

Charity registration number SCO28833 (Scotland)

THE PICKAQUOY CENTRE TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

THE PICKAQUOY CENTRE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	G Bevan, Orkney Islands Council S Kemp, Public Representative H Ker, Public Representative K Macleod, Public Representative R May, Public Representative F McNaughton, Public Representative J Nelson, Public Representative R Peace, OIC councillor J Scott, OIC councillor G Skuse, OIC councillor G Smee, Public Representative I Taylor, OIC councillor	(Appointed 30 May 2022) (Appointed 30 May 2022) (Appointed 30 May 2022) (Appointed 30 May 2022)
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Charity number (Scotland) SCO28833

Principal address Muddisdale Road
Kirkwall
Orkney
KW15 1LR

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

Bankers Virgin Money
3 Broad Street
Kirkwall
Orkney
KW15 1DH

THE PICKAQUOY CENTRE TRUST

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THE PICKAQUOY CENTRE TRUST

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

The Pickaquoy Centre Trust operates and manages sports, leisure and cultural services from the Pickaquoy Centre, Kirkwall which has, over the years, become an integral part of the fabric of the Orkney Community.

As we move another year further from the direct effects of the global pandemic we continue to work towards recovering the usage profile and membership numbers that were exhibited pre-pandemic. During this period of recovery it has been essential to maintain astute and dynamic management of the business, whilst also continuing to seek out external funding opportunities. We are indebted to the Management Team for their efforts in this respect, as well those external funding bodies who continue to support us.

With steady growth being exhibited in both membership uptake and user numbers within the Centre, we will continue to focus on our customer offering in order to maintain this trend.

We are now just twenty-months away from hosting the 2025 International Island Games in Orkney. With the Pickaquoy Centre being the central hub for many of the sports as well as much of the games' social activities, we are focused on the many pieces of work required between now and then, that along with our Partners will ensure that we play a substantial part in supporting the Games and creating an event that Orkney can be proud of, and that will leave a lasting legacy for the County.

Finally, I would like to sincerely thank the Trust's staff without whom we simply could not continue to provide the fantastic services that we do to the local community.



Stephen Kemp

Chairman

Dated: 5 October 2023

THE PICKAQUOY CENTRE TRUST

TRUSTEES REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The trustees present their annual report and financial statements for the year ended 31 March 2023.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Objectives and activities

As per the terms of our service level agreement with Orkney Islands Council. The Trust's aim is to provide facilities for recreation, leisure and cultural activities, with the objective of improving the social and physical wellbeing of the inhabitants of and visitors to Orkney; in particular, equipping, maintaining and continually developing a sports, leisure and cultural complex at The Pickaquoy Centre, Kirkwall, Orkney.

Achievements and performance

With operations back to our pre-pandemic offering we have been delighted to see our customers return in large numbers and ActiveLife membership has steadily increased during this time. 2022/23 has provided some significant financial challenges with the global economy presenting increased costs across the board. We have been fortunate in the fact we have a contract in place for electricity through until September 2024, had this not been the case, we would have been looking at an increase of circa £575K which would have been unsustainable. However, the cost of pool chemicals, Oil, food for café and general provisions have taken their toll on our financial performance. Staff retention has been the biggest challenge with better pay rates offered across the County, meaning we have had to constantly firefight. We continue to review our offering and how best to deliver a fantastic service for our community, with ongoing discussion with OIC regarding the long term financial stability of the centre and its key role within the Orkney Community.

Key stakeholders

We continue to work very closely with sportscotland, Creative Scotland, HIE, VAO, NHS Orkney, Orkney Islands Council, Community Leisure UK and Scottish Leisure Network Group. We continue to develop our partnership working with Creative Scotland, Screen Scotland and Filmhub Scotland and hope to investigate a multi-year funding package in the coming year.

We were delighted to be able to work with partners in securing funds as below:

VAO - Third Sector Cost of Living Crisis Fund - funding provided to assist with the challenge of rising energy costs.

Creative Scotland - Independent Cinema Recovery and Resilience Fund - funding provided to help cover core running costs of the cinema.

Filmhub - BFI FAN Exhibition Fund - funding provided to help reintroduce fringe, autism friendly and subtitled screenings.

VAO - Third Sector C-19 Emergency Fund - funding provided to assist with the purchase of specialised cleaning equipment for the centre.

Creative Scotland - Recovery Fund for Independent Cinemas - funding used to develop a more diverse programme to help grow audiences.

OIC - No One Left Behind - funding awarded to provide employment opportunities for two disadvantaged individuals who meet the eligibility criteria. The funding covers 50% of wage costs.

