

**PILTON YOUTH & CHILDREN'S PROJECT**  
***Registered Number: SC207455***

**Directors' Report and Financial Statements**

**For the year ended 31 March 2014**

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<b>Contents</b>	<b>Page</b>
Directors' Report	1
Independent Auditor's Report to the Members	4
Statement of Financial Activities and Income and Expenditure Account	5
Balance Sheet	6
Notes to the Financial Statements	7 - 13

**Directors**

Clare Halliday (Chair Person)  
Gladys Strang  
Andrew Kerr  
Karma Lennon  
John Stuart (resigned 31/01/2014)  
Lindsay Linton  
Mark Wilson  
Katy Miller (resigned 29/07/2014)  
Eric Joseph Carlin

**Auditor**

Mazars LLP  
Statutory Auditor 97 Haymarket Terrace  
Edinburgh  
EH12 5HD

**Secretary**

Gladys Strang

**Bankers**

The Royal Bank of Scotland plc  
2 South Trinity Road  
Edinburgh  
EH5 3NR

**Registered Office**

The Greenhouse  
1a West Pilton Place  
Edinburgh  
EH4 4DG

**Company Number:** SC207455  
**Charity Number:** SC003353

# **PILTON YOUTH AND CHILDREN'S PROJECT**

## **Directors' Report**

**For the year ended 31 March 2014**

The directors present their report and the audited financial statements for the year ended 31 March 2014.

### **Governing Documents**

The organisation is a charitable company limited by guarantee, incorporated on 24 May 2000 and registered as a charity on 25 May 2000. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

### **Recruitment and Appointment of the Board of Directors**

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Management Committee. Under the requirements of the Memorandum and Articles of Association the members of the Management Committee are elected to serve for a period of one year after which they must be re-elected at the next Annual General Meeting.

### **Directors Induction and Training**

Many of the Directors are familiar with the work of the charity, having had involvement either personally or professionally prior to joining the Board of Directors. New Directors are encouraged to meet with the management team to familiarise themselves with the charity and the context within which it works. Additionally at every Board Meeting a member of the staff team will make a presentation on a piece of their work, and answer questions.

There is an expectation the Directors attend our Open Days and visit our groups and clubs throughout the year. All new Directors are given our Memorandum and Articles of Association and our latest financial statements. Directors are invited to attend our review of service and in-service training. Feedback from new Directors suggests that they get all relevant information and the charity is welcoming.

### **Organisational Structure**

The Pilton Youth & Children's Project has a Management Committee of up to 15 members who meet monthly and are responsible for the strategic direction and policy of the charity. At present the Committee has 7 members who are local residents or from a variety of professional backgrounds relevant to the work of the charity.

### **Risk Statement**

The Management Committee has conducted a review of the major risks to which the charity is exposed. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. Significant external risks to funding have led to the development of a strategic plan which will allow for the diversification of funding and activities. Internal control risks are minimized by the implementation of procedures for authorization of all transactions and projects. Procedures are in place to ensure compliance with Health and Safety of staff, volunteers, visitors and children and young people to the Project. As explained in note 1 to the Financial Statements there is a risk that the company's Pension Fund liability of £372,000 could crystallise. This could jeopardise the continuing existence of the company.

### **Objects of the charity, principal activities and organisation of our work.**

The company's principal activity during the year continued to be to offer children and young people aged between 5 and 18 years old residing in the Forth Ward in Edinburgh an innovative programme of personal and social development. It aims to provide opportunities to pursue activities and interests, not as an end in themselves, but as part of a wider development process through which children and young people learn about themselves and their relationship with the society in which they live.

### **Objectives for the year include**

The Project's objectives and principal activities are to:

- Work with the children and young people to promote their social, emotional and physical well-being as they move from childhood to adulthood.
- Ensure children and young people's needs are being met through the resources of the Project, their families, the local community and other organisations.

The strategies employed to assist the charity to meet these objectives include the following:

- Provide a range of groups, clubs and individual work that gives children and young people an opportunity to try new activities, make friends, offer support and build on self esteem.
- Support children and young people in the local primary and secondary schools either through group or individual work
- Work in partnership with other agencies to secure the widest range of services that best suit the needs of the child or young person.

