116	52,547	22,116
	<u>755,500</u>	<u>341,477</u>	<u>1,046,823</u>	<u>424,043</u>

21 Creditors: amounts falling due within one year

	The group		The charity	
	2022 £	2021 £	2022 £	2021 £
Trade creditors	162,106	280,217	162,076	270,805
Accruals	245,405	391,139	230,815	376,820
Deferred income	292,329	186,753	280,953	171,345
Taxation and social security costs	100,341	231,220	96,896	229,452
	<u>800,181</u>	<u>1,089,329</u>	<u>770,740</u>	<u>1,048,422</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 £90k (2021: £133k) in respect of a holiday pay accrual. The accrual has decreased in line with expectations. The balance increased significantly in the prior 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 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.

Included within accruals is also a balance of £nil (2021: 208k) in respect of redundancy costs accrued, see note 10 for further information.

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 2021 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2022 £
Barclays Covid	85,967	-	(85,967)	-	-
Children in Need 19- 21	16,925		(16,925)	-	-
Children in Need 21- 24		16,162	(12,850)		3,312
Community Renewal Fund: Roots of Opportunity	-	385,593	(324,791)	-	60,802
Total	102,892	401,755	(440,533)	-	64,114

Previous reporting period

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

**Name of
restricted fund****Description, nature and purposes of the fund**

Children in Need 19- 21	Health and wellbeing project for young carers
Children in Need 21- 24	Health and wellbeing project for young carers
Barclays Covid	Provision of free bicycles and tablets to people during the pandemic
Community Renewal Fund: Roots of Opportunity	Programme with a graduated approach to enable young people to contribute to the local environment and seek employment in the green economy.

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

23 Analysis of movement in group unrestricted funds

Current period

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers £	As at 31 March 2022 £
General fund	1,963,123	5,228,323	(5,994,589)	917,000	2,113,857
Pension reserve	(13,201,000)	-		6,271,000	(6,930,000)
	<u>(11,237,877)</u>	<u>5,228,323</u>	<u>(5,994,589)</u>	<u>7,188,000</u>	<u>(4,816,143)</u>
	<u><u>(11,237,877)</u></u>	<u><u>5,228,323</u></u>	<u><u>(5,994,589)</u></u>	<u><u>7,188,000</u></u>	<u><u>(4,816,143)</u></u>
	<i>Balance at 1 April 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers £</i>	<i>As at 1 April 2021 £</i>
General fund	2,435,552	6,077,104	(6,975,533)	426,000	1,963,123
Pension reserve	(6,217,000)	-		(6,984,000)	(13,201,000)
	<u>(3,781,448)</u>	<u>6,077,104</u>	<u>(6,975,533)</u>	<u>(6,558,000)</u>	<u>(11,237,877)</u>
	<u><u>(3,781,448)</u></u>	<u><u>6,077,104</u></u>	<u><u>(6,975,533)</u></u>	<u><u>(6,558,000)</u></u>	<u><u>(11,237,877)</u></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	775,810	-	-	775,810
Net current assets/(liabilities)	1,338,047	-	64,114	1,402,161
Provision for pension liability	-	(6,930,000)	-	(6,930,000)
Total	<u>2,113,857</u>	<u>(6,930,000)</u>	<u>64,114</u>	<u>(4,752,029)</u>
	<u><u>2,113,857</u></u>	<u><u>(6,930,000)</u></u>	<u><u>64,114</u></u>	<u><u>(4,752,029)</u></u>

Previous 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>
	<u><u>1,963,123</u></u>	<u><u>13,201,000</u></u>	<u><u>102,892</u></u>	<u><u>(11,134,985)</u></u>

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

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	
	2022 £	2021 £	2022 £	2021 £
<i>Land and buildings:</i>				
Less than one year	120,000	120,000	120,000	120,000
One to five years	480,000	480,000	480,000	480,000
Over five years	307,068	420,000	307,068	420,000
	907,068	1,020,000	907,068	1,020,000
	907,068	1,020,000	907,068	1,020,000

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

	2022 £	2021 £
Net income/(expenditure) for the year	(805,043)	(811,188)
Adjustments for:		
Depreciation charge and disposals	184,574	181,292
Dividends, interest and rents from investments	(37,368)	(6,855)
Decrease/(increase) in stock	3,906	(3,906)
Decrease/(increase) in debtors	(414,023)	108,796
Increase/(decrease) in creditors	(289,147)	483,422
Pension scheme adjustments	916,999	425,999
	(440,102)	377,560
Net cash provided by/(used in) operating activities	(440,102)	377,560

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

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

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.

