



POSITIVE STEPS

SUPPORT | CHALLENGE | CHANGE

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED MARCH 2023



European Union
European
Social Fund



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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 thirtieth 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 Bolshaw (retired on 1st April 2023)

Paul Axon (with effect from 1st April 2023)

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:

After Athena, Greenbank Court, Challenge Way, Greenbank Business Park, Blackburn, BB1 5QB

Key Management Personnel:

Paul Axon	Chief Executive
Donna Marshall	Director of Education & Guidance Services
Rina Dabhi	Director of Families & Communities
Cliff Shields	Director of Corporate Services & Company Secretary

TRUSTEES	REPRESENTING	
Ms Julie Anne Edmondson (Chair to 31st March 2023)	Independent	Resigned 31st March 2023
Mrs Joanne Marie Forsdike (Chair as from 1st April 2023)	Independent	
Cllr Diane Tracey Williamson	Oldham Council	Resigned 4th May 2023
Cllr Graham Shuttleworth	Oldham Council	Resigned 4th May 2023
Cllr Rosalynne Katya Birch	Oldham Council	Resigned 4th May 2023
Mr Vinesh Mistry	Independent	Appointed 30th August 2022
Ms Mezreet Rasul	Independent	Appointed 30th August 2022
Mrs Nicola Jane Robinson	Independent	
Ms Hannah Jane Roberts	Independent	

TRUSTEES	REPRESENTING	
Cllr Shaid Mushtaq	Oldham Council	Appointed 4th July 2023
Cllr Mohon Ali	Oldham Council	Appointed 4th July 2023 Resigned 12th September 2023
Cllr Patricia Byrne	Oldham Council	Appointed 4th July 2023
Cllr Umar Nasheen	Oldham Council	Appointed 4th July 2023
Cllr Abdul Malik	Oldham Council	Resigned 27th November 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 2022-23 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 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. As of 1st April 2023, PSO Trading Limited ceased trading and became dormant. The trustees deemed the level of activity and the nature of the work did not warrant a separate subsidiary.

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.
- The relief of unemployment for the public benefit in such ways as may be thought fit, including assistance to find employment.
- The provision of 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.
- Advancing in life and helping young people by developing their skills, capacities and capabilities to enable them to participate in society as independent, mature and responsible individuals.
- The relief of sickness and the preservation of health among people residing permanently or temporarily in such locations as the company is commissioned to deliver services.
- The provision of support and activities which develop their skills, capacities and capabilities to enable them to participate in society as independent, mature and responsible individuals.
- To assist in the treatment and care of persons suffering mental or physical illness arising from substance abuse or in need of rehabilitation as a result of such illness.

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 Services

The work of this directorate focuses on Careers Guidance and Support

Oldham, Rochdale and Tameside local authorities commission 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

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 2022 to March 2023 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

1452

Families referred to the service

5467

Individuals referred to the service

3438

Under 18's referred to the service

127

Adult only referrals

2 YEAR OLD

604

Families received FREE childcare

YOUTH JUSTICE SERVICE

THE RATE OF RE-OFFENDING IN OLDHAM OF 25.9% WAS BETTER THAN THE FIGURES FOR GREATER MANCHESTER (33.4%), THE NORTH WEST (26.4%), ENGLAND (33.8%) AND OUR YJS FAMILY COMPARATORS (31.6%)

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 :

