

Charity Registration No. SC028833

**PICKAQUOY CENTRE TRUST**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

# PICKAQUOY CENTRE TRUST

## LEGAL AND ADMINISTRATIVE INFORMATION

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**Trustees**

A Clouston, Orkney Islands Council  
R Crichton, OIC Councillor  
B Davis, Public Representative  
A Drever, Orkney Islands Council (Appointed 27 January 2016)  
J Foubister, OIC Vice Convenor  
K Groat, Orkney Junior Inter-County Sports Cttee  
D Hamilton, Public Representative  
H Johnston, Orkney Islands Council (Appointed 27 May 2015)  
S Kemp, Public Representative  
G Smee, St Magnus Festival  
N Stevenson, Public Representative  
S Sutherland, Public Representative

**Charity number** SC028833

**Principal address**

Muddisdale Road  
Kirkwall  
Orkney  
KW15 1LR

**Auditors**

A J B Scholes Ltd  
8 Albert Street  
Kirkwall  
Orkney  
KW15 1HP

**Bankers**

Clydesdale Bank PLC  
3 Broad Street  
Kirkwall  
Orkney  
KW15 1DH

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# PICKAQUOY CENTRE TRUST

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# PICKAQUOY CENTRE TRUST

## CHAIRMAN'S REPORT FOR THE YEAR ENDED 31 MARCH 2016

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The Trust has recognised for some time that the current financial model is not sustainable.

Due to the severity of the financial pressure faced by the Trust, the decision was made to carry out a strategic review of the entire operation. This review is ongoing and will be completed by late 2016. The aim of the review is to create a concise development plan for Pickaquooy that looks through to 2020.

The Trust is acutely aware of the financial constraints that exist within the Public Sector, and as such our '2020 Plan' will encompass plans for increased revenue, for increased efficiency across the operation, and also for capital projects where there is potential to 'spend to save' and to improve and increase the number of services that the Trust can offer.

It is my hope that I can lead the Trust through the current period of financial difficulty and into a position whereby we are operating under a sustainable business model.

The Board and Management Team remain fully committed to working constructively with all our stake holders in delivering exceptional opportunities for sport, leisure, health and wellbeing to Orkney.



Stephen Kemp  
Chairman

# PICKAQUOY CENTRE TRUST

## TRUSTEES REPORT

### FOR THE YEAR ENDED 31 MARCH 2016

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The trustees present their report and accounts for the year ended 31 March 2016.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the 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**

The Trust's aim is to provide facilities for recreation and leisure, with the objective of improving the social and physical wellbeing of the inhabitants of and visitors to Orkney; in particular, establishing, equipping, maintaining and continually developing a sports and leisure complex at Pickaquooy, Kirkwall.

The Trust is underway with a strategic review of all of its operations with the aim being to be positioned to have a plan in place for the strategic development of the Trust looking forward to 2020 by the end of 2016. The Trust will continue to work with OIC regarding a revised service agreement which takes account of realistic expenditure levels and allows the Trust to generate reserves and plan for future investment. At the same time, it recognises its responsibility to manage its funds well and a key outcome of the ongoing review will be to see the Trust reduce reliance on Council provided subsidy annually.

#### **Achievements and performance**

##### **Trust Values**

Staff helped develop a set of Trust values and attended workshops about putting these into daily practice.

##### **Staff Training**

- 9 staff achieved National Pool Lifeguard Qualifications;
- 3 staff achieved their teaching aquatics level1;
- 5 staff achieved swim coaching level 1;
- 23 staff passed World Host Customer Service Training;
- 2 staff studied for their Gymnastics Acro award (exam pending at time of writing);
- The Pool Manager achieved his Award in Education and Training and is now able to deliver all our first aid and defibrillator training in house.

##### **Junior Courses**

We ran 12,000 junior course sessions. In total 795 young people took part in our junior course programme; We introduced the National Indoor Climbing Awards scheme.

##### **Campsite**

Customer on site days increased by 4,000 (43%) over last year.

##### **Lifestyle Centre**

This valuable community resource opened in September

##### **Cinema**

Visits increased by 5,926 (19%) over last year.

##### **Management Fee**

Remained largely unchanged compared to last year.

##### **Utilities**

We received an additional £41,000 towards the costs of utilities for the year ended 31 March 2015 and were due £29,000 for the year ended 31 March 2016.

# PICKAQUOY CENTRE TRUST

## TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

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### Financial review

Incoming Resources		£ Change	% Change
Management fee		66,929	8.2
Charitable Activities		106,591	9.4
Investments		144	7.3
Other		2,871	10.6
Total		176,535	8.9

The increase in management fee is due to receipt of additional funds towards the costs of utilities for 2014-15 and 2015-16.

Charitable activity increases are largely due to cinema, campsite and grant income.

