

**WHEATSHEAF
TRUST**

Trustees' Report and financial statements
for the year ended 31 March 2010

Company Limited by Guarantee
Registered Number 3958960
Registered Charity Number 1082889

Wheatsheaf Trust

Trustees' Report and financial statements

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Secretary and Registered Office

J Lennard
Wheatsheaf House
24 Bernard Street
SOUTHAMPTON
SO14 3AY

Copies of the consolidated financial statements can be obtained from the above address.

Auditors

Bailey Philpott Limited
30 Medicott Way
Swanmore
Southampton
SO32 2NE

Solicitors

Blake Laphorn
New Kings Court
Tollgate
Chandler's Ford
Eastleigh
SO53 3LG

Bankers

Natwest Bank
12 High Street
Southampton
SO14 2BF

TRUSTEES' REPORT

The Trustees present their annual report and the audited financial statements for the year ended 31 March 2010.

Constitution and Objects

Wheatsheaf Trust is a charitable company limited by guarantee. Its registered charity number is 1082889 and its registered company number is 3958960. Its objects and powers and other constitutional matters are set out in its Memorandum and Articles of Association. Its objects are the relief of unemployment for the public benefit in such ways as may be thought fit including the provision of advice and assistance to find employment provided such objects are charitable. In practice, this means a range of practical interventions to promote social inclusion, economic development, and lifelong learning for the communities in Southampton City and region.

Trustees

The Trustees who served during the year were:

S Trigger (resigned 22 September 2009)	P B Church
G M Rubins	R A Woolley
L Samuels	A W Smith
S M Siddall (Chair)	A Esser (appointed 22 September 2009)
P Chapman (appointed 12 May 2010)	S Takhar (appointed 12 May 2010)

The Trustees are also directors for the purposes of company law. The Trustees are appointed by the members at the annual general meeting with one third retiring by rotation at each annual general meeting. The Trustees may co-opt additional Trustees to fill vacancies with the co-opted Trustee holding office until the next annual general meeting. The Trustees meet between six and eight times a year.

In addition, in the course of 2009 and 2010, the Board agreed to delegate more detailed discussion and decision-making to three new 'sub-groups', encompassing Finance, Human Resources and Information Security / Infrastructure. These groups meet at least three times per year, and membership will consist of a chair from the Board of Trustees, attendance from key members of the management team and external advisers where appropriate.

The Trust aims to appoint Directors who between them have a range of relevant educational, financial, legal, and commercial expertise and also reflect the demography of the areas that we serve. Where necessary, we invite observers who for legal reasons (eg. local authority rules) cannot serve as Directors. At January 2010, the composition of the Board (including observers) was:

Male	62%	Female	38%
White British	87%	Ethnic minorities	13%

There is an induction process in place similar to that used for new employees, and training is available where appropriate. Trustees are responsible for setting the broad policy parameters of the Trust, including strategic plans, annual budgets, staff and procedures, and financial policies and controls. Thereafter, day to day running of the organisation is delegated to the staff through the Chief Executive, Jonathan Cheshire, and the performance is monitored against specific agreed targets.

Subsidiary

The charity is connected to one organisation, Wheatsheaf Services Ltd, a company limited by guarantee. Wheatsheaf Services Ltd is wholly controlled by the Trust, which is the sole member of the Company.

Details of related party transactions are shown in Note 24 of the accounts.

Review of Activities

The formal object of the Trust is "the relief of unemployment". In practice, this can be broken down into three subsets:

- Short term help to move individuals into work.
- Longer term help for individuals to improve their employability, skill levels, or earning power.
- Contextual work in the wider economy to improve the general prospects for employment levels in our area of operation.

Our objectives for the year were as follows

Information Advice and Guidance

In this area we aimed to enrol 1200 new individual clients, assist 50 to enter or re-enter training and education, and move 300 into work.

At the end of the year, we had enrolled 1756 new clients, 46% over our target. We achieved 160 training outcomes, and 218 clients moved into work. The balance between employment and training outcomes again reflects the depressed economy and sluggish labour market. Again we met the important externally-set contractual targets, but missed our more ambitious self-imposed objectives.

In a very difficult climate, the Trust was recognised as one of the most successful providers of employment support. In December we were awarded a contract to deliver the Jobcentre Plus Support contract in South Hampshire. This was offered as a 5 year contract, which was finally giving us the chance to make sensible longer-term decisions. However the new Government has now put this in some doubt and may possibly withdraw the contract in April 2011.

The resources of our Employment Access Centres (EACs) are available to anybody regardless of their circumstances, but in practice the majority of staff time and resources goes to help the groups who have the greatest barriers to employment, such as

- disaffected young people,
- minority ethnic and faith groups,
- people with disabilities,
- lone parents,
- older people and
- returners to the labour market and others.

We continue to develop our staff team and improve our quality assurance systems. Towards the end of the year we were preparing for our third Matrix accreditation visit, which was successfully completed in June 2010.

Supported Work Experience and Training

The funding fashion wheel came full circle in the 2009-10 year, and once again government funding was made available to support intermediate labour markets through the Future Jobs Fund. We were able to expand our construction team to provide 20 paid, six-month placements for 18-24 year-olds and take on another 40 who were then placed with other employers to learn a range of occupations including retail, office administration, social care, and others. Job outcomes for graduates of the SWEAT project have been very encouraging, but again, the Future Jobs programme was cancelled by the incoming government.

Policy Development, Consultancy, and Work with Employers

The Trust continues to attract attention from government and other policy-makers. Most of our strategic input has been directed at the evolving welfare to work policies of the last government, and, after the end of the year under review, of the new Coalition. There is growing recognition of the essential part that the non-profit sector has to play in getting the economy moving again, and our pioneering labour market programmes are seen as models for wider practice. We have continued our involvement in the Southampton Partnership and other local bodies developing skills and employability strategies.