95.6%

OLDHAM

95.6%

ROCHDALE

95.1%

TAMESIDE

YOUNG CARERS

665

REGISTERED WITH THE SERVICE

78.7%

PROGRESSED INTO LEARNING
AFTER YEAR 11

MISSING FROM HOME

86.25%

OF THE 1607 REPORTED CASES WERE INTERVIEWED
WITHIN 72 HOURS

VOLUNTEERING

4,491

HOURS OF SUPPORT TO THE PEOPLE ACCESSING
OUR SERVICE AREAS

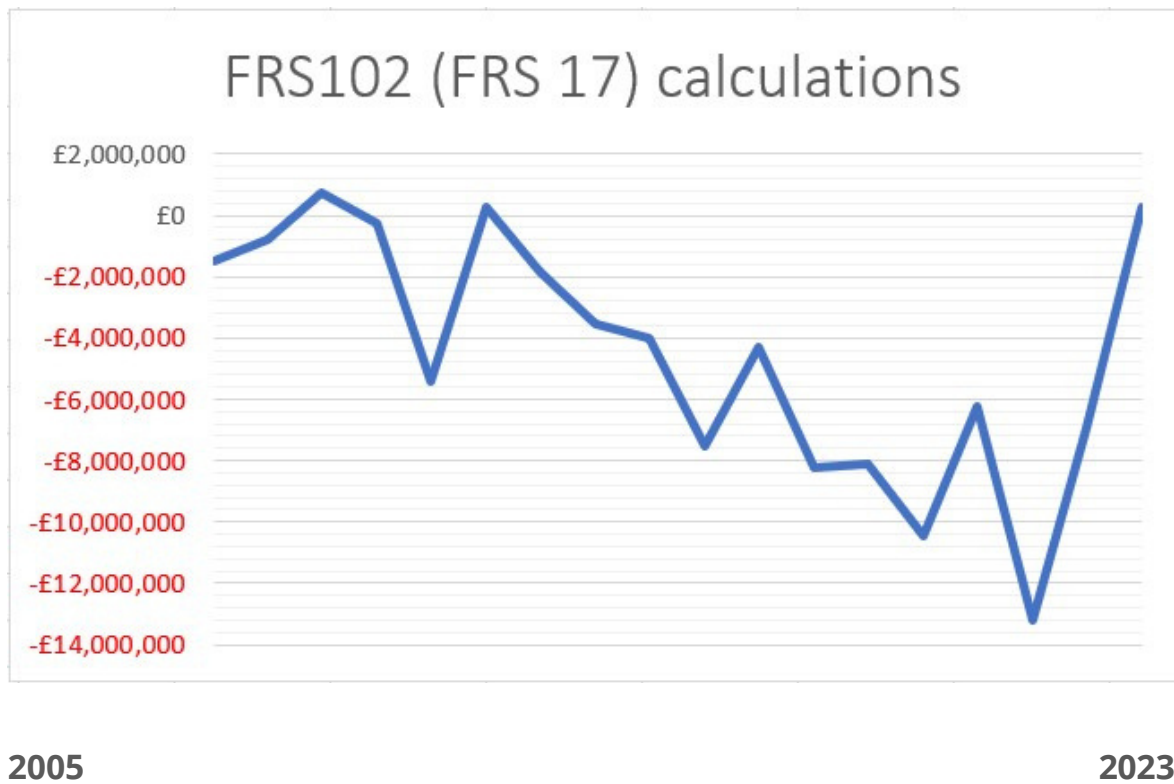
FINANCIAL REVIEW

The Positive Steps Oldham Charity accounts for 2022-23 show overall income increasing from £5,630,079 in 2021-22 to £6,211,972, this year an increase of 10.34%.

The accounts show, an operating deficit of £224,131. However, the FRS102 Pension Scheme adjustment of £7,566,000, results in a reported surplus of £7,341,869 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 £6,930,000 at 31st March 2022 to a balanced position at 31st March 2023. The FRS102 (FRS 17) calculations have 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 £2,177,971 to 2,589,840.

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.

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 2023 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

Positive Steps continues to work with Oldham, Rochdale and Tameside local authorities, with contract periods of various lengths and extensions. There are no guarantees that PS will automatically be awarded new contracts as they crystallise, however, we continue to develop the services and enhance the proposition to each authority.

The Rochdale Young People's Support and Guidance Services has been extended to March 2025 .

The Tameside Careers Guidance and Support Service contract is due to be commissioned in December 2024.

The UK Government Community Renewal Fund Roots of Opportunity programme completed in December 2022 and funding as a sub-contracted partner for a Connect to Your Future project funded by European Social Funding continues until September 2023, some continuation funding through the UK Shared Prosperity Fund is expected through to March 2025.

During 2023/24 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, has ceased trading and will be dormant from 1st April 2023.

Future Ways of Working

We have embraced a hybrid model of working, all staff are enabled to work remotely and have been equipped with 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 2023/24, 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 during the year, was above industry norms. 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 saw higher than expected turnover levels in 2023. The Strategic Group implemented a whole organisation job evaluation review in June 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 Unison as its trade union. Any proposed changes to terms and conditions of employment, including job evaluation 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;
-

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.

- 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

This report was approved by the board on 28th November 2023 and signed on its behalf by :



Joanne Forsdike

Trustee/Director

01 / 12 / 2023

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 2023 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 2023 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.

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

Other information (Continued)

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 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.

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

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.

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
- 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;

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

Capability of the audit in detecting irregularities, including fraud (Continued)

- 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 and the defined benefit pension liability and associated disclosures;

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 ACA (Senior Statutory Auditor)

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

Holyoake House

Hanover Street

Manchester

M60 0AS

Date 01 / 12 / 2023

Positive Steps Oldham
Consolidated Statement of Financial Activities
(including Income and Expenditure account)
for the year ended 31 March 2023

	Note	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Unrestricted funds £	Restricted funds £	Total funds 2022 £
Income from:							
Donations and legacies	3	180,841	-	180,841	173,842	-	173,842
Charitable activities	4	5,286,155	354,637	5,640,792	4,793,220	401,755	5,194,975
Other trading activities	5	270,047	-	270,047	204,418	-	204,418
Investments	6	120,292	-	120,292	56,844	-	56,844
Total income		5,857,335	354,637	6,211,972	5,228,324	401,755	5,630,079
Expenditure on:							
Raising funds	7	323,070	-	323,070	367,219	-	367,219
Charitable activities	8	5,706,955	406,078	6,113,033	5,630,134	440,533	6,070,667
Other expenditure	10	-	-	-	(2,763)	-	(2,763)
Total expenditure		6,030,025	406,078	6,436,103	5,994,590	440,533	6,435,123
Net income/(expenditure)	11	(172,690)	(51,441)	(224,131)	(766,266)	(38,778)	(805,044)
Remeasurement gain/(loss) on defined benefit pension plan	27	7,566,000	-	7,566,000	7,188,000	-	7,188,000
Net movement in funds		7,393,310	(51,441)	7,341,869	6,421,734	(38,778)	6,382,956
Reconciliation of funds							
Total funds brought forward		(4,816,143)	64,114	(4,752,029)	(11,237,877)	102,892	(11,134,985)
Total funds carried forward		2,577,167	12,673	2,589,840	(4,816,143)	64,114	(4,752,029)

