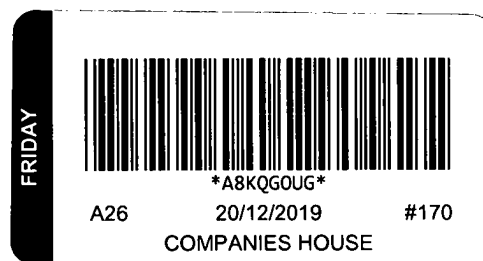


Report of the Trustees and
Consolidated Financial Statements for the Year Ended 31st March 2019
for
HALIFAX OPPORTUNITIES TRUST



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HALIFAX OPPORTUNITIES TRUST
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for the Year Ended 31st March 2019

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**Report of the Trustees
for the Year Ended 31st March 2019**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st March 2019. 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

Objectives and aims

The Charity was established in 2001 as a membership organisation with the following objects registered and approved by the Charity Commission:

To promote any charitable purpose for the benefit of the inhabitants of the metropolitan district of Calderdale in the county of West Yorkshire and surrounding areas within a radius of 30 miles from Halifax Town Hall, including but not exclusively the area known as Park Ward in the Metropolitan Borough of Calderdale 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 recreational facilities for the public at large or those who by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances, have need of such facilities;
- 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) the provision of public health and well-being activities; and
- k) such other means as may from time to time be determined subject to the prior consent of the Charity Commission.

The trustees, in making decisions about planning and delivery of activities, have had due regard to the commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant. The approach to public benefit is described in summary below and in more detail throughout this report.

The Charity's purpose as described in its Strategic Plan is to 'work to make a vibrant multi-cultural and self-sustaining community'. In order to achieve this, the Trust carries out the following activities:

- provides office space and support for business and enterprise development through two business centres.
- provides opportunities for learning via a range of apprenticeships, ESOL provision, life skills and integration for new arrivals to the UK.
- provides assistance for job seekers by working with employers and through employment support initiatives.
- provides childcare and family support through the Upper and Central Calderdale Children's Centres, Little Gems nursery and other projects.
- provides support for physical and mental wellbeing by running social activities, networks and community groups which encourage socialization, healthy lifestyles and take up of new hobbies and activities.
- promotes health and wellbeing via the Outback community kitchen garden and projects aimed at encouraging active, healthy lifestyles.
- provides community development support via the outreach activities of two Community Organisers and provision of Community Organising training

**Report of the Trustees
for the Year Ended 31st March 2019**

The Board reviews the Charity's objectives and areas of operation periodically. For the year under review (2018-19) it is agreed that priority interventions should fall into six main areas over the next year:

- Support enterprise, business start-up and growth
- *Help local people into employment*
- Support and deliver accredited training and personal development
- Support children and families
- Support and promote health and wellbeing
- Support inclusive integration of new arrivals to the UK

In the longer term, the board have asked the Trust's SMT to continue to explore acquisition of new property (to support the areas above and also to support the Trust's sustainability). Trustees are considering redevelopment of Hanson Lane Business Centre, subject to long-term lease renewal. Housing is another area of potential future development for the Trust as it is a key issue in Park Ward and across Calderdale.

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. The Trust does seek grant income to enable the start-up of new projects or initiatives, with the aim of ensuring these are self-sustaining via trading once established.

Significant activities

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

(1) Support 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; office space and meeting rooms at Elsie Whiteley and light industrial units at Hanson Lane. The Charity offers an 18 month grant to start up and early trading businesses which subsidises their rent. The business centres also act as a focal point for physical regeneration and community cohesion in Park Ward, with a regular business networking event being held at Elsie Whiteley.

(2) *Help local people into employment*

The Trust provides practical and holistic support to people looking for employment, especially those who are disadvantaged in the labour market. The Trust provides this through a key worker model which enables support to be customised around an individual's needs and delivered on a one to one basis. An important part of the service is the work being done to engage local employers to source vacancies to assist unemployed people back into work. The Trust also runs a Job Club. This work is primarily resourced via EU and matched funds.

(3) Support and deliver accredited training and personal development

The Trust delivers a range of certificated and non-certificated training programmes including employment related short courses, ESOL and citizenship training, apprenticeships and work-based learning programmes especially for those working in the childcare profession and schools. This training is mostly delivered from Hanson Lane Enterprise Centre, learners' workplaces and other community venues. There are four training rooms at Hanson Lane Enterprise Centre, two of which are multi-purpose rooms equipped with ICT training aids.

**Report of the Trustees
for the Year Ended 31st March 2019**

OBJECTIVES AND ACTIVITIES

(4) Support children and families

The Charity has developed and delivered a range of community-based services for families with young children in Calderdale for many years. These services, operating from a range of neighbourhood Children's Centres and community venues, have mostly been delivered in partnership with Calderdale Council. From July 2014 this has been in the form of a contract which the Trust won via a competitive tender process. The Centres are busy and informative venues and are well used by parents in the community. The Centres support families in many ways helping them improve their health, parenting, employability, their education, family safety and provide excellent childcare. The Trust also runs its own nursery - Little Gems - which is based at Hanson Lane and provides childcare for 2-year olds. All the nurseries run by the Trust have been received Outstanding inspection results from OFSTED and all the Children's Centre nurseries have achieved the Food for Life Early Years Award.

(5) Support and promote health and wellbeing

Health and wellbeing outcomes for residents of Park Ward and other disadvantaged areas of Calderdale compare badly with those of the more prosperous parts of the borough. In response to this inequality, the Charity has increasingly been developing activities which help improve social connections, nutrition & lifetime eating and physical activity. Much is done in the Children's Centres to educate parents and families about breastfeeding and healthy eating. In addition, the Trust continues to develop services through its Staying Well programme specifically aimed at adults in the community, especially those who are experiencing isolation and loneliness as a result of their age, mild mental ill-health or limiting medical conditions. The Outback community garden and kitchen helps people engage with healthy, nutritious food for families on a budget in a fun way. The Trust also ran the Outfront until July 2018, a healthy school meals service for infant and primary schools. The Trust also continues its 'greening' activity at its Children's and business centres, by planting flowers, vegetables and fruit to create pleasant environments and contribute positively to these community settings.

(6) Support inclusive integration of new arrivals to the UK

This is a newly defined category for 2018/19, although the services have run for many years under our 'learning' objective. As it is such an important part of the Trust's work, it was decided to put more emphasis on our inclusion activities and draw attention to the successes of our approach. To meet this objective we deliver ESOL courses, embedded within an inclusion approach which enables new arrivals to learn how the UK functions: its history & heritage; government; culture & leisure; and public services.

Public benefit

The trustees confirm that they have each complied with their duty under section 4 of the Charities Act 2006 to have due regard to the guidance on public benefit published by the Charity Commission when carrying out their role and duties.

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.

**Report of the Trustees
for the Year Ended 31st March 2019**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

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) Support enterprise, business start-up and growth

The Trust runs two enterprise centres offering business accommodation. To meet one of its charitable objects the Trust provides substantial rental subsidies to start-up businesses based at our business centres to encourage and support businesses to grow. Eligible tenants receive up to 50% of their rent paid through a grant from Halifax Opportunities Trust. We have supported 90 businesses with our grant scheme since launching it just over 10 years ago

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.

The Centre celebrated its ten-year anniversary this year and continues to be an important part of the Trust's offer to the town, bringing in a diverse mix of tenants, conference and training participants daily. The focal point of the building is the atrium and the lively Café No 5. This free and open meeting space has evolved over the years and is now a buzzing market place for business and community. Food and flower produce from the Trust's Outback Garden is regularly on sale, there are coffee mornings and other tenant events which contributes to the communal and community feel of the Centre. We improved the courtyard area of the Centre this year to create a Peace Garden which is used as a break-out space by meeting attendees and a second place to have a quiet lunch by tenants at the Centre. We have placed a focus on recycling and plastic reduction at the Centre this year and have successfully diverted 286,000 litres of recyclable waste from landfill.

Office occupancy during 2018/19 was 80%, with the Centre continuing to make a good financial contribution to the charity group. We helped 8 new-start businesses with a rent subsidy grants.