Scottish Ballet - SB Elevate - awarded to assist with the delivery of the SB Elevate project in Orkney over an 18-21 month period.

HIE - E-Bikes for Campsite Users - 100% funding to purchase e-bikes for use by campsite users and a storage shed.

THE PICKAQUOY CENTRE TRUST

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Youthlink Scotland - Cashback for Communities Youth Work Fund - funding awarded to assist with the staff and facility costs of running a free after school club for secondary aged young people in Orkney.

Versus Arthritis - Let's Move together - funding awarded to cover costs of delivering 'ESCAPE PAIN Orkney' classes aimed at individuals with musculoskeletal conditions.

OIC - Digital Development Grant - funding awarded to assist with the purchase of a video conferencing system.

Once again, we are extremely grateful for the support that we have received from all of our key stakeholders throughout the year, whether it be financial or otherwise. Their support has proved invaluable to The Pickaquoy Centre Trust with the ongoing financial challenges we have faced throughout the financial year 2022/23.

Staff Training

Course Description	Attendees
CIPD Level 3 Diploma in Human Resource Practice (Part 2)	1
CLUK Facility Safeguarding Checklist Session	2
UK GDPR & Data Protection Act 2018	1
Data Protection Officer	1
How & Why to Complete a DPIA	1
Scottish Certificate for Personal Licence Holder	2
Athletics Level 1 Assistant	3
Boxercise Instructor	2
Pool Plant Re-validation	2
RLSS Pool Trainer / Assessor Course	1
National Pool Lifeguard Qualification Course	14
National Pool Lifeguard Qualification Renewal	11
Save an Adults Life	3
AED Renewal	4
AED & Refresher FAAW	4
First Aid At Work	1
First Aid At Work Renewal	6

Key performance indicators

Description of Indicator	Number of Participants	
	2021/22	2022/23
1. Fitness including Strength & conditioning	39,240	50,694
2. Group Exercise	16,855	20,378
3. Health	6,222	18,115
4. Junior Activities	71,715	92,776
5. Arena Sports	32,304	42,524
6. Other Indoor Leisure	6,084	16,390
7. Campsite	12,287	24,112
8. Track and Infield	8,225	12,224
9. Playing Fields	7,909	11,860
10. Synthetic Grass Pitch	4,168	4,863
11. Swimming	58,240	90,296
12. Squash	2,760	4,216
13. Cinema	18,785	24,112
14. Indoor Soft Play	4,658	11,697
15. Climbing & Bouldering	4,070	4,204
Total Usage	293,522	*428,461

*a year end increase of 134,939 / 45.97% for 2022/23

THE PICKAQUOY CENTRE TRUST

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Financial review

The trust reports a net increase in funds of £887,516 with total funds as at 31 March 2023 of £826,422, which is stated net of a reported surplus on the pension scheme calculated at £1,516,000 by the scheme's actuaries. Excluding the surplus in the Trust's share of the local authority defined benefit pension scheme and the associated actuarial adjustments, there was a deficit of £283,484. Net current assets fell from £641,024 to £360,172.

Incoming resources fell from £2.71m to £2.65m. Income from Donations and Grants fell from £1.44m to £852k. Expenditure increased from £2.76m to £3.28m.

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

We continue working with our key stakeholders to identify new ways of working together in order to provide cost effective improved services to the wider community, which are inclusive and provide tangible benefit to both the physical and mental health of our users.

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

Structure, governance and management

The trust is governed by:-

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

The trustees who served during the year were:-

G Bevan, Orkney Islands Council	(Appointed 30 May 2022)
S Kemp, Public Representative	
H Ker, Public Representative	
K Macleod, Public Representative	
R May, Public Representative	
A McNulty, Public Representative	(Resigned 29 September 2022)
F McNaughton, Public Representative	
J Nelson, Public Representative	
R Peace, OIC councillor	(Appointed 30 May 2022)
J Scott, OIC councillor	
G Skuse, OIC councillor	(Appointed 30 May 2022)
G Smee, Public Representative	
W Stewart, Public Representative	(Resigned 29 September 2022)
I Taylor, OIC councillor	(Appointed 30 May 2022)

The following trustees resigned on 17 February 2022, prior to the beginning of this year; A Drever, Orkney Islands Council; J Richards, OIC councillor; S Sankey, OIC councillor and G Shearer, OIC councillor.

