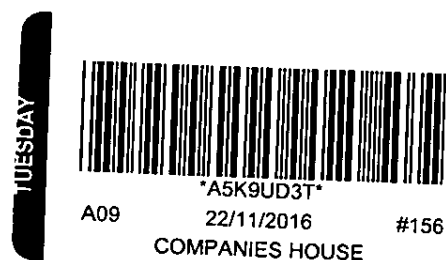


**Report of the Trustees and
Consolidated Financial Statements for the Year Ended 31 March 2016
for
HALIFAX OPPORTUNITIES TRUST**



Riley & Co Limited
Statutory Auditor Chartered Accountants
52 St Johns Lane
Halifax
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HX1 2BW



HALIFAX OPPORTUNITIES TRUST
Contents of the Consolidated Financial Statements
for the Year Ended 31 March 2016

	Page
Report of the Trustees	1 to 21
Report of the Independent Auditors	22 to 23
Consolidated Statement of Financial Activities	24
Consolidated Balance Sheet	25
Consolidated Cash Flow Statement	26
Notes to the Consolidated Cash Flow Statement	27
Notes to the Consolidated Financial Statements	28 to 44
Reconciliation of Consolidated Income and Expenditure	45
Reconciliation of Consolidated Funds	46 to 47



The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the consolidated financial statements of the charity for the year ended 31 March 2016. The trustees have adopted the provisions of 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).

OBJECTIVES AND ACTIVITIES

Objects

The Charity was established as a membership organisation with the following objects registered and approved by the Charity Commission -

To promote any charitable purpose for the public benefit of the inhabitants of the Metropolitan District of Calderdale in the county of West Yorkshire including but not exclusively the area known as West Central Halifax to ensure the regeneration of those areas for the public benefit of the community, by all or any of the following means

- a) the relief of poverty in such ways as may be thought fit,
- b) the relief of unemployment,
- c) the advancement of education, training, or re-training, particularly among unemployed people and providing work experience for the unemployed,
- d) the provision of financial assistance, technical assistance, business advice or consultancy in order to provide training and employment opportunities for unemployed people in cases of financial or other charitable need through help in setting up their own business or to existing businesses,
- e) the creation of training and employment opportunities by the provision of workspace, buildings and/or land for use on favourable terms,
- f) the provision of facilities for recreational and leisure time occupation,
- g) the protection or conservation of the environment,
- h) the provision of childcare,
- i) the promotion of public safety and prevention of crime, and
- j) such other means as may from time to time be determined subject to the prior consent of the Charity Commission

The Charity's purpose is to carry out activities that relieve poverty and unemployment, advance education and training, particularly among unemployed people, including the provision and creation of training and employment opportunities and the provision of childcare. To achieve this Halifax Opportunities Trust has and continues to

- provide support for business and enterprise development through the two enterprise premises
- provide facilities for learning in both classroom settings and through computer based activity
- provide assistance for job seekers by working with employers and through employment support initiatives
- provide childcare and family support through the Halifax Central and Upper Valley Area Children's Centres and other projects

The Board reviews the Charity's objectives and areas of operation periodically. They are currently committed to pursuing measures which have a positive impact on the wellbeing of those who live in the community around Park Ward and the wider area of Calderdale as a whole, especially those who are facing disadvantage. Wellbeing in the context of the Charity's activities includes economic, social and physical wellbeing. It is agreed that priority interventions should continue to fall into five main areas

- Supporting enterprise, business start-up and growth
- Helping community members into employment
- Supporting and delivering training and personal development
- Supporting families through a range of activities within the local Children's Centres
- Supporting and promoting health and wellbeing

The trustees believe the strategy for achieving these objectives should continue to be through programme and project delivery using a social enterprise model and that this should be achieved on either a contracted full cost recovery basis or through our own commercial trading operations, thereby allowing the infrastructure of the Charity to be maintained whilst achieving the designated charitable objectives. In recent years with the continued pressure being felt by communities as a result of public spending cuts, the trustees have re-affirmed the aims and objectives and the method the Charity should use to achieve them.

OBJECTIVES AND ACTIVITIES (CONTINUED)

Objects (Continued)

The Charity's main programmes, projects and services are -

(1) Supporting enterprise, business start-up and growth

This is mainly achieved through activities at Hanson Lane Enterprise Centre and Elsie Whiteley Innovation Centre. Both facilities offer business accommodation along with advice and guidance services for businesses in Park Ward and the wider Halifax and Calderdale areas. The Charity itself offers a grant to start up and early trading businesses, subsidising their rent. These centres also act as a focal point for physical regeneration and community cohesion in Park Ward. The introduction of the Creative Calderdale network in 2010, a joint venture between Elsie Whiteley Innovation Centre and Calderdale Council has been a resounding success helping the Charity and its subsidiaries give a real push to this objective.

(2) Helping community members into employment

The Trust provides professional and practical support for people looking for employment, especially those who are disadvantaged in the labour market. The Trust provides skills training, confidence building and volunteering opportunities as well as career advice and guidance and works closely with local employers through the delivery of job matching services to support unemployed people back into work.

(3) Education and Training

The Trust directly delivers and commissions the delivery of a range of certificated and non-certificated training programmes including employment related short courses, professional development support, ESOL and citizenship training, apprenticeships and programmes especially for those working in the childcare profession.

This training is mostly delivered from Hanson Lane Enterprise Centre, trainees' workplaces and other community venues. There are three training rooms at Hanson Lane Enterprise Centre, two of which are multi-purpose rooms equipped with the latest ICT training aids. There are an additional eight training and conference rooms at the Elsie Whiteley Innovation Centre.

(4) Childcare and Family Support

The Charity has developed and delivered a range of community based services for families with young children in the Central Halifax area for many years. These services, operating from a range of neighbourhood Children's Centres, have mostly been delivered in partnership with Calderdale Council. The Centres are busy and informative venues and are particularly well used by women in the community. The Centres support families in many ways helping them improve their health, parenting, employability and their education and family safety. OFSTED inspections have so far all resulted in good and outstanding judgements.

(5) Health Improvement Activities

In addition to the support offered to families with young children in the past year, the Charity has also developed services specifically aimed at older members of the community, especially those who are experiencing isolation and loneliness as a result of their age or limiting medical conditions. This work is of growing importance as the demographic profile of the community changes.

Health outcomes for residents of Park Ward and other disadvantaged areas of Calderdale compare badly with those of the more prosperous parts of the Borough. That poor nutrition in early life affects achievement and long term quality of life is now irrefutable. In response to this inequality, the Charity has increasingly been developing activities which help improve nutrition and lifetime eating habits. Much is done in the Children's Centres to educate parents and families about healthy eating. The Outback and its community garden and kitchen helps people engage with healthy, nutritious food for families on a budget in a fun way. The establishment of a commercial healthy school meals service for infant and primary school aged children, to make sure every child has at least one nutritious meal in the middle of the day, is the latest initiative the Charity has introduced to improve nutrition and long term health outcomes.

Public benefit

The trustees confirm that they have each complied with their duty under section 17 (5) of the Charities Act 2011 to have due regard to the guidance on public benefit published by the Charity Commission when carrying out their role and duties.

OBJECTIVES AND ACTIVITIES (CONTINUED)

Public benefit (continued)

HOT operates specifically in deprived areas, providing multiple economic, social, and environmental benefits to individuals in those areas. The trustees believe that public benefit has been achieved through the provision of support to local businesses, individuals, community members and families via this diverse programme. This has provided multiple economic, social, and environmental benefits to the individuals reached by the Charity's activities. Details of our support are set out in this report.

ACHIEVEMENT AND PERFORMANCE

Review of Activities for the Year

The Trust has met all of its contractual objectives as specified by the various funding bodies in the year and in many cases has overachieved.

Our main objectives for the year, strategies for achieving the objectives, and activities were as follows:

(1) Supporting enterprise, business start-up and growth

Elsie Whiteley Innovation Centre is the Charity's high quality office and conference space located on the edge of Park Ward boundary and adjacent to Halifax Town Centre. This refurbished textile mill was a £6m partnership development in association with the Local Authority and was developed to help bring jobs and prosperity to the area.

The office accommodation and the meeting and conferencing facilities are a well-established and important part of the Centre's offer to the town bringing in a diverse mix of conference and training participants daily. The focal point of the building is the atrium and the ever popular and lively bistro, Cafe No 5. This free and open meeting space has evolved over the years and is now the buzzing market place for business and community it was always intended to be.

Enquiry levels and take up for both conference and offices have been at an all-time high this year and the Centre continues to make a good financial contribution to the group, even taking into account the reversal of gift aid decisions made in the previous years.

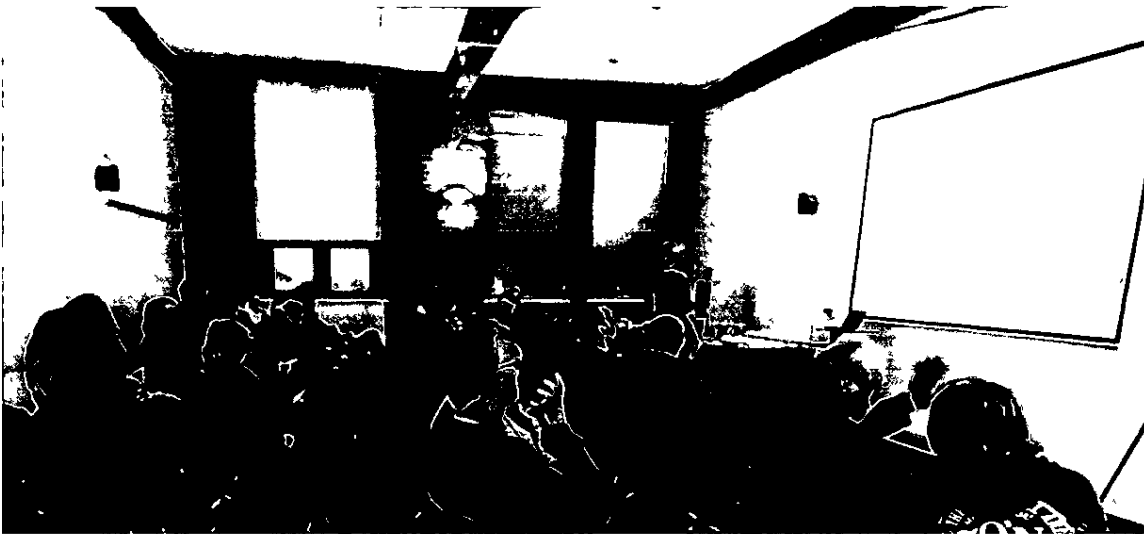


Atrium of Elsie Whiteley Innovation Centre

ACHIEVEMENT AND PERFORMANCE (CONTINUED)

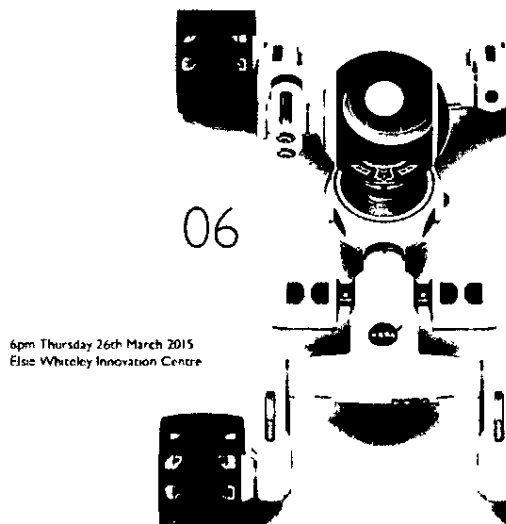
Review of Activities for the Year (continued)

Creative Calderdale is a sector-led network for digital and creative industry businesses operating from Elsie Whiteley Innovation Centre. This network was established and maintained with financial support from the local council with the aim of growing this vital industry sector through supporting business collaboration and peer support and learning.