Hanson Lane Enterprise Centre is located at the very centre of Park Ward and is where the charity was first established. The Enterprise Centre was converted from a cluster of redundant BT engineering workshops in the late 1990's with the 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 charity's own activities take place from the Hanson Lane Enterprise Centre. As with the Elsie Whiteley Innovation Centre, all new businesses are offered a discount for the first 18 months of their trading. Businesses and charities benefiting the community are also often given consideration for a rent subsidy. This year 6 companies have benefitted from reduced rent and the occupancy rate was 92%.

During 2018/19 we began planning for a redevelopment of Hanson Lane with a feasibility study undertaken by Locality. This is the start of an exciting project for the charity with decisions to be taken as to the scope and future purpose of Hanson Lane and a real opportunity to shape the site for the future in line with the Charity's charitable objectives and purpose.

Across both business centres we had 73 tenants and £10,261 was provided to 14 new start businesses in the form of grants towards rent subsidies.

HOT Networking was established in 2017 in order to enhance our enterprise support charitable objective. These sessions take place monthly at the Elsie Whiteley Centre. This year has seen HOT Networking grow significantly, with over 30 local businesses regularly attending meetings. The aim of the network is to bring together both the private and charity sectors to share best practice, offer peer-to-peer support and grow a strong, sustainable business and charity community in Calderdale. The sessions are based around short, practical business-support topics presented by B2B SMEs. We have found attendees have found the information provided very useful, as is the peer support element of the sessions and the networking opportunities.

**Report of the Trustees
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ACHIEVEMENT AND PERFORMANCE

Charitable activities

(2) Help local people into employment

Halifax Opportunities Trust has a deeply-rooted history of enabling members of the local community to find meaningful work. Based in the heart of Park Ward at Hanson Lane Enterprise Centre, our employment team works closely with individuals to get them on the path to employment. This can be through activities such as our Job Clubs and CV workshops or facilitating training to upskill participants, all within the framework of a key worker model that promotes mutual trust and respect between our advisors and the people they work alongside. We also take time to foster good working relationships with local employers in order to make the transition to work a successful one.

More recently our activities have taken a more holistic approach to the wider reasons behind why individuals face barriers to work. Through the Hopeful Families programme, funded by The Big Lottery Community Fund and European Social Fund (ESF), we have offered a variety of activities aimed at empowering individuals to move towards training and volunteering opportunities and ultimately towards employment. Some of the highlights from this year have included the Steps to Fitness programme and hugely popular Workshop project, both of which fit our holistic model and have reaped benefits for the people we work with.

During 2018/19 we helped 87 people into employment and 90% of people stayed in employment for at least 6 months - a high retention rate for the people that we work with. 102 local people were provided with volunteering & work experience opportunities and 108 people took part in learning & education opportunities. These statistics, whilst impressive for a very small team, do not show the qualitative achievement for the people we support. The success is often not just getting back into work after many years away from the workplace (or having never had a job) but overcoming anxiety and depression; family problems; managing poor health or lack of social connections. The case study below provides more detailed information about the way our employment service works:

Fatima lost her job as an assistant manager at a nursery, which came as a huge blow to her confidence and motivation. Fatima discovered Halifax Opportunities Trust's employment team through her mum and was introduced to Lead Employment Advisor, Jo Denny. Jo suggested that Fatima join the ESF/DWP funded Right Steps to Work programme to help her find meaningful work outside of the Early Years sector. "Before I started working with Jo I felt like giving up. Jo has been so supportive, she has helped me with my CV and interview techniques, she has helped build my confidence back up to where it should be." To help Fatima gain the necessary experience Jo arranged for a placement at a local charity, Community Transport Calderdale. The volunteering helped Fatima with her confidence. "I had lost so much motivation but Jo always kept me positive, when she noticed my attendance at our meetings was waning she moved me from fortnightly meetings to weekly meetings and that push really helped me pick myself back up again - I always look forward to seeing Jo." With the support of Jo and the Employment team at Halifax Opportunities Trust Fatima has finally been successful in securing paid work as a Healthcare Apprentice in the NHS and started her new role in February 2019.

(3) Support and deliver accredited training and personal development

Achieving personal career goals often relies on good quality, appropriate training, either on the job or via learning centres. Halifax Opportunities 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, apprenticeships and programmes for those working in the childcare profession or in schools.

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ACHIEVEMENT AND PERFORMANCE

Charitable activities

Some of the highlights of 2018/19 have included really positive feedback from a monitoring visit by OFSTED in July 2018 which noted 'much progress that leaders have made in ensuring that the provider is meeting all the requirements of successful apprenticeship provision.' The report also complimented the 'progress leaders and managers have made in ensuring that apprentices benefit from high quality training that leads to positive outcomes for apprentices'. We were also delighted to retain our Matrix standard for the 7th year in a row. The Matrix Standard is a unique quality standard for organisations to assess and measure their advice and support services, which ultimately supports individuals in their choice of career, learning, work and life goals. During 2018/19, 88 people started apprenticeships with the Trust and 83% completed their training. Over 500 people accessed unaccredited or 'first rung' accredited training with the Trust during the same period, supporting personal development and aspirations.

(4) Support children and families

HOT is committed to improving outcomes for young children and their families, particularly the most disadvantaged families, in order to reduce inequalities. To achieve this, the Trust focuses on early years via its Children's Centres, Nurseries and Out-of-School Children's Activities.

The Trust has provided services and activities for families and children for most of its existence and in 2014 these were formalised under a contractual arrangement with Calderdale Council. During 2018/19 the contract was extended for a second time, taking the end date to March 2020. The Trust provides services in 9 Children's Centres in Calderdale, ranging from Todmorden in the west to Southowram in the east, along with four nurseries which are based in the Centre. The Trust also runs Little Gems nursery, which is not part of the contract and is based at our business centre at Hanson Lane. The achievements from the year under review are described below:

Children's Centres Core Service

To achieve a good Ofsted Judgement, the centres are required to know between 80-96% of families in the reach area and to have 65-79% of target families registered. During 2018/19:

- 88% of families were known to the Children's Centres, this shows an increase of 5% on the same time last year and 87% of families were registered from target area with the same time last year.
- 4,927 families were supported via the Children's Centres spanning 53 different languages spoken.
- 93% of parents/carers were happy with the opportunities to be involved with their Children's Centre.

Nursery Provision

Halifax Opportunities Trust has been successful in increasing the quality of the nursery provision and has achieved "outstanding in all areas" judgements for all five of their nurseries. Four nurseries hold the Food for Life award and one has achieved the Quality for All award.

431 children attended our nurseries during 2018/19 and 87% of parents told us that attending our Early Years activities had a positive impact on their child's development and school readiness.

Family Support

288 referrals for family support were received over the course of the year, which is an 8% increase on the previous year. The reasons for referral to family support remains the same year on year, however there has been an increase for referrals for families with mental health issues during the year under review. The average waiting time across Halifax Opportunities Trust during 2018/19 was 8 weeks from receipt of referral to the case being picked up by one of the Family Support Team members. 141 Family Support cases were closed during 2018/19, for the following reasons:

- 13% of these cases escalated;
- 60% de-escalated;
- 28% remained the same;

**Report of the Trustees
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ACHIEVEMENT AND PERFORMANCE

Charitable activities

Of those cases that stayed the same, the reasons identified are that families do not wish to engage with the service or that the families still have an additional agency involved meaning the case could not be closed at a lower tier. 99% of people who attended our Family Support Drop-Ins/Pop-Ins told us that the service had met their needs.

(5) Support and promote health and wellbeing

Being well and feeling happy and safe where we live is an aspiration that we all have and there is mounting evidence that proves that living a full and active life is really important for our physical and mental health..

At Halifax Opportunities Trust we have developed a range of activities through programmes such as Staying Well, that enable members of the local community to meet, learn new skills and foster a sense of wellbeing and purpose. During 2018/19, 170 people were involved with the project in central Halifax and the Trust supported, or connected with, 40 community groups and projects as part of the scheme.

We also operate a community garden in Park Ward - The Outback Garden - that serves as a community green space and hub for sustainable growing, learning and cooking. The Outback comprises of 0.3 hectare of open space, much of which is used for growing fruit and vegetables that are available to members of the local community via our children's centres. The Outback is also home to a carbon-neutral straw bale kitchen and meeting space which is used regularly by groups as a place to meet, cook and socialise.

(6) Support inclusive integration of new arrivals to the UK

As the most culturally diverse neighbourhood in Calderdale, Park Ward has a long history as a welcome hub for migrant communities from across the globe to arrive, settle and flourish in Halifax and the surrounding areas.