THE PICKAQUOY CENTRE TRUST

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

When a vacancy occurs for a publicly nominated trustee, an advertisement is placed on the trust's website and circulated on social media. Additional materials, created by the trust's Marketing Officer are included to encourage potential applicants and provide further information. Interested applicants are sent a trustee duties specification and asked to complete and return a trustee application form. Applicants require nomination by two independent members of the local community. All completed applications are submitted to the existing trustees who aim to maintain a board with a good spread of skills and knowledge and a good gender mix.

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

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

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

The current board of 12 trustees includes five representatives of Orkney Islands Council. The Board consider that this is an appropriate level of representation for one of its major stakeholders. All trustees are fully aware of the requirement to act in the best interests of the trust when acting in their capacity as a trustee. The trust has a conflict of interest policy which all trustees are required to adhere to.

Disclosure of information to auditor

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

The trustees report was approved by the Board of Trustees.



S Kemp

Trustee

Dated: 5 October 2023

THE PICKAQUOY CENTRE TRUST

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2023

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

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

In preparing these accounts, the trustees are required to:

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

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

THE PICKAQUOY CENTRE TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE PICKAQUOY CENTRE TRUST

Opinion

We have audited the financial statements of The Pickaquoy Centre Trust (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE PICKAQUOY CENTRE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE PICKAQUOY CENTRE TRUST

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees report; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, and control environment;
- results of our enquiries of management;
- any matters we identified having obtained and reviewed the charity's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations.
- the matters discussed among the audit engagement team.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and irregularities. Income recognition and material related party transactions/balances were key areas of focus. In common with all audits under ISA's (UK), we are also required to perform specific procedures to respond to the risk of management override.

THE PICKAQUOY CENTRE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE PICKAQUOY CENTRE TRUST

We also obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements, such as tax legislation and relevant charities acts.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charity's ability to operate or to avoid a material penalty. These include laws and regulations pertaining to employment regulations; and health and safety legislation.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



A J B Scholes Ltd

Chartered Accountants
Statutory Auditor

5/10/2023

8 Albert Street
Kirkwall
Orkney
KW15 1HP

A J B Scholes Ltd is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE PICKAQUOY CENTRE TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total Unrestricted funds 2023 £	Restricted funds 2022 £	Total 2022 £
Income from:						
Donations and legacies	3	818,269	34,090	852,359	1,326,890	1,436,950
Charitable activities	4	1,740,514	-	1,740,514	1,240,644	1,240,644
Other trading activities	5	46,975	-	46,975	33,303	33,303
Investments	6	11,059	-	11,059	185	185
Total income		2,616,817	34,090	2,650,907	110,060	2,711,082
Expenditure on:						
Raising funds	7	18,440	-	18,440	12,172	12,172
Charitable activities	8	3,171,249	59,702	3,230,951	32,971	2,727,561
Other	13	30,000	-	30,000	-	24,000
Total resources expended		3,219,689	59,702	3,279,391	32,971	2,763,733
Net outgoing resources before transfers		(602,872)	(25,612)	(628,484)	77,089	(52,651)
Gross transfers between funds		-	-	-	(7,300)	-
Net outgoing resources		(602,872)	(25,612)	(628,484)	69,789	(52,651)
Other recognised gains and losses						
Actuarial gain on defined benefit pension schemes		1,516,000	-	1,516,000	-	468,000
Net movement in funds		913,128	(25,612)	887,516	69,789	415,349
Fund balances at 1 April 2022		(151,524)	90,430	(61,094)	20,641	(476,443)
Fund balances at 31 March 2023		761,604	64,818	826,422	90,430	(61,094)

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

THE PICKAQUOY CENTRE TRUST

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	15		213,250		215,882
Current assets					
Stocks	16	30,086		24,495	
Debtors	17	124,244		435,377	
Cash at bank and in hand		612,949		540,991	
		<u>767,279</u>		<u>1,000,863</u>	
Creditors: amounts falling due within one year	18	<u>(407,107)</u>		<u>(359,839)</u>	
Net current assets			360,172		641,024
Total assets less current liabilities			<u>573,422</u>		<u>856,906</u>
Provisions for liabilities	19		-		(918,000)
Net assets excluding pension surplus/(deficit)			<u>573,422</u>		<u>(61,094)</u>
Defined benefit pension surplus/(deficit)	20		253,000		-
Net assets/(liabilities)			<u>826,422</u>		<u>(61,094)</u>
Income funds					
Restricted funds	22		64,818		90,430
<u>Unrestricted funds</u>					
Designated funds	23	164,101		173,582	
General unrestricted funds		597,503		(325,106)	
			<u>761,604</u>		<u>(151,524)</u>
			<u>826,422</u>		<u>(61,094)</u>