Events held as part of the Creative Calderdale programme at EWIC

It was decided by the Creative Calderdale industry-led steering group that this year would be the last where the network would run with public sector support. Going forward the network will rely instead on income from membership subscriptions and funding from Elsie Whiteley Innovation Centre to maintain services. The network has run a number of its inspirational master classes in the year featuring industry relevant speakers, but particular effort has been directed into developing the popular smaller topic specific workshops under the Cafe Create brand. As part of their membership offer, creative businesses in Calderdale receive regular newsletters and the network has its own interactive website.



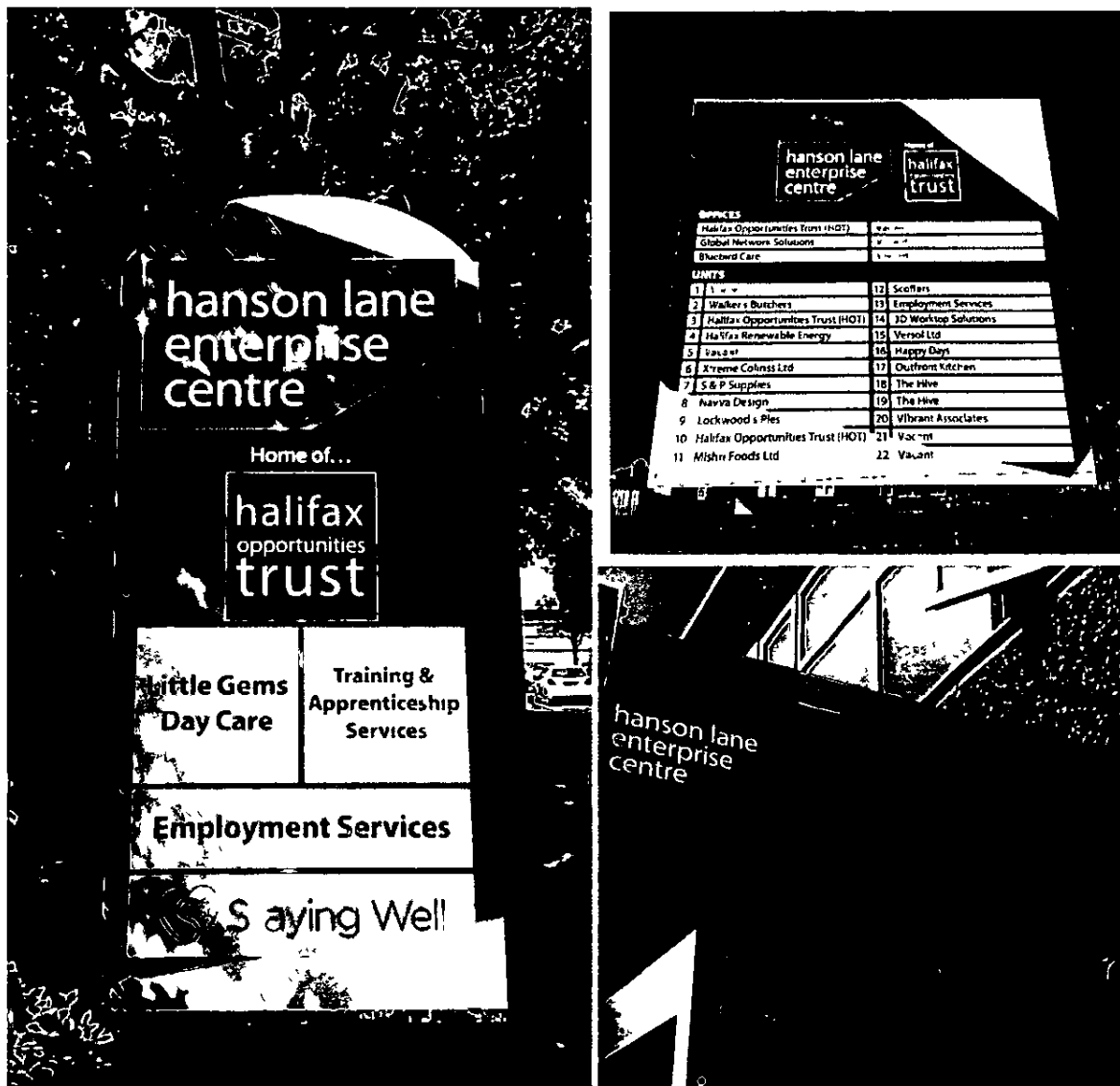
Printed materials to accompany the Creative Calderdale programme

ACHIEVEMENT AND PERFORMANCE (CONTINUED)

Review of Activities for the Year (continued)

Hanson Lane Enterprise Centre is located at the very centre of the Park Ward area where the Chantry was first established. The Enterprise Centre was converted from a cluster of redundant BT engineering workshops in the late 1990's. The refurbishment project was a joint venture between the West Central Halifax Partnership and Calderdale Council with an aim to bring economic vibrancy to the area, particularly encouraging start-up businesses.

As well as being a base for commercial businesses and social enterprises much of the Chantry's own work takes place from the Hanson Lane Enterprise Centre. All tenants pay rent at commercial rates but new businesses starting up are offered a discount for the first 18 months of their trading and charities benefiting the community are also often given consideration for rent subsidy. A substantial review of the pricing strategy has taken place and this has resulted in improved financial performance for Hanson Lane Enterprise Centre Ltd.



New signage on display at HLEC

ACHIEVEMENT AND PERFORMANCE (CONTINUED)
Review of Activities for the Year (continued)

A replacement roof was installed at the main building during the year, a significant investment for Hanson Lane Enterprise Centre Ltd, at a cost of just over £30,000. The low cost but impactful environmental improvement scheme also continued and the rather austere and neglected appearance of the site has changed for the better. This ongoing activity has raised staff, user and tenant morale and attracted new tenants to the site, both commercial and social enterprises.

(2) Helping community members into employment

HOT has continued to be a strong provider of services to the unemployed in Calderdale, concentrating on helping those who are most disadvantaged in the labour market find work. Department of Work and Pensions (DWP) Families with Multiple Problems worklessness contract funded most of this activity last year but unfortunately the contract came to an end in the first half of 2015. Activity to support the unemployed however was continued under Community Work Placements, a new Calderdale wide DWP contract supporting the long term unemployed coming off the DWP Work Programme. The Community Work Placement contract helped this group of people improve their chances of finding work by providing work experience opportunities through community volunteering and placements.



Impact of the work undertaken by the volunteers at the HLEC site

Making the decision to hold this contract was not something the Trustees did lightly as the contract carries with it the power to sanction individuals who do not participate, although this could only be done by DWP. After full consideration the Board gave approval to go ahead with the contract because they were of the opinion that the Chanty would deliver in an ethical way and a way that gave full consideration to the welfare of individuals. They believed the Chanty would be able to help long term unemployed people move closer or into employment better than other less value driven providers.

ACHIEVEMENT AND PERFORMANCE (CONTINUED)

Review of Activities for the Year (continued)

This has been a challenging but successful contract to deliver and has indeed changed many lives for the better so the Trustees' decision was well made. As well as providing the Charity with an opportunity to build its capacity and further sustain its important work in supporting disadvantaged unemployed individuals secure employment, the contract has been a strong vehicle for linking the Trust with other community and voluntary sector organisations (CVS) in Calderdale who have acted as project hosts to the volunteers. Over 49 CVS organisations have benefited from the use of these volunteers right across the borough. This work has also made an important financial contribution to the Charity's unrestricted income in the year.

(3) Employment and Training

Apprenticeships and in-work training programmes continued to perform very well both for employees and their employers. Inspections by OFSTED of the WYLP consortium, of which we are members and deliver our apprenticeship offer through, have confirmed that the quality of the Charity's delivery is good. This area of work has made a good financial contribution to the Charity's unrestricted reserves. The Charity is widely regarded as a high quality training organisation and continues to retain its MATRIX accreditation (the industry quality standard for those giving career advice and guidance).

The Home Office funded Integration programme which has run so successfully for some years came to an end in June 2015 and although further bidding rounds have been anticipated, so far these have not been forthcoming. This work has had a genuine positive impact in the community, especially in Park Ward, and has been highly regarded in integrating third country national women and fostering community cohesion. It has helped 375 women and their families since it began in July 2011. It has also played a part in easing the burden many public sector agencies face interacting with new arrivals who do not have English language skills and do not understand how to use their public services.



Participants on our ESOL programme

Central Halifax Children's Centre has for some years been a joint funder of the Home Office integration work, so while Home Office funding is on hold, they have maintained their funding to enable some activities to continue this year. This scaled down programme has been invaluable in helping new arrivals from both the EU and non EU countries improve their English and settle into their new community.

ACHIEVEMENT AND PERFORMANCE (CONTINUED)
Review of Activities for the Year (continued)



Participants on our ESOL programme

(4) Childcare and Family Support

Halifax Opportunities Trust holds a three-year contract which began on 1st July 2014, to deliver services in 11 Children's Centres in Calderdale, ranging from Todmorden in the west to Southowram in the east, along with the running of four nurseries formerly under the management of Calderdale Council, with an expectation that the deficits for the nurseries are reduced over a three-year period. The contract has an option to extend for a further two years.

