

REGISTRAR OF COMPANIES

Company registration number 2500964
Charity registration number 1039255

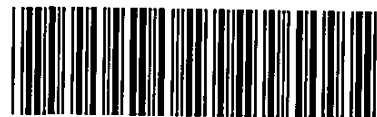
Abilities Limited

(A charitable company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 May 2013

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Abilities Limited

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Abilities Limited
Reference and Administrative Details

Charity name	Abilities Limited
Charity registration number	1039255
Company registration number	2500964
Registered office	Waverley Road Weymouth Dorset DT3 5HL
Trustees	J Lambert, Chairman I De Vere Moss D Rockett J Price
Secretary	R Cormack
Solicitor	Humphries Kirk 40 High West Street Dorchester Dorset DT1 1UR
Bankers	Barclays Bank PLC 10 South Street Dorchester Dorset DT1 1BT
Auditor	Princecroft Willis LLP Towngate House 2-8 Parkstone Road Poole Dorset BH15 2PW

Abilities Limited

Trustees' Report

The trustees (who are also directors of Abilities Limited for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations

Introduction

The Trustees present their annual report and accounts for the year ended 31 May 2013

The Directors of the charitable company (the charity) are its Trustees for the purposes of charity law and throughout this report are collectively referred to as the Trustees. Their responsibilities include all the responsibilities of Directors under the Companies Act 1985 and of Trustees under the Charities Act 2011

The charitable company is a limited company (by guarantee) and is governed by a Memorandum and Articles of Association dated 10 May 1990, as amended on 5 April and 17 May 1994

The full name of the charity is Abilities Limited

Objectives and activities of the charity

The objective of the charity is the relief of poverty, sickness and distress of people living within the UK, particularly in Dorset, by providing vocational training which is compatible with their disabilities and needs to

- a) persons suffering from disabilities, and
- b) persons finding difficulty obtaining work as a result of long term unemployment

The charitable company, by training and assessing individuals who are either disabled or who have been unemployed for a long period of time aims to be able to secure jobs for those people who may previously have been unable to find employment

Review of the charity for the year and future plans

The period of 2012 and 2013 continued to work with and assist customers with disabilities find employment. This was a very successful period in the Company's History. The contracts that have brought this success are detailed below

Work Programme Aim to find sustainable jobs for ESA (Employment Support Allowance) and JSA (Job Seekers Allowance)

As Directors we realised that this program was going to be the most challenging in our long history. To find jobs for our customers and remain solvent was going to be a difficult but through careful planning, hard work and a complete change in most aspects of Abilities work we succeeded. The investment we took in our staff has really paid off and they have found countless jobs throughout Dorset, Poole and South Somerset. Coupled with the confidence we showed in our management team Abilities has returned a surplus this year rather than a loss.

Work Choice Assisting people with disabilities to find Sustainable jobs

This program is designed specifically to enable people with disabilities to attain additional support to find sustainable employment throughout Dorset and South Somerset. We are close to completing our third year and job outcomes have now risen from 56% to 79% for our customers. Helping people with Disabilities find employment opportunities is Abilities core business and as Directors we would expect these figures to be good but nevertheless in the depressed employment market this is a very good result. Our staff's ability to deliver this program improves year on and they are to be congratulated for their innovative work.

Abilities Limited

Trustees' Report

Dorset Adult Education DAL (Dorset Adult Learning), Qualifications and Basic Skills courses designed to help customers of all ages who are lost to traditional educational establishments such as colleges or universities and need expert help that is not available anywhere else in Dorset:-

This program remains a priority for the Directors and is a key asset in attaining skills for our customers on all our programs. Offering work based qualifications dovetailed to the needs of our employers locally and nationally. There is still a surprising amount of our participants who do not possess IT skills and with the changes in customers' benefits it has been vital they have the skills to independently look for employment. As Directors we are very aware of the Government's Universal benefits scheme and job matching service and how vital it is that all our customers can update their CV and record all their job activities.

This is a minimum requirement for our customers to receive their appropriate state benefit and our staff try to ensure there is no "hiccup" when our customers join our programmes. In the last two years, the Manager has introduced the Preparation for Employment training course enabling everyone to have a CV, identify transferable skills and look for new job opportunities. Through the Dorset Adult Learning Program our skilled tutors, not only helped our customers achieve many qualifications but assisted 20% of our participants find work, once again fitting with our core business.