Resources Expended		£ Change	% Change
Staff costs		146,859	12.3
Other		10,281	1.1
Total		157,140	7.5

Staff costs increased due to the implementation of the national living wage, the introduction of pensions auto-enrolment and additional hours worked by staff supporting the growth in income.

The trustees have assessed the major risks to which it is exposed and is satisfied that systems are in place to mitigate exposure to the major risks. The trust has appointed a well qualified and experienced management team to oversee the operation of the centre. Risk is minimised by adherence to written quality procedures and work instructions, staff training and assessment, and internal management review. Risk assessments are reviewed and updated regularly.

The Campsite continues to be graded annually by Visit Scotland and maintains its four star status. Savings needed to be made in light of the reduction in our Management Fee and it was decided that Quest was no longer affordable and brought little additional value. It was decided to concentrate instead on improving and delivering the Trust's service quality. This is being done by working with all staff to agree the Trust's core values and then designing a staff training programme and ensuring that all staff attends the training.

The Trust's main priority is to complete the current strategic review and implement any required changes to the operation and organisation of the Trust by the end of 2016. The following all fall within the remit of the review process:

- The Trustees will continue to focus on generating income while restricting staff costs.
- All parts of the operation will be 'zero rated' and an analysis of exactly what resources are required to deliver each product/ service will be undertaken.
- Feasibility studies will explore innovative alternative capital project funding sources.
- Building strong and robust relationships with all stakeholder groups will continue to be a priority.
- Staff training and mentoring is seen as essential to delivering a quality service and focus will remain on development of the Trust's workforce.

### Structure, governance and management

The trust is governed by:-

1. An agreement between the Millennium Commission, Orkney Islands Council (OIC) and the Pickaquoy Centre Trust;
2. A declaration of trust by Orkney Islands Council registered with the Registers of Scotland on 27 May 1999;
3. A schedule of powers dated 6 April 1999 and registered with the Registers of Scotland;
4. A deed of variation dated 16 January 2008;
5. The standing orders of the Pickaquoy Centre Trust as agreed by the board of trustees; and
6. The service agreement with Orkney Islands Council which is re-negotiated every three years.

The trustees who served during the year were:-

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# PICKAQUOY CENTRE TRUST

## TRUSTEES REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2016

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J Annal, OIC Education & Leisure Cttee	(Resigned 27 May 2015)
A Clouston, Orkney Islands Council	
R Crichton, OIC Councillor	
B Davis, Public Representative	
A Drever, Orkney Islands Council	(Appointed 27 January 2016)
J Foubister, OIC Vice Convenor	
K Groat, Orkney Junior Inter-County Sports Cttee	
D Hamilton, Public Representative	
H Johnston, Orkney Islands Council	(Appointed 27 May 2015)
S Kemp, Public Representative	
G Smee, St Magnus Festival	
N Stevenson, Public Representative	
W Stout, Orkney Islands Council	(Resigned 19 August 2015)
S Sutherland, Public Representative	

When a vacancy occurs for a publicly nominated trustee, an advertisement is placed in the local newspaper and on the trust's website. Interested applicants are sent a trustee duties specification and asked to complete and return a trustee application form. Applicants require nomination by two independent members of the local community. All completed applications are submitted to the existing trustees who aim to maintain a board with a good spread of skills and knowledge and a good gender mix. Other trustees are nominated by organisations as set out in the trust deed and such nominees also come before the current board for consideration before being asked to join.

The board of trustees meets at least six times per year. The trustees have delegated the day to day management of the centre to the General Manager, Mr Mark Harrison. Sub-committees are formed as required and last until a report has been submitted to the board and a strategy agreed.

New trustees are given an induction pack that includes details of the Pickaquoy Centre and the activities that take place within it, information on the role and responsibilities of a trustee, details of the legal framework, the trust's advisors, the internal organisation of the centre, quality standards, past financial reports and, finally, past board and sub-committee minutes.

The Trust has an arm's length relationship with Orkney Islands Council. Communications are channelled through the designated Council officer and all centre use by Council departments is invoiced to the Council at market prices. Where the Council provides services to the Trust, the actual costs incurred are invoiced to the Trust. Decisions on strategy and programme development are entirely the responsibility of the board of trustees but do of course take account of the requirements laid out in the service agreement with Orkney Islands Council and the needs of all user stakeholders.

The current board of twelve trustees includes five representatives of Orkney Islands Council. The Board consider that this is an appropriate level of representation for one of its major stakeholders. All trustees are fully aware of the requirement to act in the best interests of the trust when acting in their capacity as a trustee. The trust has a conflict of interest policy which all trustees are required to adhere to.

# PICKAQUOY CENTRE TRUST

## TRUSTEES REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2016**

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### **Statement of trustees responsibilities**

The trustees are responsible for preparing the Trustees Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities and Trustees Investment (Scotland) Act 2005, the Charity (Accounts and Reports) Regulations 2006 (as amended) and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Disclosure of information to auditors**

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

The trustees report was approved by the Board of Trustees.