As part of the contract condition over 100 Calderdale Council staff transferred to HOT on 1st July 2014 bringing with them full TUPE rights, including the continuation of their public sector pension with the West Yorkshire Pension Fund. This pension liability is dealt with in more detail under the financial notes.

As part of the contract delivery strategy HOT put in place actions this year to improve services for families, restructured budgets to make savings through operational efficiencies, increased occupancy in the day care and reduced costs. On the core contract (all services except daycare) the Trust performed well achieving contract objectives and hitting budget targets. Staff responded well in what has for them been a challenging time with a noticeably changed atmosphere and culture amongst the workforce reflecting an environment which is receptive and encouraging of entrepreneurship and innovation.

ACHIEVEMENT AND PERFORMANCE (CONTINUED)
Review of Activities for the Year (continued)



Outdoor play at New Road Nursery, Sowerby Bridge

The operation of the daycare with its expectation of reduction in subsidy continues to present a challenge financially, however there are plans in place to reduce costs and increase revenue whilst maintaining the exceptionally high quality of services. The Trustees are mindful of the circumstances of the families these services are being providing for and the challenging situation many of them live with daily. Nevertheless, an OFSTED Outstanding was achieved at the only Centre inspected within the year.

ACHIEVEMENT AND PERFORMANCE (CONTINUED)
Review of Activities for the Year (continued)



Midweek Movers at Todmorden Children's Centre



Learning through play at New Road Nursery, Sowerby Bridge

The Outback, our community organic garden and kitchen project has been well used and busy over the year. It has housed everything from cook and taste and cooking on a budget classes to picnics, parties and educational visits. This is a magnificent facility which is now generating income in its own right. As obesity and ill health linked to poor diet are a priority in Park Ward, the Outback kitchen and garden are a focal point for linking nutrition to health.

ACHIEVEMENT AND PERFORMANCE (CONTINUED)
Review of Activities for the Year (continued)



Activities at The Outback, our community garden and kitchen

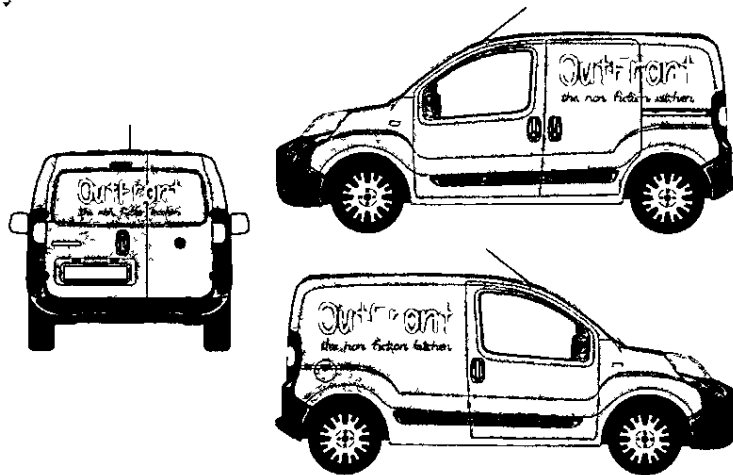
(5) Health Improvement Activities - new strands of work this year

This year two new strands of work have been developed to extend both the scope and the reach of the Charity's activities. Both new ventures respond to strongly evidenced local need and demand and positively impact on the wellbeing of disadvantaged groups.

A professional manufacturing kitchen was set up over the summer of 2015 in one of the Hanson Lane Enterprise Centre units to provide healthy school meals for infant and primary school children in the local area for whom lunch may be the only nutritious meal in the day. Meals provided are halal and non halal and are prepared to the highest standards. The halal food is certified under the rigorous conditions of the Halal Monitoring Committee. The investment in the year in this venture was substantial with set up costs of just over £125,000 but the evidence that poor early years nutrition and poor eating habits effects children for the whole of their lives is overwhelming and justified the level of expenditure in the view of the Trustees.

Improving nutrition has not only been identified as a key priority in our own children's centres, but also of the local public health service and of national government. The healthy, fun school meals service is professionally branded as the Outfront Kitchen to tie in with the work on health and nutritional education already well established in our Outback garden at Jubilee Children's Centre. The fit out of the kitchens was funded entirely from the Charity's reserves using £88,672 from restricted reserves earmarked for family support and with the remainder coming from free reserves. Supply of meals started in September 2015 to two schools, extending to three later in the year. This is a new venture and it has been a challenge as would be expected but the future of the business looks promising.

Sample Halal menu for the OutFront Kitchen



Branding for the OutFront Kitchen delivery van

ACHIEVEMENT AND PERFORMANCE (CONTINUED)
Review of Activities for the Year (continued)

The second major new service was funded and initiated by public sector partners to bring about improvements in the health and wellbeing of lonely and isolated residents in the Central Halifax area, especially the elderly. This initiative was introduced in four designated community hubs across Calderdale with Hanson Lane Enterprise Centre being one of those hubs. All four hubs deliver under the Staying Well brand. Hanson Lane Enterprise Centre's former conference room has been refurbished as part of this contract to provide Staying Well in Park Ward with its physical base.



Staying Well day trip

As well as providing community based activities for the lonely, isolated and elderly, the staff have actively worked with participants to encourage groups of like-minded people to develop and shape their own services and to communicate with a range of service providers about their needs. Staying Well has brought a new group of people into the Hanson Lane community.

ACHIEVEMENT AND PERFORMANCE (CONTINUED)
Review of Activities for the Year (continued)



Renovated Staying Well hub space

Funded by the Calderdale Clinical Commissioning Group via the Local Authority, this work offers an exciting foundation on which a whole range of improved and very locally based public services can be built. It has also been a useful vehicle through which we can explore the concept of Halifax Opportunities Trust as a real community hub at a time when public service in its traditional form is diminishing and all service providers are looking for new ways of working with citizens.

General

In general, the Trust has built up an excellent reputation over the past 15 years as a high quality and reliable community based delivery partner in the regeneration field. In view of the Trust's performance it is increasingly approached as a preferred partner for public and private sector partnership programmes. This quality delivery sits alongside a robust framework of financial management, reporting and tracking. The Trust continues to invest in staff training at all levels.

ACHIEVEMENT AND PERFORMANCE (CONTINUED)

Future Commitments

The terms and conditions of the Children's Centre contract resulted in possible future commitments for the Charity in relation to staff and pension costs. Possible obligations arising as a result of the contract were considered in detail by the Trustees during the tender process including appropriate meetings and sub-committees to analyse the information as far as available.

The initial contract is for three years from 1 July 2014 with the option to extend for a further two years. As noted in more detail per section nine of this report, in July 2016 the local authority formally advised the Trust that they would be taking up the extension option on the contract for a period of 21 to 24 months.

As at 31 March 2016 under the FRS 102 (LGPS funded benefits) disclosure requirement, the Charity has recognised a pension liability on the balance sheet of £832,000 in relation to the Children's Centre contract (see note 19 of the financial statements for further details). This is the difference between the fair value of the assets and the present value of the defined benefit obligation as valued under FRS 102 and using the assumptions presented to the Trustees in the actuary's report.

Having received advice that the contract has been extended, the first possible date that a re-tender would now take place is 2019. Should there be a re-tender at that point, as the successful current provider the Board believe HOT would be well placed to win any new contract. If we were unsuccessful then both the staff and pension obligations would pass to the new contract holders.

If for any reason the contract were to end completely in (following the extension) 2019 then a pension obligation would be payable by the Charity to the pension fund and the Charity would be committed to the redundancy costs of all staff under the contract. The pension obligation in this situation would be based on the ongoing valuation basis and not the FRS 102 disclosure amount. The redundancy cost would be dependent on a number of factors and assumptions at the time of termination including duration of service, age of employees and salaries. After two years of the contract the Trustees are pleased to report that no redundancies have been made.

At present the exact terms of the contract extension are still being discussed but if economic pressures on the Local Authority prevent the continuation of the contract on the current basis then a more likely scenario is that the Charity would go into the 21 to 24-month extension period with a smaller contract which may involve some redundancies. It is expected that these would be dealt with by natural wastage over the extended contract period.

Aside from the annual accounting valuation under FRS 102, the pension scheme is also valued on an ongoing basis every three years, with the next valuation currently being undertaken up to 31 March 2016. It is anticipated that the results of this valuation will be made available to the Charity in early 2017. It is after this valuation that the scheme provider would decide whether any additional contributions would be needed to close any gap between the asset value and estimated obligation.

The Trustees do not anticipate any substantial increases to the contribution level as a result of this valuation, however this is subject to market conditions at the time of valuation. If any further contributions were required, this would be negotiated with the scheme provider and any increases would not commence until 1 April 2017.

The Trustees plan to improve the reserves position through the generation of surpluses as budgeted.

The recognition of the pension scheme deficit in the Balance Sheet has resulted in the Charity itself showing a deficit of reserves at 31 March 2016. As mentioned above this pension deficit is not payable within the foreseeable future (12 months from date of this Report) and the Charity will be able to continue operating as normal during this period and the accounts have therefore been prepared on a going concern basis.

FINANCIAL REVIEW

Review of the year

The Group is reporting net operating expenditure of £77,175 for the year ended 31 March 2016. This is principally due to the investments made to improve the site at Hanson Lane Enterprise Centre and the setup of the new OutFront Kitchen unit, providing healthy school meals to local children.

Following recognition of the actuarial gains on the defined benefit pension schemes, the Group is showing a total net income position of £14,079.

The Group receives funding from a range of sources including local and national government contracts, local and national government grants, grant income from Trusts and Foundations as well as the increasing generation of its own income via the two trading subsidiary companies. One strategy the Trustees have adopted to mitigate the risks around sustainable income sources in the sector is through this diversification of income streams.

Details of the specific grants received by the Group are included in note two of the accounts and the results of the two trading subsidiaries are included in note thirteen of the accounts. The income sources of the Charity's restricted funds are included in note eighteen of the accounts.

Investment policy and objectives

Under the Memorandum and Articles of Association the trustees have the power to make any investment they see fit. The trustees have chosen to hold the surplus funds of the Charity in the bank account with Unity Trust Bank PLC. These are held in current accounts in order to facilitate the day to day operations of the Charity.

Reserves policy

Reserves are required by the charity because there is a need to match variable future income with fixed commitments, grants are often received after the relevant expenditure has been paid out, and the Trust at times supports certain projects beyond the life of specific funding or bridges between contracts.