In five years we have seen this program double and the Directors are grateful for the support from the Management Team who run this program on behalf of Dorset County Council.

ROUTES Work with the NEET group (Not in Education Employment or Training) in West Dorset.

On completing our first successful year on this program we were offered the opportunity to expand into Bridport and work more closely with schools on truancy and poor attendance, this would be purely outreach work. In the past our staff had done a small amount of work in Schools but the outreach work was something Abilities had not done and is a very different approach, as we have always relied on our training centres and customers coming to us but now we would have to go our customers in Bridport and Beaminster. We were aware that our staff were completely out of their depth but the Directors have been delighted on the achievements in West Dorset and how flexible our staff have become. Routes achieved 90% outcomes this year through hard work, networking and support from everyone whom we had contact with in West Dorset. The outreach work has made Abilities far more attractive to Companies who might want to work with us in the future.

Challenge for 2013 and 2014

The Routes program will finish at the end of December 2013, during the last year we have assisted our Routes customers to achieve many successes through jobs and qualifications. Abilities has been rewarded financially for this excellent work and the income will be missed going into 2014. Prudently our management team have been working hard to find new business and plug the expected hole in our finances. To this end we have won a contract to deliver Information, Advice and Guidance (IAG) advising our customers on their best route into employment, slowly this program is starting to take off. Soon we will start to see some additional income coming into the Company.

Additionally we have won a Program called Families, which is designed to help customers where unemployment is normal rather than the exception. This program is flexible and the activities asked for will clearly help our customers move towards employment. Unfortunately the administration is both very complex and expensive however we are looking to simplify the procedure. The program is funded by ESF (European Social Fund) and closely monitored in line with the Government's "Best value approach" payments and will only be paid on results and any income from this program will take at least 13 weeks to appear in our accounts. Fortunately we already have the experience of being paid on outcomes from running the Work Program and once again we must monitor our income through careful budgeting, staffing and other costs. This will be a major challenge in the coming year.

Abilities Limited

Trustees' Report

Charitable Strategy

Our main strategy is to help unemployed people in Dorset and Somerset find long term employment. To enable this to continue we will work with our partners and contacts in the local area to achieve the best possible outcomes for our customers.

Public Benefit

The Trustees have given due regard to public benefit when planning the charity's activities, in accordance with Sections G2 and G3 of the Charity Commission's General Guidance on Public Benefit (January 2008).

The paragraphs above set out our activities, achievements and performance during the year, which are directly related to the objects and purposes for which the charity exists.

The charity achieves its principal objects and purposes by providing vocational training to persons suffering from disabilities and persons finding difficulty obtaining work as a result of long term unemployment. These benefits are directly related to the aims of the charity and are fully compliant with Principles 1 and 2 of the Charity Commission Principles on Public Benefit.

Organisational Structure

The charity is managed on a day to day basis by the Company Secretary who is also the Executive Director, supported by the Finance Manager, with all activities overseen by a Management Committee. The Board of Trustees is very active, they advise and support the Executive Director and the Finance Manager and make decisions as and when required.

Members of the Board of Trustees

The following are Trustees:

J Lambert (Chairman)

I Moss

D Rockett

J Price

The Trustees are members of the company. The Memorandum and Articles of Association lay down that Trustees are appointed annually. However, as this is not very practical, custom and practice has been that 2 Trustees retire each year and, if willing, they may be reappointed. At the Annual General Meeting on 23rd December 2012 John Lambert and Jenny Price retired by rotation and were re-elected.

Trustee induction and training

Following the expression of interest by an individual, a meeting is held between the Company Secretary and a potential new Trustee to ascertain what skills the individual would bring. The prospective Trustee is invited to attend a number of Management Committee meetings to both provide additional information and to assess their contribution. Should this process be successful they would be invited onto the Board at the next Annual General Meeting.

