



Trustees' Report and financial statements
for the year ended 31 March 2016

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

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

Auditors

Morris Crocker Chartered Accountants
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Solicitors

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Bankers

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TRUSTEES' REPORT

The Trustees present their annual report and the audited financial statements for the year ended 31 March 2016.

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 and the Isle of Wight. This can include the provision of open access 'drop in' services and outreach in the community as well as targeted interventions for specific funded programme groups, for example young offenders, people with health barriers, lone parents, over-50s.

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 (resigned 11 January 2016)	G M Rubins (resigned 7 June 2016)
S M Siddall (Chair)	A Esser
P Chapman	S Lent
M Pryor (resigned 2 July 2015)	A Thomson (resigned 30 May 2015)
C Longhurst	H S Dovey
R Jones	T Houghton (appointed 3 June 2015)
E Brunel-Cohen (appointed 8 June 2016)	C Williams (appointed 6 August 2015)

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 and Risk, Remuneration and Appointments, Quality and Compliance and Information Security. These groups are planned 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. The Board actively considers background when recruiting new Trustees and continues to make efforts to increase diversity in ongoing recruitment efforts.

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.

Key Management Personnel

During the year the Trust employed a senior management team consisting of the Trust's Chief Executive, Deputy Chief Executive and Finance Manager. A tier of operational Project Managers and functional managers reports directly to this group. The pay and remuneration of the Chief Executive is set by the Board and this role is reviewed directly at Board level. The pay and remuneration of other members of the senior management team are set by the Remuneration and Appointments Committee on recommendation from the Chief Executive. Pay and remuneration levels of the wider management team structure are determined by the senior management team and reviewed by the Remuneration and Appointments Committee.

Management (and indeed all staff) pay and remuneration may be benchmarked from time to time across similar-sized organisations within the wider sector and within the specific 'welfare to work' environment in which the Trust operates.

Subsidiary

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

Wheatsheaf Services Ltd and Wheatsheaf Enterprises Ltd are wholly controlled by the Trust, which is the sole member of the two companies. The results of Wheatsheaf Services Ltd and Wheatsheaf Enterprises 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 subsidiaries was not carried out.

Wheatsheaf Trust acquired a 100% share in Wheatsheaf Enterprises Ltd on 1 April 2013 (formerly Green Enterprises Ltd, a joint venture arrangement with Groundwork Solent Ltd). The company is used to support the charitable objectives of the Trust in creating intermediate jobs around cleaning, grounds maintenance and painting and decorating. The decision was taken in the year to voluntarily wind up Wheatsheaf Services Ltd, which ceased trading some years previously, for which formal striking off will take place in the 2016/17 year and remaining assets transferred to the parent charity.

Details of related party transactions are shown in Note 28 of the accounts.

Political and Economic Context

Against a back-drop of a more stable economy and the welcome news that generally unemployment rates have dropped accordingly, the Trust has continued to deliver for those most distant from the labour market who have not yet seen the benefit of the government's economic plan.

As Local Authorities and other agencies seek to re-model their provision in light of less funding whilst preparing for the greater reductions to come, the Trust has sought to work closer than ever with local stakeholders during this period in order to tackle worklessness and give people the platform to succeed.

A significant challenge for providers of employment support this year however has been the unprecedented break in programmes funded by the European Social Fund (ESF). Caused by the EU not recognising the Local Enterprise Partnership as a statutory agency it could contract with, the impact has been that no new ESF commissioning took place at all during the period.

To resolve the issue the DWP has since stepped in to act as the 'Managing Authority' but the time it has then taken to get specifications agreed by the LEPs (in their reduced role as local stakeholders), the EU and the DWP has seen new procurement delayed by over 12 months, including for the key contracts the Trust has targeted. This uncertainty has created a major issue for providers, and most worryingly for beneficiaries who have found the support on offer to them reduce considerably.

The future for employment support programmes commissioned directly by the DWP is also causing concern for the employment support sector as indications from government are that much of what has recently been out-sourced to Primes and their supply chains will be dealt with 'in-house' by Job Centre Plus in future. For example the successor to the Work Programme – the 'Work and Health Programme' - will have a budget amounting to c.15% of that which has been spent on both the Work Programme and Work Choice (a voluntary programme for unemployed people with a disability) combined.

Procurement by local authorities was also limited during 2015/16, although we are pleased to report that the Trust was successful in winning new contracts with both Hampshire County Council and the Isle of Wight Council. Gosport Borough Council also continued to fund the Health and Well-being project and both Havant and Southampton councils continued to support the Trust with grants.

It is also true to say that the ESF delays had a detrimental impact on the Trust's financial results for the year. Despite excellent results on programmes finishing in this period (Phase 2 and Progress!), bringing in more monies than expected, the decision to retain staff and draw on reserves in expectation of new work was further impacted when procurement was delayed way beyond expectations. Remedial action has subsequently been taken in April 2016 when a Voluntary Redundancy programme was successfully concluded and costs reduced accordingly.

Against this backdrop of uncertainty the Trust has used the period to reflect carefully on where the funding for future programmes will come from, and to plan a strategy for the years ahead which will see more diversified income streams from a wider range of funders.

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.

In 2015/16 our activity has focussed on:

- delivering contracts in hand for the benefit of our clients across the region
- extending our reach to include the Isle of Wight, with a new contract supporting NEET young people
- piloting new ways of working with both young people and adults as we prepare for programmes to come
- Re-locating our head office and creating a modern and welcoming new 'Employment Access Centre' in Southampton

Programme Delivery:

Throughout this period the approach we've taken to delivering our work has consistently remained true to the fundamental ethos of our maintaining a client-centred approach that puts our beneficiaries at the heart of all that we deliver.

Youth Programmes

Phase Two – motivating and supporting young people who are not in education, employment or training (NEET) to re-engage in education, or to enter training or a job with training. This contract came to a successful end in July 2015 with Wearsheaf having performed strongly within the delivery partnership and exceeding the expectations of the Prime contractor (Barnardos).