In view of this, the trustees aim to maintain general reserves at a level equivalent to two years of unrestricted fund net expenditure, based on the budget agreed. Based on the 2016/17 budget, the general reserves should be £2.351 million (excluding the net expenditure in relation to the Sure Start contract from 1 July 2014). However general reserves as at 31 March 2016 were £430,201. The trustees expect to increase reserves to the required level over the next eight years due to projected surpluses over that period. The reserves policy is based on the Charity's consolidated figures.

The Board recognises that this is an ambitious level of reserves and that achieving this over the next eight years may not be feasible. The Trustees are therefore undertaking a complete review of the Reserves Policy and the basis of this calculation as a priority in advance of the next financial year end. This will ensure that the reserves target is realistic and both relevant to the nature of the Charity's activity and the risks that the Charity may face in future.

Going concern

The Charity's liabilities currently exceed its assets however this includes the recognition of a defined benefit pension scheme deficit of £829,000. The Trustees have given detailed consideration to this situation as noted in the 'Future Commitments' section of this report.

Although this deficit represents a material uncertainty, the Trustees believe that this position will not have any significant impact on the Charity's ability to operate.

FUTURE PLANS

(1) Supporting business start-up and growth

The Charity plans to build on the regeneration and economic opportunities presented by the Elsie Whiteley Innovation Centre and the Hanson Lane Enterprise Centre and their respective spin off developments, strengthening the Trust's profile as both a regeneration delivery organisation and reliable social enterprise partner. Staff will continue to promote both Centre's roles in supporting business and the economic regeneration of Calderdale. They will achieve this through attending events, through the use of social media and producing quality marketing and promotional materials. As the public resource available for hands on business support has all but disappeared this support will increasingly be achieved through collaboration and partnership with partner organisations such as the local council and the local Chamber of Commerce.

The Charity will continue to give a commitment to representation on the Council's BEST (Business Economic Strategy Team) group, on the BID Steering Group (Business Improvement District), and on the Boards of both Calderdale's Business Trust and the Chamber of Commerce to facilitate this cooperation.

The grants the Charity has offered towards the rent of its business premises have been an important part of Elsie Whiteley Innovation Centre and Hanson Lane Enterprise Centre's direct offer of support to business and it is planned that this should continue. These grants are given to the businesses by the Charity from restricted reserves.

Negotiations are ongoing with the Local Authority to attain new extended leases agreed for both the Elsie Whiteley Innovation Centre and the Hanson Lane Enterprise Centre bringing them in line with other asset transfers in the borough which have been granted 125 years. It is expected that this will be brought to a satisfactory conclusion in 2016/17.

Creative Calderdale is now a well-established network providing sector lead support for creative and digital businesses in the borough and the Charity plans to continue to support it offering staff time and resource to the steering group and the use of free venues for events where possible. Increasing membership from 80 to 100 is a target for 2016/2017 and the increase in funds this additional membership will generate will help cover some of the cost associated with running the network now it will no longer receive public funding.

(2) Helping community members into employment and training

Our good relationships with businesses and the professionalism of our staff team has meant that Halifax Opportunities Trust is regarded as being one of the best contract delivery organisations supporting employability in the region. In 2016 the Trust bid for a number of contracts under the new European Programme so that the organisation could continue to work with the unemployed residents in the most disadvantaged communities in Calderdale. Early indications are that our bidding has been successful across a range of activities and that the Charity will be awarded significant medium to long term contracts in 2016/17.

Apprenticeship contracts are also steadily expanding with the team adapting continually to changes in national policy effecting vocational training. New areas of work are being developed including the range and level of courses we offer. These now include level four in Business Administration and level five in Management and Leadership. As our service has become more established we are also experiencing repeat business from organisations and individuals we have supported previously, however the latest government proposals regarding apprenticeships makes our future as a provider of services in this area uncertain.

Funding is in place for the Charity to continue to give language and citizenship support to new arrivals from the EU and from further afield in the coming year. Work with refugees from war torn countries started in a small way in 2015/16 and will be continued with funding being provided by the Children's Centres, the Local Authority and the EU. We are also well placed to secure some funding from European Structural and Investment Funds to provide integration and employability support to vulnerable migrants in Calderdale.

If the opportunity does arise to bid for Home Office Funding, the Trust is in a strong position as one of the Home Office's highly regarded providers to take advantage of this.

FUTURE PLANS (CONTINUED)

(3) Childcare and family support

The Trust will continue to deliver childcare and family support through its contract with Calderdale Council in line with the proposals it outlined in its tender. The initial contract was for 3 years ending in June 2017 with an option to extend for a further 2 years. In July 2016 the local authority formally advised the Trust that they would be taking up the extension option on the contract for a period of 21 to 24 months. This decision was as a result of positive feedback from community consultation exercises and a will by the Council leadership to continue to provide these services in Calderdale despite challenging budgetary conditions. The exact detail of this extended contract will be negotiated in October/November 2016 but the Local Authority has already advised funding will be reduced. Services will therefore be scaled down accordingly.

Changes in the way public services are being shaped and delivered in response to ongoing spending cuts in the public sector present challenges but also many opportunities for a community based Chanty like Halifax Opportunities Trust. One such opportunity is the possibility of being able to build more services around the Children's Centre core contract thereby improving the life chances of families and children, offering more and better integrated community level services shaped by community members.

The Outback community garden and kitchen continues to expand and reach out to a wider and more diverse user base and it is anticipated this will continue in the year with more promotion of the venue as a training facility and more clubs and groups being encouraged to use the garden as a place to meet and engage with the natural world in what is a very dense urban environment. Negotiations are ongoing to get a formal lease agreed on the Outback with the Local Authority bringing it in line with other asset transfers in the Borough which have a 125-year lease. It is expected that this will be brought to a satisfactory conclusion in 2016/17.

(4) Keeping the Community Healthy

Staying Well, the project focusing on keeping lonely, isolated and elderly members of the community active and well, has been a challenging and complex partnership project. The borough wide project was evaluated by Lincoln University during its first 18 months and although the evaluation is on the whole positive about the project's outcomes it also puts the case for giving this new approach more time. Staying Well gives a tantalizing glimpse of what might be possible if partners and service users could truly work together to reshape community based delivery and so although the funding is due to end in 2016/17, it is hoped that the CCG and the Local Authority will extend the funding and the scope of Staying Well rather than bring it to a close. The case for using the Staying Well hubs and approach as a base for providing Care Closer to Home with additional momentum and as an important part of Vanguard has been well made by the Trust and other partners and we await the outcome which we hope will develop in a positive way in 2016/17.

The OutFront Kitchen again has been a challenging initiative to establish. Persistence and hard work from the team involved is paying off however and with a combination of bringing down the price of production, increasing sales and improving consistent quality, the enterprise now has a positive future. Winning a new contract to provide meals to an additional school in September 2016 was a turning point and work is now underway to look at ways in which the OutFront concept can be extended beyond schools taking the 'healthy eating can be fun' message to a wider audience of both youngsters and adults.

(5) Management and Governance plans

Succession issues within the Board were addressed with the recruitment of four new Trustees at the AGM in October 2015. In addition, Sally Morrell also took over as Chair at the 2015 AGM on the retirement of Mohammed Aslam. In October 2016, Barbara Harbinson, the longstanding Chief Executive retires after nearly 15 years' service and the Trustees would like to thank her for the fantastic contribution she has made to HOT over those years and wish her the very best of health and happiness in her well-earned retirement. Following a rigorous selection process over the summer of 2016, a new Chief Executive, Alison Haskins has been selected. This appointment will bring new skills and experience to the Trust helping the organisation to grow. In anticipation of growth the senior management team are in the process of undergoing training, working to achieve level 5 management training through the Institute of Leadership and Management (ILM) through a bespoke package incorporating team building so that they are able to provide a solid support for the new Chief Executive. These changes and transitions are positive when managed well and in a planned fashion, which they have been.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charity, Halifax Opportunities Trust (HOT), was formed in 2000 and has been operational since April 2002. It was established as the successor body for a Government funded regeneration programme in the Park Ward area of Calderdale.

HOT is a membership organisation. Its trustees are elected from the membership, from local businesses and from the community as laid out in the Memorandum and Articles of Association.

HOT's charitable work was for its first few years primarily focused on the Park Ward area of Calderdale but increasingly it is now operating across the whole of the borough building working relationships with private, public, voluntary and community sector organisations to provide services in other communities.

HOT has two commercial properties on long term peppercorn leases from the local council. They are used as a base for HOT's charitable activities and are also let to local businesses to promote and encourage local business growth. The property interests are managed by two wholly owned subsidiary companies, Hanson Lane Enterprise Centre Ltd and Elsie Whiteley Innovation Centre Ltd. For this reason, HOT produces consolidated accounts.

Governance

HOT is a registered charity and a company limited by guarantee. Board members are therefore both trustees of the Charity and company directors. There are currently five nominated trustees, five trustees elected from the membership and three co-opted because of the skills they bring. The nominated and elected trustees serve for a maximum of fifteen years and the co-opted trustees are co-opted annually. Elected trustees are elected by the HOT membership at the AGM. Appointed and co-opted trustees are appointed by the Board. All new trustees receive an induction pack and complete a register of interest's document. They are also provided with opportunities for governance and sector specific training and development.

The Charity's Board and the subsidiary boards meet quarterly. In addition to these meetings special purpose task and finish groups and focus groups are often formed to meet specific needs. These meetings take place between formal board meetings to explore issues in depth and help trustees and directors better understand the changing environment in which the organisation operates. Any such groups report back to the full Board.

In August 2013 the Board carried out one of its five yearly strategic reviews. As part of this process external experts looked at Finance, Governance and Operations ensuring HOT's business and business model was fit for purpose and could achieve the Charity's objectives in the face of increasingly difficult financial circumstances at that time. This review resulted in a clearer operational structure and introduced measures to control overheads and core staffing costs. The next full review will be due in 2018.

Management

There is an experienced senior management team at the core of the organisation that meets regularly. The team is led by a Chief Executive. The Chief Executive and the Departmental Managers report directly to the Board at the quarterly Charity and subsidiary board meetings. They produce comprehensive written reports for these meetings and attend to respond to questions and provide further information as required.

Company limited by guarantee

Halifax Opportunities Trust is a company limited by guarantee and accordingly does not have a share capital.