This is as true today as it was when the first generation of South Asian migrants began arriving in the post-war era of the 1950's and 60's. To enable migrant families and individuals to make the most of their new lives in the UK, Halifax Opportunities Trust delivers a number of Inclusive Integration programmes, including ESOL (English as a Second or Other Language) from our base at Hanson Lane Enterprise Centre.

Throughout the year we have had many highlights for all our Inclusive Integration delivery. These include excellent results in our students achieving nationally recognised qualifications, accessing a range of vocational courses that enable skill enhancement and through our key worker support model a large number of participants have secured successful employment. 162 people in total took part in inclusion activities run with the Trust and 94 people successfully completed an ESOL course. We counted 24 languages spoken amongst the people we worked with during the year, highlighting the diversity of nations that our students originally came from. We ran a range of activities for people to introduce them to life in the UK, including a very well-attended 'Votes for Women' event which saw over 50 women (and men!) follow a route through Park ward that took in key landmarks connected to women's suffrage, including the place where the first vote cast by a woman in Halifax (now a Kwikfit garage that proudly hosts one of the Civic Trust blue plaques that we put up to commemorate the spot). ESOL learners have also visited the Houses of Parliament, courtesy of local Halifax MP Holly Lynch and also visit the newly opened, iconic Piece Hall.

**Report of the Trustees
for the Year Ended 31st March 2019**

ACHIEVEMENT AND PERFORMANCE

General

The Trust has built up an excellent reputation over the past 19 years as a high quality and reliable community-based delivery partner in the field of regeneration and local service delivery. The Trust is pro-actively 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.

During 2018/19 there has been a continued focus on process governance and quality assurance to ensure that the Trust operates as effectively and efficiently as possible. The focus on quality has been externally recognised: all the Trust's nurseries have been assessed as Outstanding by Ofsted; we kept our Matrix award for the 8th year in a row; all four Children's Centre nurseries are Food for Life accredited; and we received a very positive monitoring visit from Ofsted for our apprenticeship provision. The Trust has registered for the Quality for Health quality mark this year, and we are systematically self-assessing against the standard to ensure we are ready for our external assessment in Spring 2020. We also completed the self-assessed Charity Excellence Framework during the year, which provided very useful insight into areas of strength and improvement for the Trust. The HR team outsourced a Job Evaluation exercise to an external HR company which will provide objectivity and rigor in assessing job roles and associated remuneration. We expect to receive the results of this and begin implementation in Autumn 2019.

A new Impact Reporting approach and structure was implemented during the year, with the result that the Trust is better able to articulate and evidence how it meets its charitable objectives. An annual Impact Report will be produced in November 2019 using this impact data. An associated reporting framework was also begun during the year, which improves SMT accountability to the CEO and board.

Future Commitments

The Children's Centre contract forms the major source of future commitments/liabilities for the Charity, in relation to staff and pension costs of TUPE'd staff who were originally employed by Calderdale Council. The contract is due to finish on 31st March 2020 and Calderdale Council will be re-procuring the service towards the end of 2019, with delivery on the new contract starting on April 1st 2020. HOT has met the level of required pension contributions since it took on the contract in 2014 and therefore has met all its obligations in terms of keeping the scheme adequately financed. However as at 31 March 2019 under the FRS 102 (LGPS funded benefits) disclosure requirement, the Charity has recognised a pension liability on the balance sheet of £1,467,000 in relation to the Children's Centre contract (see note 21 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 there will be a re-tender during the latter half of 2019, 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.

Aside from the annual accounting valuation under FRS 102, the pension scheme is also valued on an ongoing basis every three years. A valuation on this basis was carried out relating to the year ended 31 March 2016. The results showed that the scheme was in surplus on that date by £17,000. The next triannual valuation is due on 31st March 2019, with the results provided to the Trust in November 2019.

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 2019. 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.

Following a recent review by the Charity Commission, they have confirmed that we have given them 'suitable assurance and verification that the charity has arrangements in place to manage its pension deficit'.

**Report of the Trustees
for the Year Ended 31st March 2019**

FINANCIAL REVIEW

Financial position

The Group is reporting net operating income (after taxation) of £283,400 for the year ended 31 March 2019, before movement on the pension scheme.

Following recognition of the actuarial movement on the defined benefit pension schemes, the Group is showing a total net expenditure position of £167,600.

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 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 2 of the accounts and the results of the two trading subsidiaries are included in note 15 of the accounts. The income sources of the Charity's restricted funds are included in note 21 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. During the year under review 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. Over £500,000 of the Trust's funds are held in interest-bearing current accounts with Unity Trust Bank in order to maximise income from the Trust's surplus funds and to meet the fiduciary requirement of the trustee board.

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. The policy agreed by the Board of Trustees is described below:

The HOT Board have agreed to determine the target level of reserves using the following approach:

- + **50% of high-risk income**
- + **50% of annual salary costs**
- + **All current contractual payment commitments**

The reserves levels will be reviewed each year when budgeting is being carried out and will therefore fluctuate as risk increases/decreases; salary costs increase/decrease; and contractual commitments increase/decrease.

Using this approach, the reserves level for 2018/19 has been set at £1,160,396

Unrestricted reserves, excluding pension scheme deficits, as of 31st March 2019 were £803,794 in the charitable company and £1,115,118 in the group.

The trustees have not designated the use of any of these reserves and therefore they are general reserves to support the ongoing operation of the charity.

Going concern

The Charity's liabilities current exceeds its assets however this includes the recognition of a defined benefit pension scheme deficits of £1,467,000. The Trustees have given detailed consideration to this situation as noted in this report.

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

**Report of the Trustees
for the Year Ended 31st March 2019**

FUTURE PLANS

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

The Trust intends to continue with provision of business, office and meeting space via its two enterprise centres. It will also continue the networking sessions that it runs. The grants for new businesses which 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 its reserves.

Continued investment into both Centres have seen improvements to both sites over the past year and for 2019/20 a new telephone system will be implemented at both centres to maintain relevancy in a changing rental market.

Negotiations are still ongoing with the Calderdale Council 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 was hoped that this would be concluded in 2018/19 but negotiations are still ongoing, some 7 years after they began.

Hanson Lane Enterprise Centre is nearing the end of its useful life as a site for business, enterprise and the projects based at the business park and the lease negotiations are still underway with the Council. As such a condition report was undertaken and phase one of a feasibility study undertaken by Locality who will feed back options to the boards of Hanson Lane Enterprise Centre Ltd and Halifax Opportunities Trust.

(2) Help local people into employment

Our main contract (Right Steps to Work) to support unemployed people into work is due to finish in November 2019. We are therefore looking at opportunities to sustain this key area of work for HOT. Unfortunately, due to an uncertain funding landscape, primarily as a result of Brexit, opportunities to bid for funds are beginning to reduce and become more challenging. We are however hopeful and are looking to bid for a number of tenders through the Leeds City Region Local Enterprise Partnership responsible for commissioning European structural Investment Funds. Other opportunities we are pursuing also include Business Rates Pool funding of over a £1 million, secured by Calderdale Council to support unemployed people move into work, training and improve their wellbeing. We also await more information on the UK Shared Prosperity Fund which is to replace European funding programmes.

Fortunately, Hopeful Families (supporting families with complex problems move closer to work) and Connecting Opportunities (supporting disadvantaged migrants with inclusive integration and employment support) contracts have both been extended for 2 years. This is really good news as it not only allows us to sustain our work but also provides a much-needed cushion until the Brexit situation is resolved.

(3) Support and deliver accredited training and personal development

Our delivery of Apprenticeships is now well established and we are continuing to experience steady growth with an increasing number of employers (schools, child-care settings, small businesses etc) using our service. We will continue to promote and build on our apprenticeship offer. Over the summer of 2018 we had our first OFSTED visit to look at our apprenticeship delivery and the feedback was very positive; we now plan to build on this success moving forward.

We are also in a position to maintain delivery of short introductory courses for those new to learning for another year as result of our close partnership with Calderdale Adult Learning. This year we plan to engage and support over 150 people access short courses such as basic IT skills, childcare tasters, 'mind over matter' etc. These courses provide a vital first-step for many of our service users in their journey towards accessing accredited training, employment and improving their overall well-being.