The financial statements were approved by the board of trustees and authorised for issue on 5 October 2023 and are signed on its behalf by:



S Kemp
Trustee

THE PICKAQUOY CENTRE TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations	26		122,802		90,832
Investing activities					
Purchase of tangible fixed assets		(63,986)		(109,430)	
Proceeds on disposal of tangible fixed assets		2,083		1,502	
Investment income received		11,059		185	
Net cash used in investing activities			(50,844)		(107,743)
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			71,958		(16,911)
Cash and cash equivalents at beginning of year			540,991		557,902
Cash and cash equivalents at end of year			<u>612,949</u>		<u>540,991</u>

THE PICKAQUOY CENTRE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

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

1.1 Accounting convention

These accounts have been prepared in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019), the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and UK Generally Accepted Accounting Practice as it applies from 1 January 2019. The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

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

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

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

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

1.4 Incoming resources

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

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

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

1.5 Resources expended

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

THE PICKAQUOY CENTRE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

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

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

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

1.6 Tangible fixed assets

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

Leasehold improvements	10% straight line basis
Plant and machinery	25% reducing balance basis
Fixtures, fittings & equipment	25% reducing balance basis
Computers	33% straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

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

1.8 Stocks

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

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

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

1.9 Cash and cash equivalents

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

THE PICKAQUOY CENTRE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.10 Financial instruments

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

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

Derecognition of financial liabilities

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

1.11 Employee benefits

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

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

1.12 Retirement benefits

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

THE PICKAQUOY CENTRE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

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

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

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

1.13 Leases

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

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

2 Critical accounting estimates and judgements

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

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

THE PICKAQUOY CENTRE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

	Unrestricted funds		Restricted funds		Total Unrestricted funds		Restricted funds		Total	
	2023	2023	2023	2023	2023	2023	2023	2023	2022	2022
	£	£	£	£	£	£	£	£	£	£
3 Donations and legacies										
Grants receivable	818,269	34,090	852,359	110,060	1,326,890	110,060	1,436,950			
Grants receivable for core activities										
OIC management fee for delivery of leisure services	792,200	-	792,200	-	776,592	-	776,592			
COSLA/OIC - loss of income compensation	-	-	-	-	200,000	-	200,000			
Creative Scotland - Recovery Fund for Cultural Organisation	-	-	-	-	242,434	-	242,434			
Youthlink Scotland - Cashback for Communities Youth Work Fund	-	-	-	-	-	-	-			
OIC - Digital Development Grant	-	9,546	9,546	-	-	-	-			
Versus Arthritis - Let's Move Together	-	3,082	3,082	-	-	-	-			
VAO - Third Sector Cost of Living Crisis Fund	-	4,381	4,381	-	-	-	-			
Coronavirus Job Retention Scheme	-	15,000	15,000	-	-	-	-			
VAO - Third Sector C-19 Emergency Fund	-	-	-	-	76,804	-	76,804			
Creative Scotland - Recovery Fund for Independent Cinemas	-	-	-	-	-	7,300	7,300			
OIC - No One Left Behind, Employer Recruitment Incentive	-	-	-	-	-	27,580	27,580			
OIC - Renewable Heat Incentive	26,069	-	26,069	-	-	12,000	12,000			
Scottish Ballet - SB Elevate	-	-	-	-	31,060	-	31,060			
HIE - E-Bikes for Campsite Users	-	(3,040)	(3,040)	-	-	7,000	7,000			
Other	-	5,121	5,121	-	-	55,980	55,980			
	818,269	34,090	852,359	110,060	1,326,890	110,060	1,436,950			

THE PICKAQUOY CENTRE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

4 Charitable activities

	Sports & functions 2023 £	Arts 2023 £	In-house catering 2023 £	Campsite 2023 £	Total 2023 £	Total 2022 £
Sales within charitable activities	1,223,127	178,110	195,577	143,700	1,740,514	1,240,644

For the year ended 31 March 2022

	Sports & functions £	Arts £	In-house catering £	Campsite £	Total 2022 £
Sales within charitable activities	944,145	133,178	29,757	133,564	1,240,644
Analysis by fund					
Unrestricted funds	944,145	133,178	29,757	133,564	1,240,644

5 Other trading activities

	2023 £	2022 £
Non-charitable trading activities	46,975	33,303

6 Investments

	2023 £	2022 £
Interest receivable	11,059	185

7 Raising funds

	2023 £	2022 £
<u>Trading costs</u>		
Other trading activities	18,440	12,172
	18,440	12,172