Every member of the company undertakes to contribute such an amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number	04089288 (England and Wales)
Date of incorporation	12 October 2000
Registered Charity number	1086183
Registered with the Charity Commission	18 April 2001
Registered office	Hanson Lane Enterprise Centre Hanson Lane Halifax West Yorkshire HX1 5PG

Trustees

Mohammed Aslam CBE MBE	Chair (until 22 10 15)	- resigned 22 10 15
Sally Morrell	Chair (from 22 10 15)	
Reverend Hilary Barber	Vice Chair	
Michelle Gaffaney	Vice Chair	
Russell Earnshaw	Vice Chair (until 9 1 16)	- resigned 9 1 16
Shabir Hussain		
Richard Hemblys	Treasurer	
Councillor Martin Burton		- resigned 28 5 15
Dr Fiaz Farooq		
Khalid Saeed		
Holly Walker-Lynch		- appointed 22 10 15
Mike Payne		- appointed 17 12 15
Ruksana Bostan		- appointed 22 10 15
Rizwana Rehman		- appointed 22 10 15
Councillor Stephen Baines		- appointed 25 5 16
Pauline Nash		- appointed 22 10 15
Rahat Khan		- resigned 22 10 15
Tanveer Bostan		- resigned 22 10 15
Hamza Aslam		- appointed 22 10 15 – resigned 23 6 16
Councillor Faisal Shoukat		- appointed 28 5 15 – resigned 25 5 16

Company Secretary

Shabir Hussain
Jenny Lynn (Resigned 22 10 15)

Auditors

Riley & Co Limited
Statutory Auditor Chartered Accountants
52 St Johns Lane
Halifax
West Yorkshire
HX1 2BW

Bankers

Unity Trust Bank
9 Brindleyplace
Birmingham
B1 2HB

Solicitors

Finn Gledhill
1 - 4 Harrison Road
Halifax
West Yorkshire
HX1 2AG

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)

Senior Management Team

B Harbinson	- Chief Executive
G Whitehead	- Group Finance Director
A Hussain	- Operations Manager
C Parkinson	- Area Manager, Upper and Central Calderdale Children's Centres
J Bell	- Business Services Manager
H Peevers	- Marketing Manager

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Halifax Opportunities Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charity SORP,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the group auditors are aware of that information

AUDITORS

The auditors, Riley & Co Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting

Approved by order of the board of trustees on 27 October 2016 and signed on its behalf by



S E Morrell - Trustee

**Report of the Independent Auditors to the Members of
Halifax Opportunities Trust (Registered number 04089288)**

We have audited the financial statements of Halifax Opportunities Trust for the year ended 31 March 2016 on pages twenty-four to forty-seven. 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 auditors' 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 auditors

As explained more fully in the Statement of Trustees Responsibilities set out on page thirteen, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the consolidated 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 Ethical Standards for Auditors, including APB Ethical Standard - Provisions Available for Small Entities (Revised), in the circumstances set out in note 21 to the consolidated financial statements.

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 consolidated 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 groups and 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 consolidated 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 consolidated 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 the group's and the parent charitable company's affairs as at 31 March 2016 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter - Going concern

Without modifying our opinion, we draw attention to the disclosures made in note 1 regarding going concern.

In forming our opinion, we have considered the adequacy of the disclosures made regarding the charitable company's ability to continue as a going concern. The charity's liabilities exceed its assets by £392,282 (group exceeds by £342,063), however the liabilities in both the charity and group include a net amount of £829,000 in respect of two defined benefit pension schemes. This pension liability is based on professional actuarial valuations as required under FRS 102. The liability is not expected to crystallise in the foreseeable future and the charitable company can make up the deficit by increased contributions over a number of years. This figure is also subject to large changes depending on investment performance year on year. The Trustees have prepared detailed financial plans which demonstrate that the charitable company is able to meet its liabilities as they fall due and therefore they consider that the group and charitable company can continue as a going concern.

The negative reserves represent a material uncertainty which may cast significant doubt over the charitable company and group's ability to continue as a going concern. The financial statements do not include any adjustments that would result if the company and group were unable to continue as a going concern.

Opinion on other matter prescribed by the Companies Act 2006

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

**Report of the Independent Auditors to the Members of
HALIFAX OPPORTUNITIES TRUST (Registered number 04089288)**

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 financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees

Victoria Atkinson BA FCA (Senior Statutory Auditor)
for and on behalf of Riley & Co Limited
Statutory Auditor Chartered Accountants
52 St Johns Lane
Halifax
West Yorkshire
HX1 2BW



Date **8 November 2016**

HALIFAX OPPORTUNITIES TRUST
Statement of Consolidated Financial Activities
(Incorporating the Consolidated Income and Expenditure Account)
for the Year Ended 31 March 2016

		Unrestricted funds £	Restricted funds £	31 3 16 Total funds £	31 3 15 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	8,758	106,124	114,882	131,714
Charitable activities	4				
Provision of employment, education and training services		372,298	690	372,988	488,898
Provision of childcare and family support services		3,134,720	655,327	3,790,047	3,233,256
Promoting health and wellbeing		77,694	-	77,694	10,000
Management, administration and membership		1,249	-	1,249	30,948
Other trading activities		537,095	-	537,095	471,440
Investment income	3	<u>1,571</u>	<u>-</u>	<u>1,571</u>	<u>490</u>
Total		4,133,385	762,141	4,895,526	4,366,746
EXPENDITURE ON					
Charitable activities	5				
Provision of employment, education and training services		325,244	39,664	364,908	415,223
Provision of childcare and family support services		3,184,445	672,163	3,856,608	3,200,624
Promoting health and wellbeing		172,890	60,866	233,756	14,112
Management, administration and membership		160,527	-	160,527	117,734
Other trading activities		356,902	-	356,902	450,669
Other – Recognition of opening pension liability		<u>-</u>	<u>-</u>	<u>-</u>	<u>528,000</u>
Total		4,200,008	772,693	4,972,701	4,726,362
NET INCOME/(EXPENDITURE)		(66,623)	(10,552)	(77,175)	(359,616)
Transfers between funds	18	74,630	(74,630)	-	-
Taxation		4,254	-	4,254	(9,084)
Other recognised gains/(losses)					
Actuarial gains/losses on defined benefit schemes		<u>87,000</u>	<u>-</u>	<u>87,000</u>	<u>(350,000)</u>
Net movement in funds		99,261	(85,182)	14,079	(718,700)
RECONCILIATION OF FUNDS					
Total funds brought forward		(441,324)	85,182	(356,142)	362,558
TOTAL FUNDS CARRIED FORWARD		<u>(342,063)</u>	<u>-</u>	<u>(342,063)</u>	<u>(356,142)</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities

HALIFAX OPPORTUNITIES TRUST (REGISTERED NUMBER 04089288)

Group and Charity Balance Sheet

At 31 March 2016

	Notes	GROUP 31 3 16 £	GROUP 31 3 15 £	CHARITY 31 3 16 £	CHARITY 31 3 15 £
FIXED ASSETS					
Tangible Assets	12	101,226	43,195	88,529	31,440
Investments	13	-	-	101	101
		101,226	43,195	88,630	31,541
CURRENT ASSETS					
Debtors	14	458,664	313,287	460,104	280,134
Cash at bank and in hand		544,762	893,214	418,671	798,330
		1,003,426	1,206,501	878,775	1,078,464
CREDITORS					
Amounts falling due within one year	15	(617,715)	(689,838)	(530,687)	(589,038)
NET CURRENT ASSETS / (LIABILITIES)		<u>385,711</u>	<u>516,663</u>	<u>348,088</u>	<u>489,426</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		486,937	559,858	436,718	520,967
PENSION LIABILITY	19	(829,000)	(916,000)	(829,000)	(916,000)
NET ASSETS		<u>(342,063)</u>	<u>(356,142)</u>	<u>(392,282)</u>	<u>(395,033)</u>
FUNDS					
Unrestricted funds					
- General Fund	18	430,201	474,676	379,982	435,785
- Designated fund Kitchen	18	56,736	-	56,736	-
Pension reserve	18	(829,000)	(916,000)	(829,000)	(916,000)
		(342,063)	(441,324)	(392,282)	(480,215)
Restricted funds	18	-	85,182	-	85,182
TOTAL FUNDS		<u>(342,063)</u>	<u>(356,142)</u>	<u>(392,282)</u>	<u>(395,033)</u>

The trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 27 October 2016 and were signed on its behalf by



S E Morrell -Trustee

HALIFAX OPPORTUNITIES TRUST
Consolidated Cash Flow Statement
for the Year Ended 31 March 2016

	Notes	31 3 16 £	31 3 15 £
Cash flows from operating activities			
Cash generated from operations	1	(237,721)	607,309
Tax paid		<u>(9,842)</u>	<u>(22,113)</u>
Net cash provided by (used in) operating activities		<u>(247,563)</u>	<u>585,196</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(102,460)	(5,215)
Interest received		<u>1,571</u>	<u>490</u>
Net cash provided by (used in) investing activities		<u>(100,889)</u>	<u>(4,725)</u>
Change in cash and cash equivalents in the reporting period		<u>(348,452)</u>	<u>580,471</u>
Cash and cash equivalents at the beginning of the reporting period		<u>893,214</u>	<u>312,743</u>
Cash and cash equivalents at the end of the reporting period		<u><u>544,762</u></u>	<u><u>893,214</u></u>

HALIFAX OPPORTUNITIES TRUST
Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 March 2016

1 RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31 3 16	31 3 15
	£	£
Net income/(expenditure) for the reporting period (as per the consolidated statement of financial activities)	(77,175)	(359,616)
Adjustments for		
Depreciation charges	44,429	31,034
Interest received	(1,571)	(490)
Increase in debtors	(140,161)	(28,039)
(Decrease)/increase in creditors	(63,243)	389,420
Difference between pension charge and cash contributions	<u>-</u>	<u>575,000</u>
Net cash provided by (used in) operating activities	<u>(237,721)</u>	<u>607,309</u>

1 ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

Going Concern

Following the valuation of the pension schemes under FRS 102 the Charity has recognised a pension scheme deficit of £829,000 on the Balance Sheet. This has resulted in a deficit on the Charity's total reserves of £392,282, and on the group reserves of £342,063 as at 31 March 2016. Notwithstanding the deficit on reserves the Trustees have prepared the accounts on a going concern basis. This pension scheme deficit is not payable in the foreseeable future (12 months from the approval of these financial statements) and the Trustees believe that the Charity will be able to continue operating as normal and meeting all its liabilities as they fall due. Therefore, the Trustees consider that the going concern basis is appropriate.

Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether 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, no restatements were required.

