

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 2014

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PRINCECROFT WILLIS
CHARTERED ACCOUNTANTS & BUSINESS ADVISERS

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 M Cowling (Appointed 1 April 2014)	
Secretary	R Cormack, CEO	
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 Limited 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 2014.

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 2006 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

During the year, the charity 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.

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 have completed 4 years and job outcomes have now risen from 79% to 102% 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 over 100% 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.

Dorset Adult Education. Now called Dorset Skills. Delivering 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:

Abilities Limited

Trustees' Report

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 more than double and the Directors are grateful for the support from the Management Team who run this program on behalf of Dorset County Council.

We also been part of a Pilot funded also by Dorset Skills called Traineeships to work with the NEET group (Not in Education Employment or Training) in West Dorset, Bournemouth and Poole. We were successful with the pilot and have a contract to provide this program in 2014/2015. This has partly replaced the Routes program which ended July 31st 2014.

Funded by the European Social Fund (ESF) Contract name Families. Main Contractor Twin who fund Best Training. Best Training are based in Poole and Bournemouth. We are a third tier organisation funded by Best Training. This program is to help break or stop generation of families becoming long term unemployed.

This program has officially ended after 9 months with some success. We continue to work with the customers left on the program but it will be less labour intensive. With this in mind 1 member of staff has resigned rather than take on another role within the company and the remaining 3 staff have now got part time roles within the company whilst Families 'crawls and creeks' to an end in June 2015.

Careers South West, an organisation who have a Government contract to provide IAG (Information, Advice and Guidance) to unemployed people in Cornwall, Devon, Somerset and Dorset.

This was an additional contract we won in 2013 and 2014 but Career South West lost the contract to provide Information, Advice and Guidance in Dorset and Somerset. We have tendered at very short notice to the current providers CBT and we were lucky with our application. CBT has changed the contract considerably and our staff are in the process of being trained to the new process. We have been awarded a contract worth £112,000 per year but as with all the new program it is payments by results. We look forward to reporting on the progress of this program in 2014/2015.

The main challenges for 2014 and 2015:

It is Important with such a small board of trustees (5) we now recruit more Directors to Abilities. At times with holidays and sickness we have had at times only 3 trustees attend our monthly meetings.

The labour market has seen a vast improvement in 2014. This has meant a reduction on customers who are newly unemployed reaching our training programs as they have found jobs before they have been unemployed for six months. If a customer has been unemployed for six months they would generally be referred to one of our programs. Because of the lack of referrals we have seen particularly with the Work Program a reduction in income. We are managing this situation through accurate financial budgeting and careful planning. Where we have reduced our staff on the Work Program generally we have found positions elsewhere within the company.

Abilities Limited

Trustees' Report

In 2015 there will be a General Election and with contracts ending and opportunities for extensions on some contracts to take us past this period it is an unsettling time. We must manage this period of time and help many more trainees find sustainable and enjoyable work. We also have to pay for the investment we made doubling our training space in Weymouth. To this end we have been part of a bid with Working Links a National training provider to offer services and support to offenders through a NOMS (National Offenders Management Team) project designed to improve the experience offenders receive when leaving prison. To help them to not re-offend through building on training received in prison and using their considerable transferable skills to find employment and make a fresh start through this program. We look forward to reporting on the progress of the NOMS program next year.

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 the Charity Commission's Guidance on Public Benefit.

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 the Charity Commission Guidance 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 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

M Cowling

The Trustees are members of the company. The Memorandum and Articles of Association lays 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.

Abilities Limited

Trustees' Report

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. 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 Executive Director 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.

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 £400,000 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 2014 was £376,469, which is required to fund the 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.

Abilities Limited

Trustees' Report

Transactions and financial position

The financial statements are set out on pages 10 to 19. 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 £1,428,631, Net surplus £33,579, Current assets £490,096, Current liabilities £113,627 and Long term liabilities £nil. The total reserves at the year end stand at £433,553 (2013: £399,974).

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.

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

In accordance with company law, as the company's directors, the trustees have taken steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information. The trustees confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

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.