Major risks

The Board of Trustees meet as a Management Committee on a monthly basis along with the Executive Director and the Finance Manager. The meetings follow an agenda which includes financial management, the company activities, future plans, Health and Safety and Equal Opportunities. It is at this time that the Executive Director presents a report on the last month's activities and achievements against agreed tasks. At the monthly meetings the Finance Manager presents a profit and loss account showing monthly and year to date figures compared to budget, a review of the balance sheet for that month and a debtors report for comment and discussion.

Abilities Limited

Trustees' Report

The Executive Director also advises on potential risks with regard to the various training contracts and how it might affect the organisation with regard to staffing and financial stability. All these meetings are minuted. All major decisions that may affect the smooth running and financial stability of the charity are made by the Board of Trustees. Opportunities, risks and threats to the charity are discussed at monthly board meetings and with their experience the Trustees will approve or refuse the Executive Director's plans depending on the financial information available and the level of risk.

Risk Management

The Management Committee has conducted its own review of the major risks to which the charity is exposed and established systems to mitigate the effect of those risks. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery of all operational aspects of the charitable company. These procedures are periodically reviewed to ensure that they still meet the needs of the charity.

Reserves Policy

The Management Committee reviews the level of reserves required on a periodic basis and takes a flexible approach to the charity's requirements. The Board of Trustees is satisfied that the charity's assets are adequate to fulfil its obligations.

The minimum requirement is to fund four months' running costs which equates to approximately £300,000 of working capital which would finance the current activities of the charity in the event of a significant drop in funding. The level of Free Reserves at 31 May 2013 was £399,974 which is required to fund the fixed assets and working capital.

Principal funding sources

The main funding source is from government funded contracts through the DWP. We are a sub contractor to Shaw Trust for the Work Choice contract and to Working Links and Bournemouth & Poole College for The Work Programme contract. The charity also relies on contracts from educational suppliers, whose support is invaluable. There have been no other fundraising activities.

Investment policy

The charity's investment policy is to transfer funds to a deposit account so that the maximum amount of interest available can be received.

Transactions and financial position

The financial statements are set out on pages 9 to 18. The financial statements have been prepared implementing the 2005 Revision of the Statement of Recommended Practice for Accounting and Reporting by Charities issued by the Charity Commission for England and Wales (effective April 2005) and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The Trustees consider the financial performance by the charity during the year to have been satisfactory.

The Statement of Financial Activities showed, Gross turnover £1,318,935, Net surplus £40,210, Current assets £481,255, Current liabilities £131,248 and Long term liabilities £nil. The total reserves at the year end stand at £399,974 (2012 £359,764).

Specific changes in fixed assets

Changes in fixed assets are shown in detail in the notes to the accounts.

Share capital

The company is limited by guarantee and therefore has no share capital.

Abilities Limited

Trustees' Report

Chief Executive Officer to whom day to day management of the charity is delegated by the charity trustees.

The day to day management of the charitable company is carried out by the Company Secretary, R Cormack

Statement of Trustees' Responsibilities

The trustees (who are also directors of Abilities Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and the 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 income and expenditure, of the charitable company for that period. In preparing these financial statements, 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 UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 that disclose with reasonable accuracy at any time the financial position of the charitable company and 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.

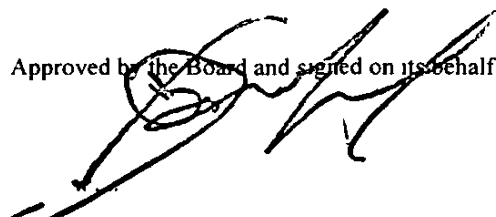
In so far as the trustees are aware

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

Small company provisions

This report has been prepared in accordance with the small companies regime under the Companies Act 2006

Approved by the Board and signed on its behalf by



J Lambert
Trustee

Date 13/12/13

Independent Auditors' Report to the Trustees of Abilities Limited

We have audited the financial statements of Abilities Limited for the year ended 31 May 2013, set out on pages 9 to 18. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 2, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' 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 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 May 2013 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 applicable to smaller entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

**Independent Auditors' Report to the Trustees of
Abilities Limited**

continued

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
- 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 directors report)



Nicholas Love FCCA ACA
Princercroft Willis LLP
Senior Statutory Auditor

6 January 2014

Towngate House
2-8 Parkstone Road
Poole
Dorset
BH15 2PW

Princercroft Willis LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Abilities Limited

