



Trustees' Report and financial statements
for the year ended 31 March 2014

Company Limited by Guarantee
Registered Number 3958960
Registered Charity Number 1082889

Wheatsheaf Trust

Trustees' Report and financial statements

<i>Contents</i>	<i>Page</i>
Trustees' Report	1
Statement of Trustees' Responsibilities	9
Auditor's Report	10
Statement of Financial Activities	12
Balance Sheet	13
Notes to the Financial Statements	14

Secretary and Registered Office

J Lennard
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SO14 3AY

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

Auditors

Morris Crocker Chartered Accountants
Station House
North Street
Havant
PO9 1QU

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 2014.

Constitution and Objects

Wheatsheaf Trust is a charitable company limited by guarantee. Its objects and powers and other constitutional matters are set out in the 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 interventions to promote social inclusion, economic development, and lifelong learning for communities in South Hampshire.

The Trustees have complied with their duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission, both with regard to the charity's activities and how they are reported within the Annual Report.

Trustees

The Trustees who served during the year were:

P B Church	G M Rubins (Vice Chair)
L Samuels	S M Siddall (Chair)
A Esser	P Chapman
S Lent	S Waring (resigned 17 May 2014)
M Pryor	A Thomson
C Longhurst (appointed 24 July 2013)	H S Dovey (appointed 8 October 2013)
Y Hussain (resigned 15 May 2013)	

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 five and eight times a year.

In addition, the Board delegates more detailed discussion and decision-making to three Committees encompassing Finance, Human Resources and Information Security / Infrastructure. These groups are scheduled to meet at least three times per year, and membership consists of a chair from the Board of Trustees plus one other Trustee, 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 May 2014, the composition of the Board (including observers) was:

Male	42%	Female	58%
White British	92%	Ethnic minorities	8%

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 policies and procedures, and financial policies and controls. Thereafter, day to day running of the organisation is delegated to the staff through the Chief Executive and the performance is monitored against specific agreed targets.

Subsidiary

The charity is connected to two subsidiary organisations: Wheatsheaf Services Ltd, a company limited by guarantee, and Green Insight Ltd, a company limited by shares.

Wheatsheaf Services Ltd is wholly controlled by the Trust, which is the sole member of the Company. The results of Wheatsheaf Services Ltd for the year were below the thresholds required for a statutory audit (and were immaterial to the group) so a separate audit of the subsidiary was not carried out.

Wheatsheaf Trust acquired a 100% share in Green Insight Ltd on 1 April 2013 (previously a joint venture arrangement with Groundwork Solent Ltd). The company is used to support the charitable objectives of the Trust in and around construction, light landscaping and horticulture activities.

Details of related party transactions are shown in Note 25 of the accounts.

Political and Economic Context

The UK economy has at long last begun to show some signs of recovery. Output rose towards the end of the 2013-14 year, and unemployment fell gradually. These are welcome trends. However, behind the headlines lie a number of less hopeful statistics. The benefits of growth have accrued very largely to those at the top end of the income scale, and inequalities in a number of key measures are growing. According to one recent report, median weekly wages are only about the same in real terms as they were in 1979, and people at the lower end of the scale, where most of Wheatsheaf Trust's clients sit, have seen a steady decline in living standards. Poverty is no longer confined to the unemployed: one in every six adults in paid work is now defined as "poor". The growth in jobs distracts attention from the nature of the 2014 labour market: a large number of the jobs created in the last year are insecure, part-time or 'zero-hours'. The dramatic growth in self-employment, whilst welcome for the more entrepreneurial, needs more support and investment to ensure sustainable outcomes.

On the policy front, implementation of the Universal Credit initiative has seen a number of changes to the proposals which have resulted in the scheme being labelled a 'new project' by the Government's own Major Projects Agency. The under occupancy charge imposed on housing benefit claimants has resulted in a number of well-publicised hardship cases, and this, together with the increase in the use of sanctions, has often put new obstacles in the way of people trying to progress into work.

The system for reviewing people with disabilities and long-term health issues (the Work Capability Assessment) has also been fraught with issues. Delays, a high proportion of successful appeals, and a lack of understanding of the non alignment with health provision has caused an element of distress to some clients.

The Work Programme is now almost three years old. Nationally, performance against Government targets has increased for most customer groups, but in spite of the additional financial incentives and an improvement in the labour market, those clients traditionally harder to help, such as Employment Support Allowance claimants, are still falling behind in the statistics. This group will be

the main priority for providers such as Wheatsheaf in the future. The proliferation of contracts based on payment by results has continued, with contractual terms generally becoming tougher: the current Prime Contractor in our area refused to bid for the new National Careers Service contract, and the names of the eventual bidders were only announced very late in the process, making it very difficult for subcontractors such as the Trust to prepare their case. As a small sub contractor there are still some concerns about the Prime contractor model and we would like a better and transparent commissioning and procurement process.

Review of Activities

The Trust delivers its- formal objective, "the relief of unemployment", in three ways:

- Short term help to move individuals into work.
- Longer term help for individuals further from the labour market to improve their employability, skill levels, or earning power.
- Contextual work in the wider economy to improve the prospects for employment generally.