**S Kemp**

Trustee

Dated: 28 September 2016



# PICKAQUOY CENTRE TRUST

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF PICKAQUOY CENTRE TRUST

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We have audited the financial statements of Pickaquoy Centre Trust for the year ended 31 March 2016 set out on pages 8 to 29. 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), including Financial Reporting Standard 102.

This report is made solely to the charity's trustees, as a body, in accordance with section 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of trustees and auditors**

As explained more fully in the statement of trustees responsibilities set out on page 5, the trustees are responsible for the preparation of accounts which give a true and fair view.

We have been appointed as auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors, including "APB Ethical Standard – Provisions Available for Small Entities (Revised)", in the circumstances set out in note 26 to the financial statements.

#### **Scope of the audit of the accounts**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the chairman's report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on accounts.**

In our opinion the accounts:

- give a true and fair view of the state of the charity's affairs as at 31 March 2016, and of its 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 Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

# PICKAQUOY CENTRE TRUST

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF PICKAQUOY CENTRE TRUST

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#### **Matters on which we are required to report by exception**

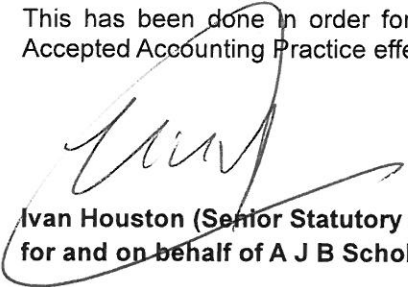
We have nothing to report in respect of the following matters where the Charity Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the Trustees Report is inconsistent in any material respect with the accounts; or
- sufficient accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

#### **Other matter**

Your attention is drawn to the fact that the charity has prepared accounts in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations.

This has been done in order for the accounts to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.



**Ivan Houston (Senior Statutory Auditor)**  
for and on behalf of A J B Scholes Ltd

28 September 2016

**Chartered Accountants**  
**Statutory Auditor**

8 Albert Street  
Kirkwall  
Orkney  
KW15 1HP

A J B Scholes Ltd is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

# PICKAQUOY CENTRE TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2016

		Unrestricted funds	Restricted funds	Total 2016	Total 2015
	Notes	£	£	£	£
<b><u>Income and endowments from:</u></b>					
Donations and legacies	3	883,029	-	883,029	816,100
Charitable activities	4	1,217,890	20,569	1,238,459	1,131,868
Investments	5	2,121	-	2,121	1,977
Other incoming resources	6	30,028	-	30,028	27,157
<b>Total income and endowments</b>		<b>2,133,068</b>	<b>20,569</b>	<b>2,153,637</b>	<b>1,977,102</b>
<b><u>Expenditure on:</u></b>					
Charitable activities	7	2,245,900	2,400	2,248,300	2,091,160
Other	11	23,000	-	23,000	15,000
<b>Total resources expended</b>		<b>2,268,900</b>	<b>2,400</b>	<b>2,271,300</b>	<b>2,106,160</b>
<b>Net (outgoing)/incoming resources before transfers</b>		<b>(135,832)</b>	<b>18,169</b>	<b>(117,663)</b>	<b>(129,058)</b>
Gross transfers between funds		22,665	(22,665)	-	-
<b>Net expenditure for the year/ Net outgoing resources</b>		<b>(113,167)</b>	<b>(4,496)</b>	<b>(117,663)</b>	<b>(129,058)</b>
<b>Other recognised gains and losses</b>					
Actuarial gains/(losses) on defined benefit pension schemes	20	449,000	-	449,000	(294,000)
<b>Net movement in funds</b>		<b>335,833</b>	<b>(4,496)</b>	<b>331,337</b>	<b>(423,058)</b>
Fund balances at 1 April 2015		(170,996)	4,496	(166,500)	256,558
<b>Fund balances at 31 March 2016</b>		<b>164,837</b>	<b>-</b>	<b>164,837</b>	<b>(166,500)</b>

All income and expenditure derives from continuing activities.