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 2023

		The Group		The Charity	
	Note	2023 £	2022 £	2023 £	2022 £
Fixed assets					
Tangible assets	16	757,227	775,810	757,227	775,385
Investments	17	-	-	1	1
Total fixed assets		757,227	775,810	757,228	775,386
Current assets					
Stock		-	-	-	-
Debtors	20	1,108,183	755,500	1,108,183	1,046,823
Cash at bank and in hand		1,526,773	1,446,842	1,526,772	1,169,221
Total current assets		2,634,956	2,202,342	2,634,955	2,216,044
Liabilities					
Creditors: amounts falling due in less than one year	21	(802,343)	(800,181)	(802,343)	(770,740)
Net current assets		1,832,613	1,402,161	1,832,612	1,445,304
Total assets less current liabilities		2,589,840	2,177,971	2,589,840	2,220,690
Net assets excluding pension liability					
Defined benefit pension scheme asset/ (liability)	27	-	(6,930,000)	-	(6,930,000)
Net assets/ (liabilities)		2,589,840	(4,752,029)	2,589,840	(4,709,310)
Funds of the charity:					
Restricted income funds	22	12,673	64,114	12,673	64,114
Unrestricted income funds:					
General	23	2,577,167	2,113,857	2,577,167	2,156,576
Pension reserve	23	-	(6,930,000)	-	(6,930,000)
Total charity funds/ (deficit)		2,589,840	(4,752,029)	2,589,840	(4,709,310)

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 48 form part of these accounts.


28th November 2023

Approved by the trustees on


Joanne Forsdike (Trustee)

Hannah Roberts
Hannah Roberts (Trustee)

and signed on their behalf by:


Robert Edden (Secretary)

Positive Steps Oldham

Consolidated Statement of Cash Flows
for the year ending 31 March 2023

	Note	2023 £	2022 £
Cash provided by/(used in) operating activities	26	134,495	(459,577)
<i>Cash flows from investing activities:</i>			
Dividends, interest, and rents from investments		120,292	56,844
Purchase of tangible fixed assets		(174,856)	(6,424)
Cash provided by/(used in) investing activities		(54,564)	50,420
Increase/(decrease) in cash and cash equivalents in the year		79,931	(409,157)
Cash and cash equivalents at the beginning of the year		1,446,842	1,855,999
Total cash equivalents at the end of the year		1,526,773	1,446,842

Positive Steps Oldham

Notes to the accounts for the year ended 31 March 2023

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.

Positive Steps Oldham

Notes to the accounts for the year ended 31 March 2023 (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.

Positive Steps Oldham

Notes to the accounts for the year ended 31 March 2023 (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
Mechanical systems	8 to 15 years

Positive Steps Oldham

Notes to the accounts for the year ended 31 March 2023 (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 2023 (continued)

3 Income from donations and legacies

	Unrestricted £	Restricted £	Total 2023 £	<i>Unrestricted</i> £	<i>Restricted</i> £	<i>Total 2022</i> £
Refurbishment contribution from landlord	144,684	-	144,684	144,684	-	144,684
Donations	8,907	-	8,907	1,908	-	1,908
In kind donation: Property Lease	27,250	-	27,250	27,250	-	27,250
	<u>180,841</u>	<u>-</u>	<u>180,841</u>	<u>173,842</u>	<u>-</u>	<u>173,842</u>

4 Income from charitable activities

	Unrestricted £	Restricted £	Total 2023 £	<i>Unrestricted</i> £	<i>Restricted</i> £	<i>Total 2022</i> £
Young Peoples Services	3,993,940	292,951	4,286,891	3,470,268	385,593	3,855,861
Families Health and Wellbeing	1,292,215	61,686	1,353,901	1,322,952	16,162	1,339,114
	<u>5,286,155</u>	<u>354,637</u>	<u>5,640,792</u>	<u>4,793,220</u>	<u>401,755</u>	<u>5,194,975</u>

5 Income from other trading activities

	Unrestricted £	Restricted £	Total 2023 £	<i>Unrestricted</i> £	<i>Restricted</i> £	<i>Total 2022</i> £
Work experience	177,383	-	177,383	144,983	-	144,983
Projects	75,701	-	75,701	54,188	-	54,188
Other income (Placements and sundry sales)	16,963	-	16,963	5,247	-	5,247
	<u>270,047</u>	<u>-</u>	<u>270,047</u>	<u>204,418</u>	<u>-</u>	<u>204,418</u>

Positive Steps Oldham

Notes to the accounts for the year ended 31 March 2023 (continued)