In October we won and began delivery of Future All which was commissioned by Hampshire County Council and sees us working closely with the council's Progression Coaches engaging and supporting NEET young people across South Hampshire, with a particular emphasis on known 'hot-spots'.

Later that year in December we also won and began delivery of Future All Isle of Wight for the IOW council, which again sees us work closely with local authority colleagues to improve outcomes for NEET young people on the Island.

Our work in partnership with Southampton City Council and the Youth Offending Service to deliver an 'enhanced traineeship' and mentoring programme for young offenders, has also continued with support from a new charitable funder 'The Blagrove Trust'.

Adult Programmes

The Work Programme (delivered as sub-contractor to PeoplePlus) remains our biggest single project and has been extended by 12 months, meaning it is now due to finish in June 2017. Numbers of participants have dropped considerably and those now on the programme can broadly be characterized as having been long-term unemployed and facing significant barriers, including a growing percentage of people with disabilities and health conditions. The reduction in overall numbers has allowed us to intensify our efforts for this smaller group and to trial new approaches to supporting customers with health issues ahead of future programmes which will have this cohort as the primary beneficiaries (i.e Solent Jobs Programme and the Work and Health Programme).

Progress! offering support for families with multiple problems came to a successful end in August 2015 and saw the Trust finish with outstanding results. Whilst nationally the average % of participants achieving sustained work was 11.53% the Trust's results were virtually double that with 21.75% of our 864 beneficiaries sustaining work.

We have also been successful in winning a contract with CfBT Advice & Guidance to deliver the National Careers Service which, whilst modest in its funding, means the Trust has a baseline offer for all unemployed people to benefit from the expertise of our qualified Advisors.

Our programme in partnership with Gosport Borough Council focussed on improving clients' health and well-being as a pre-cursor to employment and has also been continued this year following its success in the pilot phase. With a focus on socialisation, reducing isolation, healthy eating and low impact health-related activities such as walking groups this programme is run by both volunteer and paid mentors.

Social Enterprise

Under its new guise of Wearsheaf Enterprises Limited our social enterprise has continued to create 'stepping-stone jobs' for beneficiaries in a variety of roles including cleaning, gardening, decorating and grounds maintenance. New customers in this period have included Portsmouth City Council and the charity 'Active Nation', and the Board of Wearsheaf Enterprises have plans in action to further grow this part of our activity in line with the Strategic Plan.

Performance

Support for Individuals

At the end of the year we,

- had enrolled 806 adults and 227 young people,
- achieved 359 job entries

Client Statistics

The Trust has two main areas of service – young people (mainly 16-19 year olds) and adults (19+). In 2015-16 the work for these groups happened in Southampton, Gosport, Havant and Eastleigh, with outreach in Fareham. Our services were focused in Employment Access Centres in Southampton, in Gosport, and in Havant with outreach work in the other areas.

Summary

Output	2015-16 achieved
Adults engaged on programme of support	806
Young People (16 – 18 yrs) engaged on programme of support	227
Provide Information, advice and guidance interview sessions to adults	586
Clients finding work following assistance	359

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

Notable achievements on specific projects included the ESF/DWP Families with Multiple Problems programme (which finished in the year, running from December 2011 to August 2015), where we surpassed both regional and national performance with job entry performance of 34% (295 jobs) and delivered 17.6% of the overall sustained job outcomes for the programme in the South East, from only 8.8% of the overall starts on programme.

Breakdown of new clients by area

Southampton: 281

Havant: 294

Gosport and Fareham: 231

Sample demographics

The following statistics are derived from a sample of projects across all the Trust's geographical areas, and are indicative of the client base with which we work.

Age group	Percentage	2011 Census (percentages across the groups WT works with)
<16	0.2%	1.8%
16-17	21.8%	7.67%
18-24	18.6%	12%
25-30	8.4%	10.14%
31-40	14.3%	18.27%
41-50	19.2%	19.31%
51-60	14.9%	16.44%
60+	2.4%	14.37%
Not known	0.2%	0%

Ethnicity	%	WT figs in census categories	2011 Census figs (across the areas)
Asian or Asian British - Any other Asian background	0.5%	1.9%	3.8%
Asian or Asian British - Bangladeshi	0.2%		
Asian or Asian British - Indian	1.0%		
Asian or Asian British - Pakistani	0.2%	3%	1.2%
Black or Black British - African	1.3%		
Black or Black British - any other Black background	0.2%		
Black or Black British - Caribbean	1.5%	1.3%	1.8%
Mixed - any other Mixed background	0.6%		
Mixed - White and Asian	0.2%		
Mixed - White and Black African	0.0%		
Mixed - White and Black Caribbean	0.5%	6.9%	4.8%
White - Any other White background	6.3%		
White - Irish	0.6%		
White - British	83.1%	83.1%	86.9%
Chinese	0.0%	0.6%	1.5%
Any other	0.6%		
Not known/ Not provided	3.2%	3.2%	0%

Disability

Clients with a stated health issue / disability made up 22.6% of the client base compared with 16.87% of the population (at the 2011 census)

Analysis of client demographics

The Board of Trustees is conscious of the importance of the Trust continuing to reach out to all parts of the local community. Careful analysis of the statistics detailed above will inform any

actions the Trust may choose to take in order to ensure compliance with our own Equal Opportunities policy, including: the potential for pro-active recruitment of members of BME communities and people with disabilities onto the Board and reaching out to representative groups from the voluntary sector to both highlight the Wearsheaf offer and to understand where any unwitting barriers to beneficiaries accessing services may be occurring.

Financial Results

2015/16 proved to be both a successful year, with the completion of some well-performing contracts (notably 'Phase 2', working with 'NEET' young people and 'Progress!', working with families); and a year with many difficulties and uncertainties, with a particular impact felt from the contraction of referrals for information, advice and guidance activities and unexpected delays in procurement for new government contracts. The Trust continues to operate in a challenging funding environment with a significant reliance on 'payment by results' contracts, but at the outset of the year, a conscious decision was made to retain staff capacity whilst bidding for new work and coping with uncertainties. When setting a budget in March 2015, the Trustees had been acutely conscious of considerable uncertainties in the funding environment and the risk of delay in government procurement processes throughout 2015. Within this context, the Trustees authorised a deficit budget, which demonstrated a commitment to use reserves in order to retain staff capacity whilst tendering for new contracts. In the final quarter of 2015/16, after assessing the impact of unprecedented delays in new procurement rounds, the Trustees agreed to introduce a programme of voluntary redundancies in late March 2016 in the hope of achieving a target overall reduction in staffing costs within the 2016/17 year.