The 2013-14 year was largely devoted to consolidating our structure and service delivery after one or two years of disruption as we moved irrevocably into the field of payment by results involving both competition and partnership with commercial providers. This presented a number of challenges, not least that of maintaining our distinctive client-centred culture in the face of harsh commercial pressures. We developed a number of responses.

- Building on our use of the 'Human Givens' approach to individual counselling and life coaching, we have started to incorporate the principles into our adviser team's work to emphasise the clients' own resources and abilities to take charge of their own lives. This is about much more than simply moving people into work, but has nevertheless proved very effective in helping people not just to find jobs, but to stay in them.
- Concerned about the number of people being denied access to basic financial services and exploited by the short-term credit industry, we came to an agreement with Hampshire Credit Union to use some of our own cash reserves as collateral for clients with a poor and unproven credit record.
- Our trading venture, Green Insight Limited, became a wholly-owned subsidiary at the beginning of the year when we bought out our partner charity, Groundwork Solent. The company continues to run at a modest profit, and provides employment for a small number of clients. Towards the end of the year we began to develop plans for using the company as a vehicle to support self-employed clients.
- We were closely involved in developing new intermediate labour market proposals as part of the new City Deal agreed between Southampton, Portsmouth, and the Government. Implementation is currently planned for late 2014.

On the policy front, the Trust has been involved in two important pieces of work, as the joint author of a report recommending improvements to the Work Programme, published by the Association of Chief Executives and Shaw Trust/CDG; and a research project being prepared by the Centre for Economic and Social Inclusion on improving support for the ESA client group.

Performance against Objectives

The strategic plan set objectives for 2013-14 year as follows: -

Support for Individuals

We aimed to register 1000 new clients during the year and support 120 young people. We also set ourselves a target of 500 job entries for our clients across all of our activities and aim to provide employability training to 1000 participants during the year.

At the end of the year,

- we had enrolled 1303 new adults and 212 young people, and
- achieved 778 job entries
- We ran 137 training courses for 1470 participants

Client Statistics

The Trust has two main areas of service – young people (mainly 16-19 year olds) and adults (19+). In 2013-14 the work for these groups happened in Southampton, Gosport, Havant and Eastleigh, with outreach in Fareham. Our services were focused in two Employment Access Centres in Southampton, one in Gosport, one in Havant plus a permanent presence in a community centre in the Leigh Park area of Havant and a satellite office in Warren Park.

Summary

Output	2013-14 target	2013-14 achieved
Clients engaged on programme of support	1000 new clients	1303
Young People (16 – 18 yrs) engaged on programme of support	120 new clients	212
Provide Information, advice and guidance	1800 interviews	2068
Assist clients to find work	500 job entries	778
Clients to participate in employability training	1000 participants	1470

Note: Clients engaged on programme of support does not include Young People engaged on programme of support

Breakdown of new clients by area

Southampton: 373

Havant: 309

Gosport and Fareham: 327

Eastleigh: 294

Sample demographics

The following statistics are derived from one adult programme which provides a 'universal service' across all the Trust's geographical areas, and are indicative of the client base with which we work.

Age group	Percentage
18-25	33.4%
26-35	17.4%
36-45	16.6%
46-55	20.1%
56+	12.5%

Ethnicity	%
Asian or Asian British - Any other Asian background	0.4%
Asian or Asian British - Bangladeshi	0.5%
Asian or Asian British - Indian	0.8%
Asian or Asian British - Pakistani	0.2%
Black or Black British - African	1.2%
Black or Black British - any other Black background	0.6%
Black or Black British - Caribbean	0.5%
Chinese	0.1%
Mixed - any other Mixed background	0.6%
Mixed - White and Asian	0.2%
Mixed - White and Black African	0.3%
Mixed - White and Black Caribbean	0.2%
Not known/ Not provided	2.0%
Prefer not to say	0.4%
White - Any other White background	3.3%
White - British	88.4%
White - Irish	0.6%

Disability

Clients with a stated health issue / disability made up 24% of the client base.

Financial Results

The Trust continues to operate in a difficult funding environment with a reliance on 'payment by results' contracts. At the out-turn, a consolidated surplus of £65,357 is reported. This breaks down into an unrestricted surplus (after fund transfers) of £82,728 and a restricted deficit of £17,371. Some 32% 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. £35k of the movement on unrestricted funds relates to depreciation and equipment-related expenditure on infrastructure.

The Trust continues to rely heavily on funding from public sources in the form of grants, performance-related contracts and service level agreements (approximately 96% of total income).

Grant income includes £60,000 from John Paul Getty Jnr Charitable Trust to work with 16-19 year olds, supporting progression into employment, education or training; £107,987 from Big Lottery Fund to work with 'workless' families across Hampshire; £9,400 from Eastleigh Borough Council to provide employment support in the local borough; and £8,466 from Southampton City Council to

provide apprenticeship pathways to 16-18 year olds 'Not in Education, Employment or Training' (NEET).