Group financial statements

The Statement of Financial Activities (SOFA) and balance sheet consolidate the financial statements of the charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis. The Charity has availed itself of Paragraph 3 (3) of Schedule 4 of the Companies Act 2006 and adapted the Companies Act formats to reflect the special nature of the Charity's activities. No separate SOFA or Income and Expenditure Account have been presented for the Charity alone as permitted by section 230 of the Companies Act 2006 and paragraph 327 of the SORP.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

The following specific policies are applied to particular categories of income:

Voluntary income is received by way of grants, donations and gifts and is included in full in the statement of financial activities when receivable.

Grants where entitlement is not conditional on the delivery of specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Grants, including government grants, are credited to deferred income. Grants towards capital expenditure are released to the SoFA over the expected useful life of the assets. Grants towards revenue expenditure are released to the SoFA as the related expenditure is incurred.

Income from investments is included in the year in which it is receivable.

Income from activities for generating funds relates to property management income generated by the charity's trading subsidiaries.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

HALIFAX OPPORTUNITIES TRUST
Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2016

1 ACCOUNTING POLICIES - continued

Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss accounts over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

Tangible fixed assets

The charity capitalises all asset purchases over £2,000.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Office equipment, fixtures and fittings	- 15% on cost	Kitchen equipment	- 33% on cost
Computer equipment	- 33% on cost	Long leasehold	- 20% on cost

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds have been designated for specific purposes by the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of any restricted fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charity participates in two defined benefit pension schemes for its employees. The assets of the schemes are held separately from those of the charity in independently administered funds.

Current service costs, past service costs and gains and losses on settlements and curtailments are charged to appropriate resources expended categories in the statement of financial activities. Past service costs are recognised over the vesting period or immediately if the benefits have vested. When a settlement (eliminating all obligations for benefits already accrued) or a curtailment (reducing future obligations as a result of a material reduction in the scheme membership or a reduction in future entitlement) occurs, the obligation and related plan assets are re-measured using current actuarial assumptions and the resultant gain or loss is recognised in the statement of financial activities during the period in which the settlement or curtailment occurs.

The interest cost and the expected return on assets are shown as a net amount as other finance cost or income. Net pension finance costs are allocated to appropriate resources expended categories in the SoFA. Actuarial gains and losses are recognised based on the latest actuarial valuation.

Pension scheme assets are valued at fair value at the balance sheet date. Fair value is based on market price information and in the case of quoted securities is the published bid price. Pension scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted to their present value using a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The pension scheme deficit is recognised in full on the balance sheet.

Defined contribution pension schemes

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

HALIFAX OPPORTUNITIES TRUST
Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2016

2 DONATIONS AND LEGACIES

	31 3 16 £	31 3 15 £
Grants	<u>114,882</u>	<u>131,714</u>
	<u>114,882</u>	<u>131,714</u>

Grants received, included in the above, are as follows

	31 3 16 £	31 3 15 £
ESOL Synan Families	477	-
Integrated Calderdale	32,684	112,619
Knowledge and Skills Sharing via Locality	275	-
Locality / Community Organisers	4,450	4,000
National Milk Grant Scheme	6,471	2,478
Neighbourhood Learning for Deprived Communities	4,472	7,986
Staying Well Project	60,866	-
Tinder Foundation	4,033	-
Welcome Project	<u>1,154</u>	<u>4,631</u>
	<u>114,882</u>	<u>131,714</u>

3 INVESTMENT INCOME

	31 3 16 £	31 3 15 £
Bank interest receivable	<u>1,571</u>	<u>490</u>

4 INCOME FROM CHARITABLE ACTIVITIES

	31 3 16 £	31 3 15 £
Income from Contracts and Projects		
Provision of employment, education and training services	372,988	488,898
Provision of childcare and family support services	3,790,047	3,233,256
Promoting health and wellbeing	77,694	10,000
Management, administration and membership	1,199	30,878
Membership income	<u>50</u>	<u>70</u>
	<u>4,241,978</u>	<u>3,763,102</u>

5 CHARITABLE ACTIVITIES COSTS

	Direct costs £	Support costs (See note 6) £	Totals £
Provision of employment, education and training services	364,908	-	364,908
Provision of childcare and family support services	3,856,608	-	3,856,608
Promoting health and wellbeing	233,756	-	233,756
Management, administration and membership	<u>71,375</u>	<u>89,152</u>	<u>160,527</u>
	<u>4,526,647</u>	<u>89,152</u>	<u>4,615,799</u>

HALIFAX OPPORTUNITIES TRUST
Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2016

6 SUPPORT COSTS

	Governance costs
	£
Management, administration and membership	<u>89,152</u>

Support costs, included in the above, are as follows

	31 3 16	31 3 15
	£	£
Wages	65,487	239,676
Social security	4,336	18,620
Pensions	1,312	13,032
Auditors' remuneration	4,903	9,723
Legal fees	11,961	6,523
Trustee costs	<u>1,153</u>	<u>150</u>
	<u>89,152</u>	<u>287,724</u>

7 NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting)

	31 3 16	31 3 15
	£	£
Auditors' remuneration – Riley and Co Ltd	4,500	-
Auditors' remuneration – Firth Parish	429	5,883
Auditors' remuneration – Riley and Co Ltd (Elsie Whiteley Innovation Centre)	1,980	1,883
Auditors' remuneration – Riley and Co Ltd (Hanson Lane Enterprise Centre)	1,980	1,883
Depreciation - owned assets	<u>44,427</u>	<u>31,034</u>

8 TAXATION

Analysis of tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	31 3 16	31 3 15
	£	£
Current tax		
UK corporation tax	962	9,842
Deferred tax	(5,216)	(758)
	<u>(4,254)</u>	<u>9,084</u>

The tax charge relates to the activities of the subsidiary companies, Hanson Lane Enterprise Centre and Elsie Whiteley Innovation Centre

9 TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2016 nor for the year ended 31 March 2015

Trustees' expenses

Trustee costs and expenses of £1,153 were paid for the year ended 31 March 2016 (2015 £150)

HALIFAX OPPORTUNITIES TRUST
Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2016

10 STAFF COSTS

	31 3 16	31 3 15
	£	£
Wages and salaries	3,126,162	3,760,168
Social security costs	190,501	18,620
Other pension costs	<u>178,098</u>	<u>13,032</u>
	<u><u>3,494,761</u></u>	<u><u>3,791,820</u></u>

The average monthly number of employees during the year was as follows

	31 3 16	31 3 15
Charitable activities	156	171
Administrative	19	2
Governance	<u>1</u>	<u>1</u>
	<u><u>176</u></u>	<u><u>174</u></u>

No employees received emoluments in excess of £60,000

The key management personnel of the charity have been identified as the Chief Executive, Group Finance Director and the Operations, Area Manager - Upper and Central Calderdale Children's Centres, Business Services and Marketing managers. The aggregate employment benefits, including employer's national insurance and pension contributions, for these key management personnel for the year was £218,652 (2015 - £160,774). The salaries of the key management are set by the trustees, and then reviewed by the trustees.

HALIFAX OPPORTUNITIES TRUST
Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2016

11 COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	30,246	101,468	131,714
Charitable activities			
Provision of employment, education and training services	488,898	-	488,898
Provision of childcare and family support services	2,744,355	488,901	3,233,256
Promoting health and wellbeing	10,000	-	10,000
Management, administration and membership	30,948	-	30,948
Other trading activities	471,440	-	471,440
Investment income	490	-	490
Total	3,776,377	590,369	4,366,746
EXPENDITURE ON			
Charitable activities			
Provision of employment, education and training services	415,223	-	415,223
Provision of childcare and family support services	2,725,439	475,185	3,200,624
Promoting health and wellbeing	14,112	-	14,112
Management, administration and membership	19,457	98,277	117,734
Other trading activities	450,669	-	450,669
Other	528,000	-	528,000
Total	4,152,900	573,462	4,726,362
NET INCOME/(EXPENDITURE)	(376,523)	16,907	(359,616)
Transfers between funds	7,303	(7,303)	-
Taxation	(9,084)	-	(9,084)
Other recognised gains/(losses)			
Actuarial gains/losses on defined benefit schemes	(350,000)	-	(350,000)
Net movement in funds	(728,304)	9,604	(718,700)
RECONCILIATION OF FUNDS			
Total funds brought forward	286,980	75,578	362,558
TOTAL FUNDS CARRIED FORWARD	(441,324)	85,182	(356,142)

HALIFAX OPPORTUNITIES TRUST
Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2016

12 TANGIBLE FIXED ASSETS

CHARITY

	Kitchen equipment £	Office equipment £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 April 2015	-	51,613	19,330	63,717	134,660
Additions	<u>95,808</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>95,808</u>
At 31 March 2016	<u>95,808</u>	<u>51,613</u>	<u>19,330</u>	<u>63,717</u>	<u>230,468</u>
DEPRECIATION					
At 1 April 2015	-	20,283	19,220	63,717	103,220
Charge for year	<u>31,936</u>	<u>6,715</u>	<u>68</u>	<u>-</u>	<u>38,719</u>
At 31 March 2016	<u>31,936</u>	<u>26,998</u>	<u>19,288</u>	<u>63,717</u>	<u>141,939</u>
NET BOOK VALUE					
At 31 March 2016	<u>63,872</u>	<u>24,615</u>	<u>42</u>	<u>-</u>	<u>88,529</u>
At 31 March 2015	<u>-</u>	<u>31,330</u>	<u>110</u>	<u>-</u>	<u>31,440</u>

HALIFAX OPPORTUNITIES TRUST
Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2016

12 TANGIBLE FIXED ASSETS - continued

GROUP

	Kitchen equipment £	Office equipment £	Fixtures and fittings £	Computer equipment £
COST				
At 1 April 2015	-	105,289	86,815	63,717
Additions	<u>95,808</u>	<u>6,648</u>	<u>-</u>	<u>-</u>
At 31 March 2016	<u>95,808</u>	<u>111,937</u>	<u>86,815</u>	<u>63,717</u>
DEPRECIATION				
At 1 April 2015	-	72,189	78,840	63,717
Charge for year	<u>31,936</u>	<u>8,398</u>	<u>1,970</u>	<u>-</u>
At 31 March 2016	<u>31,936</u>	<u>80,587</u>	<u>80,810</u>	<u>63,717</u>
NET BOOK VALUE				
At 31 March 2016	<u>63,872</u>	<u>31,350</u>	<u>6,004</u>	<u>-</u>
At 31 March 2015	<u>-</u>	<u>33,101</u>	<u>7,974</u>	<u>-</u>
	Long leasehold £	Totals £		
COST				
At 1 April 2015	91,996	347,817		
Additions	<u>-</u>	<u>102,456</u>		
At 31 March 2016	<u>91,996</u>	<u>450,273</u>		
DEPRECIATION				
At 1 April 2015	89,872	304,618		
Charge for year	<u>2,125</u>	<u>44,429</u>		
At 31 March 2016	<u>91,996</u>	<u>349,047</u>		
NET BOOK VALUE				
At 31 March 2016	<u>-</u>	<u>101,226</u>		
At 31 March 2015	<u>-</u>	<u>43,195</u>		