This planned draw on reserves resulted in a consolidated deficit of £272,594 which breaks down into an unrestricted deficit (after fund transfers) of £290,851 and a restricted surplus of £18,257. £132k of the movement on unrestricted funds was expenditure associated with the relocation and major refurbishment of the charity's head office in 2015, for which part of a designated fund had been set aside. In addition, the charity had incurred a further £6k in relation to abortive lease negotiations, and some additional £13k related to external accreditation and consultancy as the Trust seeks to explore potential new types of work in a changing environment. The charity continues to rely heavily on funding from public sources in the form of grants, performance-related contracts and service level agreements (approximately 87% of total income).

Grant income includes £28,755 from Blagrove Trust and £11,000 from Hampshire and Isle of Wight Community Foundation to work with young offenders in Southampton; £25,000 from Eastleigh Borough Council to work with young people 'Not in Education, Employment or Training' (NEET); and £10,678 from Gosport Borough Council to provide health and wellbeing courses for local residents.

'Payment by Results' contracts account for 77% of total funding (2015: 81%), and were connected with both adult information, advice and guidance and youth services. Overall funding in this area decreased by around 30% on the previous year and includes DWP Work Programme (£612,441), 'Progress!' (£144,545), Youth Contract (£23,150), funded by Skills Funding Agency through Skills Training UK Ltd, and 'Phase 2' (£135,493), funded by the Skills Funding Agency through the Barnardos charity. In the final quarter of the year, the charity commenced work in earnest on two new youth contracts funded by Hampshire County Council: 'Future All' (£55.9k), a Hampshire-wide programme, and 'Island Futures' (£36.6k) based exclusively on the Isle of Wight. 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 2% of the total resources expended (2015: 2%). This reflects the proportion of senior management time spent on strategic and policy work. The costs associated with applications for, and negotiations around, voluntary and performance-related contract income were around 10% of total expenditure (2015: 3.5%). This increase reflects activities to seek new funds associated with a number of contracts coming to a natural end, notably Progress! (family work) and Phase 2 (youth work) which finished at the tail end of 2015.

Coming out of the 2015/16 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 application of 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, and is set to further develop social enterprise activities through the charity's trading subsidiary in early 2016/17.

Turnover doubled on the previous year on activity conducted through the wholly owned subsidiary, Wheatsheaf Enterprises Ltd and the company finished the year with a deficit of £7.5k on a turnover of £54k. How we use the subsidiary as an effective social enterprise to grow jobs for our clients and achieve a return for the parent continues to be the subject of detailed review and planning.

A pilot scheme run in conjunction with Hampshire Credit Union for clients to gain access to cheap borrowing was the subject of some review in 2015/16 in the context of social enterprise development and client access to finance and support. The decision was made in April 2016 to reduce the impact of the scheme, and accordingly £20k of the initial investment was withdrawn back to the charity.

The Trust's wholly owned subsidiary, Wheatsheaf Services Ltd remained dormant in 2015/16 and the Directors agreed to wind the company up. Final arrangements for transferring its remaining assets to the charity and formally striking off the company will be in place in the first quarter of 2016/17.

The Consolidated Statement of Financial Activities on page 15 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 2015/16: Barnardos, Blagrove Trust, CfBT Advice & Guidance, Eastleigh Borough Council, Gosport Borough Council, Hampshire County Council, Havant Borough Council, Hampshire & Isle of Wight Community Foundation, Isle of Wight Council, PeoplePlus Group Ltd, Skills Training UK Ltd, Southampton City Council.

Charity Policies

Reserves

The Trustees are committed to reviewing the Trust's reserves policy on an annual basis, and in particular are mindful of the factors that determine the requirement 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 exceed this target level.

- intermediate level to allow for the continuation of 'core' activities for a 3-6 month period in the event of significant reductions in funding. Based on current 2016/17 budgetary projections, it is estimated that this reserve represents between 5 and 6 months' running costs. The reader should note that there is an overlap between 'winding up' costs and 'running costs' in terms of target reserves levels.
- 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 22 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 was reviewed in June 2015 and a consideration of longer term investment strategy will form part of Finance Committee discussions in October 2016.

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 Trust's wider management team undertook project management training using the PRINCE2 methodology during the early part of 2015, and continue to develop a practical set of risk assessment tools which can be embedded within the Trust's business processes.

The Trustees last reviewed the principal risks and uncertainties facing the charity in June 2016, and these are summarised as follows:

Risk	Mitigating Actions
Delays in procurement or failure to secure key target programmes impacts the ability to achieve a balanced budget in 2016/17	<ul style="list-style-type: none"> • Seek alternative funding opportunities to compliment core targets • Seek to influence local procurement timetables • Seek strategic partnerships to reduce competition

Significant reduction in reserves due to budget deficits across multiple years	<ul style="list-style-type: none"> • Modelling and planning to be regularly refreshed in light of new intelligence • Cost base reduction to be undertaken if/where/when appropriate
Staff / management capacity is insufficient to respond to a high level of change in the marketplace	<ul style="list-style-type: none"> • Training for staff to take on new work • Identifying external support to understand and open new markets • Review the structure of the management team to ensure fit for purpose • Exploring new collaborations/identifying new partners to deliver new work • Engage new types of commissioner
Significant decline in client numbers impacts on the Trust's activities	<ul style="list-style-type: none"> • Staff capacity and flexibility • Consider options for redundancy and redeployment • Monitor labour market intelligence

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 Initiatives and the Trust's Strategic Plan 2016 - 2019

The vote to leave the European Union clearly presents a period of great uncertainty across many areas of our society and the economy. At the time of writing it is too early to properly understand the full consequences for the employment support sector, although there are some obvious questions about transition from the ESF funding which supports many of our programmes.