**Statement of Financial Activities (including Income and Expenditure Account) for the
Year Ended 31 May 2013**

		Unrestricted Funds	Total Funds 2013	Total Funds 2012
	Note	£	£	£
Incoming resources				
Incoming resources from generated funds				
Investment income		52	52	178
Incoming resources from charitable activities	3	<u>1,318,883</u>	<u>1,318,883</u>	<u>1,089,769</u>
Total incoming resources		<u>1,318,935</u>	<u>1,318,935</u>	<u>1,089,947</u>
Resources expended				
Charitable activities	4	<u>1,273,360</u>	<u>1,273,360</u>	<u>1,240,454</u>
Governance costs	5	<u>5,365</u>	<u>5,365</u>	<u>5,060</u>
Total resources expended		<u>1,278,725</u>	<u>1,278,725</u>	<u>1,245,514</u>
Net movements in funds		40,210	40,210	(155,567)
Reconciliation of funds				
Total funds brought forward	15	<u>359,764</u>	<u>359,764</u>	<u>515,331</u>
Total funds carried forward	16	<u>399,974</u>	<u>399,974</u>	<u>359,764</u>

The notes on pages 11 to 18 form an integral part of these financial statements

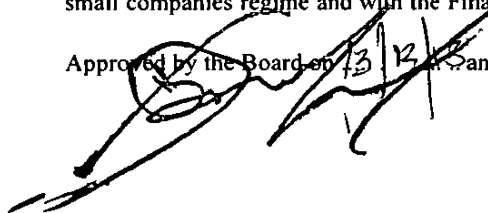
Abilities Limited (Registration number: 2500964)

Balance Sheet as at 31 May 2013

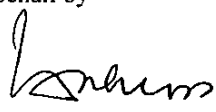
		2013		2012	
	Note	£	£	£	£
Fixed assets					
Tangible assets	10		49,967		58,267
Current assets					
Debtors	11	371,924		325,771	
Cash at bank and in hand		<u>109,331</u>		<u>103,786</u>	
		481,255		429,557	
Creditors: Amounts falling due within one year	12	<u>(131,248)</u>		<u>(128,060)</u>	
Net current assets			<u>350,007</u>		<u>301,497</u>
Net assets			<u>399,974</u>		<u>359,764</u>
The funds of the charity:					
Unrestricted funds					
Unrestricted income funds	15/16		<u>399,974</u>		<u>359,764</u>
Total charity funds			<u>399,974</u>		<u>359,764</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Approved by the Board on 13/12/13 and signed on its behalf by



J Lambert
Trustee



I De Vere Moss
Trustee

Abilities Limited

Notes to the Financial Statements for the Year Ended 31 May 2013

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities (SORP 2005)', issued in March 2005, the Financial Reporting Standard for Smaller Entities (effective April 2008) and the Companies Act 2006

Fund accounting policy

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity

Further details of each fund are disclosed in note 15

Incoming resources

Voluntary income is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability

Bank interest received is included on an accruals basis

Income from charitable activities is recognised as the related services are provided

Some of the income received may cover periods which vary from the company itself or are subject to conditions which are still to be met. These are accounted for under the accruals concept, thus some income already received is carried forward as deferred income into next year. Income yet to be received is shown in debtors

Resources expended

Expenditure is recognised when a liability is incurred. Contractual arrangements are recognised as goods or services are supplied

- Charitable activities include expenditure associated with the educational and training programmes and include both the direct costs and the support costs relating to these activities

- Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with the constitutional and statutory requirements

- Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources

Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred

Fixed assets

Individual fixed assets costing £200 or more are initially recorded at cost

Abilities Limited

Notes to the Financial Statements for the Year Ended 31 May 2013

continued

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows

Leasehold improvements	Period of lease
Computers	20% straight line basis
Fixtures, fittings and equipment	15% straight line basis

Taxation

As a registered charity, the company is exempt from corporation tax to the extent that its income and gains are applicable to charitable purposes only

Operating leases

Rentals payable under operating leases are charged in the statement of financial activities on a straight line basis over the lease term

Pensions

The charity operates a stakeholder pension scheme. Contributions are charged in the statement of financial activities as they become payable in accordance with the rules of the scheme