'Payment by Results' contracts account for 83% of total funding (2013: 79%), and were connected with both adult information, advice and guidance and youth services. Overall funding in this area increased by around 32% on the previous year and includes DWP Work Programme (£947,127), JobCentre Plus Support Contract (£238,212), 'Progress!' (£227,858) and Youth Contract (£52,300), funded by Department for Work & Pensions through Skills Training UK Ltd, and 'Phase 2' (£152,609), funded by the Skills Funding Agency through the Barnardos charity. 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 some longer-term projects to over-achieve against targets within a particular financial year, a factor that has partly contributed to the Trust's surpluses in previous years. In view of the preponderance of payment-by-results, it is more important than ever to maintain sufficient cash reserves against delays in payment and the risks of underperformance.

Costs associated with governance of the charity were 1.9% of the total resources expended (2013: 2.3%). This reflects a slight decrease in senior management time spent on strategic and policy work. Conversely, the costs associated with applications for, and negotiations around, voluntary and performance-related contract income were around 1.7% of total expenditure (2013: 1.4%).

Coming out of the 2013/14 financial year, the Trustees are mindful that substantial long-term 'payment by results' contracts will continue to take time to convert client referrals into sustained job outcomes, and some further time to convert outcomes into positive cash flows. The accumulation of historical reserves should continually be viewed in this context, and the Trustees will pay close attention to the future designation of funds.

The Trust's longer term strategy continues to focus on finding ways to increase the proportion of income from more diverse sources such as fee-earning activities, social enterprise and corporate sponsorship.

A modest level of activity was conducted through the wholly owned subsidiary, Green Insight Ltd, building on the development work in the previous year around this new social enterprise vehicle in partnership with Groundwork Solent Ltd. Our stated target for the year was to generate a turnover of £40k and achieve a break even position in this company. We finished the year with a surplus of £2k on much reduced activity and a turnover of £12k. How we use the subsidiary as an effective social enterprise to grow jobs for our clients and achieve a return for the parent will be the subject of some detailed review and planning in the next financial year. We also planned to develop a pilot scheme in conjunction with Hampshire Credit Union for up to 20 clients to gain access to cheap borrowing. This scheme took a little longer to get off the ground than we anticipated, but by the year end was successfully up and running with one participant drawing down a loan. Our aim is to build this up to target levels over the 2014/15 year. The Trust's wholly owned subsidiary, Wheatsheaf Services Ltd remained dormant in 2013/14.

The Consolidated Statement of Financial Activities on page 12 shows the Group results for the year and related notes disclose more detail on subsidiary company results.

The Trust would like to acknowledge with gratitude the financial support of the following organisations in 2013/14: A4e Limited, Artswork Ltd, Babcock Enterprise, Barnardos, Big Lottery Fund, Eastleigh Borough Council, Gosport Borough Council, Hampshire County Council, Havant Borough Council, JP Getty Jnr Charitable Trust, Skills Training UK Ltd, Southampton City Council.

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 continue to 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.
- 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).

The Trustees are always mindful of the fact that the Trust operates in a changing environment which is highly sensitive to shifts in government policy and priorities around employment and welfare benefits. With this in mind they will review annually the need to designate funds to cover short term reductions in funding, necessary changes to operational activities or organisational infrastructure and the transition to new funding arrangements which have an impact on short term cash flow.

Investments

The Trustees have delegated the detailed review of investment strategy to the Finance Committee, which meets on a quarterly basis. The short term strategy of the Committee has been to continue to invest surplus cash in a combination of short notice deposit accounts (maximum 7 days) and 12 month accounts offering fixed interest rates, payable on maturity. The Trustees will also seek to mitigate risk by both spreading deposits across multiple banking institutions in order to take advantage of the Financial Services Compensation Scheme (FSCS), and by staggering 12 months deposit account openings to take place at three monthly intervals.

The Trustees drew up a formal policy statement in 2012 to consider the Trust's short term (reduction of counterparty risk not covered by the FSCS) and longer term strategy, including a statement on attitude to risk and the consideration of alternative investment vehicles, e.g. equities, bonds, property or social enterprise companies. This formal investment policy is kept under continual review.

Risk Management

The Trustees review and update the Charity's risk register on an annual basis and discuss issues around risk at Finance Committee meetings 4-5 times per year. The Trustees last reviewed risk in May 2014 and will be working in 2014 with the management team to develop a practical set of risk assessment tools which can be embedded within the Trust's business processes.

Normal good practice has been observed in taking out relevant insurance cover on office risks, and the Trust also carries professional and trustee indemnity insurance.

Future Developments

We are now into the second year of our 2013-16 Strategic Plan and are prioritising the following for the year ahead:

- We are working hard to further develop our expertise in supporting marginalized client groups in an improving labour market, to ensure they are not left behind by the recovery
- We will continue to develop the quality of our work through staff training and learning from best practice elsewhere
- If an appropriate opportunity arises, we will expand our presence into at least one new local authority area
- We continue to look for more diversified sources of income compatible with our core principles, and are closely examining the opportunities presented by the Social Investment market place including Social Impact Bond arrangements
- In concert with our subsidiary organization Green Insight Ltd we will pilot the delivery of Supported Employment/Intermediate labour market opportunities for our clients in Green Insight's social businesses
- The move of our current Southampton headquarters to alternative premises will remain a focus for the Senior management team in 2014-15 as we plan for the future

Auditors

In accordance with Section 485 of the Companies Act 2006, a resolution for the appointment of auditors of the company is to be proposed at the forthcoming Annual General Meeting.