As concerning is the impact of the uncertainty on economic growth, with the strong possibility that this will result in yet more public spending cuts and potentially employers either shelving recruitment plans or shedding staff.

During this period it is essential that the Trust is able to continue to support those beneficiaries most marginalised in the labour market and our offer of independent, client focussed, expert support for all who need it will be more relevant than ever.

Three Year Goals

A new strategic plan has been agreed by the Board which sets out a number of objectives for the next three years as outlined below:

Public Service Contracting (core activity)

- 1) To be delivering a proportion of the Work and Health Programme
- 2) To be delivering a proportion of the National Offender Management Service/Transforming Rehabilitation contracts (working with ex-offenders)
- 3) To identify opportunities in neighbouring territories (beyond the SHIP area), on a needs-led basis, where Wheatsheaf can increase its social impact across a broader geographic area
- 4) To be the leading provider of services for young people who are NEET (Not in Education Employment or Training) in the Solent region
- 5) To be delivering a proportion of the Solent Jobs Programme
- 6) To be delivering the Lottery's Building Better Opportunities Programme in the Solent region

Social Enterprise

- 1) To have a successful social enterprise arm accounting for 30% of Group turnover
- 2) To build on the success to date of Wheatsheaf Enterprises
- 3) To start new ventures designed to create 'stepping-stone' jobs and training opportunities

Growing charitable funding streams and CSR contributions

- 1) To have 20% of annual funding coming from charitable sources
- 2) To have raised the profile of Wheatsheaf to the business community across the Solent and to have gained in-kind or cash donations from a private sector partner

Innovation

- 1) Evaluation - To be making a demonstrable difference to the life-chances of our target beneficiaries that is measured and evaluated in a robust manner and presented in report form to demonstrate both the differences made to beneficiaries' lives and also the 'costs avoided' by the public purse
- 2) To be delivering a programme part or fully-funded through Health budgets
- 3) To be delivering a programme supporting beneficiaries to achieve 'in-work' progression, addressing the barriers faced by working beneficiaries who are on low-pay and are still benefit dependant
- 4) To foster relationships with 'social investors' to ensure that options exist should Wheatsheaf wish to share the risk of taking on a new Payment by Results contract or developing social enterprise
- 5) To build effective partnerships with agencies with shared aims to: deliver programmes of significant scale, investigate opportunities for Joint Ventures, create contract specific 'Special Purpose Vehicles' and to explore the prospect of Mergers and/or Acquisitions

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;
- observe the methods and principles of the charity SORP;
- 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.

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.

By order of the Board

S M Siddall
Chair

13 July 2016

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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 2016 which are set out on pages 15 to 30. 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 above, 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. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2016 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.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the report of the trustees.

Paul Underwood, Senior Statutory Auditor

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

Station House
North Street
Havant
Hampshire PO9 1QU

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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 2016

	Note	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £	Total Funds 2015 £
Income and Endowments from:					
Donations and Legacies	3	473	-	473	941
Charitable Activities:					
Information, Advice & Guidance	4	923,008	10,678	933,686	1,460,213
Youth Services	4	275,904	64,755	340,659	274,662
Other Charitable Activities	4	51,584	-	51,584	39,213
Other trading activities	5	46,074	-	46,074	21,812
Investments	6	4,930	-	4,930	7,181
Other		-	-	-	-
Total		<u>1,301,973</u>	<u>75,433</u>	<u>1,377,406</u>	<u>1,804,022</u>
Expenditure on:					
Raising Funds	10	174,058	-	174,058	83,669
Charitable Activities:					
Information, Advice & Guidance	10	899,922	17,183	917,105	1,254,447
Youth Services	10	266,935	62,640	329,575	273,272
Other Charitable Activities	10	228,140	1,122	229,262	157,172
Other		-	-	-	-
Total		<u>1,569,055</u>	<u>80,945</u>	<u>1,650,000</u>	<u>1,768,560</u>
Net (Expenditure) / Income before transfers		(267,082)	(5,512)	(272,594)	35,462
Transfers					
Gross transfers between funds	22	<u>(23,769)</u>	<u>23,769</u>		-
Net Movement in Funds for the Year	22	(290,851)	18,257	(272,594)	35,462
Total Funds brought forward		999,468	3,928	1,003,396	967,934
Total Funds carried forward		<u><u>708,617</u></u>	<u><u>22,185</u></u>	<u><u>730,802</u></u>	<u><u>1,003,396</u></u>

All incoming resources and resources expended derive from continuing activities.

For detailed comparatives for 2015, please see note 9.

Wheatsheaf Trust Group

Consolidated Balance Sheet as at 31 March 2016

	Note	Charity		Group	
		2016 £	2015 £	2016 £	2015 £
Fixed Assets					
Tangible fixed assets	14,15	148,818	33,424	155,054	33,983
Programme Related Investments	15	25,000	25,000	25,000	25,000
Investment in Subsidiary Undertaking	15	<u>3,308</u>	<u>3,308</u>	<u>-</u>	<u>-</u>
		<u>177,126</u>	<u>61,732</u>	<u>180,054</u>	<u>58,983</u>
Current Assets					
Stock	16	2,306	2,177	2,949	2,297
Debtors	17	230,409	323,194	221,924	325,897
Cash at bank and in hand	21	<u>435,210</u>	<u>713,732</u>	<u>440,744</u>	<u>721,313</u>
		<u>667,925</u>	<u>1,039,103</u>	<u>665,617</u>	<u>1,049,507</u>
Creditors: Amounts falling due within one year	18	<u>(109,427)</u>	<u>(100,143)</u>	<u>(114,869)</u>	<u>(105,094)</u>
Net Current Assets		558,498	938,960	550,748	944,413
Total Assets less Current Liabilities		735,624	1,000,692	730,802	1,003,396
Net Assets		<u><u>735,624</u></u>	<u><u>1,000,692</u></u>	<u><u>730,802</u></u>	<u><u>1,003,396</u></u>
Reserves					
Unrestricted Funds	22,23				
General Funds		380,796	480,165	370,811	479,318
Designated Funds	22,23	<u>337,806</u>	<u>520,150</u>	<u>337,806</u>	<u>520,150</u>
		<u>718,602</u>	<u>1,000,315</u>	<u>708,617</u>	<u>999,468</u>
Restricted Funds	22,23	<u>17,022</u>	<u>377</u>	<u>22,185</u>	<u>3,928</u>
		<u><u>735,624</u></u>	<u><u>1,000,692</u></u>	<u><u>730,802</u></u>	<u><u>1,003,396</u></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 13 July 2016 and were signed on its behalf by