### **Achievements and Performance**

The main area of charitable activity is the provision of youth and children's services for the Forth Ward.

#### **Open Groups and Clubs**

We provide open groups and clubs 6 afternoons and 5 evenings per week in the Project building. In any one school term we run around 14 different clubs as well as another 6 outreach clubs. We also provide another 5 referred/targeted programmes

#### **Work in Schools**

We continue to work with pupils in Craigroyston High School and Broughton High School as well as work with Forthview Primary and a transition programme for pupils at feeder primaries for Craigroyston High School. Pupils are referred through the Pupils Support Groups and reasons for referral include low self esteem, relationships with peers, bullying and truancy.

#### **Individual Support**

We offer individual support to children and young people in Forth Ward, working with them in their school and/ or community. This can cover a range of issues such as low self esteem, difficulties with peers and family issues and is on a referred basis. It involves using a range of strategies and activities to engage young people, giving them a safe space to work through issues with a trusted adult.

#### **School Holiday Provision**

The Project offers a range of building based and outreach activities for 6 weeks of the school summer holidays that are both fun and informative. Examples of trips and activities include Go Karting, a visit to the Edinburgh Dungeons, a visit to Blair Drummond, beach walks, and football tournaments.

#### **Residential Trips**

We provided a range of residential services throughout the year, for all ages. These activities give young people the opportunity to experience outdoor pursuits and develop skills in cooking and team work.

#### **Parents and Community Group/support**

We provide a weekly group for parents and community members, designed to offer new experiences, develop new skills and confidence, reduce social isolation and encourage local adults to become involved in the running of PYCP. Additionally, we work with families in need, offering tailored support and opportunities for families to spend quality time together.

#### **Preventative Opportunities Programme**

The programme reaches out to young people who may have issues with, or affected by substance abuse, low self esteem/confidence and lack of aspirations. They may be experiencing childhood disadvantages through poor parental support and supervision and be showing early signs of offending behavior patterns. This programme will work with the whole family to address the need of young people within it.

### **Transactions and Financial Position**

The net incoming resources before other recognised gains and losses on ongoing activities for the year ended 31 March 2014 was £30,857 (2013: £35,086). In addition, there was an Actuarial loss on the organisation's participation in the Lothian pension fund of £58,000 (2013: £79,000) in the year resulting in a net decrease in funds for the year of £27,143 (2013: £43,914). Including the pension fund Actuarial loss in the year, as stated above, there is a potential liability of at least £372,000 in relation to the pension fund. More details of the implications of this liability are given in Note1 of the Financial Statements.

## **Principal Funding Sources**

The principal funding sources for the charity are currently grant and contract income from The City of Edinburgh Council and Fairer Scotland Funding. Monies have also been received from various trusts which include Robertson, Lloyds PDI, R S MacDonald The Farmer Foundation, Big Lottery and The Scottish Government without whose support the organisation would not have been able to carry out all of its activities.

## **Reserves Policy**

The Directors consider it prudent to maintain general reserves sufficient to enable the charity to meet its short term cash flow requirements and match their risk management policy. The Directors consider this to equate to between 3 and 6 months expenditure. The reserves held, before making provision for the Pension Fund liability are currently considered to be adequate for this purpose. As explained in the Risk Statement above, the directors are currently in discussions regarding the Pension Fund liability.

## **Plans for Future Periods**

The charity plans continuing the activities outlined above, in the forthcoming years subject to satisfactory funding arrangements. During the year the charity contracted with the City of Edinburgh Council, under the terms of a Service Level Agreement (SLA). The Board welcomes this development which clearly sets out the responsibilities of each of the parties and the expected outcomes. The contract took effect from 1 October 2010 and although it is due to expire on 31<sup>st</sup> March 2015, the Board is hopeful that it will continue to be renewed.