Our work with employers again focussed on soliciting support for work experience placements and real jobs. The revival of our waged transitional employment scheme through Future Jobs Fund support allowed us to second a number of trainees to other employers, many of which converted into permanent jobs.

Our cultural awareness events for employers and service delivery staff continued, though at a slightly lower level than in previous years: this year we had 173 participants against our original target of 200.

Finance & Funding

Our headline financial targets in 2009-10 were to build up our working capital (net current assets) to £90,000 and increase unrestricted reserves by £100,000. A combination of helpful factors meant that the Group finished the year with working capital of £675,000, unrestricted reserves of £522,000 and designated funds of £75,000. Detailed financial information can be found on pp. 11 - 25.

This success was a result of external circumstances, principally the high priority accorded by government to tackling unemployment and welfare reform; and the culmination of internal developments, including investment in staff training, more rigorous performance management, and a higher profile with funders and employers.

Marketing and Publicity

Our public relations activity remained very similar to the previous year's. We ran a number of events with different business partners to raise our profile with employers, and have added to the growing list of local businesses who support our work by offering work placements or donations in kind. Our corporate sponsorship target of £5,000 for the year was comfortably met.

CLIENT STATISTICS

The Trust has four Employment Access Centres, based in Southampton, Havant, and Gosport. All four were extremely busy last year with our usual drop-in service and a number of new, more structured, group training sessions on all aspects of job search and personal development.

Summary

	Visits	Enrolments	Outcomes		
			Employment	Training	Volunteering
Gosport	1,900*	239	32	62	11
Havant	6,064	405	54	31	6
Southampton	6,358	1112	132	67	9
Total	14,322	1756	218	160	26

* Estimate – the external database that we were required to use for this centre has not been able to produce an accurate figure.

As an illustration, we show a more detailed analysis of statistics on Southampton clients below

Southampton Client Ages

Ages	Numbers	Percentage
16 – 19	30	2.7%
20 – 24	164	14.75%
25 – 30	149	13.4%
31 – 40	299	26.89%
41 - 50	271	24.37%
51 - 60	178	16.01%
61+	21	1.89%
Not Known	0	0%
Total:	1112	100%

Southampton Client Locations

Locations	Numbers	Percentage
City Centre area	118	10.61
Outer Shirley	186	16.73
Thornhill	48	4.32
Other priority neighbourhoods	246	22.12
Other Southampton	388	34.89
Forest & Waterside	42	3.78
Outside Southampton	79	7.1
No Fixed Abode	3	0.27
Unknown	2	0.18
Total:	1112	100%

Southampton Client Ethnicity

Ethnicity	Numbers	Percentage
White British	847	76.17
Other White	81	7.28
Mixed	25	2.25
Asian	58	5.22
Black	57	5.13
Chinese	1	0.09
Other	32	2.88
Not Known	11	0.99
Total	1112	100%

Financial Results

The Trust continues to rely heavily on funding from public sources in the form of grants and performance-related grants (approximately 96% of total income). Total grant income increased by a factor of 5, with a considerable increase of activity in the Trust's youth services, funded by the Youth Sector Development Fund (£1,050,675) and Future Jobs Fund (£196,436), a new government initiative which will impact the Trust's finances significantly in the 2010/11 financial year.

Grant income also includes £221,363 from the Adult Advancement Network Prototype, a one year pilot programme funded by Department for Innovation, University & Skills, and £231,020 for the commencement of a new contract supporting adult clients referred by JobCentre Plus (funded by the Department for Work & Pensions). This new contract will continue into the 2010/11 financial year with a substantial increase in activity. There is some uncertainty around the future of this contract following the creation of the UK Coalition government and its review of the benefits system.

Performance-related grants account for 25% of total funding, and were all connected with adult information, advice and guidance services. Funding in this area increased some 130% on the previous year but all income related to existing (and continuing) contracts. This type of funding has considerable advantages for the Trust in its flexibility, where the focus has shifted away from demonstrating cost efficiency towards achieving outcomes. It is also possible for a longer-term project to over-achieve against targets *within* a particular financial year, and this factor partly contributes to the Trust's surplus in the year.

A consolidated surplus of £593,398 was recorded in the year, which breaks down into an unrestricted surplus (after fund transfers) of £535,876 and a restricted surplus of £57,522. Some 30% of the restricted funds going forward are held in connection with grant-funded fixed asset acquisitions and will be reduced in line with depreciation charges.

Costs associated with governance of the charity were 2.6% of the total resources expended (2009: 6.5%) and the charity saw a 30% reduction in costs associated with applications for and negotiations around voluntary and performance-related grant income. This decrease is consistent with a short term substantial increase in the Trust's overall turnover, represented by a relatively smaller number of larger contracts / grants. The degree of effort involved in generating new work is accordingly reduced, but this cost is likely to increase over the course of the next year as the Trust enters a period of financial uncertainty alluded to above.

The Trust's longer term strategy continues to be to examine ways in which it can increase the proportion of income from more diverse sources such as fee-earning activities, social enterprise and corporate sponsorship.

The Trust ran much of its educational and vocational training and some fee-earning activities through the wholly owned subsidiary, Wheatsheaf Services Ltd. Most of these activities have historically been designed to make a small profit, which has been covenanted to the Trust and used to subsidize activities of a similar nature which attract grant funding. The results of the subsidiary company are separately disclosed in Note 9 to the financial statements. The Consolidated Statement of Financial Activities on page 11 shows the Group results for the year.