6 Investment income

	Unrestricted £	Restricted £	Total 2023 £	<i>Unrestricted</i> £	<i>Restricted</i> £	<i>Total 2022</i> £
Income from bank deposits	13,473	-	13,473	258	-	258
Rent receivable	99,696	-	99,696	37,110	-	37,110
Room hire	7,123	-	7,123	19,476	-	19,476
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	120,292	-	120,292	56,844	-	56,844
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

7 Cost of raising funds

	Unrestricted £	Restricted £	2023 £	<i>Unrestricted</i> £	<i>Restricted</i> £	2022 £
Activity costs - PSO Trading Limited	123,670	-	123,670	147,029	-	147,029
Staff costs - PSO Trading Limited	173,935	-	173,935	179,218	-	179,218
Pension scheme adjustments						
Current service costs less employer contribution	17,617	-	17,617	28,596	-	28,596
Net interest on the defined benefit pension liability	7,848	-	7,848	12,376	-	12,376
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	323,070	-	323,070	367,219	-	367,219
	<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 2023 (continued)

8 Analysis of expenditure on charitable activities

	Young Peoples Services £	Family, Health, and wellbeing £	Total 2023 £	Young Peoples Services £	Family, Health, and wellbeing £	Total 2022 £
Staff costs	2,708,931	852,996	3,561,927	2,475,596	828,036	3,303,632
Training and employee costs	8,812	2,668	11,480	3,990	510	4,500
Project costs	199,929	127,914	327,843	347,162	111,510	458,672
Travel, subsistence and transport	21,175	3,121	24,296	14,533	1,763	16,296
Rent and property costs	1,140	-	1,140	170	-	170
Stationery and administration	650	-	650	1,149	-	1,149
Telephone and data communications	572	-	572	-	-	-
Computer maintenance and software	-	-	-	-	-	-
Depreciation	113,012	35,637	148,649	118,829	39,746	158,575
Professional services	2,457	4,686	7,143	2,981	4,667	7,648
Pension scheme adjustments:						
Current service costs less employer contribution	273,975	86,395	360,370	395,001	132,120	527,121
Net interest on the defined benefit pension liability	122,044	38,485	160,529	170,961	57,183	228,145
Support costs (see note 9)	1,134,966	357,898	1,492,864	1,012,536	338,673	1,351,209
Governance costs (see note 9)	11,837	3,733	15,570	10,154	3,396	13,550
	<u>4,599,500</u>	<u>1,513,533</u>	<u>6,113,033</u>	<u>4,553,062</u>	<u>1,517,604</u>	<u>6,070,667</u>

Positive Steps Oldham

Notes to the accounts for the year ended 31 March 2023 (continued)

9 Analysis of governance and support costs

	Support £	Governance £	Total 2023 £	Support £	Governance £	Total 2022 £
Staff costs	612,264	-	612,264	528,230	-	528,230
Pension scheme adjustments	89,637	-	89,637	120,762	-	120,762
Training and employee costs	36,988	-	36,988	17,547	-	17,547
Travel, Subsistence and Transport Costs	6,656	-	6,656	-	-	-
Project costs	6,904	-	6,904	2,173	-	2,173
Telephone and data communication	38,324	-	38,324	36,847	-	36,847
Computer maintenance and software	246,887	-	246,887	226,894	-	226,894
Stationery and administration	23,489	-	23,489	19,471	-	19,471
Rent and property costs	342,932	-	342,932	332,405	-	332,405
Depreciation	25,580	-	25,580	25,302	-	25,302
Professional services	37,745	-	37,745	41,577	-	41,577
Loss on Disposal	18,785	-	18,785	-	-	-
Bad debt write off	6,674	-	6,674	-	-	-
Audit and accountancy	-	15,569	15,569	-	13,550	13,550
	<u>1,492,865</u>	<u>15,569</u>	<u>1,508,434</u>	<u>1,351,208</u>	<u>13,550</u>	<u>1,364,758</u>
Allocated as follows:						
Cost of raising funds	-	-	-	-	-	-
Young Peoples Services	1,134,966	11,837	1,146,803	1,012,536	10,154	1,022,690
Family, Health, and Wellbeing	357,898	3,733	361,631	338,673	3,396	342,069
	<u>1,492,864</u>	<u>15,570</u>	<u>1,508,434</u>	<u>1,351,209</u>	<u>13,550</u>	<u>1,364,759</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.

Positive Steps Oldham
Notes to the accounts for the year ended 31 March 2023 (continued)

10 Other expenditure

	2023	2022
	£	£
<i>Early Help Restructuring</i>		
Redundancy costs	-	-
Pension strain costs	-	-
	-	-
<i>Corporate Restructuring</i>		
Redundancy costs	-	-
Pension strain costs	-	(2,763)
	-	(2,763)
	-	(2,763)
<i>Total Restructuring Costs</i>	-	(2,763)

Current Year

No expenditure relating to restructuring in the current year

Prior 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.