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

16 July 2014

Statement of Trustees' Responsibilities

The law applicable to incorporated charities in England and Wales required the Trustees, who are also directors of the Company, to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of its financial activities during the year. In preparing those financial statements, the Trustees are required to:

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

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In determining how amounts are presented within items in the profit and loss account and balance sheet, the trustees must have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice.

Independent Auditor's Report to the Members of Wheatsheaf Trust

We have audited the financial statements of Wheatsheaf Trust for the year ended 31st March 2014 which are set out on pages 12 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 9, the trustees (who are also the 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of affairs of the group's and parent charitable company's affairs as at 31st March 2014 and of the group's incoming resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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.

Richard Perry, Senior Partner

For and on behalf of Morris Crocker Chartered Accountants, Statutory Auditor

Station House
North Street
Havant
Hampshire PO9 1QU

29 July 2014

Wheatsheaf Trust Group

Consolidated Statement of Financial Activities (incorporating the Income and Expenditure Account and Statement of Total Recognised Gains and Losses) for the year ended 31 March 2014

	Note	Unrestricted Funds 2014 £	Restricted Funds 2014 £	Total Funds 2014 £	Total Funds 2013 £
Incoming Resources					
<i>Incoming Resources from Generated Funds</i>					
Voluntary Income	3	57,442	-	57,442	75,577
Investment income	4	8,216	-	8,216	13,458
Trading Income	5	12,911	-	12,911	-
<i>Incoming Resources from Charitable Activities</i>					
Information, Advice & Guidance	6	1,529,601	114,811	1,644,412	1,205,019
Youth Services	6	204,909	67,103	272,013	303,258
Other Charitable Activities	6	57,097	-	57,097	89,395
<i>less share of incoming resources of Joint Venture</i>	9	-	-	-	(25,119)
Total Incoming Resources		<u>1,870,176</u>	<u>181,915</u>	<u>2,052,091</u>	<u>1,661,588</u>
Resources Expended					
<i>Costs of generating funds</i>					
Fundraising Costs	10	33,995	-	33,995	24,389
Trading Costs	10	12,411	-	12,411	-
<i>Charitable Activities</i>					
Information, Advice & Guidance	10	1,237,897	127,439	1,365,336	1,217,106
Youth Services	10	267,357	83,829	351,186	256,050
Other Charitable Activities	10	179,098	6,838	185,936	190,448
Governance	10	37,870	-	37,870	39,187
Total Resources Expended		<u>1,768,628</u>	<u>218,106</u>	<u>1,986,734</u>	<u>1,727,180</u>
Net (Outgoing) / Incoming Resources before transfers		101,549	(36,191)	65,357	(65,592)
Net (Expenditure) / Income for the year		101,549	(36,191)	65,357	(65,592)
Net interest in results of Joint Venture		-	-	-	(11,854)
Transfers					
Gross transfers between funds	19	<u>(18,820)</u>	<u>18,820</u>		-
Net Movement in Funds for the Year	19	82,728	(17,371)	65,357	(77,446)
Total Funds brought forward at 1 April		866,528	45,851	912,379	989,825
Total Funds carried forward at 31 March		<u>949,256</u>	<u>28,480</u>	<u>977,736</u>	<u>912,379</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 2014

	Note	Charity		Group	
		2014 £	2013 £	2014 £	2013 £
Fixed Assets					
Tangible fixed assets	14	64,894	86,299	64,430	86,299
Programme Related Investments	15	25,000	-	25,000	-
Investment in Subsidiary Undertaking	15	3,308	11,537	-	-
Share of gross assets	9	-	-	-	4,504
Share of gross liabilities	9	-	-	-	(3,939)
		<u>93,202</u>	<u>97,836</u>	<u>89,430</u>	<u>86,864</u>
Current Assets					
Stock	16	3,144	2,817	3,144	2,817
Debtors	17	356,853	342,065	358,062	343,686
Cash at bank and in hand		<u>653,879</u>	<u>644,919</u>	<u>658,634</u>	<u>645,489</u>
		<u>1,013,876</u>	<u>989,801</u>	<u>1,019,840</u>	<u>991,992</u>
Creditors: Amounts falling due within one year	18	<u>(128,794)</u>	<u>(166,477)</u>	<u>(131,534)</u>	<u>(166,477)</u>
Net Current Assets		885,082	823,324	888,306	825,515
Total Assets less Current Liabilities		978,284	921,160	977,736	912,379
Net Assets		<u>978,284</u>	<u>921,160</u>	<u>977,736</u>	<u>912,379</u>
Reserves					
Unrestricted Funds	19,20				
General Funds		405,361	323,882	404,812	326,074
Share of Equity in Joint Venture company		-	-	-	881
Share of Loss in Joint Venture company		-	-	-	(11,854)
		<u>405,361</u>	<u>323,882</u>	<u>404,812</u>	<u>315,101</u>
Unrestricted Designated Funds	19,20	544,444	551,427	544,444	551,427
Restricted Funds	19,20	<u>28,479</u>	<u>45,851</u>	<u>28,480</u>	<u>45,851</u>
		<u>978,284</u>	<u>921,160</u>	<u>977,736</u>	<u>912,379</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 16 July 2014 and were signed on its behalf by

S M Siddall, Chair

Wheatsheaf Trust, Registered in England No. 3958960

Wheatsheaf Trust Group 2014

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 the charity and its wholly-owned subsidiary, Wheatsheaf Service 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 which 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.