Abilities Limited

Trustees' Report

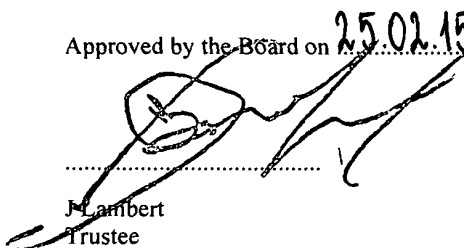
In so far as the trustees are aware:

- 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 on 25.02.15 and signed on its behalf by:



J. Lambert
Trustee

Independent Auditors' Report to the Trustees of Abilities Limited

We have audited the financial statements of Abilities Limited for the year ended 31 May 2014, set out on pages 10 to 19. 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 audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 May 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 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**

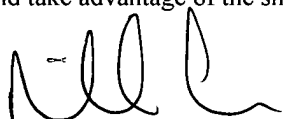
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Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the 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
Senior Statutory Auditor
Princercroft Willis Limited
Statutory Auditors

Date: 26/02/15

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

Princercroft Willis Limited 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 2014

		Unrestricted Funds	Total Funds 2014	Total Funds 2013
	Note	£	£	£
Incoming resources				
Incoming resources from generated funds				
Investment income		65	65	52
Incoming resources from charitable activities	3	1,428,566	1,428,566	1,318,883
Total incoming resources		<u>1,428,631</u>	<u>1,428,631</u>	<u>1,318,935</u>
Resources expended				
Charitable activities	4	1,389,459	1,389,459	1,273,360
Governance costs	5	5,593	5,593	5,365
Total resources expended		<u>1,395,052</u>	<u>1,395,052</u>	<u>1,278,725</u>
Net movements in funds		33,579	33,579	40,210
Reconciliation of funds				
Total funds brought forward	15	399,974	399,974	359,764
Total funds carried forward	16	<u>433,553</u>	<u>433,553</u>	<u>399,974</u>

The notes on pages 12 to 19 form an integral part of these financial statements.

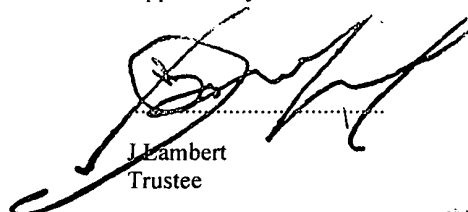
Abilities Limited (Registration number: 2500964)

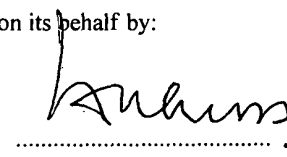
Balance Sheet as at 31 May 2014

		2014		2013	
	Note	£	£	£	£
Fixed assets					
Tangible assets	10		57,084		49,967
Current assets					
Debtors	11	337,751		371,924	
Cash at bank and in hand		152,345		109,331	
		<u>490,096</u>		<u>481,255</u>	
Creditors: Amounts falling due within one year	12	<u>(113,627)</u>		<u>(131,248)</u>	
Net current assets			<u>376,469</u>		<u>350,007</u>
Net assets			<u>433,553</u>		<u>399,974</u>
The funds of the charity:					
Unrestricted funds					
Unrestricted income funds	15/16		<u>433,553</u>		<u>399,974</u>
Total charity funds			<u>433,553</u>		<u>399,974</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 6 January 2015 and signed on its behalf by:


 J Lambert
 Trustee


 I De Vere Moss
 Trustee

The notes on pages 12 to 19 form an integral part of these financial statements.

Abilities Limited

Notes to the Financial Statements for the Year Ended 31 May 2014

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.

Governance costs

Governance costs include costs of the preparation and examination of the statutory accounts, the costs of trustee meetings and the cost of any legal advice to trustees on governance or constitutional matters.

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 2014

..... 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

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.

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.

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 2014

..... continued

3 Incoming resources from charitable activities

	Unrestricted Funds	Total Funds 2014	Total Funds 2013
	£	£	£
Work Choice	443,764	443,764	457,447
SSU/ SSR	13,757	13,757	9,782
Routes	62,037	62,037	129,560
The Work Programme	647,504	647,504	513,945
SW Careers	30,220	30,220	-
BPC / New Deal	1,500	1,500	-
NACRO	-	-	8,345
Dorset Adult learning	165,376	165,376	132,460
DCC.Funded placements	64,408	64,408	63,559
Other income	-	-	3,785
	<u>1,428,566</u>	<u>1,428,566</u>	<u>1,318,883</u>