S M Siddall, Chair

Wheatsheaf Trust, Registered in England No. 3958960

Wheatsheaf Trust Group

Statement of Cash Flows at 31 March 2016

	Note	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £	Total Funds 2015 £
Cash flows from operating activities:					
Net cash provided by (used in) operating activities	20	(156,300)	47,221	(109,079)	79,785
Cash flows from investing activities:					
Proceeds from the sale of plant & equipment		337	-	337	194
Purchase of plant and equipment		(171,827)	-	(171,827)	(17,300)
Proceeds from the sale of investments		-	-	-	-
Purchase of investments		-	-	-	-
Net cash provided by (used in) investing activities		(171,490)	-	(171,490)	(17,106)
Change in cash and cash equivalents in reporting period		(327,790)	47,221	(280,569)	62,679
Cash and cash equivalents at the beginning of reporting period		717,980	3,333	721,313	658,634
Change in cash and cash equivalents due to exchange rate movements		-	-	-	-
Cash and cash equivalents at the end of reporting period	21	390,190	50,554	440,744	721,313

Wheatsheaf Trust Group 2016

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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Group Financial Statements

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

A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the Trust has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

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 subsidiaries, Wheatsheaf Services Ltd and Wheatsheaf Enterprises 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 5.24, performance-related 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 general principles of income recognition within the SORP, Paragraphs 5.8 and 5.9.

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 explains the basis for apportioning support and governance costs across charitable activities.

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 single fixed assets costing over £500 or where grouped together when assets are considered to be of a portable or desirable nature. 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.

Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

At the date of transition in applying the requirement to recognise liabilities arising from employee benefits, a liability was recognised for short-term compensated absence arising from employee entitlement of the charity to paid annual leave. The initial liability recognised at the date of transition was for the holiday entitlement carried forward and for the entitlement arising in the year which was due but not taken. The initial liability was for £11,447. No other restatements were required. In accordance with the requirements of FRS102 a reconciliation of opening balances is provided.

Reconciliation of group funds and balances

	31 March 2015
Fund balances as previously stated	1,014,844
Short-term compensated absences	(11,448)
Fund balances as restated	<u><u>1,003,396</u></u>

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 Trust has two wholly owned subsidiaries (Wheatsheaf Services Ltd - currently dormant; and Wheatsheaf Enterprises Ltd) which act as trading subsidiaries, engaging in mainly charitable trading activities in support of the Trust's charitable objects.

3 Donations and Legacies

	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £	Total Funds 2015 £
<i>Donations and similar incoming resources</i>				
Southampton City Council (In Kind)	-	-	-	441
Miscellaneous	473	-	473	500
	473	-	473	941

4 Income from Charitable Activities

	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £	Total Funds 2015 £
<i>Information, Advice & Guidance</i>				
Contracts	853,021	-	853,021	1,275,406
Service Level Agreements	23,500	-	23,500	36,000
Grants	46,487	10,678	57,165	148,807
	923,008	10,678	933,686	1,460,213
<i>Youth Services</i>				
Contracts	275,904	-	275,904	261,162
Grants	-	64,755	64,755	13,500
	275,904	64,755	340,659	274,662
<i>Other Charitable</i>				
Grants	-	-	-	-
Letting Income	17,319	-	17,319	36,312
Other	34,265	-	34,265	2,901
	51,584	-	51,584	39,213

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 25).

5 Income from other trading activities (Wheatsheaf Enterprises Ltd)

	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £	Total Funds 2015 £
Landscaping & Horticulture	2,230	-	2,230	3,438
Grounds Maintenance	31,357	-	31,357	17,175
Cleaning	2,065	-	2,065	1,199
Fencing	-	-	-	-
Internal Maintenance	4,200	-	4,200	-
Painting & Decorating	6,222	-	6,222	-
	46,074	-	46,074	21,812

6 Investment Income

	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £	Total Funds 2015 £
Interest on Bank Deposit Accounts	4,930	-	4,930	7,181
	<u>4,930</u>	<u>-</u>	<u>4,930</u>	<u>7,181</u>

7 Net outgoing resources attributable to parent charity

	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £	Total Funds 2015 £
Gross incoming resources	1,257,512	75,433	1,332,945	1,783,696
Expenditure on Charitable Activities	1,403,087	80,944	1,484,031	1,687,015
Fundraising Costs	113,983	-	113,983	64,472
Net outgoing resources before transfers	<u>(259,558)</u>	<u>(5,511)</u>	<u>(265,069)</u>	<u>32,209</u>
Transfers between funds	<u>(22,157)</u>	<u>22,157</u>		
Net movement in funds	(281,715)	16,646	(265,069)	32,209
Total Funds Brought Forward	1,000,317	376	1,000,693	968,484
Total Funds Carried Forward	<u>718,602</u>	<u>17,022</u>	<u>735,624</u>	<u>1,000,693</u>
Represented by:				
Unrestricted	380,796	-	380,796	480,167
Designated	337,806	-	337,806	520,150
Restricted Funds	-	17,022	17,022	376
	<u>718,602</u>	<u>17,022</u>	<u>735,624</u>	<u>1,000,693</u>

8 Summary of results of wholly owned subsidiary (Wheatsheaf Enterprises Ltd, company number 6703523)

The company's main area of business is grounds maintenance, cleaning, landscaping horticulture.