**Report of the Trustees
for the Year Ended 31st March 2019**

FUTURE PLANS

(4) Support children and families

Key areas of development for our work with children and families in 2019/20 include:

- Implement an Impact Tracker, to collect data over the full journey of a family with the service
- Implement the perinatal mental health provision to ensure 'wrap around' support from late pregnancy into early years
- Develop & implement the '50 things to do before your child is 5' approach into everyday activities
- Focus on men as parents in the planning of activities.

The new Children's Centre tender is expected in autumn 2019 at which point we will decide whether to apply. If we do not continue to run the service, it will have a significant effect on the scale and reach of the Trust's activities and would significantly reduce the size of the staff team. As the Trust has run some form of children and families service for most of its existence, it would also be a blow to lose an important part of our history and, our long-standing and skilled staff, so it is not a situation we hope to be in, but we must plan for the eventuality. If we are again successful, we look forward to continuing to run this fundamental element of our provision locally and have various plans regarding innovation within delivery and expansion/added value which we would introduce from 2020 onwards.

(5) Support and promote health and wellbeing

Staying Well will continue to be funded by Calderdale Council for another financial year (2019/20). Funding is renewed annually and future funding beyond 2020 will be dependent upon an external evaluation of the whole programme which will be carried out sometime this year. We are hopeful the service will continue to be funded as it plays a vital role in supporting people experiencing isolation and loneliness. This is done through one to one key worker support and enhancing and broadening the reach of local community groups by making available small grant pots for groups to be able to bid into. We will continue to try to engage with local GPs although this is proving to be more challenging. The Government via the NHS has recognised the value of social prescribing and has decided to fund local social prescribing programmes across England. This is much welcome but unfortunately in Calderdale the Primary Care Networks have decided to establish an almost parallel service to Staying Well rather than enhancing the existing Staying Well programme. This is contrary to the approaches being taken in other areas across England. We will continue to emphasise the need to avoid any duplication and explore ways we could work together to strengthen Staying Well and not undermine the programme.

Calderdale Council has secured National Lottery funding to be one of only 12 pilot areas to encourage communities to become more active and healthier. The primary focus of the Active Calderdale programme will be to encourage 32% of residents who are inactive become more active. We are involved in the design phase of the programme and the potential is there for HOT to be a prominent partner in the delivery of project that will make a substantial and meaningful difference to the lives of people in Central Halifax and across Calderdale.

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 hoped that this will be brought to a satisfactory conclusion in 2019/20.

Finally, we have just embarked on two new projects that will put a focus on the aspirations and opportunities of local people in Park ward: (1) #LetsGetSociallyActive, which is a Lottery/DCMS funded project that will use community organising to support people wanting to carry out social action locally (2) becoming a registered Social Action Hub which enables the Trust to provide community organising training.

**Report of the Trustees
for the Year Ended 31st March 2019**

FUTURE PLANS

(6) Support inclusive integration of new arrivals to the UK

In addition to the Connecting Opportunities contract, funding has been secured to continue delivering more ESOL and Inclusion/integration work until June 2020. This has been secured through close collaborative work with Calderdale Council in order to meet an increasing demand for this type of support.

(7) New areas of delivery

In the Trustee Reports for 2016/17 and 2017/18 we reported that the Trust had identified a site which it is interested in acquiring and redeveloping. Possible uses for the site include office space for Trust staff, a retail outlet for Trust produce and products; a café; housing; offices to rent. Some progress has been made during the year in question and plans for 2019/20 include securing feasibility funding to further progress plans for the site. Early stage progress has also been made in bringing empty homes back into use. Initial approaches to owners of these properties have resulted in potential purchase and rental by two other charities in Calderdale. Both these schemes will be pursued in 2019/20, as will the large redevelopment project concerning Hanson Lane Enterprise Centre. These are ambitious projects requiring external finance (including loan finance) and external specialist advice, therefore a robust, risk-based approach is being taken.

(8) Management and Governance plans

A board strategic planning session is planned for October 2019 at which the trustees and senior staff will discuss plans for 2020 onwards, with particular focus on the redevelopment of Hanson Lane Centre. The board itself has a stable membership at present so there are no specific plans to recruit new trustees. A new sub-committee, focussing on Risk and Governance will be set up during 2019/20. The HOT senior management team is functioning well and there are no plans for significant change at present.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Halifax Opportunities Trust (HOT), was incorporated in 2000, achieved charitable status in 2002 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 its membership 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 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. The Memorandum of Association was formally updated during 2017/18 to reflect the increase in geographical remit of the Trust.

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.

**Report of the Trustees
for the Year Ended 31st March 2019**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

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 fourteen trustees.

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. Co-opted trustees are appointed by the Board. All new trustees receive an induction pack and complete a register of interest 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 there is a Finance and HR Sub Committee and special purpose task and finish groups are 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.

An annual away day is held for trustees and staff at which future direction and priorities are agreed and specific strategic tasks such as development of impact measurement is covered.

Induction and training of new trustees

There is an experienced senior management team of seven at the core of the organisation that meets monthly to plan pan-organisational operational activity. The team is led by the Chief Executive. The Chief Executive and the senior managers report directly to the Board at the quarterly charity and subsidiary board meetings. They produce written exception and recommendation reports for these meetings and attend to respond to questions and provide further information as required. The senior team attend regular training and personal development opportunities to ensure they are keeping their professional development up to date.

Risk management

The trustees agreed a Risk Management Plan for 2018/19 and have agreed the plan for the forthcoming year The 2019/20. Plan describes HOTs approach to risk management and assesses the strategic risks for the organisation, based on Charity Commission guidelines and using a RAG system. Red (high level) risks are dealt with immediately, with Amber being dealt with as soon as possible.

Risks highlighted for 2018/19, mainly related to data protection and information management, were all mitigated or negated within the year under review.

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.

Report of the Trustees
for the Year Ended 31st March 2019

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
04089288 (England and Wales)

Registered Charity number
1086183

Registered office
Hanson Lane Enterprise Centre
Hanson Lane
Halifax
West Yorkshire
HX1 5PG

Service address
Elsie Whiteley Innovation Centre
Hopwood Lane
Halifax
West Yorkshire
HX1 5ER

Trustees

A Ali		
H J Barber	Vice Chair	
P W Blackman		- appointed 14/3/19
R K Bostan		
R J Craven		
D Foster		- resigned 9/7/18
J Harkness		
R Hemblys	Treasurer	
H L Hunter		
S Hussain		- resigned 15/9/19
T Male		- appointed 21/6/18
S E Morrell	Chair	
M P E Nash		- resigned 9/4/19
M J Payne		- resigned 5/4/18
R Rehman		
K R Saeed		
F Shoukat		- appointed 20/9/18

Company Secretary
A S Haskins

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

**Report of the Trustees
for the Year Ended 31st March 2019**

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Unity Trust Bank
9 Brindleyplace
Birmingham
B1 2HB

Solicitors

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

Chief Executive

A S Haskins

Senior Management team

S Nazar	- Group Finance and HR Lead
J Bell	- Business Centres Lead
A Hussain	- Programmes Lead
C Parkinson	- Children and Families Lead
H Peevers	- Marketing Lead
M Ciewiernia	- Quality and Systems Lead

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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the Trustees
for the Year Ended 31st March 2019

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 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 on14/11/2019..... and signed on its behalf by:

S E Morrell

.....
S E Morrell - Trustee

Opinion

We have audited the financial statements of Halifax Opportunities Trust (the 'parent charitable company') for the year ended 31st March 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31st March 2019 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 24 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, concerning the ability of the group, and parent charitable company, to continue as a going concern.

The parent charitable company's liabilities exceed its assets by £549,379, however the liabilities include £1,467,000 in respect of defined benefit pension scheme. This pension liability is based on a professional actuarial valuation 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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the consolidated financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Other information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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:

- adequate accounting records have not been kept by the parent charitable company or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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.