The charity also contributes to the Local Government Pension Scheme (LGPS), which is a defined benefit scheme, at rates set by the scheme actuary and advised to the charity by the scheme administrator. The scheme is a multi employer pension scheme and it is not possible to identify the assets and the liabilities of the scheme which are attributable to the charity. Accordingly, due to the nature of the scheme, the accounting charge for the period under FRS17 represents the employer contribution payable. Further details can be found in note 17

2 Membership obligations and rights

The charity is incorporated under the Companies Act 2006 and is limited by guarantee, each member having undertaken to contribute such amounts not exceeding one pound as may be required in the event of the company being wound up whilst he or she is still a member or within one year thereafter

If upon winding up or dissolution of the charity there remain any assets, after the satisfaction of all debts and liabilities, the assets represented by the accumulated fund shall be transferred to some other charitable body or bodies having similar objectives to the charity

Abilities Limited

Notes to the Financial Statements for the Year Ended 31 May 2013

continued

3 Incoming resources from charitable activities

	Unrestricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Employment Service	-	-	905
New Deal Contract	-	-	137,176
Work Choice	457,447	457,447	534,906
SSU/ SSR	9,782	9,782	22,781
Routes	129,560	129,560	52,131
The Work Programme	513,945	513,945	214,260
NACRO	8,345	8,345	33,166
Dorset Adult learning	132,460	132,460	94,201
DCC Funded placements	63,559	63,559	-
Other income	3,785	3,785	243
	<u>1,318,883</u>	<u>1,318,883</u>	<u>1,089,769</u>

4 Analysis of charitable activities

	Charitable activities £	Total £
Operational staff gross wages and salaries	604,956	604,956
Support staff gross wages and salaries	167,700	167,700
External training	104,549	104,549
Employer financial incentives	91,162	91,162
Direct travel	63,463	63,463
Client payments	1,165	1,165
Travelling	24,084	24,084
Premises	109,084	109,084
Office and telecommunications	72,124	72,124
Accountancy fees	10,320	10,320
Legal and professional	4,817	4,817
Bank charges	995	995
Depreciation of tangible fixed assets	18,941	18,941
	<u>1,273,360</u>	<u>1,273,360</u>

Charitable activities in the prior year amounted to £1,240,454

Abilities Limited

Notes to the Financial Statements for the Year Ended 31 May 2013

continued

5 Governance costs

	Unrestricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Trustee expenses	300	300	778
Auditors' remuneration	3,500	3,500	3,000
Indemnity insurance	1,565	1,565	1,282
	<u>5,365</u>	<u>5,365</u>	<u>5,060</u>

6 Trustees' remuneration and expenses

No trustees received any remuneration during the year. Expenses totalling £300 (2012: £778) were reimbursed to 1 (2012: 2) trustee.

Abilities Limited

Notes to the Financial Statements for the Year Ended 31 May 2013

continued

7 Net income/(expenditure)

Net income/(expenditure) is stated after charging

	- 2013 - £	- 2012 - £
Auditors' remuneration - audit services	3,500	3,000
Depreciation of tangible fixed assets	18,941	15,967
Rentals under operating leases	64,804	62,868
Indemnity insurance for trustees and employees	1,565	1,282
	<u> </u>	<u> </u>

Funds belonging to the charity have been used for the purchase of insurance to protect the charity from loss arising from the neglect or defaults of its trustees, employees or agents, or to indemnify its trustees, employees or agents, against consequences of any neglect or default on their part. The sum expended on such insurance was as indicated above.

8 Employees' remuneration

The average number of persons employed by the charity (including trustees) during the year, analysed by category, was as follows:

	2013 No.	2012 No.
Charitable activities	43	42
Management activities	9	8
	<u>52</u>	<u>50</u>

The aggregate payroll costs of these persons were as follows:

	2013 £	2012 £
Wages and salaries	700,816	634,503
Social security	46,670	43,300
Other pension costs	25,170	38,370
	<u>772,656</u>	<u>716,173</u>

No employee received a salary over £60,000.

9 Taxation

The company is a registered charity and is, therefore, exempt from taxation.