The following is a summary of the results of the subsidiary company:

	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £	Total Funds 2015 £
Turnover				
Landscaping & Horticulture	2,230	-	2,230	3,438
Grounds Maintenance	31,357	-	31,357	17,174
Cleaning	10,412	-	10,412	2,999
Internal Maintenance	4,200	-	4,200	325
Painting and Decorating	6,222	-	6,222	-
	<u>54,421</u>	<u>-</u>	<u>54,421</u>	<u>23,936</u>
Cost of Sales	(36,637)	-	(36,637)	(13,236)
Gross Profit	<u>17,784</u>	<u>-</u>	<u>17,784</u>	<u>10,700</u>
Administrative Expenses	(25,195)	-	(25,195)	(7,229)
Operating (Loss) / Profit	<u>(7,411)</u>	<u>-</u>	<u>(7,411)</u>	<u>3,471</u>
Interest Payable and similar charges	(114)	-	(114)	(219)
(Loss) / Profit on Ordinary Activities before Taxation	<u>(7,525)</u>	<u>-</u>	<u>(7,525)</u>	<u>3,252</u>
Taxation on Profit on Ordinary Activities	-	-	-	-
(Loss) / Profit for the Financial Year	<u>(7,525)</u>	<u>-</u>	<u>(7,525)</u>	<u>3,252</u>
Retained Loss at 1 April	(18,693)	-	(18,693)	(21,945)
Retained Losses carried forward	<u>(26,218)</u>	<u>-</u>	<u>(26,218)</u>	<u>(18,693)</u>
			Total Funds	Total Funds
			2016	2015
			£	£
Fixed Assets			6,800	1,122
Current Assets			5,830	10,312
Liabilities under one year			(5,772)	(7,051)
Total Assets less current liabilities			<u>6,858</u>	<u>4,383</u>
Liabilities over one year			(10,000)	
Net Assets			<u>(3,142)</u>	<u>4,383</u>
Capital and Reserves				
Called Up Share Capital			-	-
Members Equity			4,383	1,131
(Deficit) / Surplus on Income and Expenditure			(7,525)	3,252
			<u>(3,142)</u>	<u>4,383</u>

Wheatsheaf Enterprises 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 2015/16 financial year. Some of the activities previously run through Wheatsheaf Services were transferred to Wheatsheaf Enterprises Ltd which became a wholly owned subsidiary of Wheatsheaf Trust on 1 April 2013. A resolution was passed in 2015 by the Wheatsheaf Services Board to voluntarily wind up the company. Formal arrangements to transfer remaining assets to the parent charity and wind up the subsidiary will take place in 2016/17.

The charity had loaned an amount of £3000 to Wheatsheaf Enterprises Ltd in the previous year, repayable no later than 4 April 2016 at an interest rate of 5%. The amount outstanding on the loan at the year end was £2000. In addition, the charity loaned a further amount of £8000 to the subsidiary in 2015 on an interest-free basis, with original repayment terms of no later than 4 April 2016. The balance on this loan at the year end was £8000. The parent charity agreed in the year that it would not call on outstanding amounts under loan agreements for the foreseeable future as a way of demonstrating its intention to support the subsidiary in developing its work and generating profits in support of the parent's charitable objectives.

9 Comparatives for the Statement of Financial Activities

	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Total Funds 2015 £
Income and Endowments from:			
Donations and Legacies	941	-	941
Charitable Activities:			
Information, Advice & Guidance	1,348,891	111,322	1,460,213
Youth Services	257,694	16,968	274,662
Other Charitable Activities	39,057	156	39,213
Other trading activities	21,812	-	21,812
Investments	7,181	-	7,181
Other	-	-	-
Total	<u>1,675,576</u>	<u>128,446</u>	<u>1,804,022</u>
Expenditure on:			
Raising Funds	83,669	-	83,669
Charitable Activities:			
Information, Advice & Guidance	1,118,659	135,788	1,254,447
Youth Services	248,504	24,768	273,272
Other Charitable Activities	152,882	4,290	157,172
Governance	-	-	-
Other	-	-	-
Total	<u>1,603,714</u>	<u>164,846</u>	<u>1,768,560</u>
Net Income / (Expenditure) before transfers	71,862	(36,400)	35,462
Transfers			
Gross transfers between funds	<u>(11,848)</u>	<u>11,848</u>	
Net Movement in Funds for the Year	60,014	(24,552)	35,462
Total Funds brought forward	939,454	28,480	967,934
Total Funds carried forward	<u>999,468</u>	<u>3,928</u>	<u>1,003,396</u>

All incoming resources and resources expended derive from continuing activities.

10 Group Resources Expended

	Fundraising Costs	Trading Costs	Information, Advice & Guidance	Youth Services	Other Charitable	Governance Costs	Support Costs	Total	Total
	£	£	£	£	£	£	£	2016 £	2015 £
Staff Costs	90,038	18,047	615,019	206,247	58,906	20,709	135,716	1,144,682	1,256,697
Project Activities	9,940	37,038	18,752	51,331	20,939	200	-	138,200	130,871
Premises Costs	2,888	5	54,897	10,289	36,229	-	12,997	117,305	157,811
Depreciation	-	3,680	323	33	43,926	-	2,794	50,756	47,747
Audit & Accountancy Fees	-	-	-	-	46	8,040	2,072	10,158	9,962
Office Costs	2,155	1,562	87,905	14,255	48,630	8,539	25,853	188,899	165,472
	105,021	60,332	776,896	282,155	208,676	37,488	179,432	1,650,000	1,768,560
Support Costs Allocation	5,226	-	116,445	39,451	18,310	-	(179,432)	-	-
Governance Costs Allocation	3,479	-	23,764	7,969	2,276	(37,488)	-	-	-
	8,705	-	140,209	47,420	20,586	(37,488)	(179,432)	-	-
Total Resources Expended	113,726	60,332	917,105	329,575	229,262	-	-	1,650,000	1,768,560

Governance costs include a proportion of senior management time spent on strategy / policy related activities or in attendance at Board and committee meetings throughout the year, as well as audit fees and professional indemnity insurance. Governance costs are apportioned across the other (parent) charitable activities in relation to staff costs.