# PICKAQUOY CENTRE TRUST

## BALANCE SHEET

AS AT 31 MARCH 2016

	Notes	2016		2015	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13		291,976		318,079
<b>Current assets</b>					
Stocks	14	18,203		24,673	
Debtors	15	148,613		154,513	
Cash at bank and in hand		442,680		380,391	
		<u>609,496</u>		<u>559,577</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(387,545)</u>		<u>(305,499)</u>	
Net current assets			221,951		254,078
<b>Total assets less current liabilities</b>			<u>513,927</u>		<u>572,157</u>
<b>Creditors: amounts falling due after more than one year</b>	17		(30,090)		(52,657)
<b>Provisions for liabilities</b>			<u>(319,000)</u>		<u>(686,000)</u>
<b>Net assets/(liabilities)</b>			<u>164,837</u>		<u>(166,500)</u>
<b>Income funds</b>					
Restricted funds	21		-		4,496
<u>Unrestricted funds</u>					
Designated funds	22	291,976		318,079	
General unrestricted funds		<u>(127,139)</u>		<u>(489,075)</u>	
			164,837		(170,996)
			<u>164,837</u>		<u>(166,500)</u>

The financial statements were approved by the board of trustees and authorised for issue on 28 September 2016 and are signed on its behalf by:

  
S Kemp  
Trustee

# PICKAQUOY CENTRE TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2016

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	Notes	2016 £	£	2015 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	25		171,128		(49,060)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(88,393)		(56,814)	
Proceeds on disposal of tangible fixed assets		-		500	
Interest received		2,121		1,977	
<b>Net cash used in investing activities</b>			(86,272)		(54,337)
<b>Financing activities</b>					
Payment of obligations under finance leases		(22,567)		(22,568)	
<b>Net cash used in financing activities</b>			(22,567)		(22,568)
<b>Net increase/(decrease) in cash and cash equivalents</b>			62,289		(125,965)
Cash and cash equivalents at beginning of year			380,391		506,356
<b>Cash and cash equivalents at end of year</b>			<u>442,680</u>		<u>380,391</u>

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# PICKAQUOY CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2016

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#### 1 Accounting policies

##### Company information

Pickaquoy Centre Trust is a charity registered in Scotland (charity number SC028833). Its principle address is Muddisdale Road, Kirkwall, Orkney, KW15 1LR.

#### 1.1 Accounting convention

These accounts have been prepared in accordance with the 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 (FRS102) (effective 1 January 2015), the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The charity is a Public Benefit Entity as defined by FRS 102.

The accounts have departed from the Charities Accounts (Scotland) Regulations 2006 (as amended) only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

These accounts for the year ended 31 March 2016 are the first accounts of Pickaquoy Centre Trust prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 27.

#### 1.2 Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the accounts.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

#### 1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Grants, including grants for the purchase of fixed assets, are recognised in full in the statement of financial activities in the year in which they are receivable. Income generated from the supply of goods and services is included in the Statement of Financial Activities in the period in which the supply is made and is stated net of VAT.

# PICKAQUOY CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2016

#### 1 Accounting policies

(Continued)

Deferred income represents amounts received or invoiced in advance for future periods, and is released to incoming resources in the period it is earned.

#### 1.5 Resources expended

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. The trust is registered for VAT, and expenditure is shown net of recoverable VAT.

Charitable expenditure comprises those costs incurred by the trust in delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the trust and include the audit fees and costs linked to the strategic management of the trust.

All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

#### 1.6 Tangible fixed assets

Expenditure on fixed assets held for ongoing use by the charity is capitalised and depreciated over the life of the asset. Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	25% reducing balance basis, except leased assets (20% straight line)
Fixtures, fittings & equipment	25% reducing balance basis
Computers	33% straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### 1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss if any.

#### 1.8 Stocks

Stocks held for resale are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured at cost.

Stocks of consumable resources, including heating oil and chemicals, are carried at cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

# PICKAQUOY CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

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### 1 Accounting policies

(Continued)

#### 1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

#### 1.10 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the charity becomes party to the contractual provisions of the instrument.

Financial assets are offset, with the net amounts presented in the accounts when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

##### **Basic financial liabilities**

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

#### 1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.12 Retirement benefits

The trust's employees are eligible to join a defined benefit local government pension scheme. Contributions payable to this scheme are charged to the statement of financial activities over the working lives of the members of the scheme. The contributions are determined by a qualified actuary on the basis of triennial valuations. These contributions are invested separately from the trust's assets.



# PICKAQUOY CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2016

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#### 1 Accounting policies

(Continued)

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in income/(expenditure) for the year.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other recognised gains and losses in the period in which they occur and are not reclassified to income/(expenditure) in subsequent periods.

The defined net benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

#### 1.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the statement of financial activities on a straight line basis.

#### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# PICKAQUOY CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

### 3 Donations and legacies

	2016	2015
	£	£
Management fee for delivery of leisure services	883,029	816,100

### 4 Charitable activities

	Sports & functions £	Arts £	In-house catering £	Campsite £	Total £	Total 2015 £
Sales within charitable activities	861,642	170,722	87,092	95,852	1,215,308	1,104,769
Performance related grants	23,151	-	-	-	23,151	27,099
	<u>884,793</u>	<u>170,722</u>	<u>87,092</u>	<u>95,852</u>	<u>1,238,459</u>	<u>1,131,868</u>
Analysis by fund						
Unrestricted funds	864,224	170,722	87,092	95,852	1,217,890	
Restricted funds	20,569	-	-	-	20,569	
	<u>884,793</u>	<u>170,722</u>	<u>87,092</u>	<u>95,852</u>	<u>1,238,459</u>	
<b>For the year ended 31 March 2015</b>						
Unrestricted funds	821,133	131,754	78,822	75,537		1,107,246
Restricted funds	24,622	-	-	-		24,622
	<u>845,755</u>	<u>131,754</u>	<u>78,822</u>	<u>75,537</u>		<u>1,131,868</u>