Charity Policies

Reserves

The Trustees have recently reviewed the Trust's reserves policy, and in particular have looked at some of the factors that determine our requirements for achieving and maintaining certain levels of 'free' reserves. It has been agreed that reserve requirements should be monitored with reference to three levels:

- minimum level to cover the cost of 'winding up' the organization in the event of all funding coming to an end (this would include the cost of redundancies and meeting short term liabilities). Current reserves would already meet this requirement.
- intermediate level to allow for the continuation of 'core' activities for a 3-6 month period in the event of significant reductions in funding. The medium-term strategy of the Trust (3-5 years) is to achieve this level.
- higher level to provide access to 'free' funds which could be used to take advantage of opportunities for new work or expansion of services where full funding is not available. Achieving this level is a longer term strategy (5-10 years).

For the purposes of the second bullet point above, 'free' reserves are taken to include unrestricted funds and restricted funds to the extent that they support 'core' project activities and do not contravene funders' restrictions (see note 19 to the accounts). In addition, the Trustees may from time to time decide to 'set aside' or designate funds from general reserves to be used for a specific agreed purpose in line with the Trust's strategic objectives, eg investment in infrastructure.

Investments

The Trustees last reviewed the Charity's investments in September 2009 when it was decided that the Charities Official Investment Fund (a long-standing investment vehicle for the Trust) was not generating a sufficient return in the current climate. The Trustees agreed to maintain smaller deposits in the Charities Official Investment Fund on the understanding that, whilst this fund may

not always generate competitive returns on a market comparison, in the light of recent issues affecting the global economy, it offers a low degree of risk.

In addition, the Trustees agreed to invest the substantial majority of cash reserves in a short notice reserve account offered by the Charity's bankers. It was agreed that this vehicle offered low levels of risk with a reasonable rate of return, immediate access to funds and considerable ease of use. This policy will be reviewed on at least an annual basis, with a detailed review scheduled to take place in August 2010.

Risk Management

The Trustees review and update the Charity's risk register on an annual basis and discuss issues around risk at twice-yearly strategy meetings. The Trustees last reviewed risks in July 2010. In addition, the charity has been active in developing a business continuity strategy, part of which links into information security and IT 'disaster recovery', for which the charity is developing a detailed set of policies and plans in the summer of 2010.

Normal good practice has been observed in taking out relevant insurance cover on office risks.

Future Developments

In a year of continuing economic - and political – change and uncertainty, we have been fortunate in improving our own financial stability. We will hold a major strategic review in November 2010 following the Comprehensive spending review and other policy announcements by the new Government, but our longer-term aims are likely include:

- Continued geographical consolidation to provide a coherent, consistent, and high-quality service across the bulk of southern Hampshire. Our new centre in Gosport is flourishing and we have had early discussions with the Borough of Eastleigh
- Continuing the development of relationships with the private sector, as both employers and delivery partners in the welfare to work field
- Further work on our trading subsidiary, Wheatsheaf Services Ltd, to develop a more commercially sustainable business
- Greater security of tenure for our main Southampton operation in view of the end of the Wheatsheaf House lease in 2015

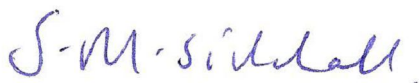
Disclosure of Information to Auditors

The Trustees who held office at the date of approval of this Trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Small company disclosure

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006. The Trustees confirm that this Report and Financial statements complies with current statutory requirements, the Statement of Recommended Practice: Accounting and Reporting by Charities (Revised 2005) and with the Charity's Memorandum and Articles of Association.

By order of the Board



S M Siddall

Chair

Wheatsheaf House
24 Bernard Street
SOUTHAMPTON
SO14 3AY

23 September 2010

Statement of Trustees' Responsibilities

The Trustees, who are also directors of the Company, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations. Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of its financial activities for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the members of W heatsheaf Trust for the year ended 31 March 2010

We have audited the financial statements of W heatsheaf Trust for the year ended 31 March 2010 which comprise the Group Statement of Financial Activities, The Group and Trust Balance Sheets and the related notes. These financial statements have been prepared under the accounting policies set out therein and United Kingdom Generally Accepted Accounting Practice.

This report is made solely to the 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of the company for the purposes of company law) responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Trustees' Annual Report is consistent with those financial statements.

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

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

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and charitable parent company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the group financial statements give a true and fair view of the group's affairs as at 31 March 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the parent company financial statements give a true and fair view of the charity's affairs as at 31 March 2010;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- the financial statements have been prepared in accordance with the Companies Act 2006; and
- the information given in the Trustees' Annual Report is consistent with the financial statements.

A handwritten signature in black ink, appearing to read 'Darren Bailey', is positioned above the printed name.

Darren Bailey Bsc ACA (Senior Statutory Auditor)

23 September 2010

for and on behalf of
Bailey Philpott Limited, Statutory Auditor
30 Medicott Way
Swanmore
SOUTHAMPTON
Hampshire
SO32 2NE

Wheatsheaf Trust Group

Statement of Financial Activities (incorporating the Income and Expenditure Account and Statement of Total Recognised Gains and Losses) for the year ended 31 March 2010