Positive Steps Oldham
Notes to the accounts for the year ended 31 March 2023 (continued)

11 Net income/(expenditure) for the year	2023 £	2022 £
This is stated after charging/(crediting):		
Depreciation	174,654	184,574
Loss on disposal of fixed assets	18,785	-
Defined benefit pension costs:		
Current year service costs	852,000	1,053,000
Past service cost	-	131,000
Net interest	196,000	277,000
Restructuring costs (as note 10 above)	-	(2,763)
Movement in holiday pay accrual	(35,950)	(43,183)
Operating lease rentals: Land and buildings	120,000	120,000
Auditor's remuneration - audit fees	10,500	9,000
Auditor's remuneration - accountancy fees	5,069	3,400

12 Staff costs

Staff costs during the year were as follows:

	2023 £	2022 £
Wages and salaries	3,589,589	3,283,489
Social security costs	338,736	290,116
Pension costs	455,751	483,421
Movement in holiday pay accrual	(35,950)	(43,183)
Redundancy costs	-	(2,763)
	4,348,126	4,011,080

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

Charitable activities	123	125
Raising funds	5	5
	128	130

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	2	1
£70,001 - £80,000	1	1
£80,001 - £90,000	-	-
£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 £351,526 (2022: £310,488).

Positive Steps Oldham
Notes to the accounts for the year ended 31 March 2023 (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 (2022: 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.

A £200 (2022: Nil) unrestricted donation was received from a trustee during the year, there were no further donations received from related parties in the year.

Stephanie Bolshaw, the CEO (up to 31 March 2023), is a trustee of Mahdlo (Oldham Youth Zone), charity number 1134427. During the year, the group supplied services and equipment to Mahdlo for £17,793 (2021: £20,074). A balance of £Nil (2022:£8,802) 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 £2,811,150 (2021: 2,769,370) by the council for services. The charity also paid £18,815 (2022: £22,394) 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:

	2023	2022
	£	£
Payroll costs re-charged to the subsidiary	174,146	180,160
Other costs recharged to the subsidiary	47,770	46,718
Write off of costs owed by the subsidiary	(56,503)	-
Charges by subsidiary to parent charity	-	(85,967)

As at 31 March 2023 the subsidiary owed the parent charity £nil (2022: £371,371).

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 (2022: nil).

14 Government grants

The government grants recognised in the accounts were as follows:

	2023	2022
	£	£
Children in Need	37,021	16,162
Early Intervention Services	45,000	45,000
Turnaround	58,733	-
Young Carers- HAF	9,157	1,128
Roots of Opportunities	189,218	385,593
	<u>339,129</u>	<u>447,883</u>

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

Positive Steps Oldham
Notes to the accounts for the year ended 31 March 2023 (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:

	2023 £	2022 £
UK corporation tax at 19% (2022: 19%)	-	-
	-	-

16 Fixed assets: tangible assets

The group	Leasehold improvements	Office equipment & furniture	Total
	£	£	£
Cost			
At 1 April 2022	832,702	508,950	1,341,652
Additions	42,581	132,275	174,856
Disposals	(70,488)	(3,866)	(74,354)
	804,795	637,359	1,442,154
	804,795	637,359	1,442,154
Depreciation			
At 1 April 2022	272,158	293,684	565,842
Charge for the year	85,854	88,800	174,654
Disposals	(51,736)	(3,833)	(55,569)
	306,276	378,651	684,927
	306,276	378,651	684,927
Net book value			
At 31 March 2023	498,519	258,708	757,227
	498,519	258,708	757,227
<i>At 31 March 2022</i>	<i>560,544</i>	<i>215,266</i>	<i>775,810</i>
	<i>560,544</i>	<i>215,266</i>	<i>775,810</i>

Positive Steps Oldham
Notes to the accounts for the year ended 31 March 2023 (continued)

16 Fixed assets: tangible assets (continued)

The charity	Leasehold improvements	Office equipment & furniture	Total
	£	£	£
Cost			
At 1 April 2022	832,702	505,698	1,338,400
Additions	42,581	132,275	174,856
Disposals	(70,486)	(617)	(71,103)
	<u>804,797</u>	<u>637,356</u>	<u>1,442,153</u>
Depreciation			
At 1 April 2022	272,156	290,859	563,015
Charge for the year	85,854	88,375	174,229
Disposals	(52,103)	(215)	(52,318)
	<u>305,907</u>	<u>379,019</u>	<u>684,926</u>
Net book value			
At 31 March 2023	<u>498,890</u>	<u>258,337</u>	<u>757,227</u>
At 31 March 2022	<u>560,546</u>	<u>214,839</u>	<u>775,385</u>

17 Investments

	The group		The charity	
	2023	2022	2023	2022
	£	£	£	£
Investment in group undertakings	-	-	1	1
	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>

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:

Positive Steps Oldham
Notes to the accounts for the year ended 31 March 2023 (continued)

18 Subsidiary undertaking (continued)

Profit and loss account	2023	2022
	£	£
Turnover	257,718	289,124
Administration costs	(297,604)	(326,247)
Other operating income	82,603	27,250
	<hr/>	<hr/>
Net (loss)/profit	£42,717	(£9,873)
	<hr/> <hr/>	<hr/> <hr/>
Balance sheet	2023	2022
	£	£
Fixed assets	-	424
Current assets	1	357,672
Creditors due in less than one year	-	(400,812)
	<hr/>	<hr/>
	£1	(£42,716)
	<hr/> <hr/>	<hr/> <hr/>
Called up share capital	1	1
Profit and loss account	-	(42,717)
	<hr/>	<hr/>
	£1	(£42,716)
	<hr/> <hr/>	<hr/> <hr/>

The activities of the trading subsidiary PSO Trading Limited were transferred to the parent charity as at 01/04/2023 and the trading subsidiary has been dormant since 01/04/2023.