4 Analysis of charitable activities

	Charitable activities	Total
	£	£
Operational staff gross wages and salaries	704,085	704,085
Support staff gross wages and salaries	166,547	166,547
External training	118,264	118,264
Employer financial incentives	71,053	71,053
Direct travel	54,110	54,110
Client payments	1,126	1,126
Travelling	31,553	31,553
Premises	94,278	94,278
Office and telecommunications	94,159	94,159
Accountancy fees	11,520	11,520
Legal and professional	22,710	22,710
Bank charges	1,070	1,070
Depreciation of tangible fixed assets	18,984	18,984
	<u>1,389,459</u>	<u>1,389,459</u>

Charitable activities in the prior year/ period amounted to £1,273,360

Abilities Limited

Notes to the Financial Statements for the Year Ended 31 May 2014

..... continued

5 Governance costs

	Unrestricted Funds £	Total Funds 2014 £	Total Funds 2013 £
Trustee expenses	462	462	300
Auditors' remuneration	3,600	3,600	3,500
Indemnity insurance	1,531	1,531	1,565
	<u>5,593</u>	<u>5,593</u>	<u>5,365</u>

6 Trustees' remuneration and expenses

No trustees received any remuneration during the year. Expenses totalling £462 (2013: £300) were reimbursed to 2 (2013: 1) trustee.

7 Net income

Net income is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets	18,984	18,941
Rentals under operating leases	71,850	64,804
Auditors' remuneration - audit services	3,600	3,500
Indemnity insurance for trustees and employees	<u>1,531</u>	<u>1,565</u>

Abilities Limited

Notes to the Financial Statements for the Year Ended 31 May 2014

..... continued

8 Employees' remuneration

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

	2014 No.	2013 No.
Charitable activities	51	43
Management activities	10	9
	<u>61</u>	<u>52</u>

The aggregate payroll costs of these persons were as follows:

	2014 £	2013 £
Wages and salaries	798,873	700,816
Social security	49,081	46,670
Other pension costs	22,678	25,170
	<u>870,632</u>	<u>772,656</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 2014

..... continued

10 Tangible fixed assets

	Leasehold improvements £	Fixtures, fittings and equipment £	Computer equipment £	Total £
Cost				
As at 1 June 2013	104,118	23,738	86,394	214,250
Additions	18,058	1,543	6,500	26,101
As at 31 May 2014	<u>122,176</u>	<u>25,281</u>	<u>92,894</u>	<u>240,351</u>
Depreciation				
As at 1 June 2013	94,270	15,720	54,293	164,283
Charge for the year	5,143	2,307	11,534	18,984
As at 31 May 2014	<u>99,413</u>	<u>18,027</u>	<u>65,827</u>	<u>183,267</u>
Net book value				
As at 31 May 2014	<u>22,763</u>	<u>7,254</u>	<u>27,067</u>	<u>57,084</u>
As at 31 May 2013	<u>9,848</u>	<u>8,018</u>	<u>32,101</u>	<u>49,967</u>

11 Debtors

	2014 £	2013 £
Trade debtors	227,846	206,750
Prepayments and accrued income	109,905	165,174
	<u>337,751</u>	<u>371,924</u>

Trade debtors includes £60,000 (2013 - £60,000) receivable after more than one year.

12 Creditors: Amounts falling due within one year

	2014 £	2013 £
Bank loans and overdrafts	-	9,197
Trade creditors	46,462	22,864
Taxation and social security	13,163	15,280
Other creditors	1,999	1,495
Accruals and deferred income	52,003	82,412
	<u>113,627</u>	<u>131,248</u>

Abilities Limited

Notes to the Financial Statements for the Year Ended 31 May 2014

..... continued

13 Operating lease commitments

As at 31 May 2014 the charity had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	Land and Buildings	
	2014	2013
	£	£
Within one year	15,000	21,000
Within two and five years	30,500	15,000
Over five years	18,000	30,500
	<u>63,500</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 2013	Incoming resources	Resources expended	At 31 May 2014
	£	£	£	£
General Funds				
Unrestricted income fund	<u>399,974</u>	<u>1,428,631</u>	<u>(1,395,052)</u>	<u>433,553</u>

Abilities Limited

Notes to the Financial Statements for the Year Ended 31 May 2014

..... continued

16 Net assets by fund

	Unrestricted Funds	Total Funds 2014	Total Funds 2013
	£	£	£
Tangible assets	57,084	57,084	49,967
Current assets	490,096	490,096	481,255
Creditors: Amounts falling due within one year	(113,627)	(113,627)	(131,248)
Net assets	<u>433,553</u>	<u>433,553</u>	<u>399,974</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 £22,678 (2013: £25,170). Contributions totalling £nil (2013: £2,410) 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.