	Note	Unrestricted Funds 2010 £	Restricted Funds 2010 £	Total Funds 2010 £	Total Funds 2009 £
Incoming Resources					
Incoming Resources from Generated Funds					
Voluntary Income					
Grants	3	316,068	1,499,215	1,815,283	368,832
Donations and similar incoming resources	3	5,985	-	5,985	34,513
Donated services and facilities	3	3,480	-	3,480	-
Investment income		911	-	911	299
Incoming resources from charitable activities	4	695,134	-	695,134	556,643
Other incoming resources	5	50,983	-	50,983	52,583
Total Incoming Resources		<u>1,072,561</u>	<u>1,499,215</u>	<u>2,571,776</u>	<u>1,012,870</u>
Resources Expended					
Costs of generating funds					
Costs of generating voluntary income	10	16,770	-	16,770	23,558
Charitable Activities					
Staff costs	10	345,904	614,112	960,016	585,232
Project activities	10	57,422	747,007	804,429	185,500
Premises costs	10	73,227	72,703	145,930	122,627
Governance Costs	10	3,804	47,429	51,233	63,735
Total Resources Expended		<u>497,127</u>	<u>1,481,251</u>	<u>1,978,378</u>	<u>980,652</u>
Net Incoming / Outgoing Resources before transfers		575,434	17,964	593,398	32,218
Net Income / (Expenditure) for the year	12	575,434	17,964	593,398	32,218
Transfers					
Gross transfers between funds	19	<u>(39,558)</u>	<u>39,558</u>		-
Net Movement in Funds for the Year		535,876	57,522	593,398	32,218
Total Funds brought forward at 1 April		62,023	64,049	126,072	93,854
Total Funds carried forward at 31 March		<u>597,899</u>	<u>121,571</u>	<u>719,470</u>	<u>126,072</u>

All incoming resources and resources expended derive from continuing activities.

The Group has taken advantage of the special provisions of paragraph 397 of the SORP 2005 not to produce a separate Statement of Financial Activities for the parent charity (see note 8).

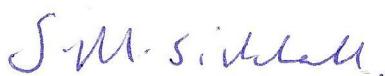
Wheatsheaf Trust Group

Consolidated Balance Sheet as at 31 March 2010

		Charity		Group	
	Note	2010 £	2009 £	2010 £	2009 £
Fixed Assets					
Tangible fixed assets	15	43,950	54,731	43,950	54,731
Current Assets					
Stock	16	1,184	123	1,880	1,718
Debtors	17	334,414	224,002	334,795	222,497
Cash at bank and in hand		413,414	4,420	417,352	8,075
		<u>749,012</u>	<u>228,545</u>	<u>754,027</u>	<u>232,290</u>
Creditors: Amounts falling due within one year	18	<u>(75,684)</u>	<u>(159,395)</u>	<u>(78,507)</u>	<u>(160,949)</u>
Net Current Assets		673,328	69,150	675,520	71,341
Total Assets less Current Liabilities		717,278	123,881	719,470	126,072
Net Assets		<u>717,278</u>	<u>123,881</u>	<u>719,470</u>	<u>126,072</u>
Reserves					
Unrestricted Funds	19,20	519,016	59,832	522,899	62,023
Unrestricted Designated Funds	19,20	75,000	-	75,000	-
Restricted Funds	19,20	123,262	64,049	121,571	64,049
		<u>717,278</u>	<u>123,881</u>	<u>719,470</u>	<u>126,072</u>

These accounts have been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

These financial statements were approved by the Board of Directors on 23 September 2010 and were signed on its behalf by



S M Siddall, Chair

Wheatsheaf Trust Group 2010

Notes (forming part of the consolidated financial statements)

1 Accounting Policies

The following policies are applied consistently in respect of items considered material in relation to the Group's financial statements:

Basis of Preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting convention. The financial statements incorporate the recommendations of the Statement of Recommended Practice (SORP): 'Accounting and Reporting by Charities' revised 2005 and in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

The Group has taken advantage of the special provisions of the Companies Act (2006) and FRS 1: Cash Flow Statements relating to small companies, and has not produced a cash flow statement as part of the consolidated financial statements.

Group Financial Statements

These financial statements consolidate the results of charity and its wholly-owned subsidiary, Wheatsheaf Services Ltd, incorporated in England, on a line by line basis.

Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objects of the charity. General funds include any reserves of the wholly owned subsidiary, Wheatsheaf Services Ltd.

Designated funds are funds which the Trustees have agreed to set aside from general funds for a specific purpose in line with the Trust's strategic objectives, eg investment in infrastructure.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or who have been raised by the charity for specific purposes.

Incoming Resources

All incoming resources are included in the Statement of Financial Activities (SOFA) on an accruals basis, except to the extent that grants receivable must be applied to future periods of expenditure, or are contingent on future requirements being fulfilled. In accordance with the SORP, Paragraph 98, unrestricted fee income invoiced in advance of the activity is deferred in the accounts until such time as the contract is fulfilled.

Gifts in kind and donated services / facilities are included in the Statement of Financial Activities at cost, as valued by the donor.

Grants receivable in respect of fixed assets are included in the SOFA in the period in which they are received in accordance with the SORP, Paragraph 111.

Wheatsheaf Services Ltd, the wholly-owned subsidiary, is used as a vehicle for the Trust's trading activities, such as

- construction work
- multicultural training events
- consultancy and research projects
- brokerage of community volunteering opportunities for staff of companies and other institutions
- the provision of work-related learning opportunities for schools and other agencies

All income received is in support of this activity, and directly supports the objects of the parent charity.

Expenditure

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to transfer resources. All costs have been directly attributed to one of the functional categories of resources in the SOFA.

Apportionment of costs across headings of the SOFA is carried out in relation to claims for grant funding. A method based on the apportionment of staff time is used for revenue expenditure on direct project activities and management and administration costs. Capital expenditure relates to specific claims for funding, and so is apportioned accordingly.

Costs are allocated to the Governance category where they cannot be clearly allocated to project activities or are of a strategic nature, eg insurance and legal expenses. Note 11 gives a detailed breakdown of support costs allocated / apportioned by activity.

Fixed Assets and Depreciation

No depreciation is provided on assets in the course of construction, or not brought into use at year end. Depreciation is calculated on cost in all instances.

It is the policy of the Group to capitalise all fixed assets costing over £500. A full year's depreciation is charged in the year of purchase.