Support costs are made up of management staff costs and central resources, as well as costs not directly associated with specific charitable activities. All support costs are apportioned across the other charitable activities (with the exception of governance) on a direct (operational) staff full time equivalent basis.

11 Operating Charges (Parent Charity)

	2016 £	2015 £
Net income for the year is stated after charging:		
Auditor's remuneration (including VAT)		
Statutory Audit Services	8,040	7,920
Non Statutory Audit Services	-	-
Non audit services	-	-
Operating lease rentals - land & buildings	76,264	123,202
Depreciation - owned assets	50,756	47,746

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. Wheatsheaf Enterprises Ltd (formerly 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.

	2016 No.	2015 No.
Management	3	3
Administration	4	4
Operating activities	31	33

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

	2016 £	2015 £
Wages and Salaries	918,728	1,008,594
Employer's National Insurance Contributions	78,077	84,507
Employer's Pension Contributions (see below)	121,381	116,708
	<u>1,118,186</u>	<u>1,209,809</u>

In accordance with the SORP Paragraph 7.41, the charity has included the cost of accrued holiday entitlements for all employees not taken at the year end. The cost of this was £13,163 (2015: £11,447)

One member of staff is paid a salary between £60,000 and £70,000 per annum (2015: One, between £60,000 and £70,000). Pension contributions made by the charity in respect of this member of staff were £6,960 (2015: £6,960). No other members of staff received more than £60,000.

The Trust's key management personnel (3 persons) incurred total business expenses (excluding resources and other items purchased on behalf of the charity) of £1,946 (2015: £2,423). The total amount of employee benefits relating to key management personnel was £199,951 (2015: £191,400).

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 £121,381 (2015: £116,708).

13 Trustees Remuneration and Expenses

Reimbursed travel expenses of £717 were paid in the year to three Trustees (2015: £309, four Trustees). No Trustees received remuneration of any form (2015: none).

14 Tangible Fixed Assets

	Completed Leasehold improvements £	Plant and Machinery £	Total £
Cost			
At 1 April 2015	255,490	254,747	510,237
Additions	132,229	38,879	171,108
Transfers	-	-	-
Disposals	(175,429)	-	(175,429)
At 31 March 2016	<u>212,290</u>	<u>293,626</u>	<u>505,916</u>
Depreciation and diminution in value			
At 1 April 2015	242,365	233,326	475,691
Charge for the year	20,945	29,092	50,037
Disposals	(175,429)	-	(175,429)
At 31 March 2016	<u>87,881</u>	<u>262,418</u>	<u>350,299</u>
Net Book Value			
At 31 March 2016	<u>124,409</u>	<u>31,208</u>	<u>155,617</u>
At 31 March 2015	<u>13,125</u>	<u>21,421</u>	<u>34,546</u>

All fixed assets are owned by the parent charity with the exception of ground maintenance, cleaning equipment and a vehicle owned by Wheatsheaf Enterprises Ltd (net book value £6,800).

The tangible fixed assets figure on the balance sheet includes 'negative goodwill' of £565 arising on acquisition of remaining shares in the subsidiary (see note 15 below).

Disposals on completed leasehold improvements in the year relate to historical improvements to the charity's main Southampton premises which vacated in August 2015.

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 2015	3,308	(565)	25,000	25,000
Add: Additions to investments at cost	-	-	-	-
Less: Disposals at carrying value	-	-	-	-
Adjustments (see below)	-	-	-	-
Net gain / (loss) on revaluation	-	-	-	-
At 31 March 2016	<u>3,308</u>	<u>(565)</u>	<u>25,000</u>	<u>25,000</u>
At 31 March 2015	<u>3,308</u>	<u>(565)</u>	<u>25,000</u>	<u>25,000</u>

Investment in Credit Union represents an investment which commenced in March 2014 in a loan scheme for Wheatsheaf Trust clients, administered through Hampshire Credit Union. This investment was reduced by £20,000 in April 2016 following a review of the scheme.

The carrying value of the parent charity's investment in its wholly owned subsidiary, Wheatsheaf Enterprises Ltd, was adjusted at 31 March 2014 to reflect the net asset position of the subsidiary (see Note 8). 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.

16 Stock

	Charity 2016 £	Group 2016 £	Charity 2015 £	Group 2015 £
Raw materials and consumables	2,306	2,949	2,177	2,297

17 Debtors

	Charity 2016 £	Group 2016 £	Charity 2015 £	Group 2015 £
Trade debtors (fees)	555	857	1,273	1,825
Other debtors (grants, donations and other)	87,616	87,417	58,568	58,570
Amounts owed by group undertakings	10,050	-	(28)	-
Prepayments and accrued income	132,188	133,650	263,381	265,502
	230,409	221,924	323,194	325,897

All debtors are recoverable in less than one year.

18 Creditors: Amounts Falling Due within One Year

	Charity 2016 £	Group 2016 £	Charity 2015 £	Group 2015 £
Trade creditors	41,142	43,339	27,289	30,445
Other creditors	8,032	8,818	9,437	9,912
Social Security and other taxes	19,710	20,082	20,912	21,017
Accruals	35,543	37,630	28,063	29,278
Deferred Income (see note 19)	5,000	5,000	14,442	14,442
	109,427	114,869	100,143	105,094

19 Deferred Incoming Resources (Group)

	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £	Total Funds 2015 £
Balance at 1 April	14,442	-	14,442	14,442
Incoming resources deferred during the year	5,000	-	5,000	14,442
Amounts released from previous years	(14,442)	-	(14,442)	(14,442)
Balance at 31 March	5,000	-	5,000	14,442

Incoming resources were deferred in the year in respect of £5,000 in respect of a 2016/17 service level agreement

20 Reconciliation of Net Income / (Expenditure) to net cash flow from operating activities

	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £	Total Funds 2015 £
Net income / (expenditure) per SOFA	(290,851)	18,257	(272,594)	37,108
Adjusted for:				
Depreciation charges	49,635	1,122	50,757	47,746
Sale of fixed assets (plant and (Increase) / Decrease in stocks	(337)	-	(337)	(194)
(Increase) / Decrease in debtors	(652)	-	(652)	847
(Increase) / Decrease in debtors	77,866	27,842	105,708	32,765
Increase / (Decrease) in creditors	8,039	-	8,039	(38,487)
Net cash provided by (used in) operating activities	<u>(156,300)</u>	<u>47,221</u>	<u>(109,079)</u>	<u>79,785</u>