### 5 Investments

	2016	2015
	£	£
Interest receivable	2,121	1,977

# PICKAQUOY CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

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### 6 Other incoming resources

	2016	2015
	£	£
Other income	<u>30,028</u>	<u>27,157</u>

Other income includes the commissions on stock held for third parties and any other income not classified elsewhere.

# PICKAQUOY CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2016

#### 7 Charitable activities

	Sports & functions £	Arts £	Catering £	Campsite £	Total £	Total 2015 £
Staff costs	796,099	37,381	-	18,200	851,680	777,642
Depreciation and impairment	82,190	-	-	-	82,190	83,166
Purchases	2,398	74,768	51,160	-	128,326	111,344
Other direct costs	39,431	7,105	-	10,903	57,439	55,292
Travel & transport	1,727	1,882	-	-	3,609	4,064
Repairs & property costs	53,953	-	-	15,905	69,858	78,122
Heating oil	70,471	-	-	-	70,471	99,692
Electricity	217,517	-	-	-	217,517	175,696
Water & sewerage	21,142	-	-	-	21,142	23,421
Cleaning	39,943	-	-	-	39,943	43,487
Subs & licences	8,815	-	-	-	8,815	8,136
Marketing	-	5,375	-	-	5,375	6,837
	<u>1,333,686</u>	<u>126,511</u>	<u>51,160</u>	<u>45,008</u>	<u>1,556,365</u>	<u>1,466,899</u>
Share of support costs (see note 8)	494,489	91,505	45,753	52,288	684,035	617,361
Share of governance costs (see note 8)	5,609	1,106	553	632	7,900	6,900
	<u>1,833,784</u>	<u>219,122</u>	<u>97,466</u>	<u>97,928</u>	<u>2,248,300</u>	<u>2,091,160</u>
<b>Analysis by fund</b>						
Unrestricted funds	1,831,384	219,122	97,466	97,928	2,245,900	
Restricted funds	2,400	-	-	-	2,400	
	<u>1,833,784</u>	<u>219,122</u>	<u>97,466</u>	<u>97,928</u>	<u>2,248,300</u>	
<b>For the year ended 31 March 2015</b>						
Unrestricted funds	1,727,728	178,083	86,476	84,543		2,076,830
Restricted funds	14,330	-	-	-		14,330
	<u>1,742,058</u>	<u>178,083</u>	<u>86,476</u>	<u>84,543</u>		<u>2,091,160</u>

# PICKAQUOY CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

### 8 Support costs

	Support costs	Governance costs	2016	2015	Basis of allocation
	£	£	£	£	
Staff costs	487,903	-	487,903	415,082	Income
Depreciation	32,306	-	32,306	31,661	Income
Other staff costs	21,205	-	21,205	16,618	Income
Clothing	3,755	-	3,755	4,241	Income
Insurance	10,070	-	10,070	8,471	Income
Administration recharges	18,814	-	18,814	22,112	Income
Equipment	3,043	-	3,043	1,876	Income
Stationary & postages	12,737	-	12,737	11,775	Income
Telephone	5,956	-	5,956	4,604	Income
Travel	2,042	-	2,042	2,663	Income
Professional fees	3,343	-	3,343	7,586	Income
Bank charges	17,515	-	17,515	14,748	Income
Printing	12,257	-	12,257	8,538	Income
Advertising	15,060	-	15,060	14,476	Income
Non-recoverable VAT	30,424	-	30,424	41,804	All sports & functions
Other general expenses	173	-	173	377	Income
Subscriptions & Licences	7,432	-	7,432	10,729	Income
Audit fees	-	3,200	3,200	2,700	Income
Accountancy	-	4,700	4,700	4,200	Income
	<u>684,035</u>	<u>7,900</u>	<u>691,935</u>	<u>624,261</u>	
Analysed between Charitable activities	<u>684,035</u>	<u>7,900</u>	<u>691,935</u>	<u>624,261</u>	

### 9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the trust during the current or prior year. None were reimbursed for any expenses incurred in the current or prior year.

# PICKAQUOY CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

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### 10 Employees

#### Number of employees

The average monthly number employees during the year was:

	2016 Number	2015 Number
Management & administration	19	20
Sports & functions	28	26
Arts	2	1
Maintenance & cleaning	5	5
	<u>54</u>	<u>52</u>

#### Employment costs

	£	£
Wages and salaries	1,073,790	989,566
Social security costs	51,375	51,144
Other pension costs	214,418	152,014
	<u>1,339,583</u>	<u>1,192,724</u>

The average number of employees is calculated based on the full time equivalent of all staff.