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: 17 December 2019

HALIFAX OPPORTUNITIES TRUST

Statement of Consolidated Financial Activities
(Incorporating a Consolidated Income and Expenditure Account)
for the Year Ended 31st March 2019

		Unrestricted funds £	Restricted funds £	31/3/19 Total funds £	31/3/18 Total funds (as restated) £
Notes					
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	19,822	92,242	112,064	96,999
Charitable activities	4				
Provision of:					
- employment, education and training services		627,365	-	627,365	459,714
- childcare and family support services		2,882,421	591,458	3,473,879	3,622,882
Promoting health and wellbeing		67,839	-	67,839	192,835
Management, administration and membership		1,886	16,763	18,649	37,951
Other trading activities		639,851	-	639,851	649,984
Investment income	3	-	-	-	66
Total		4,239,184	700,463	4,939,647	5,060,431
EXPENDITURE ON					
Charitable activities	5				
Provision of:					
- employment, education and training services		652,443	-	652,443	466,797
- childcare and family support services		2,387,628	581,150	2,968,778	3,234,508
Promoting health and wellbeing		172,550	-	172,550	322,707
Management, administration and membership		283,080	108,935	392,015	301,767
Governance costs		12,559	-	12,559	9,248
Other trading activities		454,494	-	454,494	470,715
Total		3,962,754	690,085	4,652,839	4,805,742
NET INCOME		276,430	10,378	286,808	254,689
Taxation	9	(3,408)	-	(3,408)	(16,082)
Other recognised gains/(losses)					
Actuarial gains/losses on defined benefit schemes		(451,000)	-	(451,000)	103,000
Net movement in funds		(177,978)	10,378	(167,600)	341,607
RECONCILIATION OF FUNDS					
Total funds brought forward		(173,904)	5,109	(168,795)	(510,402)
TOTAL FUNDS CARRIED FORWARD		(351,882)	15,487	(336,395)	(168,795)

The notes form part of these financial statements

Group and Charity Balance Sheet
At 31st March 2019

	Notes	GROUP 31.3.19 £	GROUP 31.3.18 (as restated) £	CHARITY 31.3.19 £	CHARITY 31.3.18 (as restated) £
FIXED ASSETS					
Tangible Assets	14	121,992	125,965	11,072	24,084
Investments	15	-	-	101	101
		121,992	125,965	11,173	24,185
CURRENT ASSETS					
Debtors	16	193,548	500,630	463,987	649,298
Cash at bank and in hand		1,584,207	1,012,880	1,096,136	695,513
		1,777,755	1,513,510	1,560,123	1,344,811
CREDITORS					
Amounts falling due within one year	17	(749,221)	(773,939)	(653,675)	(669,771)
PROVISION FOR LIABILITIES	19	(19,921)	(18,331)	-	-
NET CURRENT ASSETS		1,008,613	721,240	906,448	675,040
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY		1,130,605	847,205	917,621	699,225
DEFINED BENEFIT PENSION SCHEME LIABILITY	22	(1,467,000)	(1,016,000)	(1,467,000)	(1,016,000)
NET LIABILITIES		(336,395)	(168,795)	(549,379)	(316,775)
FUNDS					
Unrestricted funds					
- General Fund	21	1,115,118	842,096	803,794	626,386
- Designated fund: Kitchen	21	-	-	-	-
Pension reserve	21	(1,467,000)	(1,016,000)	(1,467,000)	(1,016,000)
		(351,882)	(173,904)	(663,206)	(389,614)
Restricted funds	21	15,487	5,109	113,827	72,839
TOTAL FUNDS		(336,395)	(168,795)	(549,379)	(316,775)

The notes form part of these financial statements

Group and Charity Balance Sheet - continued
At 31st March 2019

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 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Trustees on14/11/2019..... and were signed on its behalf by:

Sally Morrell

.....
S E Morrell -Trustee

The notes form part of these financial statements

HALIFAX OPPORTUNITIES TRUST

Consolidated Cash Flow Statement for the Year Ended 31st March 2019

		31/3/19	31/3/18 (as restated)
	Notes	£	£
Cash flows from operating activities:			
Cash generated from operations	1	598,575	219,007
Tax paid		<u>(3,408)</u>	<u>(16,082)</u>
Net cash provided by (used in) operating activities		<u>595,167</u>	<u>202,925</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(23,838)	(107,930)
Interest received		<u>-</u>	<u>66</u>
Net cash provided by (used in) investing activities		<u>(23,838)</u>	<u>(107,864)</u>
Change in cash and cash equivalents in the reporting period		571,327	95,061
Cash and cash equivalents at the beginning of the reporting period		<u>1,012,880</u>	<u>917,819</u>
Cash and cash equivalents at the end of the reporting period		<u>1,584,207</u>	<u>1,012,880</u>

The notes form part of these financial statements

HALIFAX OPPORTUNITIES TRUST

Notes to the Consolidated Cash Flow Statement for the Year Ended 31st March 2019

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31/3/19	31/3/18 (as restated)
	£	£
Net income for the reporting period (as per the statement of financial activities)	286,808	254,689
Adjustments for:		
Depreciation charges	27,811	55,726
Interest received	-	(66)
Decrease/(increase) in debtors	307,082	(238,898)
(Decrease)/increase in creditors	<u>(23,126)</u>	<u>147,556</u>
Net cash provided by (used in) operating activities	<u>598,575</u>	<u>219,007</u>

HALIFAX OPPORTUNITIES TRUST
Notes to the Consolidated Financial Statements
for the Year Ended 31st March 2019

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.

Preparation of the accounts on a going concern basis

Following the valuation of the pension schemes under FRS 102 the Charity has recognised pension scheme deficits of £1,467,000 on the Balance Sheet. This has resulted in a deficit on the Charity's total reserves of £549,379 as at 31 March 2019.

Notwithstanding the deficit on reserves the Trustees have prepared the accounts on a going concern basis. This pension scheme deficit relates to employees, employed as a result of a service contract which currently ends on 31 March 2020. The charity intends to re-tender for this contract and is expecting the result to be known in December 2019/January 2020.

There are three possible scenarios:

- 1) The charity is successful in the re-tender and the staff and pension obligations remain with the charity.
- 2) The charity is successful in the re-tender and the staff and pension obligations are transferred to / guaranteed by the funder.
- 3) The charity is unsuccessful in the tender and the staff and pension obligations are TUPE'd to the new provider.

The outcome is not known at the date of signing these accounts and on this basis 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.

Group financial statements

The Statement of Financial Activities (SOFA) and balance sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary 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.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st March 2019

1. ACCOUNTING POLICIES - continued

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.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Redundancy costs

Redundancy costs are charged in the Statement of Financial Activities in the year in which the employees leave employment.

Grants

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Allocation and apportionment of costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Trusts artistic programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities.

Tangible fixed assets

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

Office equipment	-	15% on cost
Computer equipment	-	33% on cost

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

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st March 2019

1. ACCOUNTING POLICIES - continued

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

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 a defined benefit pension schemes for its employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

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 31st March 2019

2. DONATIONS AND LEGACIES

	31/3/19	31/3/18 (as restated)
	£	£
Donations	20	-
Grants	112,044	96,999
	<u>112,064</u>	<u>96,999</u>

Grants received, included in the above, are as follows:

	31/3/19	31/3/18 (as restated)
	£	£
Calderdale Business Trust	-	16,000
ESOL: Syrian Families	16,717	25,801
National Milk Grant Scheme	3,084	2,621
Neighbourhood Learning for Deprived Communities	5,631	6,276
Staying Well Project	86,612	46,296
Tinder Foundation	-	5
	<u>112,044</u>	<u>96,999</u>

3. INVESTMENT INCOME

	31/3/19	31/3/18 (as restated)
	£	£
Bank interest receivable	-	66

4. INCOME FROM CHARITABLE ACTIVITIES

	31/3/19	31/3/18 (as restated)
	£	£
<u>Charitable activities income</u>		
Provision of employment, education and training services	589,947	459,714
Provision of childcare and family support services	3,473,879	3,622,882
Promoting health and wellbeing	67,839	192,835
Management, administration and membership	-	37,951
<u>Management fees received from projects</u>		
Provision of employment, education and training services	37,418	-
Management, administration and membership	18,649	-
	<u>4,187,732</u>	<u>4,313,382</u>

HALIFAX OPPORTUNITIES TRUST

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st March 2019

5. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 6) £	Support costs (See note 7) £	Totals £
Provision of employment, education and training services	652,443	-	652,443
Provision of childcare and family support services	2,968,778	-	2,968,778
Promoting health and wellbeing	172,550	-	172,550
Management, administration and membership	151,394	240,621	392,015
Governance costs	-	12,559	12,559
	<u>3,945,165</u>	<u>253,180</u>	<u>4,198,345</u>