21 Group Analysis of Cash and Cash Equivalents

	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £	Total Funds 2015 £
Cash in Hand	227,482	22,926	250,408	250,269
Notice Deposits (less than 3 months)	13,343	-	13,343	93,109
Notice Deposits (more than 3 months)	176,993	-	176,993	377,935
Overdraft facility repayable on demand	-	-	-	-
Total Cash and Cash equivalents	<u>417,818</u>	<u>22,926</u>	<u>440,744</u>	<u>721,313</u>

22 Consolidated Funds

	Balance at 1 April 2015 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2016 £
Restricted Funds					
i HBC Leigh Park	526	-	526	-	-
ii Migrant Impact Fund	2,807	-	-	-	2,807
iii Gosport Healthy Eating	-	2,362	3,864	1,502	-
iv Gosport Wellbeing	-	8,316	13,319	5,003	-
v Eastleigh NEETs	-	25,000	42,264	17,264	-
vi HIWCF Ford Partnership	-	6,000	-	-	6,000
vii HIWCF Doris Campbell	-	5,000	488	-	4,512
viii Blagrove Trust	-	28,755	19,889	-	8,866
ix Youth Capital Fund	595	-	595	-	-
	<u>3,928</u>	<u>75,433</u>	<u>80,945</u>	<u>23,769</u>	<u>22,185</u>
Unrestricted Funds					
General Reserve	479,318	1,282,830	1,499,797	108,460	370,811
xii Designated Infrastructure Fund	26,363	19,143	28,088	-	17,418
xiii Designated Transition Contingency	493,787	-	41,170	(132,229)	320,388
	<u>999,468</u>	<u>1,301,973</u>	<u>1,569,055</u>	<u>(23,769)</u>	<u>708,617</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 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 Wheatsheaf Trust employability programmes to aid progression into employment or sustainment of employment. The balance on the fund represents the net book value of computer equipment.
- 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 Gosport Borough Council Health and Wellbeing Group provided funding from June 2015 for the extension of a project focusing on promoting healthy eating and active lifestyles in the Town and Rowner wards of Gosport. The project employs Gosport residents as 'Community Champions' to engage and lead activities in the community.
- iv 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 employs Gosport residents as 'Community Champions' to engage and lead activities in the community.
- v Funding was provided in the year by Eastleigh Borough Council to provide a full time youth worker on an outreach basis in the borough. The project will focus on engaging young people not in employment, education or training ('NEET') and will work with this client group to move them into college courses, informal learning or volunteering opportunities.
- vi Hampshire & Isle of Wight Community Foundation awarded the Trust a Ford Partnership grant of £5000 in March 2016 to support its ongoing work with young offenders by funding the provision of training incentives and associated activity costs. The bulk of this work will take place in 2016/17 following the cessation of funding from Southampton City Council.
- vii Hampshire and Isle of Wight Community Foundation awarded the Trust a Doris Campbell Foundation Memorial Foundation grant of £6000 in December 2015 to support its ongoing work with young offenders by funding the provision of training incentives and associated activity costs. The bulk of this work will take place in 2016/17 following the cessation of funding from Southampton City Council.
- viii Blagrove Trust awarded the Trust a 3 year grant in July 2015 to support its ongoing work with young offenders by funding the salary and associated costs of a programme mentor.
- 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 Wheatsheaf Trust's main Southampton premises.

Designated Funds

- x 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. Income to the the fund in the year reflects the cost of new asset purchases made in the year to support the Trust's programmes.
- xi 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 three 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; (c) investment in the development of social enterprises within the group. Expenditure and transfers on the fund within the year are entirely linked to substantial alterations to the Trust's new Southampton premises held on a 15 year lease.

23 Analysis of Funds (Group)

	Current Assets £	Current Liabilities £	Long Term Liabilities £	Tangible Fixed Assets £	Total Net Assets £
Restricted Funds	22,921	(736)	-	-	22,185
Unrestricted Funds	452,357	(114,133)	-	32,587	370,811
Designated Funds	190,339	-	-	147,467	337,806
	<u>665,617</u>	<u>(114,869)</u>	<u>-</u>	<u>180,054</u>	<u>730,802</u>

24 Commitments

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

	2016		2015	
	Land & Buildings £	Other £	Land & Buildings £	Other £
Leases which expire:				
Within one year	-	-	111,517	-
In the second to fifth years	12,000	-	3,000	-
After more than five years	88,110	-	-	-
	<u>100,110</u>	<u>-</u>	<u>114,517</u>	<u>-</u>

25 Rental Income

Aggregate rental income from operating leases is as follows:

	2016	2015
Sub let of office premises	17,404	34,578
	<u>17,404</u>	<u>34,578</u>

'Letting income' as stated in note 4 also includes amounts recharged to sub-tenants in respect of repairs, maintenance and facilities management of the premises by the Trust.

26 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 £7,068 (2015: £7,068). In addition the charity holds professional indemnity insurance at an annual cost of £8,480 (2015: £7,420).

27 Contingent Liability

The charity's leases on its main Southampton premises expired in September 2015 with a dilapidations clause. Given the nature of the conversion of the premises to residential use, the charity successfully negotiated with the landlord not only an early exit from the building, but the negation of any dilapidations liability.

A lease (effective from July 2015) on new premises in respect of the Trust's main Southampton offices contains a dilapidations clause but this will not crystallise until the final year of a 15 year lease when a contingent liability may be disclosed.

28 Related Party Transactions

C Longhurst, a director of the charitable company, was Chief Executive of Education Business Partnership (EBP) South. The charity had a number of transactions with this organisation in the year in relation to youth programmes, and paid EBP South a total of £29,400. In addition, EBP South paid the Trust a total of £293 in the year in respect of a contribution to the shared costs of bid writing.