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.

The charity operates a defined contribution group personal pension scheme which is available to all employees. The cost recognised in the accounts is equal to the contributions payable to the scheme in the accounting period. These pension costs are allocated across the relevant resources expended categories of the Statement of Financial Activities.

Costs are allocated to the Governance category where they are identified as relating to Trustee activities or are of a strategic nature, eg statutory audit, insurance and legal expenses. Note 10 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

Wheatshaf 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 Trust has two wholly owned subsidiaries (Wheatshaf Services Ltd - currently dormant; and Green Insight Ltd) which act as trading subsidiaries, engaging in mainly charitable trading activities in support of the Trust's charitable objects. All or a substantial portion of the subsidiaries' profits have historically been covenanted to the Charity with no liability to UK Corporation tax (see also Note 9).

3 Voluntary Income

	Unrestricted Funds 2014 £	Restricted Funds 2014 £	Total Funds 2014 £	Total Funds 2013 £
<i>Grants</i>				
Southampton City Council	53,749	-	53,749	74,548
	53,749	-	53,749	74,548
<i>Donations and similar incoming resources</i>				
Southampton City Council (In Kind)	1,361	-	1,361	977
Green Insight Ltd	2,178	-	2,178	-
Miscellaneous	154	-	154	52
	3,693	-	3,693	1,029
	57,442	-	57,442	75,577

4 Investment Income

	Unrestricted Funds 2014 £	Restricted Funds 2014 £	Total Funds 2014 £	Total Funds 2013 £
Interest on Bank Deposit Accounts	8,216	-	8,216	13,453
Interest on Rental Deposits	-	-	-	5
	8,216	-	8,216	13,458

5 Trading Income (Green Insight Ltd)

	Unrestricted Funds 2014 £	Restricted Funds 2014 £	Total Funds 2014 £	Total Funds 2013 £
Landscaping & Horticulture	4,109	-	4,109	-
Grounds Maintenance	8,130	-	8,130	-
Fencing	70	-	70	-
Internal Maintenance	602	-	602	-
	12,911	-	12,911	-

6 Incoming Resources from Charitable Activities

	Unrestricted Funds 2014 £	Restricted Funds 2014 £	Total Funds 2014 £	Total Funds 2013 £
<i>Information, Advice & Guidance</i>				
Contracts	1,506,100	-	1,506,100	1,071,939
Service Level Agreements	23,501	4,400	27,901	23,500
Grants	-	110,411	110,411	109,580
	1,529,601	114,811	1,644,412	1,205,019
<i>Youth Services</i>				
Contracts	204,909	7,103	212,013	243,258
Grants	-	60,000	60,000	60,000
	204,909	67,103	272,013	303,258
<i>Other Charitable</i>				
Grants	-	-	-	-
Letting Income	51,379	-	51,379	60,394
Share of Incoming Resources in Joint Venture	-	-	-	25,119
Other	5,718	-	5,718	3,882
	57,097	-	57,097	89,395
less share of incoming resources in joint	-	-	-	(25,119)
	1,791,607	181,915	1,973,522	1,572,553

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).

7 Deferred Incoming Resources (Group)

	Unrestricted Funds 2014 £	Restricted Funds 2014 £	Total Funds 2014 £	Total Funds 2013 £
Balance at 1 April	9,442	-	9,442	10,112
Incoming resources deferred during the year	14,442	-	14,442	9,442
Amounts released from previous years	(9,442)	-	(9,442)	(10,112)
Balance at 31 March	14,442	-	14,442	9,442

Incoming resources were deferred in the year in respect of £9,442 sub-letting income charged in advance of the year end and £5,000 in respect of a 2014/15 service level agreement charged in advance.

8 Net outgoing resources attributable to parent charity

	Unrestricted Funds 2014 £	Restricted Funds 2014 £	Total Funds 2014 £	Total Funds 2013 £
Gross incoming resources	1,857,765	181,914	2,039,679	1,661,588
Expenditure on Charitable Activities	1,692,585	218,106	1,910,691	1,663,603
Fundraising Costs	33,995	-	33,995	24,389
Governance Costs	37,869	-	37,869	39,187
Net outgoing resources before transfers	93,316	(36,192)	57,124	(65,591)
Transfers between funds	(18,820)	18,820		
Net movement in funds	74,496	(17,372)	57,124	(65,591)
Total Funds Brought Forward	875,310	45,850	921,160	986,751
Total Funds Carried Forward	949,806	28,478	978,284	921,160
Represented by:				
Unrestricted	405,362		405,362	323,882
Designated	544,444		544,444	551,427
Restricted Funds		28,478	28,478	45,851
	949,806	28,478	978,284	921,160

9 Summary of results of wholly owned subsidiary

The company's main area of business is grounds maintenance, landscaping and light construction work.