19 Parent charity

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

	2023	2022
	£	£
Gross income	6,148,919	5,640,994
Net surplus/(deficit)	(260,173)	(795,171)
Actuarial (losses)/gains on defined benefit pension scheme	6,990,000	7,188,000
Net movement in funds	6,729,827	6,392,829
	<hr/> <hr/>	<hr/> <hr/>

Positive Steps Oldham
Notes to the accounts for the year ended 31 March 2023 (continued)

20 Debtors

	The group		The charity	
	2023 £	2022 £	2023 £	2022 £
Trade debtors	884,699	584,435	884,699	517,556
Amounts owed by subsidiary undertaking	-	-	-	371,372
Prepayments	26,604	105,348	26,604	105,348
Accrued income	196,880	65,717	196,880	52,547
	1,108,183	755,500	1,108,183	1,046,823
	1,108,183	755,500	1,108,183	1,046,823

21 Creditors: amounts falling due within one year

	The group		The charity	
	2023 £	2022 £	2023 £	2022 £
Trade creditors	173,701	162,106	173,701	162,076
Accruals	82,019	245,405	82,019	230,815
Deferred income	236,146	292,329	236,146	280,953
Taxation and social security costs	310,477	100,341	310,477	96,896
	802,343	800,181	802,343	770,740
	802,343	800,181	802,343	770,740

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 £54k (2022: £90k) in respect of a holiday pay accrual.

Positive Steps Oldham
Notes to the accounts for the year ended 31 March 2023 (continued)

22 Analysis of movements in restricted funds

Current reporting period

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2023 £
Children in Need 21-24	3,312	37,021	(29,262)	-	11,071
Community Renewal Fund: Roots of Opportunity	60,802	189,218	(250,020)	-	-
Turnaround	-	58,733	(57,131)	-	1,602
Early Intervention Services Grant	-	45,000	(45,000)	-	-
EIP Household support grant	-	24,665	(24,665)	-	-
Total	64,114	354,637	(406,078)	-	12,673

Positive Steps Oldham
Notes to the accounts for the year ended 31 March 2023 (continued)

22 Analysis of movements in restricted funds

Previous reporting period

	<i>Balance at 1</i>				<i>Balance at 1</i>
	<i>April 2021</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers</i>	<i>April 2022</i>
	£	£	£	£	£
<i>Barclays Covid</i>	85,967	-	(85,967)	-	-
<i>Children in Need 19-21</i>	16,925		(16,925)	-	-
<i>Children in Need 21-24</i>		16,162	(12,850)		3,312
<i>Community Renewal Fund: Roots of Opportunity</i>	-	385,593	(324,791)	-	60,802
Total	102,892	401,755	(440,533)	-	64,114

Name of restricted fund

Description, nature and purposes of the fund

Children in Need 21-24	Health and wellbeing project for young carers
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.
Turnaround	Turnaround Programme (voluntary youth early intervention programme)
Early Intervention Services Grant	Early Intervention and Prevention grant programme
EIP Household support grant	Oldham Cost-of-Living Household Support Fund 2022

Positive Steps Oldham
Notes to the accounts for the year ended 31 March 2023 (continued)

23 Analysis of movement in group unrestricted funds

Current period

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers £	As at 31 March 2023 £
General fund	2,113,857	5,857,335	(6,030,025)	636,000	2,577,167
Pension reserve	(6,930,000)	-		6,930,000	-
	<u>(4,816,143)</u>	<u>5,857,335</u>	<u>(6,030,025)</u>	<u>7,566,000</u>	<u>2,577,167</u>
	<i>Balance at 1 April 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers £</i>	<i>As at 1 April 2022 £</i>
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>

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 asset/liability

24 Analysis of group net assets between funds

Current reporting period

	General fund £	Designated funds £	Restricted funds £	Total £
Tangible fixed assets	757,227	-	-	757,227
Net current assets/(liabilities)	1,819,940	-	12,673	1,832,613
Provision for pension liability	-	-	-	-
Total	<u>2,577,167</u>	<u>-</u>	<u>12,673</u>	<u>2,589,840</u>