THE PICKAQUOY CENTRE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

8 Charitable activities

	Sports & functions	Arts	Catering	Campsite	Total 2023	Total 2022
	2023	2023	2023	2023		
	£	£	£	£	£	£
Staff costs	987,320	113,050	150,288	59,403	1,310,061	1,112,386
Depreciation and impairment	17,924	2,323	6,873	10,720	37,840	34,638
Purchases	3,616	91,858	88,710	-	184,184	81,860
Other direct costs	42,975	-	9,523	56	52,554	21,545
Travel & transport	-	524	-	-	524	-
Repairs & property costs	64,317	4,828	3,733	15,367	88,245	89,733
Heating oil	80,422	11,327	12,460	9,062	113,271	83,216
Electricity	156,599	22,057	24,262	29,091	232,009	219,532
Water & sewerage	13,060	1,840	2,023	3,415	20,338	18,795
Cleaning	25,073	1,984	2,368	3,550	32,975	16,604
Subs & licences	13,695	1,520	1,642	3,151	20,008	11,478
Marketing	1,041	103	800	860	2,804	2,439
OIC hire of facilities	132,000	-	-	-	132,000	116,040
Lease costs	41,196	-	-	-	41,196	40,656
Bad debts	-	-	-	-	-	(2,635)
Equipment	9,521	-	1,176	-	10,697	4,718
Other charitable expenditure	17,529	608	3,114	4,549	25,800	14,778
	<u>1,606,288</u>	<u>252,022</u>	<u>306,972</u>	<u>139,224</u>	<u>2,304,506</u>	<u>1,865,783</u>
Share of support costs (see note 9)	676,951	82,064	76,777	81,603	917,395	852,996
Share of governance costs (see note 9)	6,425	905	996	724	9,050	8,782
	<u>2,289,664</u>	<u>334,991</u>	<u>384,745</u>	<u>221,551</u>	<u>3,230,951</u>	<u>2,727,561</u>
Analysis by fund						
Unrestricted funds	2,260,989	303,964	384,745	221,551	3,171,249	2,694,590
Restricted funds	28,675	31,027	-	-	59,702	32,971
	<u>2,289,664</u>	<u>334,991</u>	<u>384,745</u>	<u>221,551</u>	<u>3,230,951</u>	<u>2,727,561</u>

THE PICKAQUOY CENTRE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

8 Charitable activities

(Continued)

For the year ended 31 March 2022

	Sports & functions	Arts	Catering	Campsite	Total 2022
	£	£	£	£	£
Staff costs	861,542	89,890	82,632	78,322	1,112,386
Depreciation and impairment	21,270	2,164	6,040	5,164	34,638
Purchases	601	66,388	14,871	-	81,860
Other direct costs	16,901	-	2,173	2,471	21,545
Repairs & property costs	63,847	4,239	1,043	20,604	89,733
Heating oil	63,244	9,154	1,664	9,154	83,216
Electricity	156,131	22,598	4,109	36,694	219,532
Water & sewerage	12,233	1,770	322	4,470	18,795
Cleaning	15,590	1,772	346	(1,104)	16,604
Subs & licences	10,664	1,444	(767)	137	11,478
Marketing	866	30	-	1,543	2,439
OIC hire of facilities	116,040	-	-	-	116,040
Lease costs	40,656	-	-	-	40,656
Bad debts	(2,635)	-	-	-	(2,635)
Equipment	3,744	-	928	46	4,718
Other charitable expenditure	10,227	237	1,100	3,214	14,778
	<u>1,390,921</u>	<u>199,686</u>	<u>114,461</u>	<u>160,715</u>	<u>1,865,783</u>
Share of support costs (see note 9)	649,832	82,262	67,970	52,932	852,996
Share of governance costs (see note 9)	6,674	966	176	966	8,782
	<u>2,047,427</u>	<u>282,914</u>	<u>182,607</u>	<u>214,613</u>	<u>2,727,561</u>
Analysis by fund					
Unrestricted funds	2,035,297	262,073	182,607	214,613	2,694,590
Restricted funds	12,130	20,841	-	-	32,971
	<u>2,047,427</u>	<u>282,914</u>	<u>182,607</u>	<u>214,613</u>	<u>2,727,561</u>