The following is a summary of the results of the subsidiary company (previously reported as the charity's interest in the results of the joint venture company):

	Unrestricted Funds 2014 £	Restricted Funds 2014 £	Total Funds 2014 £	Share of Total Funds 2013 £
Turnover				
Landscaping & Horticulture	4,109	-	4,109	13,051
Grounds Maintenance	8,130	-	8,130	-
Fencing	70	-	70	9,024
Internal Maintenance	602	-	602	-
Insulation & Energy Improvements	-	-	-	3,045
	<u>12,911</u>	<u>-</u>	<u>12,911</u>	<u>25,120</u>
Cost of Sales	(9,429)	-	(9,429)	(17,169)
Gross Profit	<u>3,482</u>	<u>-</u>	<u>3,482</u>	<u>7,951</u>
Administrative Expenses	(3,482)	-	(3,482)	(19,804)
Loss on Ordinary Activities Before Taxation	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,853)</u>
Taxation on Profit on Ordinary Activities	-	-	-	-
Loss for the Financial Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,853)</u>
Retained Profits at 1 April	-	-	-	881
Retained Profits carried forward	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,972)</u>
			Total Funds 2014 £	Share of Total Funds 2013 £
Fixed Assets			99	100
Current Assets			6,437	4,404
Liabilities under one year			(5,406)	(2,439)
Total Assets less current liabilities			<u>1,130</u>	<u>2,065</u>
Liabilities over one year				(1,500)
Net Assets			<u>1,130</u>	<u>565</u>
Capital and Reserves				
Called Up Share Capital			-	11,537
Members Equity			1,130	881
Surplus / (Deficit) on Income and Expenditure			-	(11,853)
			<u>1,130</u>	<u>565</u>

Green Insight Ltd falls below the statutory audit threshold but its results are considered as part of the audit of Wheatsheaf Trust's consolidated accounts as the preparing company.

Wheatsheaf Services Ltd remains a wholly owned subsidiary of Wheatsheaf Trust but was a dormant company in the 2012/13 financial year. Some of the activities previously run through Wheatsheaf Services were transferred to Green Insight Ltd which became a wholly owned subsidiary of Wheatsheaf Trust on 1 April 2013. Wheatsheaf Services Ltd will remain as a dormant company for the foreseeable future and subject to the strategic intentions of the parent Green Insight Ltd agreed to covenant 100% of its profits to the parent charity at the year end with no liability to UK Corporation Tax.

The charity loaned an amount of £3000 to Green Insight Ltd in the previous year, repayable no later than 4 April 2014 at an interest rate of 5%. The amount outstanding on the loan at the year end was £2000.

10 Group Resources Expended

	Fundraising Costs	Trading Costs	Information, Advice & Guidance	Youth Services	Other Charitable	Governance Costs	Support Costs	Total	Total
	£	£	£	£	£	£	£	2014 £	2013 £
Staff Costs	25,360	4,515	918,912	196,977	31,747	21,914	145,454	1,344,879	1,198,341
Project Activities	1,611	4,914	119,070	74,023	12,543	129	-	212,290	130,373
Premises Costs	2,407	-	83,548	17,758	81,353	-	10,374	195,440	189,834
Depreciation	-	100	54	-	45,392	-	8,477	54,023	54,337
Audit & Accountancy Fees	-	-	-	-	2,147	7,848	-	9,995	8,953
Office Costs	3,452	2,882	84,091	32,076	10,237	7,979	29,390	170,107	145,342
	32,830	12,411	1,205,675	320,834	183,419	37,870	193,695	1,986,734	1,727,180
Support Costs Allocation	1,165	-	159,661	30,352	2,517	-	(193,695)	-	-
Total Resources Expended	33,995	12,411	1,365,336	351,186	185,936	37,870	-	1,986,734	1,727,180

11 Operating Charges (Parent Charity)

	2014 £	2013 £
Net income for the year is stated after charging:		
Auditor's remuneration (including VAT)		
Statutory Audit Services	7,848	7,623
Non Statutory Audit Services	-	-
Non audit services	-	-
Operating lease rentals - land & buildings	117,072	119,159
Depreciation - owned assets	54,023	54,337

12 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. Green Insight Ltd employed less than one full time equivalent staff member in the year. No staff were employed by Wheatsheaf Services Ltd during the year.

	2014 No.	2013 No.
Management	3	3
Administration	5	5
Operating activities	37	32

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

	2014 £	2013 £
Wages and Salaries	1,091,311	974,303
Employer's National Insurance Contributions	99,287	89,195
Employer's Pension Contributions (see below)	107,618	94,968
	<u>1,298,216</u>	<u>1,158,466</u>

One member of staff is paid a salary between £70,000 and £80,000 per annum (2013: One). Pension contributions made by the charity in respect of this member of staff were £15,327 (2013: £15,327). 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 £3,155 (2013: £5,621)

The charity operates a defined contribution group personal pension scheme which is available to all qualifying staff. The charity contributes a minimum of 5% of the employees salary into the scheme subject to a minimum 3% contribution from the employee. The cost of the scheme in the year was £107,618 (2013: £94,968).