## **Statement of Responsibilities**

The directors are required by law to prepare financial statements for each financial year which give a true and fair view of the financial activities of the charity and of its financial position at the end of the year. In preparing those financial statements the directors are required to:

- a) Select suitable accounting policies and apply them consistently;
- b) Make judgments and estimates that are responsible and prudent;
- c) State whether the policies adopted are in accordance with the Companies Act 2006 and with applicable accounting standards and statements of recommended practice, subject to any material departures disclosed and explained in the financial statements; and
- d) Prepare the financial statements on a going concern basis unless it is inappropriate to assume that the charity will continue in operation.

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

## **Statement as to disclosure of information to auditors**

So far as the Directors are aware, there is no relevant audit information of which the company's auditor is unaware and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

## **Auditors**

Mazars LLP who were appointed during the year will be proposed for reappointment in accordance with Section 487 (2) of the Companies Act 2006.

This report has been prepared in accordance with Part 15 of the Companies Act 2006 relating to small companies and was approved by the Board of Directors and Trustees on                      October 2014 and signed on its behalf by

 Director  
**Ms Clare Halliday**

## PILTON YOUTH AND CHILDREN'S PROJECT

### Independent Auditors Report to the Members

For the year ended 31 March 2014

We have audited the financial statements of Pilton Youth & Children's Project for the year ended 31 March 2014 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. 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).

#### Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 3, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report is made solely to the charity'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 charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

#### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2014 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

#### Opinion on the other matter prescribed by the Companies Act 2006

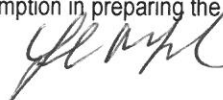
In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Report.

John McLeod (Senior Statutory Auditor)  
for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor  
Apex 2, 97 Haymarket Terrace  
Edinburgh  
EH12 5HD



DATE 9 October 2014

# PILTON YOUTH AND CHILDREN'S PROJECT

## Statement of Financial Activities And Income and Expenditure Account

For the year ended 31 March 2014

	Notes	Unrestricted Funds	Restricted Funds	2014 Total Funds	2013 Total Funds
		£	£	£	£
<b>Incoming resources</b>					
<b>Incoming resources from generated funds:</b>					
<i>Activities for generating funds:</i>					
Investment income		150	-	150	135
<b>Incoming resources from charitable activities:</b>					
Grants and contracts	2	165,636	85,023	250,659	250,659
Other incoming resources		64,729	46,530	111,259	68,959
<b>Total incoming resources</b>		<u>230,515</u>	<u>131,553</u>	<u>362,068</u>	<u>319,753</u>
<b>Resources expended</b>					
<b>Charitable activities</b>	3	194,935	127,303	322,238	276,065
<b>Governance costs</b>	3	8,973	-	8,973	8,602
<b>Total resources expended</b>		<u>203,908</u>	<u>127,303</u>	<u>331,211</u>	<u>284,667</u>
<b>Net incoming resources before other recognised gains and losses</b>	4	26,607	4,250	30,857	35,086
<b>Other recognised gains and losses</b>					
Actuarial losses on defined benefit pensions scheme	14	(58,000)	-	(58,000)	(79,000)
<b>Net movement in funds</b>	9	(31,393)	4,250	(31,393)	(43,914)
<b>Reconciliation of funds</b>					
Total funds brought forward	9	(85,047)	-	(85,047)	(41,133)
<b>Total funds carried forward</b>	9	<u>(116,440)</u>	<u>4,250</u>	<u>(112,190)</u>	<u>(85,047)</u>

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

The notes on pages 7 to 13 form part of these financial statements

# PILTON YOUTH AND CHILDREN'S PROJECT

## Balance Sheet

As at 31 March 2014

	Notes	2014		2013	
		£	£	£	£
<b>Fixed Assets</b>					
Tangible assets	6		-		-
<b>Current Assets</b>					
Debtors	7	308		308	
Cash at bank and in hand		265,822		247,624	
		<u>266,130</u>		<u>247,932</u>	
<b>Creditors:</b> amounts falling due within one year	8	<u>(6,320)</u>		<u>(21,979)</u>	
<b>Net current assets</b>			<u>259,810</u>		<u>225,953</u>
<b>Net assets excluding pension liability</b>			259,810		225,953
<b>Pension Liability</b>	13		<u>(372,000)</u>		<u>(311,000)</u>
<b>Funds</b>			<u>(112,190)</u>		<u>(85,047)</u>
Restricted funds	9		4,250		-
Unrestricted funds	9		<u>(116,440)</u>		<u>(85,047)</u>
			<u>(112,190)</u>		<u>(85,047)</u>