Depreciation is provided on a straight line basis for the following classes of assets:

Plant and machinery (including motor vehicles)	3 years
Completed leasehold improvements	Remaining life of the lease

Stocks of Raw Materials and Consumables

Closing stocks of raw materials and consumables are valued at the lower of historical cost or net realisable value in accordance with SSAP 9: Stocks and Long Term Contracts.

Value Added Tax

Expenditure subject to VAT which is not recoverable is shown inclusive of VAT.

Operating Lease Rentals

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the SOFA over the period in which the cost is incurred. Income from sub- (operating) leases is credited to the SOFA over the period to which the income relates, and aggregate rentals received are disclosed in the notes to the accounts. Land and buildings leased on operating leases are not depreciated, but see above depreciation policy on completed leasehold improvements.

2 Status

Wheatsheaf Trust is a company limited by guarantee and having no share capital. The liability of each member to contribute to the assets of the company is limited to £1. The wholly owned subsidiary acts as a trading subsidiary, engaging in mainly charitable trading activities in support of the Trust's charitable objects. All or a substantial portion of the subsidiary's profits will continue to be covenanted to the Charity with no liability to UK Corporation tax.

3 Voluntary Income

	Unrestricted Funds 2010 £	Restricted Funds 2010 £	Total Funds 2010 £	Total Funds 2009 £
<i>Grants</i>				
Government Agencies	316,068	1,499,215	1,815,283	348,832
Charitable Trusts	-	-	-	20,000
Other	-	-	-	-
	316,068	1,499,215	1,815,283	368,832
<i>Donations and similar incoming resources</i>				
Microsoft Corporation	-	-	-	27,874
Southampton City Council	5,836	-	5,836	3,279
Condor Office Solutions Ltd	-	-	-	1,250
Meachers Transport	-	-	-	850
Connect South Group	-	-	-	375
PricewaterhouseCoopers LLP	-	-	-	250
Miscellaneous	149	-	149	235
T P Rault Smith	-	-	-	200
St Vincent de Paul Society	-	-	-	200
	5,985	-	5,985	34,513
<i>Donated Services and Facilities</i>				
KPMG (pro bono research project)	3,480	-	3,480	-
	3,480	-	3,480	-

Grants from Government Agencies and Charitable Trusts include those received from Department of Children, Schools and Families, Southampton City Council, Havant Borough Council, Department for Work and Pensions and The Learning & Skills Council.

4 Incoming Resources from Charitable Activities

	Unrestricted Funds 2010 £	Restricted Funds 2010 £	Total Funds 2010 £	Total Funds 2009 £
<i>Performance-Related Grants</i>				
Government Agencies	636,231	-	636,231	489,287
	636,231	-	636,231	489,287
<i>Fees and other income</i>				
Government Agencies	12,769	-	12,769	5,222
Schools, armed forces and other public bodies	36,321	-	36,321	60,326
Charities and Not for Profit Sector	2,028	-	2,028	-
Private Sector	720	-	720	-
	51,838	-	51,838	65,548
<i>Construction Projects</i>				
Private Home Owners	1,680	-	1,680	473
Intensive Supervision & Surveillance	-	-	-	180
Southampton City Council	450	-	450	-
Motiv8 South Ltd	1,794	-	1,794	-
No Limits (Southampton)	328	-	328	-
Ocean Youth	1,645	-	1,645	-
PricewaterhouseCoopers LLP	1,167	-	1,167	1,155
	7,064	-	7,064	1,808
	695,134	-	695,134	556,643

5 Other Incoming Resources

	Unrestricted Funds 2010 £	Restricted Funds 2010 £	Total Funds 2010 £	Total Funds 2009 £
<i>Letting Income</i>				
No Limits (Southampton)	32,665	-	32,665	37,075
Groundwork Solent	11,695	-	11,695	11,225
Solidtech Services Ltd	-	-	-	2,800
Intensive Supervision and Surveillance Programme	-	-	-	219
Other Miscellaneous	330	-	330	-
	<u>44,690</u>	<u>-</u>	<u>44,690</u>	<u>51,319</u>

Letting income includes rent, service charges and car parking fees payable by subtenants, and charges passed on for facilities management of shared premises where Wheatsheaf Trust acts as the lead tenant (see also note 22).

	Unrestricted Funds 2010 £	Restricted Funds 2010 £	Total Funds 2010 £	Total Funds 2009 £
<i>Other re-charges to outside agencies</i>				
Eastleigh College	-	-	-	64
Southampton City Council	-	-	-	130
VT Southern Careers Ltd	3,943	-	3,943	375
Department for Work & Pensions	2,000	-	2,000	-
Other Miscellaneous	350	-	350	695
	<u>6,293</u>	<u>-</u>	<u>6,293</u>	<u>1,264</u>

6 Incoming Resources by Main Charitable Activity

	Information, Advice & Guidance	Youth Services	Other Charitable	Fee Earning	Total 2010	Total 2009
Grants	511,131	1,254,852	49,300	-	1,815,283	368,832
Donations and similar incoming resources	133	-	5,852	-	5,985	34,513
Donated Services and Facilities	-	-	3,480	-	3,480	-
Investment Income	-	-	911	-	911	299
Performance-related grants	533,468	102,763	-	-	636,231	486,458
Fees and other income	4,679	-	48,922	42,927	96,528	120,342
Construction projects	-	-	-	7,064	7,064	1,808
Other incoming resources	-	-	6,219	75	6,294	618
	<u>1,049,411</u>	<u>1,357,615</u>	<u>114,684</u>	<u>50,066</u>	<u>2,571,776</u>	<u>1,012,870</u>