6. DIRECT COSTS OF CHARITABLE ACTIVITIES

	31/3/19 £	31/3/18 (as restated) £
Staff costs	2,965,973	3,210,565
Rates and water	7,859	4,513
Insurance	36,147	19,408
Light and heat	20,099	30,322
Telephone	57,806	56,371
Postage and stationery	58,963	77,093
Advertising	12,091	15,478
Sundries	15,109	14,761
Rent and room hire	75,465	96,280
Repairs and maintenance	170,224	208,190
Course costs	81,397	34,295
Training and conferences	16,308	13,545
Staff and volunteer costs	20,023	74,605
Trips and outings	307	2,339
Counselling support	10,958	2,385
Daycare provision	419	583
Management fees paid - Project	37,780	26,856
Motor and travel expenses	49,959	38,932
Trustee costs	-	50
Bad debts	-	661
Surestart costs	250,852	175,494
Irrecoverable VAT	6,810	13,406
Legal and professional fees	25,245	36,534
Bookkeeping and accountancy	10,030	13,919
Bank charges	2,329	1,632
Depreciation	13,012	46,291
	<u>3,945,165</u>	<u>4,214,508</u>

HALIFAX OPPORTUNITIES TRUST

Notes to the Consolidated Financial Statements - continued for the Year Ended 31st March 2019

7. SUPPORT COSTS

	Management £	Finance £	Other £	Governance costs £	Totals £
Management, administration and membership	86,949	143,016	10,656	-	240,621
Governance costs	-	-	-	12,559	12,559
	<u>86,949</u>	<u>143,016</u>	<u>10,656</u>	<u>12,559</u>	<u>253,180</u>

Included within the other support costs, social security heading, is the HMRC national insurance rebate for each financial year.

Support costs, included in the above, are as follows:

Management

	31/3/19 Management, administration and membership £	31/3/18 Total activities (as restated) £
Wages	77,828	46,478
Social security	7,594	5,233
Pensions	<u>1,527</u>	<u>479</u>
	<u>86,949</u>	<u>52,190</u>

Finance

	31/3/19 Management, administration and membership £	31/3/18 Total activities (as restated) £
Wages	129,407	52,884
Social security	10,187	4,903
Pensions	<u>3,422</u>	<u>1,294</u>
	<u>143,016</u>	<u>59,081</u>

HALIFAX OPPORTUNITIES TRUST

Notes to the Consolidated Financial Statements - continued for the Year Ended 31st March 2019

8. SUPPORT COSTS - continued

Other

	31/3/19 Management, administration and membership £	31/3/18 Total activities (as restated) £
Wages	10,377	-
Social security	224	-
Pensions	55	-
	<u>10,656</u>	<u>-</u>

Governance costs

	31/3/19 Governance costs £	31/3/18 Total activities (as restated) £
Auditors' remuneration	6,529	6,300
Legal fees	5,960	2,773
Trustee costs	70	175
	<u>12,559</u>	<u>9,248</u>

9. NET INCOME/(EXPENDITURE)

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

	31/3/19 £	31/3/18 (as restated) £
Auditors' remuneration	6,529	6,300
Auditors' remuneration – Elsie Whiteley Innovation Centre	1,909	1,854
Auditors' remuneration – Hanson Lane Enterprise Centre	1,909	1,854
Depreciation - owned assets	<u>27,811</u>	<u>55,726</u>

The auditor's remuneration for Elsie Whiteley Innovation Centre Ltd and Hanson Lane Enterprise Centre Ltd is included within other trading activities costs.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st March 2019

9. TAXATION

Analysis of tax charge/(credit):

The tax charge/(credit) on the profit on ordinary activities for the year was as follows:

	31.3.18	31.3.18 (as restated)
	£	£
Current tax:		
UK corporation tax	1,818	-
Deferred tax	1,590	16,082
	<u>3,408</u>	<u>16,082</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st March 2019 nor for the year ended 31st March 2018.

Trustees' expenses

Trustees expenses of £70 (2018: £175) were paid to one trustee in the year, relating to the reimbursement of childcare costs for attendance at meetings.

11. STAFF COSTS

	31/3/19	31/3/18 (as restated)
	£	£
Wages and salaries	2,840,050	2,994,906
Social security costs	194,790	192,455
Other pension costs	63,247	145,530
	<u>3,098,087</u>	<u>3,332,891</u>

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

	31/3/19	31/3/18
Charitable activities	183	186
Administrative	18	18
Governance	<u>1</u>	<u>1</u>
	<u>202</u>	<u>205</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 & HR Lead, Programmes Lead, Children and Families Lead, Business Centres Lead and Marketing Lead and Quality and Systems Lead.

The aggregate employment benefits, including employer's national insurance and pension contributions, for these key management personnel for the year was £269,669 (2018 - £239,737). 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 31st March 2019

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds (as restated) £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	18,626	78,373	96,999
Charitable activities			
Provision of employment, education and training services	459,714	-	459,714
Provision of childcare and family support services	3,106,042	516,840	3,622,882
Promoting health and wellbeing	192,685	150	192,835
Management, administration and membership	31,390	6,561	37,951
Other trading activities	649,984	-	649,984
Investment income	66	-	66
Total	4,458,507	601,924	5,060,431
EXPENDITURE ON			
Charitable activities			
Provision of employment, education and training services	435,805	30,992	466,797
Provision of childcare and family support services	2,717,668	516,840	3,234,508
Promoting health and wellbeing	273,724	48,983	322,707
Management, administration and membership	301,767	-	301,767
Governance costs	9,248	-	9,248
Other trading activities	470,715	-	470,715
Total	4,208,927	596,815	4,805,742
NET INCOME	249,580	5,109	254,689
Taxation	(16,082)	-	(16,082)
Other recognised gains/(losses)			
Actuarial gains/losses on defined benefit schemes	103,000	-	103,000
Net movement in funds	336,498	5,109	341,607
RECONCILIATION OF FUNDS			
Total funds brought forward	(510,402)	-	(510,402)
TOTAL FUNDS CARRIED FORWARD	(173,904)	5,109	(168,795)

HALIFAX OPPORTUNITIES TRUST

Notes to the Consolidated Financial Statements - continued for the Year Ended 31st March 2019

13. PRIOR YEAR ADJUSTMENT

A prior year adjustment has been made to recognise the requirements of FRS 102, as updated December 2017, in relation to the treatment of gift aid donations to the parent charitable company from its trading subsidiaries.

FRS 102 requires gift aid donations to the parent charitable company to be treated as a distribution in the accounts of the trading subsidiary, and as such only account for those gifts in the financial year where there was a legal obligation to make the payment, where payment is made after the year end.

In prior years gift aid donations made to Halifax Opportunities Trust have been accounted for in the financial year to which they relate even where they were paid after the year end and no legal obligation existed.

The trading companies are still allowed to claim corporation tax relief on those distributions in the year to which they relate provided they are paid either over to the parent charitable company during the year or within 9 months of the year end, regardless of the accounting treatment.

The gift aid donations received were shown in the original accounts for 31 March 2018 and were received after the year end but not subject to a legal obligation and have therefore been adjusted.

The amount originally shown as a distribution receipt at 31 March 2018 were £6,581 in relation to Hanson Lane Enterprise Centre and £30,611 in relation to Elsie Whiteley Innovation Centre, totalling £37,192, these distribution receipts are now shown within the 31 March 2019 figures. The 2019 comparative figures have been restated to reflect this adjustment.