13 FIXED ASSET INVESTMENTS

	GROUP Shares in group undertakings £	CHARITY Shares in group undertakings £
MARKET VALUE		
At 1 April 2015 and 31 March 2016	<u>-</u>	<u>101</u>
NET BOOK VALUE		
At 31 March 2016	<u>-</u>	<u>101</u>
At 31 March 2015	<u>-</u>	<u>101</u>

HALIFAX OPPORTUNITIES TRUST
Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2016

13 FIXED ASSET INVESTMENTS - continued

There were no investment assets outside the UK

The company's investments at the balance sheet date in the share capital of companies include the following

Hanson Lane Enterprise Centre Limited

Country of incorporation England and Wales
Nature of business Property management and associated services

Class of share % holding
Ordinary 100

	31 3 16	31 3 15
	£	£
<u>Summary of trading results</u>		
Turnover	143,213	121,056
Total Expenditure	(171,152)	(128,556)
Other Income	605	596
Taxation	5,466	1,381
	<u>(21,868)</u>	<u>(5,523)</u>
<u>Summary of assets and liabilities</u>		
Assets	60,056	59,848
Liabilities	(54,179)	(32,103)
	<u>5,877</u>	<u>27,745</u>

Elsie Whiteley Innovation Centre Limited

Country of incorporation England and Wales
Nature of business Provision of high quality modern workspace to support enterprise and
business growth, in particular within the digital and creative sectors

Class of share % holding
Ordinary 100

	31 3 16	31 3 15
	£	£
<u>Summary of trading results</u>		
Turnover	412,696	377,812
Total Expenditure	(414,249)	(373,984)
Other Income	45,140	32,325
Interest payable and similar charges	(1,680)	(2,242)
Taxation	(1,212)	(10,465)
	<u>40,695</u>	<u>23,446</u>
<u>Summary of assets and liabilities</u>		
Assets	210,267	196,375
Liabilities	(178,034)	(204,837)
	<u>32,233</u>	<u>(8,462)</u>

HALIFAX OPPORTUNITIES TRUST
Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2016

14 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP 31 3 16 £	GROUP 31 3 15 £	CHARITY 31 3 16 £	CHARITY 31 3 15 £
Trade debtors	380,816	164,732	283,100	60,517
Amounts owed by group undertakings	-	-	125,443	115,134
Other debtors	69,917	145,840	51,561	104,483
Deferred tax asset	7,931	2,715	-	-
	<u>458,664</u>	<u>313,287</u>	<u>460,104</u>	<u>280,134</u>

Included within amounts owed by group undertakings is £72,000, of which £60,000 (2015 £63,537) is due after more than one year, from Elsie Whiteley Innovation Centre Limited. This amount is repayable in instalments over a ten-year period which commenced at 31 March 2013. An interest rate of 2% of the outstanding balance applies to this loan.

15 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP 31 3 16 £	GROUP 31 3 15 £	CHARITY 31 3 16 £	CHARITY 31 3 15 £
Trade creditors	36,575	137,986	20,347	120,878
Social security and other taxes	50,580	44,877	50,580	44,878
VAT	41,810	49,266	36,211	34,121
Corporation tax	962	9,842	-	-
Pension schemes	17,349	19,359	17,349	19,359
Accruals and deferred income	470,439	428,508	406,200	369,802
	<u>617,715</u>	<u>689,838</u>	<u>530,687</u>	<u>589,038</u>

16 OPERATING LEASE COMMITMENTS

The total of future minimum lease payments, under non-cancellable operating leases, for each of the following periods, are

	Land and buildings		Other operating leases	
	31 3 16 £	31 3 15 £	31 3 16 £	31 3 15 £
Not later than one year	7	7	33,813	33,813
Later than one year and not later than five years	28	28	86,395	120,208
Later than five years	40	47	-	-
	<u>75</u>	<u>82</u>	<u>120,208</u>	<u>154,021</u>

17 ANALYSIS OF GROUP NET ASSETS BETWEEN GROUP FUNDS

	Unrestricted funds £	Restricted funds £	31 3 16 Total funds £	31 3 15 Total funds £
Fixed assets	1	-	101,226	43,195
Current assets	1,000	-	1,003,246	1,206,501
Current liabilities	(61)	-	(617,715)	(689,838)
Provisions	(82)	-	(829,000)	(916,000)
	<u>(342,063)</u>	<u>-</u>	<u>(342,063)</u>	<u>(356,142)</u>

HALIFAX OPPORTUNITIES TRUST
Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2016

18 MOVEMENT IN GROUP FUNDS

	At 1 4 15 £	Net movement in funds £	Transfers between funds £	At 31 3 16 £
Unrestricted funds				
General fund	474,676	(30,433)	(14,042)	430,201
Designated fund - Kitchen	-	(31,936)	88,672	56,736
Pension reserve	(916,000)	87,000	-	(829,000)
	(441,324)	24,631	74,630	(342,063)
Restricted funds				
Little Gems Nursery	(3,677)	(10,365)	14,042	-
Neighbourhood Learning for Deprived Communities	187	(187)	-	-
Surestart (Up to June 2014)	88,672	-	(88,672)	-
	85,182	(10,552)	(74,630)	-
TOTAL GROUP FUNDS	<u>(356,142)</u>	<u>14,079</u>	<u>-</u>	<u>(342,063)</u>

Net movement in funds, included in the above are as follows

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	4,294,788	(4,325,221)	-	(30,433)
Designated fund - Kitchen	-	(31,936)	-	(31,936)
Pension reserve	-	-	87,000	87,000
	4,294,788	(4,357,157)	87,000	24,631
Restricted funds				
ESOL Syrian Families	477	(477)	-	-
Integrated Calderdale	33,374	(33,374)	-	-
Little Gems Nursery	144,559	(154,924)	-	(10,365)
Neighbourhood Learning for Deprived Communities	4,472	(4,659)	-	(187)
Staying Well Project	60,866	(60,866)	-	-
Welcome Project	1,154	(1,154)	-	-
Daycare Centres	517,239	(517,239)	-	-
	762,141	(772,693)	-	(10,552)
TOTAL FUNDS	<u>5,056,929</u>	<u>(5,130,805)</u>	<u>87,000</u>	<u>14,079</u>

HALIFAX OPPORTUNITIES TRUST
Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2016

18 MOVEMENT IN FUNDS - continued

ESOL - Syrian Families Support for Syrian Refugees in Calderdale is being delivered by the Halifax Opportunities Trust (HOT) ESOL team under the Syrian Resettlement Programme managed and funded by Calderdale Council. They have commissioned HOT to design and deliver an ESOL programme which reflects the language needs of Syrian families.

Integrated Calderdale Funding was received from the Home Office to fund an integration programme focusing on support for new and recently arrived third country nationals. This programme provided language support as well as wider assistance around citizenship and community integration.

Neighbourhood Learning for Deprived Communities HOT has been granted funding by the Local Authority to deliver a number of courses to facilitate adult learning in Calderdale. Under the terms of this agreement it is noted that this grant should be classified in the accounts as restricted.

Staying Well Project HOT has been granted funding from the Local Authority to provide and support bespoke community based interventions for isolated individuals to positively impact on their health and well-being. The services provided under this grant are tailored to the needs of the individuals and run from the Staying Well hub operating from Hanson Lane Enterprise Centre.

Welcome Project The Welcome Project is funded through Calderdale Community Foundation to support the integration of EU communities through language training.

Daycare Centres Our daycare centres receive Early Education Funding (EEF) from the Local Authority in order to provide free places at nursery for 2 and 3 year olds. The funding agreement also provides specific funding by way of Quality Supplements, Deprivation Supplements and Early Years Pupil Premium to assist particular children. Per the terms of this agreement, it is a requirement that these funds are ring fenced and they are therefore classified as restricted in our accounts.

Transfers between funds

Transfers between funds have been made to reallocate overspends on restricted fund projects and to reallocate restricted fund opening balances which have been expended within the year to the satisfaction of the restriction in place.

19 EMPLOYEE BENEFIT OBLIGATIONS

The charity is a member of two defined benefit schemes with The West Yorkshire Pension Fund

	31 3 16	31 3 15
	£	£
Scheme 1 Halifax Opportunities Trust	(3,000)	(1,000)
Scheme 2 Halifax Opportunities Trust (Calderdale)	<u>832,000</u>	<u>917,000</u>
	<u>829,000</u>	<u>916,000</u>

The West Yorkshire Pension Fund Schemes are funded and are contracted out of the state scheme. The last tri-annual valuation of the schemes took place at 31 March 2013 and was undertaken by professionally qualified actuaries, AON Hewitt, using the projected unit method. The Charity has paid for a valuation of both schemes as at 31 March 2016 and the figures below are based on those valuations.

SCHEME 1

The notional value of the assets of the charity's share of the scheme at 31 March 2016 was £290,000, the present value of liabilities was £287,000 leaving a net pension asset of £3,000 at 31 March 2016.

Contributions

The employer contributions made to the scheme during the year were £2,000 (2015 £2,000). £Nil was unpaid at the year end.

The employer's regular contributions to the Fund for the accounting period ending 31 March 2017 are estimated to be approximately £2,000 per annum based on a full year at the current monthly contribution rates.

HALIFAX OPPORTUNITIES TRUST
Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2016

19 EMPLOYEE BENEFIT OBLIGATIONS - continued

Key assumptions

The latest actuarial valuation of the Charity's liabilities took place as at 31 March 2013. Liabilities have been estimated by the independent qualified actuary on an actuarial basis using the projected unit credit method. The principal assumptions used by the actuary in updating the latest valuation of the Fund for FRS 102 purposes were

	<u>31 March 2016</u>	<u>31 March 2015</u>
	(%)	(%)
Discount rate	3.3	3.1
Inflation - RPI	2.8	2.9
Inflation - CPI	1.7	1.8
Pension increases	1.7	1.8
Pension accounts revaluation rate	1.7	1.8
Rate of general increase in salaries	3.2	3.3

Expected return on assets

The approximate split of assets for the Fund as a whole (based on data supplied by the Fund Administering Authority) is shown in the table below. Also shown are the assumed rates of return adopted by the Employer for the purposes of FRS 102.