7 Deferred Incoming Resources (Group)

	Unrestricted Funds 2010 £	Restricted Funds 2010 £	Total Funds 2010 £	Total Funds 2009 £
Balance at 1 April	11,646	-	11,646	18,624
Incoming resources deferred during the year	8,615	-	8,615	11,646
Amounts released from previous years	(11,646)	-	(11,646)	(18,624)
Balance at 31 March	<u>8,615</u>	<u>-</u>	<u>8,615</u>	<u>11,646</u>

Incoming resources were deferred in the year in respect of (i) sub-letting income charged in advance of the year end and (ii) grant income paid in advance for the provision of Future Jobs Fund work placements

8 Net incoming resources attributable to parent charity

	Unrestricted Funds 2010 £	Restricted Funds 2010 £	Total Funds 2010 £	Total Funds 2009 £
Amount attributable to parent charity	573,743	19,655	593,398	32,218
Net incoming resources	<u>573,743</u>	<u>19,655</u>	<u>593,398</u>	<u>32,218</u>

9 Summary of results of wholly owned subsidiary

	Unrestricted Funds 2010 £	Restricted Funds 2010 £	Total Funds 2010 £	Total Funds 2009 £
Incoming Resources				
Fees and other income	94,877	-	94,877	126,788
Interest receivable	-	-	-	-
	<u>94,877</u>	<u>-</u>	<u>94,877</u>	<u>126,788</u>
Resources expended				
Project costs	(79,147)	-	(79,147)	123,182
Administrative expenses	(1,341)	-	(1,341)	1,891
	<u>(80,488)</u>	<u>-</u>	<u>(80,488)</u>	<u>125,073</u>
Net Profit / (Loss)	<u>14,389</u>	<u>-</u>	<u>14,389</u>	<u>1,715</u>
Aggregate net assets (Stated after covenant of net profit to Parent Charity)	2,192	-	2,192	2,192

10 Group Resources Expended

	Unrestricted Funds 2010 £	Restricted Funds 2010 £	Total Funds 2010 £	Total Funds 2009 £
<i>Cost of generating voluntary income</i>				
Staff and other costs associated with funding applications*	16,770	-	16,770	23,558
	16,770	-	16,770	23,558
<i>Staff Costs</i>				
Salaries	332,503	581,724	914,227	564,121
Recruitment	1,863	2,720	4,583	2,010
Staff Training & Conferences	1,336	10,282	11,618	1,080
Travel & Subsistence	10,202	19,386	29,588	18,021
	345,904	614,112	960,016	585,232
<i>Project Activities</i>				
Consultants	10,317	9,000	19,317	7,979
Publicity & Marketing	1,439	1,539	2,978	1,852
Sub-Contract	761	659,795	660,556	87,035
Telephone & Postage	4,635	10,506	15,141	10,816
Stationery & Office Supplies	886	3,531	4,417	5,280
Materials, Tools etc	19,070	6,145	25,215	11,941
Motor Vehicle Expenses	669	127	796	-
Beneficiary Training and Travel	13,350	47,177	60,527	16,071
IT	4,220	4,945	9,165	40,657
Other	2,075	4,242	6,317	3,869
	57,422	747,007	804,429	185,500
<i>Premises Costs</i>				
Rent	24,289	66,039	90,328	77,941
Rates	4,682	865	5,547	4,622
Light & Heat	31,705	4,079	35,784	28,179
Cleaning	11,184	1,563	12,747	11,655
Repairs and Maintenance	1,366	158	1,524	230
	73,227	72,703	145,930	122,627
<i>Governance Costs</i>				
Equipment Leasing & Maintenance	3,407	3,111	6,518	6,863
Minor equipment purchase	(2,755)	3,351	596	(153)
Depreciation	4,165	16,272	20,437	27,816
Insurance	16,662	1,770	18,432	17,792
Audit, Accountancy & Bookkeeping	3,937	-	3,937	6,763
Management Services & Legal Fees	739	-	739	575
Bank and Interest Charges	1,967	-	1,967	3,912
Subscriptions	-	-	-	1,065
Other	-	-	-	422
Overhead Apportionment / Re-Allocation*	(24,318)	22,925	(1,395)	(1,320)
	3,804	47,429	51,233	63,735

* Cost of Generating Funds includes office costs (central overhead) reallocated from 'Governance Costs' as presented above

11 Resources Expended by Main Charitable Activity

	Information, Advice & Guidance	Youth Services	Other Charitable	Fee Earning	Total 2010	Total 2009
<i>Direct Costs</i>						
Costs of Generating Voluntary Income	-	-	16,770	-	16,770	23,558
Staff Costs	368,601	283,146	119,811	29,376	800,934	345,777
Project Activities	23,908	696,609	26,503	21,967	768,987	118,312
Premises Costs	55,830	4,520	80,635	4,916	145,901	115,782
Office Costs	24,255	7,359	48,858	7,330	87,802	98,930
	<u>472,594</u>	<u>991,634</u>	<u>292,577</u>	<u>63,589</u>	<u>1,820,394</u>	<u>702,359</u>
<i>Support Costs</i>						
Management & Administrative Staff	47,533	103,347	2,719	4,692	158,291	144,589
Project Support Costs	16,607	6,832	(25,811)	2,428	56	24,114
Apportioned Premises costs	4,683	38,182	(43,602)	747	10	6,381
Apportioned Central Office Costs	5,970	18,457	(25,286)	875	16	5,825
Apportioned Overheads	54,200	18,606	(81,352)	8,157	(389)	97,384
	<u>128,993</u>	<u>185,424</u>	<u>(173,332)</u>	<u>16,899</u>	<u>157,984</u>	<u>278,293</u>
	<u>601,587</u>	<u>1,177,058</u>	<u>119,245</u>	<u>80,488</u>	<u>1,978,378</u>	<u>980,652</u>

12 Operating Charges (Parent Charity)

	2010 £	2009 £
Net income for the year is stated after charging:		
Auditor's remuneration (including VAT)		
Statutory Audit Services	2,585	2,325
Non Statutory Audit Services	-	-
Non audit services	-	-
Operating lease rentals - land & buildings	90,453	78,832
Depreciation - owned assets	20,437	27,816

13 Staff Numbers and Costs

The average number of persons (full time equivalent) employed by the Trust during the year, analysed by category, was as follows. No staff were employed by Wheatsheaf Services Ltd during the year.