THE PICKAQUOY CENTRE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

9 Support costs	Support costs	Governance costs	2023	2022	Basis of allocation
	£	£	£	£	
Staff costs	613,668	-	613,668	615,331	Estimated staff time
Depreciation	26,695	-	26,695	16,199	See notes
Other staff costs	8,496	-	8,496	4,689	See notes
Clothing	4,410	-	4,410	5,777	See notes
Insurance	22,429	-	22,429	20,833	See notes
Service fees	29,383	-	29,383	36,825	See notes
Equipment	556	-	556	393	See notes
Stationary & postages	3,785	-	3,785	2,094	See notes
Telephone	11,372	-	11,372	9,803	See notes
Travel	1,849	-	1,849	581	See notes
Professional fees	11,104	-	11,104	2,525	See notes
Bank charges	13,122	-	13,122	8,315	See notes
Printing	2,670	-	2,670	2,565	See notes
Advertising	21,404	-	21,404	7,455	See notes
Non-recoverable VAT	96,753	-	96,753	78,849	All sports & functions
Other general expenses	875	-	875	934	See notes
Subscriptions & Licences	48,824	-	48,824	39,828	See notes
Audit fees	-	3,915	3,915	3,800	See notes
Accountancy	-	5,135	5,135	4,982	See notes
	<u>917,395</u>	<u>9,050</u>	<u>926,445</u>	<u>861,778</u>	
Analysed between					
Charitable activities	<u>917,395</u>	<u>9,050</u>	<u>926,445</u>	<u>861,778</u>	

Support and governance costs have been apportioned to charitable activities on the following basis (unless noted otherwise): sports and functions - 71%; Arts - 10%; Catering - 11%; Campsite - 8%.

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

11 Auditor's remuneration

Support costs include payments to the auditor for: audit fees of £3,915 (2022: £3,800), assistance with preparation of the financial statements of £5,135 (2022: £4,982) and other non-audit services of £12,484 (2022: £5,340).

THE PICKAQUOY CENTRE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

12 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Management & administration	20	18
Sports & functions	81	72
Arts	5	5
Maintenance & cleaning	8	7
Catering	10	9
Total	<u>124</u>	<u>111</u>
Employment costs	2023	2022
	£	£
Wages and salaries	1,364,147	1,141,788
Social security costs	80,171	64,960
Other pension costs	479,411	520,969
	<u>1,923,729</u>	<u>1,727,717</u>

Key management personnel received remuneration during the year totalling £52,748 (2022: £51,100).

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

13 Other

	2023 £	2022 £
Pension scheme interest cost	30,000	24,000
	<u>30,000</u>	<u>24,000</u>

14 Taxation

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

THE PICKAQUOY CENTRE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

15 Tangible fixed assets

	Leasehold improvements	Plant and machinery	Fixtures, fittings & equipment	Computers	Total
	£	£	£	£	£
Cost					
At 1 April 2022	27,156	360,496	283,309	129,118	800,079
Additions	11,517	25,782	6,748	19,939	63,986
At 31 March 2023	38,673	386,278	290,057	149,057	864,065
Depreciation and impairment					
At 1 April 2022	3,151	259,846	243,441	77,759	584,197
Depreciation charged in the year	3,047	25,920	11,612	26,039	66,618
At 31 March 2023	6,198	285,766	255,053	103,798	650,815
Carrying amount					
At 31 March 2023	32,475	100,512	35,004	45,259	213,250
At 31 March 2022	24,005	100,650	39,868	51,359	215,882

16 Stocks

	2023 £	2022 £
Goods for resale and consumables	30,086	24,495

17 Debtors

Amounts falling due within one year:	2023 £	2022 £
Trade debtors	61,666	32,295
Other debtors	20,004	371,973
Prepayments and accrued income	42,574	31,109
	124,244	435,377

18 Creditors: amounts falling due within one year

	2023 £	2022 £
Other taxation and social security	65,295	58,419
Deferred income	106,817	90,761
Trade creditors	55,049	51,295
Other creditors	104	1,898
Accruals	179,842	157,466
	407,107	359,839

THE PICKAQUOY CENTRE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

19 Provisions for liabilities	Notes	2023 £	2022 £
Retirement benefit obligations	20	-	918,000
		-	918,000

20 Retirement benefit schemes

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

Defined benefit schemes

The company's employees are eligible to join a Local Government pension scheme, which is a defined benefit statutory scheme. The most recent full actuarial valuation was on 31 March 2020 and was carried out by a qualified independent actuary. An updated valuation has been prepared at 31 March 2023 for the purposes of disclosure in these accounts. Contributions to the scheme are determined by the actuary on the basis of triennial valuations using the projected unit method.