Previous 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>

Positive Steps Oldham
Notes to the accounts for the year ended 31 March 2023 (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	
	2023	2022	2023	2022
	£	£	£	£
<i>Land and buildings:</i>				
Less than one year	120,000	<i>120,000</i>	120,000	<i>120,000</i>
One to five years	480,000	<i>480,000</i>	480,000	<i>480,000</i>
Over five years	187,068	<i>307,068</i>	187,068	<i>307,068</i>
	<hr/>	<hr/>	<hr/>	<hr/>
	787,068	<i>907,068</i>	787,068	<i>907,068</i>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The 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

	2023	2022
	£	£
Net income/(expenditure) for the year	(224,131)	<i>(805,044)</i>
Adjustments for:		
Depreciation charge and disposals	193,439	<i>184,574</i>
Dividends, interest and rents from investments	(120,292)	<i>(56,844)</i>
Decrease/(increase) in stock	-	<i>3,906</i>
Decrease/(increase) in debtors	(352,683)	<i>(414,023)</i>
Increase/(decrease) in creditors	2,162	<i>(289,147)</i>
Pension scheme adjustments	636,000	<i>916,999</i>
	<hr/>	<hr/>
Net cash provided by/(used in) operating activities	134,495	<i>(459,579)</i>
	<hr/> <hr/>	<hr/> <hr/>

Positive Steps Oldham
Notes to the accounts for the year ended 31 March 2023 (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 2022 amounted to £29.324 million. The funding level of the Fund as measured using the actuarial method of valuation was 104% as at 31 March 2022.

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 2022). 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 2023. The significant assumptions used by the actuary have been as below.

Key assumptions

	2023	2022
	%pa	%pa
Discount rate	4.75	2.75
Expected rate of increase of pensions in payment	2.95	3.15
Expected rate of salary increases	3.75	3.90

Mortality assumptions

	2023	2022
	years	years

Assumed life expectations on retirement at aged 65:

Retiring today:		
- Males	20.5	20.3
- Females	23.5	23.2
Retiring in 20 years		
- Males	21.5	21.6
- Females	25	25.1

Positive Steps Oldham
Notes to the accounts for the year ended 31 March 2023 (continued)

27 Retirement benefit scheme (continued)

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.

	2022/2023	
Changes in assumptions	Approximate % increase to Defined Benefit Obligation	Approximate monetary amount (£000)
0.1% decrease in Real Discount Rate	2%	600
1 year increase in member life expectancy	4%	1,117
0.1% increase in Salary Increase Rate	0%	56
0.1% Increase in the Pension Increase Rate (CPI)	2%	553

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% (2022: 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).

Positive Steps Oldham
Notes to the accounts for the year ended 31 March 2023 (continued)

27 Retirement benefit scheme (continued)

Impact on the accounts

	2023	2022
	£	£
The amounts charged or (credited) in the Statement of Financial Activities are as follows:		
Current service cost	852,000	1,053,000
Net interest on defined benefit liability	198,000	277,000
Past service cost	-	131,000
	1,050,000	1,461,000
Other recognised (gains) or losses:		
Actuarial return on scheme assets	923,000	(3,064,000)
Less: calculated interest element	-	-
	923,000	(3,064,000)
Actuarial changes relating to obligations	(18,049,000)	(4,124,000)
Restriction on recognition of scheme asset	9,560,000	-
Total cost/(income)	(7,566,000)	(7,188,000)

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	(27,914,000)	(44,283,000)
Fair value of plan assets	37,474,000	37,353,000
	9,560,000	(6,930,000)
Surplus/ (deficit) in scheme	(9,560,000)	-
Restriction on recognition of scheme asset	-	(6,930,000)
Net asset/ (liability) recognised on the balance sheet	-	(6,930,000)

Positive Steps Oldham
Notes to the accounts for the year ended 31 March 2023 (continued)

27 Retirement benefit scheme (continued)

Impact on the accounts (continued)

The present value of the defined benefit obligation as at 31st March 2023 is less than the fair value of plan assets at that date. As such the plan is in a surplus position of £9,560,000 as at 31st March 2023. Per FRS102 section 28.22 an entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

An entity should recognise a net pension asset in such cases because the entity controls a resource, and that control is a result of past events. This is in the form of contributions paid by the entity and service rendered by the employee. Future economic benefits are available to the entity in the form of a reduction in future contributions or a cash refund, either directly to the entity or indirectly to another plan in deficit. The asset ceiling is the present value of those future benefits.

Accounting standards dictate that when an entity has a surplus in a defined benefit plan, it should measure the net defined benefit of the asset at the lower of:

- i. the surplus in the defined benefit plan, and
- ii. the asset ceiling

The entity has instructed Hymans Robertson LLP, an independent firm of actuaries to calculate an asset ceiling calculation based on the net present value of future service costs less net present value of future contributions over the future working lifetime as at 31 March 2023.

The below assumptions were used by the actuary as part of the calculation:

- i. future Working Lifetime of the Employer calculated as 8.5 as at the most recent triennial funding valuation
- ii. discount rate of 4.75% p.a. and salary increase of 3.75% p.a. from the Employer's 31 March 2023 accounting report, giving an annuity of 8.16
- iii. the present value of the liability expected to arise from next years' service by scheme members less the present value of future employee contributions is equal to the projected current service cost as calculated by the actuary in the valuation of the scheme.
- iii. the employer contributions for the 2023/2024 financial year to be paid by the entity will be £412k.