There were no employees whose annual remuneration was £60,000 or more.

### 11 Other

	2016 £	2015 £
Pension scheme interest cost	<u>23,000</u>	<u>15,000</u>

### 12 Taxation

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

# PICKAQUOY CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

### 13 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Computers	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2015	420,586	207,291	65,062	692,939
Additions	28,512	50,454	9,427	88,393
Disposals	(5,552)	-	-	(5,552)
At 31 March 2016	443,546	257,745	74,489	775,780
<b>Depreciation and impairment</b>				
At 1 April 2015	210,895	114,539	49,426	374,860
Depreciation charged in the year	59,747	35,800	14,039	109,586
Eliminated in respect of disposals	(642)	-	-	(642)
At 31 March 2016	270,000	150,339	63,465	483,804
<b>Carrying amount</b>				
At 31 March 2016	173,546	107,406	11,024	291,976
At 31 March 2015	209,691	92,752	15,636	318,079

### 14 Stocks

	2016	2015
	£	£
Finished goods and goods for resale	18,203	24,673

### 15 Debtors

	2016	2015
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	103,445	113,263
Other debtors	2,957	1,140
Prepayments and accrued income	42,211	40,110
	148,613	154,513

# PICKAQUOY CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

16 Creditors: amounts falling due within one year	2016 £	2015 £
Obligations under finance leases	22,567	22,567
Other taxation and social security	34,323	16,819
Deferred income	146,450	117,207
Trade creditors	84,097	27,117
Other creditors	23,404	58,961
Accruals	76,704	62,828
	<u>387,545</u>	<u>305,499</u>

17 Creditors: amounts falling due after more than one year	2016 £	2015 £
Obligations under finance leases	<u>30,090</u>	<u>52,657</u>

### 18 Finance lease commitments

Future minimum lease payments due under finance leases:

	2016 £	2015 £
Within one year	22,567	22,567
Within two and five years	30,090	52,657
	<u>52,657</u>	<u>75,224</u>

It is the trust's policy to lease certain equipment under finance leases. The average lease term is five years.

19 Provisions for liabilities	Notes	2016 £	2015 £
Retirement benefit obligations	20	319,000	686,000
		<u>319,000</u>	<u>686,000</u>

### 20 Retirement benefit schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.



# PICKAQUOY CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2016

#### 20 Retirement benefit schemes

(Continued)

##### Defined benefit schemes

The company's employees are eligible to join a Local Government pension scheme, which is a defined benefit statutory scheme. The most recent full actuarial valuation was on 31 March 2014 and was carried out by a qualified independent actuary. An updated valuation has been prepared at 31 March 2016 for the purposes of disclosure in these accounts. Contributions to the scheme are determined by the actuary on the basis of triennial valuations using the projected unit method.

##### Key assumptions

	2016	2015
	%	%
Discount rate	3.6	3.3
Expected rate of increase of pensions in payment	2.2	2.5
Expected rate of salary increases	4.2	4.4

##### Mortality assumptions

The assumed life expectations on retirement at age 65 are:

	2016	2015
	Years	Years
Retiring today		
- Males	22.4	22.4
- Females	23.8	23.8
Retiring in 20 years		
- Males	25.0	25.0
- Females	27.0	27.0

Amounts recognised in the profit and loss account:

	2016	2015
	£	£
Current service cost	213,000	152,000
Net interest on defined benefit liability/(asset)	23,000	15,000
Total costs	236,000	167,000

# PICKAQUOY CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

### 20 Retirement benefit schemes

(Continued)

Amounts taken to other comprehensive income:

	2016 £	2015 £
Actual return on scheme assets	25,000	505,000
Less: calculated interest element	(73,000)	(67,000)
	<u>(48,000)</u>	<u>438,000</u>
Return on scheme assets excluding interest income	(48,000)	438,000
Actuarial changes related to obligations	497,000	(732,000)
	<u>449,000</u>	<u>(294,000)</u>
Total income/(costs)	<u><u>449,000</u></u>	<u><u>(294,000)</u></u>

The amounts included in the balance sheet arising from the company's obligations in respect of defined benefit plans are as follows:

	2016 £	2015 £
Present value of defined benefit obligations	2,644,000	2,803,000
Fair value of plan assets	(2,325,000)	(2,117,000)
	<u>319,000</u>	<u>686,000</u>
Deficit in scheme	<u><u>319,000</u></u>	<u><u>686,000</u></u>

Movements in the present value of defined benefit obligations:

	2016 £
Liabilities at 1 April 2015	2,803,000
Current service cost	213,000
Benefits paid	(13,000)
Contributions from scheme members	42,000
Actuarial gains and losses	(497,000)
Interest cost	96,000
	<u>2,644,000</u>
At 31 March 2016	<u><u>2,644,000</u></u>

The defined benefit obligations arise from plans which are wholly or partly funded.