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

27 Retirement benefit scheme (continued)**Key assumptions**

	2022 %pa	2021 %pa
Discount rate	2.8	2.1
Expected rate of increase of pensions in payment	3.2	2.8
Expected rate of salary increases	3.9	3.6

Mortality assumptions

	2022 years	2021 years
Assumed life expectations on retirement at aged 65:		
Retiring today:		
- Males	20.3	20.5
- Females	23.2	23.3
Retiring in 20 years		
- Males	21.6	21.9
- Females	25.1	25.3

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.

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

27 Retirement benefit scheme (continued)***Sensitivity analysis (continued)***

	2021/2022	
Changes in assumptions	Approximate % increase to Defined Benefit Obligation	Approximate monetary amount (£000)
0.1% decrease in Real Discount Rate	2%	1,081
1 year increase in member life expectancy	4%	1,771
0.1% increase in Salary Increase Rate	0%	116
0.1% Increase in the Pension Increase Rate (CPI)	2%	957

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% (2021: 35%). 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

	2022 £	2021 £
The amounts charged or (credited) in the Statement of Financial Activities are as follows:		
Current service cost	1,053,000	830,000
Net interest on defined benefit liability	277,000	146,000
Past service cost	131,000	-
	<u>1,461,000</u>	<u>976,000</u>
Other recognised (gains) or losses:		
Actuarial return on scheme assets	(3,064,000)	(5,231,000)
Less: calculated interest element	-	-
	<u>(3,064,000)</u>	<u>(5,231,000)</u>
Actuarial changes relating to obligations	(4,124,000)	11,789,000
Total cost/(income)	<u>(7,188,000)</u>	<u>6,558,000</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 obligations	44,283,000	46,618,000
Fair value of plan assets	(37,353,000)	(33,417,000)
	<u>6,930,000</u>	<u>13,201,000</u>
Deficit in scheme	<u>6,930,000</u>	<u>13,201,000</u>

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	7,188,000	(6,558,000)
Current service cost	(1,053,000)	(830,000)
Contributions paid by employer	544,000	550,000
Net interest on defined benefit liability	(277,000)	(146,000)
Past service cost	(131,000)	-
	<hr/>	<hr/>
(Increase)/decrease in liability	6,271,000	(6,984,000)
	<hr/> <hr/>	<hr/> <hr/>

Movements in the present value of defined benefit obligations

Liabilities brought forward	46,618,000	33,528,000
Current service cost	1,053,000	830,000
Past service cost	131,000	-
Benefits paid	(490,000)	(466,000)
Contributions from scheme members	132,000	160,000
Remeasurements:		
Changes in financial assumptions	(3,968,000)	11,921,000
Changes in demographic assumptions	(263,000)	205,000
Other experience	107,000	(337,000)
Interest cost on defined benefit obligations	963,000	777,000
	<hr/>	<hr/>
Liabilities carried forward	44,283,000	46,618,000
	<hr/> <hr/>	<hr/> <hr/>

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

Wholly unfunded obligations	-	-
Wholly funded obligations	44,283,000	46,618,000
	<hr/>	<hr/>
	44,283,000	46,618,000
	<hr/> <hr/>	<hr/> <hr/>

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

27 Retirement benefit scheme (continued)***Movement in the fair value of plan assets***

Opening fair value of the scheme assets	33,417,000	27,311,000
Interest income on plan assets	686,000	631,000
Contributions by employer	544,000	550,000
Contributions by members	132,000	160,000
Benefits paid	(490,000)	(466,000)
Return on assets excluding amounts included in net interest	3,064,000	5,231,000
	<u>37,353,000</u>	<u>33,417,000</u>

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

	%	%
Equities	67	72
Bonds	15	12
Property	8	7
Cash	10	9

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

	£	£
Equities	25,026,510	24,060,240
Bonds	5,602,950	4,010,040
Property	2,988,240	2,339,190
Cash	3,735,300	3,007,530
	<u>37,353,000</u>	<u>33,417,000</u>

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

27 Retirement benefit scheme (continued)

Review of the 2022 results

Assets

In the year ending 31 March 2022, investment returns have been significantly greater than expected (compared to last year's accounting discount rate assumption). As such, this has resulted in a £3,064,000 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'.

Changes in financial assumptions	As at 31st March 2022, the net discount rate has increased compared to 31st March 2021. The discount rate assumption has increased by more than the increase in the CPI assumption. This has resulted in a decrease to the liabilities of £3,968,000
Changes in demographic assumptions	Using a more up-to-date longevity assumption as at 31st March 2022 has resulted in an decrease of the liability of 263,000
Changes in other experience	The 'Other experience' item captures the small loss of applying the actual Pensions Increase Order for April 2022 of 3.1%, as it is slightly higher than the pension increase rate assumption built into the obligations at the start of the accounting period.

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 2023 is likely to decrease compared to the charge for this year, as a result of the higher net discount rate as at 31st March 2022.

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

27 Retirement benefit scheme (continued)

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.

Positive Steps anticipates paying £449,000 in expected employer's contributions to the scheme in 2022/23.

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.