Key assumptions

	2023 %	2022 %
Discount rate	4.75	2.75
Expected rate of increase of pensions in payment	2.95	3.15
Expected rate of salary increases	3.45	3.65

Mortality assumptions

The assumed life expectations on retirement at age 65 are:

	2023 Years	2022 Years
Retiring today		
- Males	20.9	21.3
- Females	23.4	23.7
Retiring in 20 years		
- Males	22.5	22.9
- Females	25.6	25.9

Amounts recognised in the profit and loss account:

	2023 £	2022 £
Current service cost	479,000	520,000
Net interest on defined benefit liability/(asset)	30,000	24,000
Total costs	509,000	544,000

THE PICKAQUOY CENTRE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

20 Retirement benefit schemes

(Continued)

Amounts taken to other comprehensive income:

	2023 £	2022 £
Actual return on scheme assets	(389,000)	(161,000)
Less: calculated interest element	(156,000)	(116,000)
Return on scheme assets excluding interest income	(545,000)	(277,000)
Actuarial changes related to obligations	3,323,000	745,000
Asset not recognised due to asset ceiling	(1,262,000)	-
Total income/(costs)	<u>1,516,000</u>	<u>468,000</u>

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

	2023 £	2022 £
Present value of defined benefit obligations	3,865,000	6,515,000
Fair value of plan assets	(5,380,000)	(5,597,000)
(Surplus)/deficit in scheme	(1,515,000)	918,000
Asset not recognised due to asset ceiling	1,262,000	-
Total (asset)/liability recognised	<u>(253,000)</u>	<u>918,000</u>

Movements in the present value of defined benefit obligations:

	2023 £
Liabilities at 1 April 2022	6,515,000
Current service cost	479,000
Benefits paid	(46,000)
Contributions from scheme members	54,000
Actuarial gains and losses	(3,323,000)
Interest cost	186,000
At 31 March 2023	<u>3,865,000</u>

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

THE PICKAQUOY CENTRE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

20 Retirement benefit schemes

(Continued)

Movements in the fair value of plan assets:

	2023 £
Fair value of assets at 1 April 2022	5,597,000
Interest income	156,000
Return on plan assets (excluding amounts included in net interest)	(545,000)
Benefits paid	(46,000)
Contributions by the employer	164,000
Contributions by scheme members	54,000
	<hr/>
At 31 March 2023	5,380,000
	<hr/> <hr/>

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

	2023 £	2022 £
Equity instruments	4,680,600	4,813,000
Debt instruments	376,600	504,000
Property	269,000	224,000
Cash	53,800	56,000
	<hr/>	<hr/>
	5,380,000	5,597,000
	<hr/> <hr/>	<hr/> <hr/>

21 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	24,031	41,196
Between two and five years	-	24,031
	<hr/>	<hr/>
	24,031	65,227
	<hr/> <hr/>	<hr/> <hr/>

THE PICKAQUOY CENTRE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

22 Restricted funds

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

	Balance at 1 April 2021		Movement in funds		Transfers		Balance at 1 April 2022		Movement in funds		Balance at 31 March 2023	
	£	£	Incoming resources	Resources expended	£	£	Incoming resources	Resources expended	£	£	Incoming resources	Resources expended
VAO - Third Sector Cost of Living Crisis Fund	-	-	-	-	-	-	15,000	-	-	15,000	-	-
Creative Scotland - Independent Cinema Recovery and Resilience Fund	15,420	-	-	(15,420)	-	-	-	-	-	-	-	-
Filmhub - BFI FAN Exhibition Fund	5,221	-	-	(5,221)	-	-	-	-	-	-	-	-
VAO - Third Sector C-19 Emergency Fund	-	7,300	7,300	-	(7,300)	-	-	-	-	-	-	-
Creative Scotland - Recovery Fund for Independent Cinemas	-	27,580	27,580	-	-	-	27,580	-	(27,580)	-	-	-
OIC - No One Left Behind, Employers Recruitment Incentive	-	12,000	12,000	(9,799)	-	-	2,201	-	(2,201)	-	-	-
Scottish Ballet - SB Elevate	-	7,000	7,000	(2,331)	-	-	4,669	-	(4,000)	-	-	669
HIE - E-Bikes for Campsite Users	-	55,980	55,980	-	-	-	55,980	-	(6,445)	(3,040)	-	46,495
Other	-	200	200	(200)	-	-	-	-	(5,121)	5,121	-	-
Youthlink Scotland - Cashback for Communities Youth Work Fund	-	-	-	-	-	-	-	-	(9,546)	9,546	-	-
Versus Arthritis - Let's Move Together	-	-	-	-	-	-	-	-	(4,381)	4,381	-	-
OIC - Digital Development Grant	-	-	-	-	-	-	-	-	(428)	3,082	-	2,654
	<u>20,641</u>	<u>110,060</u>	<u>110,060</u>	<u>(32,971)</u>	<u>(7,300)</u>	<u>(7,300)</u>	<u>90,430</u>	<u>(34,090)</u>	<u>(59,702)</u>	<u>34,090</u>	<u>(59,702)</u>	<u>64,818</u>

THE PICKAQUOY CENTRE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

22 Restricted funds

(Continued)

VAO - Third Sector Cost of Living Crisis Fund - funding provided to assist with the challenge of rising energy costs. This will be spent within the next financial year.