	2010 No.	2009 No.
Management	3	3
Administration	4	3
Operating activities	26	14

The aggregate payroll costs of the above persons was as follows:

	2010 £	2009 £
Wages and Salaries	814,178	508,360
Employer's National Insurance Contributions	75,619	49,153
Employer's Pension Contributions (Defined Contribution Scheme)	39,550	28,697
	<u>929,347</u>	<u>586,210</u>

One member of staff is paid a salary between £70,000 and £80,000 per annum (2009: One, between £60,000 and £70,000). Pension contributions made by the charity in respect of this member of staff were £4,959 (2009: £4,726). No other members of staff received more than £60,000.

Members of the Trust's Management Team (3 persons) incurred total business expenses (excluding resources and other items purchased on behalf of the charity) of £3,363.

14 Trustees Remuneration and Expenses

Reimbursed travel expenses of £163 were paid in the year to two Trustees (2009: £113, one Trustee). No Trustees received remuneration of any form (2009: none).

15 Tangible Fixed Assets (Charity and Group)

	Completed Leasehold improvements £	Incomplete Leasehold improvements £	Plant and Machinery £	Total £
Cost				
At 1 April 2009	209,550	-	187,359	396,909
Additions	839	-	8,817	9,656
Transfers	-	-	-	-
Disposals	-	-	-	-
At 31 March 2010	<u>210,389</u>	<u>-</u>	<u>196,176</u>	<u>406,565</u>
Depreciation and diminution in value				
At 1 April 2009	175,378	-	166,800	342,178
Charge for the year	6,452	-	13,985	20,437
Disposals	-	-	-	-
At 31 March 2010	<u>181,830</u>	<u>-</u>	<u>180,785</u>	<u>362,615</u>
Net Book Value				
At 31 March 2010	<u>28,559</u>	<u>-</u>	<u>15,391</u>	<u>43,950</u>
At 31 March 2009	<u>34,172</u>	<u>-</u>	<u>20,559</u>	<u>54,731</u>

16 Stock

	Charity 2010 £	Group 2010 £	Charity 2009 £	Group 2009 £
Raw materials and consumables	<u>1,184</u>	<u>1,880</u>	<u>123</u>	<u>1,718</u>

17 Debtors

	Charity 2010 £	Group 2010 £	Charity 2009 £	Group 2009 £
Trade debtors (fees)	960	10,594	1,810	3,954
Other debtors (grants, donations and other)	68,323	68,323	58,877	58,877
Amounts owed by group undertakings	9,253	-	5,749	-
Prepayments and accrued income	255,878	255,878	157,566	159,666
	<u>334,414</u>	<u>334,795</u>	<u>224,002</u>	<u>222,497</u>

All debtors will be recoverable in less than one year.

18 Creditors: Amounts Falling Due within One Year

	Charity 2010 £	Group 2010 £	Charity 2009 £	Group 2009 £
Bank loans and overdrafts	-	-	41,430	41,430
Trade creditors	-	514	-	305
Amounts owed to group undertakings	-	-	-	-
Other creditors	24,651	24,651	87,795	87,794
Social Security and other taxes	31,131	31,131	14,858	14,858
Accruals	11,286	13,595	3,666	4,916
Deferred Income	8,616	8,616	11,646	11,646
	<u>75,684</u>	<u>78,507</u>	<u>159,395</u>	<u>160,949</u>

19 Consolidated Funds

	Balance at 1 April 2009 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2010 £	
Restricted Funds						
i	Advancement Network	5,000	221,363	249,998	23,635	-
ii	BAT Legacy Fund	8,333	-	24,256	15,923	-
iii	Leigh Park	-	3,000	233	-	2,767
iv	Future Jobs Fund Phase 1	-	196,436	126,341	-	70,095
v	SCC NIF Grant	-	7,741	-	-	7,741
vi	Youth Sector Development	-	1,047,914	1,044,151	-	3,763
vii	Business School Links	-	20,000	20,000	-	-
viii	Youth Capital Fund	4,286	-	714	-	3,572
ix	UK Online	12,655	-	6,328	-	6,327
x	Capital Grant Funded Assets	33,775	2,761	9,230	-	27,306
		<u>64,049</u>	<u>1,499,215</u>	<u>1,481,251</u>	<u>39,558</u>	<u>121,571</u>
Unrestricted Funds						
	General Reserve	62,023	1,072,562	497,128	(114,558)	522,899
	Designated Infrastructure Fund	-	-	-	75,000	75,000
		<u>62,023</u>	<u>1,072,562</u>	<u>497,128</u>	<u>(39,558)</u>	<u>597,899</u>

The transfers to restricted funds reflect the use of unrestricted income funds to set against expenditure which has been incurred in pursuit of the Trust's activity where restricted funds have not met the cost in full.