14. TANGIBLE FIXED ASSETS

CHARITY

	Kitchen equipment £	Office equipment £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1st April 2018 and 31st March 2019	<u>99,308</u>	<u>51,613</u>	<u>23,673</u>	<u>78,119</u>	<u>252,713</u>
DEPRECIATION					
At 1st April 2018	97,637	40,428	19,981	70,583	228,629
Charge for year	<u>1,671</u>	<u>5,044</u>	<u>2,323</u>	<u>3,974</u>	<u>13,012</u>
At 31st March 2019	<u>99,308</u>	<u>45,472</u>	<u>22,304</u>	<u>74,557</u>	<u>241,641</u>
NET BOOK VALUE					
At 31st March 2019	<u>-</u>	<u>6,141</u>	<u>1,369</u>	<u>3,562</u>	<u>11,072</u>
At 31st March 2018	<u>1,671</u>	<u>11,185</u>	<u>3,692</u>	<u>7,536</u>	<u>24,084</u>

HALIFAX OPPORTUNITIES TRUST

Notes to the Consolidated Financial Statements - continued for the Year Ended 31st March 2019

14. TANGIBLE FIXED ASSETS - continued

GROUP

	Kitchen equipment £	Office equipment £	Fixtures and fittings £	Computer equipment £
COST				
At 1 April 2018	99,308	106,974	194,329	78,119
Additions	-	-	23,838	-
At 31 March 2019	99,308	106,974	218,167	78,119
DEPRECIATION				
At 1 April 2018	97,637	93,014	91,531	70,583
Charge for year	1,671	7,844	14,322	3,974
At 31 March 2019	99,308	100,858	105,853	74,557
NET BOOK VALUE				
At 31 March 2019	-	6,116	112,314	3,562
At 31 March 2018	1,671	13,960	102,795	7,536
	Long leasehold £	Total £		
COST				
At 1 April 2018	91,996	570,726		
Additions	-	23,838		
At 31 March 2019	91,996	594,564		
DEPRECIATION				
At 1 April 2018	91,996	444,761		
Charge for year	-	27,811		
At 31 March 2019	91,996	472,572		
NET BOOK VALUE				
At 31 March 2019	-	121,992		
At 31 March 2018	-	125,965		

HALIFAX OPPORTUNITIES TRUST

Notes to the Consolidated Financial Statements - continued for the Year Ended 31st March 2019

15. FIXED ASSET INVESTMENTS

	GROUP Shares in group undertakings £	CHARITY Shares in group undertakings £
MARKET VALUE		
At 1 April 2018 and 31 March 2019	-	101
NET BOOK VALUE		
At 31 March 2019	-	101
At 31 March 2018	-	101
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		
Nature of business: Property management and associated services		
<u>Class of share:</u>	<u>% holding</u>	
Ordinary	100	
	31.3.19	31.3.18 (as restated)
	£	£
<u>Summary of trading results</u>		
Turnover	150,101	175,945
Total Expenditure	(141,747)	(171,267)
Taxation	(1,274)	416
	7,080	5,094
Distribution to parent charity	(6,581)	(23,293)
	499	(18,199)
<u>Summary of assets and liabilities</u>		
Assets	104,926	65,770
Liabilities	(96,908)	(58,251)
	8,018	7,519

HALIFAX OPPORTUNITIES TRUST

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st March 2019

15. FIXED ASSET INVESTMENTS - continued

Elsie Whiteley Innovation Centre Limited

Nature of business: Provision of high-quality modern workspace.

Class of share: % holding
Ordinary 100

	31.3.19	31.3.18 (as restated)
	£	£
<u>Summary of trading results</u>		
Turnover	497,629	491,794
Total Expenditure	(399,644)	(373,319)
Other Income	702	418
Interest payable and similar charges	(1,440)	(1,440)
Taxation	(2,134)	(16,499)
	95,113	100,954
Distribution to parent charity	(30,611)	(67,730)
	<u>64,502</u>	<u>33,224</u>
<u>Summary of assets and liabilities</u>		
Assets	563,286	459,374
Liabilities	(358,222)	(318,812)
	<u>205,064</u>	<u>140,562</u>

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP 31.3.19	GROUP 31.3.18 (as restated)	CHARITY 31.3.19	CHARITY 31.3.18 (as restated)
	£	£	£	£
Trade debtors	126,927	395,777	78,244	307,275
Amounts owed by group undertakings	-	-	326,324	250,304
Other debtors	66,621	104,853	59,419	91,719
	<u>193,548</u>	<u>500,630</u>	<u>463,987</u>	<u>649,298</u>

Included within amounts owed by group undertakings is £Nil (2018: £48,000), of which £Nil (2018: £36,000) 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.

HALIFAX OPPORTUNITIES TRUST

Notes to the Consolidated Financial Statements - continued for the Year Ended 31st March 2019

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP 31.3.19	GROUP 31.3.18 (as restated)	CHARITY 31.3.19	CHARITY 31.3.18 (as restated)
	£	£	£	£
Trade creditors	70,979	65,645	61,621	55,596
Amounts owing to group undertakings	-	-	-	14,767
Social security and other taxes	50,162	42,743	50,162	42,743
Wages control account	(1,957)	28,392	(1,957)	28,392
VAT	19,930	31,689	14,830	27,860
Corporation tax	1,818	-	-	-
Pension schemes	8,933	13,734	8,933	13,734
Accruals and deferred income	591,809	584,864	520,086	486,679
Other creditors	7,547	6,872	-	-
	<u>749,221</u>	<u>773,939</u>	<u>653,675</u>	<u>669,771</u>

18. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31/3/19	31/3/18 (as restated)
	£	£
Within one year	7,362	31,623
Between one and five years	28	7,383
In more than five years	<u>19</u>	<u>26</u>
	<u>7,409</u>	<u>39,032</u>

19. PROVISIONS FOR LIABILITIES

	GROUP 31.3.19	GROUP 31.3.18 (as restated)	CHARITY 31.3.19	CHARITY 31.3.18 (as restated)
	£	£	£	£
Deferred tax	<u>19,921</u>	<u>18,331</u>	<u>-</u>	<u>-</u>

HALIFAX OPPORTUNITIES TRUST

Notes to the Consolidated Financial Statements - continued for the Year Ended 31st March 2019

20. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	31/3/19 Total funds £	31/3/18 Total funds (as restated) £
Fixed assets	121,992	-	121,992	125,965
Current assets	1,762,268	15,487	1,777,755	1,513,510
Current liabilities	(769,142)	-	(769,142)	(792,270)
Pension liability	(1,467,000)	-	(1,467,000)	(1,016,000)
	<u>(351,882)</u>	<u>15,487</u>	<u>(336,395)</u>	<u>(168,795)</u>

21. MOVEMENT IN GROUP FUNDS

	At 1/4/18 (as restated) £	Net movement in funds £	At 31/3/19 £
Unrestricted funds			
General fund	842,096	273,022	1,115,118
Pension reserve	<u>(1,016,000)</u>	<u>(451,000)</u>	<u>(1,467,000)</u>
	(173,904)	(177,978)	(351,882)
Restricted funds			
ESOL: Syrian Families	1,011	-	1,011
Little Gems Nursery	-	10,308	10,308
Neighbourhood Learning for Deprived Communities	74	250	324
Staying Well Project	<u>4,024</u>	<u>(180)</u>	<u>3,844</u>
	5,109	10,378	15,487
TOTAL FUNDS	<u>(168,795)</u>	<u>(167,600)</u>	<u>(336,395)</u>

HALIFAX OPPORTUNITIES TRUST

Notes to the Consolidated Financial Statements - continued for the Year Ended 31st March 2019

21. MOVEMENT IN GROUP FUNDS - continued

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	4,239,184	(3,966,162)	-	273,022
Pension reserve	-	-	(451,000)	(451,000)
	<u>4,239,184</u>	<u>(3,966,162)</u>	<u>(451,000)</u>	<u>(177,978)</u>
Restricted funds				
Daycare Centres - Jubilee Nursery	187,892	(187,892)	-	-
Daycare Centres - Siddal Nursery	105,723	(105,723)	-	-
Daycare Centres - Sowerby New Road Nursery	83,024	(83,024)	-	-
Daycare Centres - Todmorden Nursery	83,016	(83,016)	-	-
ESOL: Syrian Families	16,717	(16,717)	-	-
Little Gems Nursery	131,803	(121,495)	-	10,308
Neighbourhood Learning for Deprived Communities	5,631	(5,381)	-	250
Staying Well Project	<u>86,657</u>	<u>(86,837)</u>	<u>-</u>	<u>(180)</u>
	<u>700,463</u>	<u>(690,085)</u>	<u>-</u>	<u>10,378</u>
TOTAL FUNDS	<u><u>4,939,647</u></u>	<u><u>(4,656,247)</u></u>	<u><u>(451,000)</u></u>	<u><u>(167,600)</u></u>