13 Trustees Remuneration and Expenses

Reimbursed travel expenses of £701 were paid in the year to three Trustees (2013: £816, three Trustees). No Trustees received remuneration of any form (2013: none).

14 Tangible Fixed Assets

	Completed Leasehold improvements £	Plant and Machinery £	Total £
Cost			
At 1 April 2013	254,068	206,353	460,421
Additions	-	32,518	32,518
Transfers	-	-	-
Disposals	-	-	-
At 31 March 2014	<u>254,068</u>	<u>238,871</u>	<u>492,939</u>
Depreciation and diminution in value			
At 1 April 2013	212,586	161,336	373,922
Charge for the year	14,712	39,311	54,023
Disposals	-	-	-
At 31 March 2014	<u>227,298</u>	<u>200,647</u>	<u>427,945</u>
Net Book Value			
At 31 March 2014	<u>26,770</u>	<u>38,224</u>	<u>64,994</u>
At 31 March 2013	<u>41,482</u>	<u>44,817</u>	<u>86,299</u>

All fixed assets are owned by the parent charity with the exception of ground maintenance equipment owned by Green Insight Ltd (net book value £99).

15 Investment and Programme Related Investment Assets

	Investment in Subsidiary Undertaking Charity £	Investment in Subsidiary Undertaking Group £	Investment in Credit Union Charity £	Investment in Credit Union Group £
Carrying Value at 1 April 2013	11,537	565	-	-
Add: Additions to investments at cost	2	-	25,000	25,000
Less: Disposals at carrying value	-	-	-	-
Adjustments (see below)	(8,231)	(1,130)	-	-
Net gain / (loss) on revaluation	-	-	-	-
At 31 March 2014	<u>3,308</u>	<u>(565)</u>	<u>25,000</u>	<u>25,000</u>
At 31 March 2013	<u>11,537</u>	<u>565</u>	<u>-</u>	<u>-</u>

Investment in Credit Union represents an investment in a loan scheme for Wheatsheaf Trust clients, administered through Hampshire Credit Union. This commenced just prior to the year end.

The carrying value of the parent charity's investment in its wholly owned subsidiary, Green Insight Ltd, was adjusted at the year end to reflect the net asset position of the subsidiary (see Note 9). The investment in the subsidiary is eliminated on consolidation so is not reported on the group balance sheet. 'Negative goodwill' arose on acquisition of the remaining shares in the subsidiary company - this shows as an adjustment in the group accounts and is included in the tangible fixed assets figure on the balance sheet.

16 Stock

	Charity 2014 £	Group 2014 £	Charity 2013 £	Group 2013 £
Raw materials and consumables	<u>3,144</u>	<u>3,144</u>	<u>2,817</u>	<u>2,817</u>

17 Debtors

	Charity 2014 £	Group 2014 £	Charity 2013 £	Group 2013 £
Trade debtors (fees)	1,623	1,623	10,833	10,833
Other debtors (grants, donations and other)	20,057	20,909	3,510	3,510
Amounts owed by group undertakings	9	-	(1,621)	-
Prepayments and accrued income	335,164	335,530	329,343	329,343
	356,853	358,062	342,065	343,686

All debtors are recoverable in less than one year.

18 Creditors: Amounts Falling Due within One Year

	Charity 2014 £	Group 2014 £	Charity 2013 £	Group 2013 £
Trade creditors	30,549	30,549	93,553	93,553
Other creditors	12,849	13,418	8,818	8,818
Social Security and other taxes	41,475	41,475	25,609	25,609
Accruals	29,479	31,650	29,055	29,055
Deferred Income (see note 7)	14,442	14,442	9,442	9,442
	128,794	131,534	166,477	166,477

19 Consolidated Funds

	Balance at 1 April 2013 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2014 £
Restricted Funds					
i HBC Leigh Park	1,580	-	526	-	1,054
ii Migrant Impact Fund	2,807	-	-	-	2,807
iii JP Getty	9,994	60,000	54,752	-	15,242
iv BLF Reaching Communities	-	107,987	106,771	-	1,216
v SCC Pre Apprenticeships	17,153	7,103	29,078	4,822	-
vi Gosport Wellbeing	-	2,424	2,330	-	94
vii Transition Fund	2,178	-	2,238	60	-
viii Eastleigh Work Club	-	4,400	18,338	13,938	-
ix Youth Capital Fund	1,742	-	595	-	1,147
x UK Online	1,534	-	-	(1,534)	-
xi Capital Grant Funded Assets	8,863	-	3,478	1,534	6,919
	45,851	181,914	218,106	18,820	28,480
Unrestricted Funds					
General Reserve	315,101	1,870,176	1,733,576	(46,889)	404,812
xii Designated Infrastructure Fund	57,640	-	35,052	28,069	50,657
xiii Designated Transition Contingency	493,787	-	-	-	493,787
	866,528	1,870,176	1,768,628	(18,820)	949,256