The financial statements have been prepared in accordance with Part 15 of the Companies Act 2006 relating to small companies and were approved by the board of directors on 6 October 2014 and signed on its behalf by:



**Ms Clare Halliday**

Director

The notes on pages 7 to 13 form part of these financial statements



# **PILTON YOUTH AND CHILDREN'S PROJECT**

## **Notes to the Financial Statements**

**For the year ended 31 March 2014**

### **1. ACCOUNTING POLICIES**

#### **Basis of preparation**

The accounts are prepared under the historical cost convention in accordance with applicable accounting standards and the Statement of Recommended Practice – Accounting and Reporting by Charities (revised 2005).

#### **Going Concern**

The company has had, and currently has, employees who are members of the Lothian Pension Fund. The actuarial valuation of the Lothian Pension Fund for FRS 17 purposes at 31 March 2014 prepared by Hymans Robertson LLP indicated that the company should make a provision in respect of its share of the Actuarial Liability amounting to £372,000.

The scheme has been closed to new employees of the company since 2008. In the event that the current employees of the company, who are members of the scheme, ceased to be employees of the company, a cessation liability would immediately crystallise which would, the directors have been advised, amount to at least the net liability referred to above. In these circumstances the company would be unable to meet its liabilities as they fell due and unless sustainable arrangements could be made with the Trustees of the Lothian Pension Fund or other interested parties, in relation to the settlement of the liability, the company would have to be wound up.

There are currently no indications that the events which would result in the Pension Fund liability crystallising will take place and as a result, the directors feel it is appropriate that the financial statements be prepared on the Going Concern basis.

If the company was unable to continue in operational existence for the foreseeable future, adjustments would have to be made to amend the balance sheet values to their recoverable amounts and to provide for any further liabilities that might arise.

#### **Apportionment of expenditure**

Charitable Expenditure, Governance costs and allocation.

Charitable expenditure comprises those costs incurred by the charity in the 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 charity and include the audit fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the Statement of Financial Activities ("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 eg floor areas, per capita or estimated usage as set out in Note 3.

#### **Value added tax**

Value added tax is not recoverable by the charity and as such is included in the relevant costs in the SoFA

#### **Incoming resources**

Income is recognised in the year in which it is receivable.

Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

#### **Pensions**

The company participates in a group defined benefit scheme. The amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised

## **PILTON YOUTH AND CHILDREN'S PROJECT**

### **Notes to the Financial Statements (continued)**

**For the year ended 31 March 2014**

immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the Statement of Financial Activities

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the charitable company, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at 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 actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability is presented separately after other net assets on the face of the balance sheet.

#### **Fund accounting**

Unrestricted funds are available for use at the discretion of the directors in furtherance of the general objectives of the charity.

Designated funds are unrestricted funds earmarked by the directors for particular purposes.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

#### **Tangible fixed assets**

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

Computer equipment	-20% on cost
Fixtures and fittings	-20% on cost

All expenditure incurred on fixed assets is capitalised at cost and depreciated over the useful life at rates disclosed above.