Comparatives for movement in funds

	At 1/4/17 £	Net movement in funds £	At 31/3/18 (as restated) £
Unrestricted Funds			
General fund	584,472	257,624	842,096
Designated fund - Kitchen	24,126	(24,126)	-
Pension reserve	<u>(1,119,000)</u>	<u>103,000</u>	<u>(1,016,000)</u>
	<u>(510,402)</u>	<u>336,498</u>	<u>(173,904)</u>
Restricted Funds			
ESOL: Syrian Families	-	1,011	1,011
Neighbourhood Learning for Deprived Communities	-	74	74
Staying Well Project	<u>-</u>	<u>4,024</u>	<u>4,024</u>
	<u>-</u>	<u>5,109</u>	<u>5,109</u>
TOTAL FUNDS	<u><u>(510,402)</u></u>	<u><u>341,607</u></u>	<u><u>(168,795)</u></u>

HALIFAX OPPORTUNITIES TRUST

Notes to the Consolidated Financial Statements - continued for the Year Ended 31st March 2019

21. MOVEMENT IN GROUP FUNDS - continued

Comparative 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	4,458,507	(4,200,883)	-	257,624
Designated fund - Kitchen	-	(24,126)	-	(24,126)
Pension reserve	-	-	103,000	103,000
	<u>4,458,507</u>	<u>(4,225,009)</u>	<u>103,000</u>	<u>336,498</u>
Restricted funds				
Daycare Centres - Jubilee Nursery	220,022	(220,022)	-	-
Daycare Centres - Siddal Nursery	112,990	(112,990)	-	-
Daycare Centres - Sowerby New Road Nursery	90,818	(90,818)	-	-
Daycare Centres - Todmorden Nursery	93,010	(93,010)	-	-
ESOL : Syrian Families	25,801	(24,790)	-	1,011
Neighbourhood Learning for Deprived Communities	6,276	(6,202)	-	74
Staying Well Project	53,007	(48,983)	-	4,024
	<u>601,924</u>	<u>(596,815)</u>	<u>-</u>	<u>5,109</u>
TOTAL FUNDS	<u>5,060,431</u>	<u>(4,821,824)</u>	<u>103,000</u>	<u>341,607</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/4/17 £	Net movement in funds £	At 31/3/19 £
Unrestricted funds			
General fund	584,472	530,646	1,115,118
Designated fund - Kitchen	24,126	(24,126)	-
Pension reserve	(1,119,000)	(348,000)	(1,467,000)
	<u>(510,402)</u>	<u>158,520</u>	<u>(351,882)</u>
Restricted funds			
ESOL: Syrian Families	-	1,011	1,011
Little Gems Nursery	-	10,308	10,308
Neighbourhood Learning for Deprived Communities	-	324	324
Staying Well Project	-	3,844	3,844
	<u>-</u>	<u>15,487</u>	<u>15,487</u>
TOTAL FUNDS	<u>(510,402)</u>	<u>174,007</u>	<u>(336,395)</u>

HALIFAX OPPORTUNITIES TRUST

Notes to the Consolidated Financial Statements - continued for the Year Ended 31st March 2019

21. MOVEMENT IN GROUP FUNDS - continued

A current year 12 months and prior year 12 months combined 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	8,697,691	(8,167,047)	-	530,646
Designated fund - Kitchen	-	(24,126)	-	(24,126)
Pension reserve	-	-	(348,000)	(348,000)
	<u>8,697,691</u>	<u>(8,191,173)</u>	<u>(348,000)</u>	<u>158,520</u>
Restricted funds				
Daycare Centres - Jubilee Nursery	407,914	(407,914)	-	-
Daycare Centres - Siddal Nursery	218,713	(218,713)	-	-
Daycare Centres - Sowerby New Road Nursery	173,842	(173,842)	-	-
Daycare Centres - Todmorden Nursery	176,026	(176,026)	-	-
ESOL: Syrian Families	42,518	(41,507)	-	1,011
Little Gems Nursery	131,803	(121,495)	-	10,308
Neighbourhood Learning for Deprived Communities	11,907	(11,583)	-	324
Staying Well Project	<u>139,664</u>	<u>(135,820)</u>	<u>-</u>	<u>3,844</u>
	<u>1,302,387</u>	<u>(1,286,900)</u>	<u>-</u>	<u>15,487</u>
TOTAL FUNDS	<u>10,000,078</u>	<u>(9,478,073)</u>	<u>(348,000)</u>	<u>174,007</u>

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.

Elsie Whiteley Innovation Centre: Under the terms of the agreement with the Local Authority, any surplus generated from the Elsie Whiteley Innovation Centre is classified in the accounts as restricted. This can be used for a wide range of purposes including maintaining the fabric of the building and supporting business enterprise in the local area.

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.

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.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st March 2019

22. EMPLOYEE BENEFIT OBLIGATIONS - continued

The charity is a member of a defined benefit scheme with The West Yorkshire Pension Fund.

The West Yorkshire Pension Fund Scheme is funded and contracted out of the state scheme. The last tri-annual valuation of the scheme took place at 31 March 2016 and was undertaken by professionally qualified actuaries, AON Hewitt, using the projected unit method. The Charity has paid for a valuation of its scheme as at 31 March 2019 and the figures below are based on that valuation.

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

The notional value of the liabilities of the charity's share of the scheme at 31 March 2019 was £5,001,000 the present value of the assets was £3,534,000 leaving a net pension liability of £1,467,000 at 31 March 2019.

Contributions

The employer contributions made to the scheme during the year were £8,000 (2018: £116,000). £Nil was unpaid at the year end.

The employer's regular contributions to the Fund for the accounting period ending 31 March 2019 are estimated to be approximately £98,000.

Key assumptions

The latest actuarial valuation of the Charity's liabilities took place as at 31 March 2016. 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:

	31 March 2019	31 March 2018
	(%)	(%)
Discount rate	2.50	2.60
Inflation - RPI	3.20	3.10
Inflation - CPI	2.10	2.00
Pension increases	2.10	2.00
Pension accounts revaluation rate	2.10	2.00
Rate of general increase in salaries **	3.35	2.64

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.

HALIFAX OPPORTUNITIES TRUST

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st March 2019

22. EMPLOYEE BENEFIT OBLIGATIONS - continued

	<u>Asset split at</u> <u>31 March 2019</u>	<u>Asset split at</u> <u>31 March 2018</u>
	(%)	(%)
Equities	74.0	71.2
Property	4.7	4.4
Government bonds	11.2	11.0
Corporate bonds	4.0	3.7
Cash	2.3	1.9
Other	3.8	7.8
Average Return / Total	100.00	100.0

Reconciliation of funded status to Balance Sheet

	<u>Value as at</u> <u>31 March 2019</u>	<u>Value as at</u> <u>31 March 2018</u>
	£000's	£000's
Fair value of assets	3,534	3,369
Present value of funded liabilities	(5,001)	(4,385)
Pension asset / (liability) before consideration of paragraph 41	(1,467)	(1,016)
Unrecognised asset due to limit in paragraph 41	-	-
Net pension asset/(liability)	(1,467)	(1,016)

Analysis of profit and loss charge

	<u>Period ending</u> <u>31 March 2019</u>
	£000's
Operating cost:	
Current service cost	167
Past service cost	-
Interest cost	-
Curtailement cost	-
Settlement cost	-
Financing cost: Interest on net defined benefit liability / (asset)	26
Expense recognised	193

Changes to the present value of the defined benefit obligation

	<u>Period ending</u> <u>31 March 2019</u>
	£000's
Opening defined benefit obligation	4,385
Current service cost	167
Interest cost	113
Contributions by participants	35
Actuarial (gains) / losses on liabilities	410
Net benefits paid out	(108)
Past service cost	-
Net increase in liabilities from disposals / acquisitions	-
Curtailements	-
Settlements	-
Closing present value of liabilities	5,001

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st March 2019

22. EMPLOYEE BENEFIT OBLIGATIONS - continued

Changes to the fair value of assets

	<u>Period ending</u> <u>31 March 2019</u> <u>£000's</u>
Opening fair value of assets	3,369
Expected return on assets	87
Actuarial gains / (losses) on assets	144
Contributions by the employer	8
Contributions by participants	34
Net benefits paid out	(108)
Net increase in assets from disposals and acquisitions	-
Settlements	-
Closing fair value of assets	3,534

23. 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.

24. 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

Khalid Saeed, a trustee, has provided IT support to the charity during the year through his company GNS (Halifax) Limited.

	31/3/19 £	31/3/18 £
Purchases	20,347	18,684
Creditor	111	28

25. 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.

26. ULTIMATE CONTROLLING PARTY

The charity is under the control of the board of trustees.