Abilities Limited

Notes to the Financial Statements for the Year Ended 31 May 2013

continued

10 Tangible fixed assets

	Leasehold improvements £	Fixtures, fittings and equipment £	Computer equipment £	Total £
Cost				
As at 1 June 2012	104,118	23,738	75,753	203,609
Additions	-	-	10,641	10,641
As at 31 May 2013	<u>104,118</u>	<u>23,738</u>	<u>86,394</u>	<u>214,250</u>
Depreciation				
As at 1 June 2012	88,759	13,490	43,093	145,342
Charge for the year	5,511	2,230	11,200	18,941
As at 31 May 2013	<u>94,270</u>	<u>15,720</u>	<u>54,293</u>	<u>164,283</u>
Net book value				
As at 31 May 2013	<u>9,848</u>	<u>8,018</u>	<u>32,101</u>	<u>49,967</u>
As at 31 May 2012	<u>15,359</u>	<u>10,248</u>	<u>32,660</u>	<u>58,267</u>

11 Debtors

	2013 £	2012 £
Trade debtors	206,750	202,450
Prepayments and accrued income	165,174	123,321
	<u>371,924</u>	<u>325,771</u>

Debtors includes £60,000 (2012 - £60,000) receivable after more than one year - see note 18

12 Creditors. Amounts falling due within one year

	2013 £	2012 £
Bank loans and overdrafts	9,197	-
Trade creditors	22,864	26,654
Taxation and social security	15,280	15,240
Other creditors	1,495	4,632
Accruals and deferred income	82,412	81,534
	<u>131,248</u>	<u>128,060</u>

Abilities Limited
Notes to the Financial Statements for the Year Ended 31 May 2013

continued

13 Operating lease commitments

As at 31 May 2013 the charity had annual commitments under non-cancellable operating leases as follows

Operating leases which expire

	Land and Buildings	
	2013	2012
	£	£
Within one year	21,000	-
Within two and five years	15,000	36,000
Over five years	30,500	30,500
	<u>66,500</u>	<u>66,500</u>

14 Related parties

Controlling entity

The charity is controlled by the trustees who are all directors of the company

Related party transactions

Expenses reimbursed to trustees are stated in note 6

15 Analysis of funds

	At 1 June 2012	Incoming resources	Resources expended	At 31 May 2013
	£	£	£	£
General Funds				
Unrestricted income fund	<u>359,764</u>	<u>1,318,935</u>	<u>(1,278,725)</u>	<u>399,974</u>

Abilities Limited

Notes to the Financial Statements for the Year Ended 31 May 2013

continued

16 Net assets by fund

	Unrestricted Funds	Total Funds 2013	Total Funds 2012
	£	£	£
Tangible assets	49,967	49,967	58,267
Current assets	481,255	481,255	429,557
Creditors Amounts falling due within one year	(131,248)	(131,248)	(128,060)
Net assets	<u>399,974</u>	<u>399,974</u>	<u>359,764</u>

17 Pensions

The company participates in and contributes to the Dorset County Pension Fund in relation to current employees. This local government pension scheme is a multi-employer defined benefit scheme, and the company, whilst having no direct constitutional link with Dorset County Council, has been permitted to participate in the scheme as an Admitted Body. The assets of the scheme are held in separate, trustee-administered funds.

The company has been unable to identify its share of the underlying assets and liabilities of the scheme on a sufficiently consistent and reliable basis. There is a degree to which participating employers are exposed to the actuarial risks associated with the current and former employees of other entities. The company therefore accounts for its contributions as if it were a defined contribution scheme. Pension costs are recognised in the financial statements in respect of the employer contributions payable to the scheme in the financial year.

The last full triennial actuarial valuation of the Dorset County Pension Fund, completed as at March 2010, revealed an overall deficit in the scheme on an IAS 26 basis. The latest valuation report by the actuary and the full Pension Fund accounts are available on the Dorset County Council website, including the basis and underlying assumptions used to determine the deficit.

The overall deficit on the scheme has resulted in the company paying increased employer contributions.

The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £25,170 (2012 £238,370). Contributions totalling £2,410 (2012 £9,657) were payable at the year end and are included in creditors.

18 Contingent liability

A deposit of £60,000 was made in 2011/12 into a retention account which is separate from the pension scheme assets (see note 17). It can be transferred to the pension scheme in the event of termination, incapacity or default.