The charity employs a building block approach in determining the rate of return on Fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is set out within this note. The overall rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the Fund at 31 March 2016.

	<u>Asset split at</u> <u>31 March 2016</u>	<u>Asset split at</u> <u>31 March 2015</u>
	(%)	(%)
Equities	75.6	76.2
Property	4.9	4.3
Government bonds	10.3	10.6
Corporate bonds	4.6	4.7
Cash	1.3	1.9
Other	3.3	2.3
Average Return / Total	100.00	100.0

Reconciliation of funded status to Balance Sheet

	<u>Value as at</u> <u>31 March 2016</u>	<u>Value as at</u> <u>31 March 2015</u>
	£000's	£000's
Fair value of assets	290	294
Present value of funded liabilities	(287)	(293)
Pension asset / (liability) before consideration of paragraph 41	3	1
Unrecognised asset due to limit in paragraph 41	-	-
Net pension asset/(liability)	3	1

Analysis of profit and loss charge

	<u>Period ending</u> <u>31 March 2016</u>
	£000's
Current service cost	10
Past service cost	-
Interest cost	-
Curtailment cost	-
Settlement cost	-
Expense recognised	10

HALIFAX OPPORTUNITIES TRUST
Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2016

19 EMPLOYEE BENEFIT OBLIGATIONS - continued

Changes to the present value of the defined benefit obligation

	<u>Period ending</u> <u>31 March 2016</u> <u>£000's</u>
Opening defined benefit obligation	293
Current service cost	10
Interest cost	9
Contributions by participants	2
Actuarial (gains) / losses on liabilities	(17)
Net benefits paid out	(10)
Past service cost	-
Net increase in liabilities from disposals / acquisitions	-
Curtailments	-
Settlements	-
Closing present value of liabilities	287

Changes to the fair value of assets

	<u>Period ending</u> <u>31 March 2016</u> <u>£000's</u>
Opening fair value of assets	294
Expected return on assets	9
Actuarial gains / (losses) on assets	(7)
Contributions by the employer	2
Contributions by participants	2
Net benefits paid out	(10)
Net increase in assets from disposals and acquisitions	-
Settlements	-
Closing fair value of assets	290

SCHEME 2

The charity became a participating employer in this scheme on 1 July 2014 and acquired net liabilities of £528,000 on that date

The notional value of the assets of the charity's share of the scheme at 31 March 2016 was £2,523,000, the present value of liabilities was £3,355,000 leaving a net pension liability of £832,000 at 31 March 2016

Contributions

The employer contributions made to the scheme during the year were £153,000 (2015 £126,000) £Nil was unpaid at the year end

The employer's regular contributions to the Fund for the accounting period ending 31 March 2017 are estimated to be approximately £158,000

Key assumptions

The latest actuarial valuation of the Charity's liabilities took place as at 31 March 2013. Liabilities have been estimated by the independent qualified actuary on an actuarial basis using the projected unit credit method. The principal assumptions used by the actuary in updating the latest valuation of the Fund for FRS 102 purposes were

	<u>31 March 2016</u> <u>(%)</u>	<u>31 March 2015</u> <u>(%)</u>
Discount rate	3.5	3.3
Inflation - RPI	2.9	3.0
Inflation - CPI	1.8	1.9
Pension increases	1.8	1.9
Pension accounts revaluation rate	1.8	1.9
Rate of general increase in salaries	3.3	3.4

HALIFAX OPPORTUNITIES TRUST
Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2016

19 EMPLOYEE BENEFIT OBLIGATIONS - continued

Expected return on assets

The approximate split of assets for the Fund as a whole (based on data supplied by the Fund Administering Authority) is shown in the table below. Also shown are the assumed rates of return adopted by the Employer for the purposes of FRS 102.

The charity employs a building block approach in determining the rate of return on Fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is set out within this note. The overall rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the Fund at 31 March 2016.

	<u>Asset split at</u> <u>31 March 2016</u>	<u>Asset split at</u> <u>31 March 2015</u>
	(%)	(%)
Equities	75.6	76.2
Property	4.9	4.3
Government bonds	10.3	10.6
Corporate bonds	4.6	4.7
Cash	1.3	1.9
Other	3.3	2.3
Average Return / Total	100.00	100.0

Reconciliation of funded status to Balance Sheet

	<u>Value as at</u> <u>31 March 2016</u>	<u>Value as at</u> <u>31 March 2015</u>
	£000's	£000's
Fair value of assets	2,523	2,319
Present value of funded liabilities	(3,355)	(3,236)
Pension asset / (liability) before consideration of paragraph 41	(832)	(917)
Unrecognised asset due to limit in paragraph 41	-	-
Net pension asset/(liability)	(832)	917

Analysis of profit and loss charge

	<u>Period ending</u> <u>31 March 2016</u>
	£000's
Current service cost	227
Past service cost	-
Interest cost	27
Curtailment cost	-
Settlement cost	-
Expense recognised	254

Changes to the present value of the defined benefit obligation

	<u>Period ending</u> <u>31 March 2016</u>
	£000's
Opening defined benefit obligation	3,236
Current service cost	227
Interest cost	107
Contributions by participants	53
Actuarial (gains) / losses on liabilities	(252)
Net benefits paid out	(16)
Past service cost	-
Net increase in liabilities from disposals / acquisitions	-
Curtailments	-
Settlements	-
Closing present value of liabilities	3,355

HALIFAX OPPORTUNITIES TRUST
Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2016

19 EMPLOYEE BENEFIT OBLIGATIONS - continued

Changes to the fair value of assets

	<u>Period ending</u> <u>31 March 2016</u> <u>£000's</u>
Opening fair value of assets	2,319
Expected return on assets	80
Actuarial gains / (losses) on assets	(66)
Contributions by the employer	153
Contributions by participants	53
Net benefits paid out	(16)
Net increase in assets from disposals and acquisitions	-
Settlements	-
Closing fair value of assets	2,523

20 CONTINGENT LIABILITIES

As a member of a VAT group with its subsidiaries, the charity is jointly and severally liable for the VAT debts of any of the VAT group members

21 RELATED PARTY DISCLOSURES

Transactions with group

The charitable company has taken advantage of exemption, under the terms of FRS 102, not to disclose related party transactions with wholly owned subsidiaries within the group

Transactions with Trustees

GNS (Halifax) Limited

A company owned by Khalid Saeed, a trustee, has provided IT support to the charity during the year, and is a tenant of Hanson Lane Enterprise Centre, a subsidiary company

	2016 £	2015 £
Income received	3,506	2,840
Debtor	312	43
Purchases	16,475	54,524
Creditor	412	1,888
Tenant deposit held	190	190

Bluebird Care Services

A company owned by S Hussain, a trustee of the charity, is a tenant of Hanson Lane Enterprise Centre

	2016 £	2015 £
Income received	5,486	4,572
Creditor	-	6
Tenant deposit held	137	137

Holly Lynch MP

A trustee of the charity, is a tenant of Elsie Whiteley Innovation Centre

	2016 £	2015 £
Income received	6,397	-
Debtor	218	-
Tenant deposit held	680	-

22 APB ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements

23 ULTIMATE CONTROLLING PARTY

The charity is under the control of the board of trustees

24 FIRST YEAR ADOPTION

Transitional relief

On transition to FRS 102, the charity has taken advantage of the following transitional relief

No transitional relief has been taken by the charity. Full disclosure of the transitional adjustments and reconciliations is shown in the notes to the accounts

HALIFAX OPPORTUNITIES TRUST
Reconciliation of Consolidated Income and Expenditure
for the Year Ended 31 March 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
INCOME AND ENDOWMENTS FROM				
Donations and legacies		19,095	-	19,095
Charitable activities		3,875,721	-	3,875,721
Investment income		490	-	490
Trading activities		<u>471,440</u>	<u>-</u>	<u>471,440</u>
Total		4,366,746	-	4,366,746
EXPENDITURE ON				
Charitable activities		3,459,969	287,724	3,747,693
Governance costs		287,724	(287,724)	-
Other		528,000	-	528,000
Trading activities		<u>450,669</u>	<u>-</u>	<u>450,669</u>
Total		4,726,362	-	4,726,362
NET INCOME/(EXPENDITURE)		<u>(359,616)</u>	<u>-</u>	<u>(359,616)</u>

HALIFAX OPPORTUNITIES TRUST
Reconciliation of Consolidated Funds
At 1 April 2014
(Date of Transition to FRS 102)

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		69,014	-	69,014
Investments		<u>-</u>	<u>-</u>	<u>-</u>
		69,014	-	69,014
CURRENT ASSETS				
Debtors		284,490	-	284,490
Cash at bank and in hand		<u>312,743</u>	<u>-</u>	<u>312,743</u>
		597,233	-	597,233
CREDITORS				
Amounts falling due within one year		(312,689)	-	(312,689)
		<u>-</u>	<u>-</u>	<u>-</u>
NET CURRENT ASSETS		<u>284,544</u>	<u>-</u>	<u>284,544</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		353,558	-	353,558
PENSION ASSET		9,000	-	9,000
		<u>-</u>	<u>-</u>	<u>-</u>
		<u>362,558</u>	<u>-</u>	<u>362,558</u>
FUNDS				
Unrestricted funds		286,980	-	286,980
Restricted funds		<u>75,578</u>	<u>-</u>	<u>75,578</u>
TOTAL FUNDS		<u>362,558</u>	<u>-</u>	<u>362,558</u>

HALIFAX OPPORTUNITIES TRUST
Reconciliation of Consolidated Funds
At 31 March 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		43,195	-	43,195
Investments		-	-	-
Total		43,195	-	43,195
CURRENT ASSETS				
Debtors		313,287	-	313,287
Cash at bank and in hand		893,214	-	893,214
		1,206,501	-	1,206,501
CREDITORS				
Amounts falling due within one year		(689,838)	-	(689,838)
NET CURRENT ASSETS		516,663	-	516,663
TOTAL ASSETS LESS CURRENT LIABILITIES		559,858	-	559,858
PROVISIONS FOR LIABILITIES		(916,000)	-	(916,000)
NET ASSETS/(LIABILITIES)		(356,142)	-	(356,142)
FUNDS				
Unrestricted funds		(441,324)	-	(441,324)
Restricted funds		85,182	-	85,182
TOTAL FUNDS		(356,142)	-	(356,142)