# PILTON YOUTH AND CHILDREN'S PROJECT

## Notes to the Financial Statements (continued)

For the year ended 31 March 2014

### 2. INCOMING RESOURCES FROM ACTIVITIES TO FURTHER CHARITY'S OBJECTIVES

Grants Receivable – Educational Programme and Support Services	2014	2013
	£	£
Revenue Grant (unrestricted)	165,636	165,636
Early Intervention Grant (restricted)	85,023	85,023
	<u>250,659</u>	<u>250,659</u>

### 3. TOTAL RESOURCES EXPENDED

	Basis of allocation	Educational Programmes and Support Services £	Governance £	2014 Total £	2013 Total £
<b>Costs directly allocated to activities</b>					
Staff costs	Staff time	261,830	1,250	263,080	223,202
Centre supplies	Usage	22,938	241	23,179	25,385
Travel	Usage	808	-	808	466
Volunteer expenses	Usage	-	-	-	30
Audit fees	Usage	-	2,700	2,700	3,030
<b>Support costs allocated to activities</b>					
Premises	Usage	36,662	-	36,662	28,421
Consultancy	Usage	-	3,219	3,219	2,723
Legal and professional	Usage	-	1,537	1,537	1,358
Bank charges	Usage	-	26	26	52
<b>Total resources expended</b>		<u>322,238</u>	<u>8,973</u>	<u>331,211</u>	<u>284,667</u>

### 4. NET INCOMING RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES

The net incoming resources before other recognised gains and losses are stated after charging:

	2014 £	2013 £
Auditor's remuneration	<u>2,700</u>	<u>3,030</u>

# PILTON YOUTH AND CHILDREN'S PROJECT

## Notes to the Financial Statements (continued)

For the year ended 31 March 2014

### 5. STAFF COSTS

There were no expenses reimbursed to any directors. The staff costs of the remaining staff were:

	2014	2013
	£	£
Wages and salaries	231,028	198,066
Social security costs	17,557	14,421
Pensions	14,495	10,715
	<u>263,080</u>	<u>223,202</u>

No employee earned £50,000 or more.

The average number of staff, employed by the charity during the year was:

	2014	2013
Direct charitable work	18	16
Administrative	2	2
	<u>20</u>	<u>18</u>

The above figures include sessional workers.

### 6. TANGIBLE FIXED ASSETS

	Computer equipment £	Fixtures & fittings £	Total £
<b>COST:</b>			
At 1 April 2013	5,469	6,953	12,422
Additions in year	-	-	-
At 31 March 2014	<u>5,469</u>	<u>6,953</u>	<u>12,422</u>
<b>DEPRECIATION:</b>			
At 1 April 2013	5,469	6,953	12,422
Charge for year	-	-	-
At 31 March 2014	<u>5,469</u>	<u>6,953</u>	<u>12,422</u>
<b>NET BOOK VALUE:</b>			
At 31 March 2014	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2013	<u>-</u>	<u>-</u>	<u>-</u>

# PILTON YOUTH AND CHILDREN'S PROJECT

## Notes to the Financial Statements (continued)

For the year ended 31 March 2014

### 7. DEBTORS

	2014	2013
	£	£
Prepayments	308	308

### 8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£	£
Deferred income	1,360	16,435
Accrued expenses	4,960	5,544
	6,320	21,979

### 9. MOVEMENTS IN FUNDS

	At 1 April 2013	Incoming Resources	Outgoing Resources	Transfers	Actuarial loss on pension scheme	At 31 March 2014
	£	£	£	£	£	£
<b>RESTRICTED FUNDS:</b>						
Restricted Funds	-	131,553	(127,303)	-	-	4,250
<i>Total restricted funds</i>	-	131,553	(127,303)	-	-	4,250
<b>UNRESTRICTED FUNDS :</b>						
Designated fund	43,681	-	-	-	-	43,681
General funds	(128,728)	230,515	(203,908)	-	(58,000)	(160,121)
<i>Total unrestricted funds</i>	(85,047)	230,515	(203,908)	-	(58,000)	(116,440)
<b>Total funds</b>	(85,047)	362,068	(331,211)	-	(58,000)	(112,190)

#### Purposes of Restricted Funds

Monies received from R S Macdonald, Big Lottery, The Robertson Trust, Sir Tom Farmer Foundation and The Scottish Government provides a range of targeted activities which include 1:1 work and group based support. The Big Lottery provided money to renovate our soft play room. All such monies were expended during the financial year other than a sum of £4,250, which will be expended in the year ending 31 March 2015.