# PICKAQUOY CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

### 20 Retirement benefit schemes

(Continued)

Movements in the fair value of plan assets:

	2016 £
Fair value of assets at 1 April 2015	2,117,000
Interest income	73,000
Return on plan assets (excluding amounts included in net interest)	(48,000)
Benefits paid	(13,000)
Contributions by the employer	154,000
Contributions by scheme members	42,000
	<hr/>
At 31 March 2016	2,325,000
	<hr/> <hr/>

The fair value of plan assets at the reporting period end was as follows:

	2016 £	2015 £
Equity instruments	1,906,000	1,800,000
Debt instruments	349,000	296,000
Cash	70,000	21,000
	<hr/>	<hr/>
	2,325,000	2,117,000
	<hr/> <hr/>	<hr/> <hr/>

# PICKAQUOY CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2016

#### 21 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Balance at 31 March 2016 £
	Balance at 1 April 2015 £	Incoming resources £	Resources expended £	Transfers £	
Training courses	-	1,950	(2,400)	450	-
Pool pods	-	18,619	-	(18,619)	-
Satellite link	4,496	-	-	(4,496)	-
	<u>4,496</u>	<u>20,569</u>	<u>(2,400)</u>	<u>(22,665)</u>	<u>-</u>

The trust received grants totalling £18,619 for the purchase of a submersible platform lift for the swimming pool, There being no restrictions on the use of the asset once acquired, the fund was transferred to unrestricted funds.

The trust received grants totalling £1,950 for running various training courses. The balance of course costs of £450 was met with a transfer from unrestricted funds.

Funds brought forward of £4,496 for the costs of installing a satellite link to show live show in the cinema were fully utilised. There being no restrictions on the use of the asset once acquired, the fund was transferred to unrestricted funds.

#### 22 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds				Balance at 31 March 2016 £
	Balance at 1 April 2015 £	Incoming resources £	Resources expended £	Transfers £	
Fixed assets	318,079	-	-	(26,103)	291,976
	<u>318,079</u>	<u>-</u>	<u>-</u>	<u>(26,103)</u>	<u>291,976</u>

The balance of the fixed asset designated fund represents the net book value of fixed assets held by the trust at the balance sheet date.

# PICKAQUOY CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

### 23 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Total £
Fund balances at 31 March 2016 are represented by:			
Tangible assets	-	291,976	291,976
Current assets/(liabilities)	221,951	-	221,951
Non-current liabilities	(30,090)	-	(30,090)
Provisions	(319,000)	-	(319,000)
	<u>(127,139)</u>	<u>291,976</u>	<u>164,837</u>

### 24 Related party transactions

No guarantees have been given or received.

Orkney Islands Council (OIC), the local authority, is entitled to nominate trustees and in addition it provides annual funding under the terms of a service level agreement to enable the trust to carry on its charitable activities. The property and specific fixtures of the leisure centre are owned by OIC. The lease period is 80 years, expiring 5th April 2079. The annual rental is a nominal value of £1.

OIC charge the trust for certain services including electricity and maintenance. The cost for these recharges in the year totalled £318,763 (2015: £332,132). Creditors falling due within one year include £50,504 (2015: £39,982) due to OIC for services provided to the trust and deferred income of £nil (2015: £68,008) for sums invoiced in advance to OIC.

The trust received from OIC a revenue contribution of £883,029 (2015: £816,100). The trust provides certain services to OIC, including event management and facilities hire. The total income for these services during the year was £14,288 (2015: £23,611). These transactions are at normal commercial terms. Debtors include balances due from OIC totalling £82,833 (2015: £86,857) and accrued income of £29,180 (2015: £20,669).

	2016 £	2015 £
<b>25 Cash generated from operations</b>		
Surplus/(deficit) for the year	(117,663)	(129,058)
Adjustments for:		
Investment income recognised in profit or loss	(2,121)	(1,977)
Loss on disposal of tangible fixed assets	4,910	3,938
Depreciation and impairment of tangible fixed assets	109,586	110,889
Movements in working capital:		
Decrease in stocks	6,470	16,035
Decrease in debtors	5,900	206,567
Increase/(decrease) in creditors	164,046	(255,454)
<b>Cash generated from/(absorbed by) operations</b>	<u>171,128</u>	<u>(49,060)</u>

# PICKAQUOY CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

### 26 Auditor's Ethical Standards

The relevant circumstances requiring disclosure in accordance with the requirements of APB Ethical Standard - Provisions Available for Small Entities are that, in common with many charities of our size and nature we use our auditor to assist with the preparation of the accounts.