- i The Advancement Network Prototype (ANP) fund relates to a one year pilot project working in Southampton, Havant and Gosport to provide careers advice and confidence building to adults through a range of activities. It is funded by the Learning and Skills Council.
- ii BAT Legacy Fund (administered by Hampshire and Isle of Wight Community Foundation) supported the Millbrook Employment Access and a project to work with families experiencing long-term 'worklessness' in the Outer Shirley area of Southampton. Funding for this work came to an end in September 2009 but the Millbrook Employment Access continues to be funded from other unrestricted income streams.
- iii Havant Borough Council provided a grant in the year to enable the Trust to provide money advice and debt counselling workshops in the Leigh Park area of Havant. This work will continue in 2010/11.
- iv Grant funding from the Department for Work and Pensions (DWP), administered by Hampshire County Council, was provided in the year to support the provision of 6 month work placements and support activities for unemployed people aged 18-24. 'Phase 1' of this grant funding commenced in October 2009 and will continue into Phase 2 in the 2010/11 financial year.
- v Southampton City Council provided funding in the year to support the recruitment of volunteers to work on the Future Jobs Fund project. Partly due to the delayed start of the Future Jobs Fund project, this activity will commence in the 2010/11 financial year.
- vi The Youth Sector Development Fund is a major initiative funded by the Department of Children, Schools and Families (DCSF). A grant of over £2 million will be provided for just under 3 years to W heatsheaf Trust working in partnership with two local agencies, Motiv8 and Hampshire & Isle of Wight Youth Options. The scheme will work with local residents, police, Councillors, and youth services to identify the most challenging young people in targeted parts of South Hampshire and use a range of creative and challenging activities to divert them from risky and antisocial behaviour into training and employment. An innovative part of the scheme will be the participation of parents and families to help raise aspirations of family groups that may have experienced 'worklessness' or low aspirations for some generations. DCSF grant funding for this scheme will end in March 2011.
- vii The Business School Links fund was funded by a grant from Southampton City Council. Activities under this project are carried out via a sub contract with Solent Skill Quest Ltd.

- viii The Youth Capital Fund (administered by Southampton City Youth Service) funded the refurbishment of an IT suite as part of the workshop facilities at Wheatsheaf Trust's main Southampton premises.
- ix The UK Online fund relates to grant funding from the Learning and Skills Council for the development of IT facilities at the Trust's Southampton and Millbrook 'drop-in' centres. Newly acquired IT facilities include a server, computers, software and back up facilities. This fund also includes donated software from Microsoft Corporation with a value of £27,874.
- x The Capital Grant-Funded Assets Fund is used to fund leasehold improvements and plant & machinery acquisitions and associated depreciation . Funding was received in previous years from University for Industry, SEEDA Devolved Funding and Office of the Deputy Prime Minister. Some of the Youth Sector Development Fund grant was used for the acquisition of fixed assets in the year which is shown above as a transfer between restricted funds.

The Trustees approved the creation of a designated 'Infrastructure Fund' in 2010 to enable the Trust to (a) develop and implement an organisation-wide information security policy, including a review of IT support processes, and to meet the requirements of funders as regards information security and IT infrastructure, (b) upgrade and develop existing IT and telecommunications to best support an expanded staffing and geographical base for the Trust, and to meet future challenges, and (c) to research the benefits of up to date technological solutions or the Trust's activities, eg in management information systems, data storage and communications technologies. A Project Group, comprising Trustees and staff, will take this strategy forward in the course of 2010.

20 Analysis of Funds (Group)

	Current Assets £	Current Liabilities £	Long Term Liabilities £	Tangible Fixed Assets £	Total Net Assets £
Restricted Funds	92,062	(7,696)	-	37,205	121,571
Unrestricted Funds	586,965	(70,811)	-	6,745	522,899
Designated Funds	75,000	-	-	-	75,000
	<u>754,027</u>	<u>(78,507)</u>	<u>-</u>	<u>43,950</u>	<u>719,470</u>

21 Commitments

Annual commitments under non-cancellable operating leases are as follows:

	2010		2009	
	Land & Buildings £	Other £	Land & Buildings £	Other £
Leases which expire:				
Within one year	-	-	-	-
In the second to fifth years	5,000	-	35,475	-
After more than five years	50,089	-	42,235	-
	<u>55,089</u>	<u>-</u>	<u>77,710</u>	<u>-</u>

One operating lease commitment in respect of land and buildings (more than 5 years) was entered into after the year end totalling £37,676 in the first year, £37,920 for the second year, and £42,251 thereafter.

22 Rental Income

Aggregate rental income from operating leases is as follows:

	2010	2009
Sub let of office premises	40,300	42,939
	<u>40,300</u>	<u>42,939</u>

'Letting income' as stated in note 5 also includes amounts recharged to sub-tenants in respect of repairs, maintenance and facilities management of the premises by the Trust.

23 Insurance

The charity carries insurance cover for contents, personal accident and public and employer's liability. The cost of this for the year was £11,159 (2009: £13,373). The Trust carries insurance for Trustee Indemnity.

24 Related Party Transactions

R A Woolley and PB Church were directors of Solent Skill Quest Ltd. The charity had a number of transactions with Solent Skill Quest in the year, which are summarized as follows:

£20,000 was paid by the charity to Solent Skill Quest Ltd in respect of project funding (2009: £20,225)

G Rubins was an employee at PricewaterhouseCoopers LLP (PwC). The charity had a number of transactions with PwC during the year:

£1,167 was received in respect of building maintenance work carried out by Wheatsheaf Services Ltd at the Trust's main Southampton premises, for which PwC acts as the landlord (2009: £250).

£101,535 was paid to PwC in the year for rent and service charges in respect of the Trust's main Southampton premises (2009: £71,693).

A Smith was a Director of Groundwork Solent and Portsmouth Housing Association. The charity had a number of transactions with Groundwork Solent, which are summarised as follows:

£10,797 was received from Groundwork Solent in respect of rental of office space and associated recharges at the Trust's main Southampton premises (2009: £11,554). An amount of £960 was receivable at the year end.