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 Havant Borough Council provided funding in 2011 in the form of £3k for capital items and a £12k discretionary Bursary Fund available for clients living in Leigh Park or Wecock Farm engaging with W heatsheaf Trust employability programmes to aid progression into employment or sustainment of employment. The money was used for training or other resources to help local residents back to work.
- ii Portsmouth City Council provided funding in the 2010/11 year to enable migrant workers from other EU countries to access vocational training. This activity is ongoing.
- iii A grant from the John Paul Getty Jnr Charitable Trust (totalling £180k across 3 years) was used to enable 16-19 year olds to access activities that support progression into employment, education or training. This funding will cease in 2014/15.
- iv BLF Reaching Communities awarded a 3 year grant (totalling £300k) which commenced in the year to support workless families across South Hampshire into employment
- v Southampton City Council provided funding in the year for a programme to create opportunities for young people (aged 16-18) who are 'Not in Employment, Education or Training (NEET)' with local businesses (SMEs), providing a pathway to a full apprenticeship. In addition, the funding will provide 'scholarships' to subsidise the cost of an apprenticeship training wage for a period of up to 26 weeks. By supporting both the trainee and the employer the programme will help to progress young people onto full apprenticeships with local businesses.
- vi Gosport Borough Council Health and Wellbeing Group provided funding which commenced in March 2014 for a project focusing on promoting healthy eating and active lifestyles in the Town and Rowner wards of Gosport. The project will recruit Gosport residents as 'Community Champions' to engage and lead activities in the community.
- vii The Cabinet Office provided a one year grant (administered through the Big Lottery Fund) to support the charity through a period of transition towards new activities and forms of funding. This money allowed the Trust to re-structure its staffing in some areas, invest in infrastructure and develop new social enterprise activities.
- viii This project is supported by First Wessex and Eastleigh Borough Council to deliver Work Clubs and added support in the Meadows Centre in central Eastleigh. Our support includes Information, advice and guidance on employment, education or training options as well as bespoke programmes including CV Workshops.
- ix The Youth Capital Fund (administered by Southampton City Youth Service) funded the refurbishment of an IT suite as part of the workshop facilities at W heatsheaf Trust's main Southampton premises.
- x The UK Online fund relates to grant funding from the University for Industry for the development of IT facilities at the Trust's Southampton, Havant and Millbrook 'drop-in' centres. Newly acquired IT facilities include a server, computers and printers. An adjustment in the year relates to depreciation allocated against 'capital grant funded assets' in previous years - the net book value of UK ONline funded assets was nil at the year end.
- xi 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, Office of the Deputy Prime Minister and Department for Education.

Designated Funds

- xii 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. Transfers to the fund in the year reflect the cost of new asset purchases made in the year to support the Trust's programmes.

- xiii The Trustees agreed to designate an amount of money in 2010/11 in respect of the transition to new long term funding contracts from 2011/12 onwards and the transfer to new lease arrangements on its main Southampton premises from 2015. Specifically this fund encompasses two elements: (a) contingencies to cover the cashflow risk and working capital requirements of new long term contracts; (b) the estimated costs of transferring to new lease arrangements from 2015/16, including building repairs and substantial alterations. The Trustees have agreed to maintain this fund at the 2010/11 levels pending a full review as part of future planning to be undertaken by the Trust's new Chief Executive.

20 Analysis of Funds (Group)

	Current Assets £	Current Liabilities £	Long Term Liabilities £	Tangible Fixed Assets £	Total Net Assets £
Restricted Funds	29,104	(9,744)	-	9,120	28,480
Unrestricted Funds	460,217	(85,058)	-	29,653	404,812
Designated Funds	530,519	(36,732)	-	50,657	544,444
	<u>1,019,840</u>	<u>(131,534)</u>	<u>-</u>	<u>89,430</u>	<u>977,736</u>

21 Commitments

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

	2014		2013	
	Land & Buildings £	Other £	Land & Buildings £	Other £
Leases which expire:				
Within one year		-	-	-
In the second to fifth years	111,517	-	111,517	-
After more than five years	3,000	-	3,000	-
	<u>114,517</u>	<u>-</u>	<u>114,517</u>	<u>-</u>

22 Rental Income

Aggregate rental income from operating leases is as follows:

	2014	2013
Sub let of office premises	49,844	51,240
	<u>49,844</u>	<u>51,240</u>

'Letting income' as stated in note 6 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, trustee indemnity and public and employer's liability. The cost of this for the year was £7,477 (2013: £12,420). In addition the charity holds professional indemnity insurance at an annual cost of £7,420 (2013: £7,420).

24 Contingent Liability

The charity's leases on its main Southampton premises are due to expire in September 2015 with a dilapidations clause. The exact amount of any final agreed dilapidations is not possible to determine with a high degree of certainty at this stage, and the final liability (if any) in respect of dilapidations will be subject to further negotiations with the charity's landlords.

The Trustees have taken the decision to disclose a contingent liability in respect of lease dilapidations and this should be considered alongside existing fund designations in the accounts (see note 19 xiii).

25 Related Party Transactions

S Cheshire, the spouse of the charity's Chief Executive, was an employee of the charity in the year, and received earnings of between £20,000 - £30,000 including contributions to a group personal pension scheme (2013: £20,000 - £30,000).

C Longhurst, a director of the charitable company, was Chief Executive of Portsmouth Education Business Partnership. The charity had a number of transactions with this organisation in the year in relation to youth programmes, and paid Portsmouth Education Business Partnership a total of £31,845.