Creative Scotland - Independent Cinema Recovery and Resilience Fund - funding provided to help cover core running costs of the cinema.

Filmhub - BFI FAN Exhibition Fund - funding provided to help reintroduce fringe, autism friendly and subtitled screenings.

VAO - Third Sector C-19 Emergency Fund - funding provided to assist with the purchase of specialised cleaning equipment for the centre. No restrictions exist over the equipment and the balance has been transferred to unrestricted funds.

Creative Scotland - Recovery Fund for Independent Cinemas - funding used to develop a more diverse programme to help grow audiences. The funds were spent on staff costs and marketing.

OIC - No One Left Behind - funding awarded to provide employment opportunities for two disadvantaged individuals who meet the eligibility criteria. The funding covers 50% of wage costs.

Scottish Ballet - SB Elevate - awarded to assist with the delivery of the SB Elevate project in Orkney over an 18-21 month period.

HIE - E-Bikes for Campsite Users - 100% funding to purchase e-bikes for use by campsite users and a storage shed. The project was delivered under budget, and a small amount of funding will be repaid to the funder. The fund balance represent the net book value of the assets purchased and will be reduced inline with asset depreciation.

Youthlink Scotland - Cashback for Communities Youth Work Fund - funding awarded to assist with the staff and facility costs of running a free after school club for secondary aged young people in Orkney.

Versus Arthritis - Let's Move Together - funding awarded to cover costs of delivering 'ESCAPE PAIN Orkney' classes aimed at individuals with musculoskeletal conditions.

OIC - Digital Development Grant - funding awarded to assist with the purchase of a video conferencing system. The fund balance represent the net book value of the funded portion of the assets purchased and will be reduced inline with asset depreciation.

Other grants include funding awarded to assist with the staff and screening costs for the cinema and an amount of funding released to cover costs of offering free session vouchers.

THE PICKAQUOY CENTRE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

23 Designated funds

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

	Balance at 1 April 2021 £	Transfers £	Balance at 1 April 2022 £	Transfers £	Balance at 31 March 2023 £
Fixed assets	158,790	14,792	173,582	(9,481)	164,101
	<u>158,790</u>	<u>14,792</u>	<u>173,582</u>	<u>(9,481)</u>	<u>164,101</u>

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

24 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total Unrestricted funds 2023 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 March 2023 are represented by:					
Tangible assets	164,101	49,149	213,250	42,300	215,882
Current assets/(liabilities)	344,503	15,669	360,172	48,130	641,024
Provisions and pensions	253,000	-	253,000	-	(918,000)
	<u>761,604</u>	<u>64,818</u>	<u>826,422</u>	<u>90,430</u>	<u>(61,094)</u>

25 Related party transactions

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

OIC charge the charity for certain services including maintenance and utilities. The cost for these recharges in the year totalled £296,329 (2022: £233,758). Creditors falling due within one year include £24,290 (2022: £52,023) due to OIC for services provided to the charity.

The charity received from OIC a revenue contribution of £792,200 (2022: £776,592), compensation for lost income of £nil (2022: £200,000), an employment recruitment incentive of £nil (2022: £12,000), £29,069 (2022: £31,060) of Renewable Heat Incentive and a grant of £3,082 to improve digital infrastructure. The charity provides certain services to OIC, including event management and facilities hire. The total income for these services during the year was £49,218 (2022: £47,636). These transactions are at normal commercial terms. Debtors include balances due from OIC totalling £17,516 (2022: £223,109).

THE PICKAQUOY CENTRE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

26 Cash generated from operations	2023	2022
	£	£
Surplus for the year	(628,484)	(52,651)
Adjustments for:		
Investment income recognised in statement of financial activities	(11,059)	(185)
(Gain)/loss on disposal of tangible fixed assets	(2,083)	2,644
Depreciation and impairment of tangible fixed assets	66,618	48,192
Difference between pension charge and cash contributions	344,990	391,436
Movements in working capital:		
(Increase) in stocks	(5,591)	(1,283)
Decrease/(increase) in debtors	311,133	(301,219)
Increase in creditors	47,278	3,898
Cash generated from operations	122,802	90,832

27 Non-audit services provided by auditor

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