## PILTON YOUTH AND CHILDREN'S PROJECT

### Notes to the Financial Statements (continued)

For the year ended 31 March 2014

#### Purposes of Designated Funds

*Designated Fund* : The directors have transferred £NIL (2013: £NIL) to a designated fund to cover any future redundancy payments, Statutory Maternity Pay, Statutory Sick Pay and wind down costs likely to impact upon the company in future periods.

#### 11. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year.

#### 12. LEGAL STATUS

The organisation is registered as a private company, limited by guarantee, without any share capital.

#### 13. PENSION COMMITMENTS

The company participates in a multi-employer defined benefit scheme in the UK. A full actuarial valuation was carried out at 31 March 2011 by a qualified independent actuary. The next actuarial valuation will be carried out at 31 March 2014. The major assumptions used by the actuary were:

	31/3/14	31/3/13	31/3/12
Rate of increase in salaries	5.1%	5.1%	4.8%
Rate of increase in pensions in payment	2.8%	2.8%	2.5 %
Discount rate for scheme liabilities	4.3%	4.5%	4.8%
Inflation assumption	3.2%	3.2%	3.1%

The assets in the scheme and the expected rate of return were:

	Long-term rate of return expected at 31/3/14	Value at 31/3/14 £	Long-term rate of return expected at 31/3/13	Value at 31/3/13 £	Long-term rate of return expected at 31/3/12	Value at 31/3/12 £
Equities	6.6%	901,000	5.7%	886,000	6.2%	788,000
Bonds	3.9%	105,000	3.5%	90,000	4.0%	80,000
Other	4.2%	164,000	3.5%	146,000	4.0%	130,000
Total market value of assets		1,170,000		1,122,000		998,000
Present value of scheme liabilities		(1,542,000)		(1,433,000)		(1,234,000)
Deficit in scheme and net pension liability		(372,000)		(311,000)		(236,000)

**PILTON YOUTH & CHILDREN'S PROJECT**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2014**

**13. PENSION COMMITMENTS - continued**

**Analysis of the amount charged to operating profit**

	31/3/14	31/3/13
	£	£
Current service cost	<u>(11,000)</u>	<u>(8,000)</u>

The past service gain represents the reduction in the pension liability as a result of future pension increases being linked to the Consumer Price Index.

**Analysis of the amount credited to other finance income**

	31/3/14	31/3/13
	£	£
Expected return on pension scheme assets	59,000	57,000
Interest on pension scheme liabilities	<u>(64,000)</u>	<u>(58,000)</u>
Net return	<u>(5,000)</u>	<u>(1,000)</u>

**Analysis of the amount recognised in Statement of Financial Activities**

	31/3/14	31/03/13
	£	£
Actual return less expected return on pension scheme assets	8,000	96,000
Changes in assumptions underlying the present value of the scheme liabilities	<u>(66,000)</u>	<u>(175,000)</u>
Actuarial losses recognised in Statement of Financial Activities	<u>(58,000)</u>	<u>(79,000)</u>

**Movement in deficit during the year**

	31/3/14	31/3/13
	£	£
Deficit in scheme at start of year	(311,000)	(236,000)
Current service cost	(11,000)	(8,000)
Contributions	13,000	13,000
Other finance income	(5,000)	(1,000)
Actuarial (loss) gain	<u>(58,000)</u>	<u>(79,000)</u>
Deficit in scheme at end of year	<u>(372,000)</u>	<u>(311,000)</u>

**History of experience gains and losses**

	31/3/14	31/3/13
Difference between the expected and actual return on scheme assets:		
amount (£)	8,000	97,000
percentage of scheme assets	0.7%	8.6%
Total actuarial gain or loss:		
amount (£)	(372,000)	(311,000)
percentage of the present value of the scheme liabilities	(24.1%)	(27.7%)

**Defined Contribution Scheme:**

With effect from 1 April 2008, new employees of the charity were not eligible to participate in the defined benefit pension scheme. Instead, the charity makes contributions to a defined contribution 'stakeholder' scheme on their behalf.