The results of the instructed calculations are:

	£
Net present value of (employer) future service costs over the future working lifetime: 8.16 * £377k	3,076,000
Net present value of (employer) future contributions over the future working lifetime: 8.16 * £412k	(3,362,000)

Net present value of any economic benefits available in the form of refunds or reductions in future contributions to the plan.	(286,000)
	=====

Positive Steps Oldham
Notes to the accounts for the year ended 31 March 2023 (continued)

27 Retirement benefit scheme (continued)

Impact on the accounts (continued)

Per the above calculation, the net present value of future service costs are less than the net present value of future contributions and as such it does not appear that a recoverable asset exists either through a reduction in the entity's future contributions or through being able to obtain refunds from the plan.

Therefore the entity have not deemed it appropriate to recognise any form of asset in respect of the defined benefit pension plan and a £9.56m adjustment has been posted through other recognised gains/losses within the statement of financial activities.

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

Other recognised gains/ (losses)	7,566,000	7,188,000
Current service cost	(852,000)	(1,053,000)
Contributions paid by employer	412,000	544,000
Net interest on defined benefit liability	(196,000)	(277,000)
Past service cost	-	(131,000)
	<hr/>	<hr/>
(Increase)/decrease in liability	6,930,000	6,271,000
	<hr/> <hr/>	<hr/> <hr/>

Movements in the present value of defined benefit obligations

Liabilities brought forward	44,283,000	46,618,000
Current service cost	852,000	1,053,000
Past service cost	-	131,000
Benefits paid	(519,000)	(490,000)
Contributions from scheme members	124,000	132,000
Remeasurements:		
Changes in financial assumptions	(17,547,000)	(3,968,000)
Changes in demographic assumptions	80,000	(263,000)
Other experience	(582,000)	107,000
Interest cost on defined benefit obligations	1,223,000	963,000
	<hr/>	<hr/>
Liabilities carried forward	27,914,000	44,283,000
	<hr/> <hr/>	<hr/> <hr/>

Positive Steps Oldham
Notes to the accounts for the year ended 31 March 2023 (continued)

27 Retirement benefit scheme (continued)

Impact on the accounts (continued)

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

Wholly unfunded obligations	-	-
Wholly funded obligations	27,914,000	44,283,000
	<hr/>	<hr/>
	27,914,000	44,283,000
	<hr/> <hr/>	<hr/> <hr/>
<i>Movement in the fair value of plan assets</i>		
Opening fair value of the scheme assets	37,353,000	33,417,000
Interest income on plan assets	1,027,000	686,000
Contributions by employer	412,000	544,000
Contributions by members	124,000	132,000
Benefits paid	(519,000)	(490,000)
Other experience	(552,000)	-
Return on assets excluding amounts included in net interest	(371,000)	3,064,000
	<hr/>	<hr/>
	37,474,000	37,353,000
	<hr/> <hr/>	<hr/> <hr/>

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

	%	%
Equities	68	67
Bonds	15	15
Property	9	8
Cash	8	10

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

	£	£
Equities	25,482,320	25,026,510
Bonds	5,621,100	5,602,950
Property	3,372,660	2,988,240
Cash	2,997,920	3,735,300
	<hr/>	<hr/>
	37,474,000	37,353,000
	<hr/> <hr/>	<hr/> <hr/>

Positive Steps Oldham
Notes to the accounts for the year ended 31 March 2023 (continued)

27 Retirement benefit scheme (continued)

Review of the 2023 results

Assets

In the year ending 31 March 2023, investment returns have typically been lower than assumed (compared to last year's accounting discount rate assumption). As such, this has resulted in a £371,000 decrease in the fair value of the scheme assets.

As a result of basing the 31 March 2023 accounting figures on the updated triannual funding valuation results calculated as at 31st March 2022, there has been a reduction of £552,000 in the fair value of the scheme assets.

Obligations

The remeasurements in the obligations roll forward 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 2023, the net discount rate (discount rate net of CPI inflation has significantly increased compared to 31st March 2022. This has resulted in an decrease to the liabilities of £17,547,000
Changes in demographic assumptions	Using a more up-to-date longevity assumption as at 31st March 2023 has resulted in an increase of the liability of £80,000
Changes in other experience: Pensions increase order	The loss (increase in obligations) resulting from applying the actual Pensions Increase Order for April 2023 of 10.1% to the benefits, as 10.1% is significantly higher than the pension increase rate assumption built into the obligations at the start of the accounting period. This has resulted in an increase in the funded obligations of £2,447,000
Changes in other experience: 2022 triannual funding valuation	As a result of basing the 31 March 2023 accounting figures on the 2022 funding valuation results, there has been a decrease in the liability of £1,865,000

Positive Steps Oldham
Notes to the accounts for the year ended 31 March 2023 (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 2022 it was determined that Positive Steps were to continue to pay 22.4% contributions per annum for the foreseeable future.

Positive Steps anticipates paying £412,000 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.