### 27 Reconciliations on adoption of FRS 102

#### Reconciliation of fund balances

	At 1 April 2014			At 31 March 2015			
	Notes	Previous UK GAAP £	Effect of transition £	FRS 102 £	Previous UK GAAP £	Effect of transition £	FRS 102 £
<b>Fixed assets</b>							
Tangible assets		376,591	-	376,591	318,079	-	318,079
<b>Current assets</b>							
Stocks		40,708	-	40,708	24,673	-	24,673
Debtors		361,080	-	361,080	154,513	-	154,513
Bank and cash		506,356	-	506,356	380,391	-	380,391
		908,144	-	908,144	559,577	-	559,577
<b>Creditors due within one year</b>							
Finance leases		22,567	-	22,567	22,567	-	22,567
Taxation		46,721	-	46,721	16,819	-	16,819
Other creditors	i)	529,872	18,792	548,664	243,926	22,187	266,113
		599,160	18,792	617,952	283,312	22,187	305,499
Net current assets		308,984	(18,792)	290,192	276,265	(22,187)	254,078
Total assets less current liabilities		685,575	(18,792)	666,783	594,344	(22,187)	572,157
<b>Creditors due after one year</b>							
Finance leases		75,225	-	75,225	52,657	-	52,657
<b>Provisions for liabilities</b>							
Pension obligations		335,000	-	335,000	686,000	-	686,000
Net assets		275,350	(18,792)	256,558	(144,313)	(22,187)	(166,500)

# PICKAQUOY CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

### 27 Reconciliations on adoption of FRS 102

(Continued)

	Notes	At 1 April 2014		FRS 102 £	At 31 March 2015		FRS 102 £
		Previous UK GAAP £	Effect of transition £		Previous UK GAAP £	Effect of transition £	
<b>Income funds</b>							
Restricted funds designated		-	-	-	4,496	-	4,496
Unrestricted funds	i)	376,591	-	376,591	-	-	-
		(101,241)	(18,792)	(120,033)	(148,809)	(22,187)	(170,996)
<b>Total funds</b>		<u>275,350</u>	<u>(18,792)</u>	<u>256,558</u>	<u>(144,313)</u>	<u>(22,187)</u>	<u>(166,500)</u>

### Reconciliation of net movements in funds

	Notes	Period ended 31 March 2015		
		Previous UK GAAP £	Effect of transition £	FRS 102 £
<b>Income from:</b>				
Donations and legacies		816,100	-	816,100
Charitable activities		1,131,868	-	1,131,868
Investments	ii	15,977	(14,000)	1,977
Other incoming resources		27,157	-	27,157
<b>Operating profit/(loss)</b>		<u>1,991,102</u>	<u>(14,000)</u>	<u>1,977,102</u>
<b>Expenditure on:</b>				
Charitable activities	i	(2,087,765)	(3,395)	(2,091,160)
Other	ii	-	(15,000)	(15,000)
		<u>(2,087,765)</u>	<u>(18,395)</u>	<u>(2,106,160)</u>
<b>Income/expenditure for the year</b>		<u>(96,663)</u>	<u>(32,395)</u>	<u>(129,058)</u>
Actuarial gain/(loss) on defined benefit pension scheme	i	(323,000)	29,000	(294,000)
<b>Net movement in funds</b>		<u>(419,663)</u>	<u>(3,395)</u>	<u>(423,058)</u>

# PICKAQUOY CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

### 27 Reconciliations on adoption of FRS 102

(Continued)

#### Reconciliation of fund balances

	Notes	At 1 Apr 2014 £	At 31 Mar 2015 £
Fund balances as reported under previous UK GAAP		275,350	(144,313)
Holiday pay accruals	i	(18,792)	(22,187)
Fund balances reported under FRS 102		<u>256,558</u>	<u>(166,500)</u>

#### Reconciliation of net movement in funds

	Notes	2015 £
Net movement in funds as reported under previous UK GAAP		(419,663)
Holiday pay accruals	i	(3,395)
Net movement in funds reported under FRS 102		<u>(423,058)</u>

#### Notes to reconciliations on adoption of FRS 102

##### i) Holiday pay accrual

Expenditure on charitable activities has been restated under FRS 102 to provide for accrued holiday pay. The transition adjustments are detailed below:

- unrestricted funds brought forward at the start of the comparative year reduce by £18,792
- creditors falling due within one year in the comparative year Increase by £22,187
- charitable expenditure and net outgoing resources in the comparative year increase by £3,395
- unrestricted funds brought forward at the start of the current year increase by £22,187

Accrued holiday pay included within creditors falling due within one year at the current balance sheet date totals £32,376.

##### ii) Defined benefit pension scheme

Interest receivable and interest payable have been restated on transition to FRS 102, resulting in a £29,000 reduction in net outgoing resources and a £29,000 reduction in actuarial losses reported in the Statement of Financial Activities.