

Charity Registration No. SCO28833 (Scotland)

**THE PICKAQUOY CENTRE TRUST**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

# THE PICKAQUOY CENTRE TRUST

## LEGAL AND ADMINISTRATIVE INFORMATION

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**Trustees**

A Drever, Orkney Islands Council  
S Kemp, Public Representative  
H Kerr, Public Representative  
K Macleod, Public Representative  
R May, Public Representative (Appointed 16 July 2021)  
A McNulty, Public Representative (Appointed 16 July 2021)  
F McNaughton, Public Representative  
J Nelson, Public Representative  
J Richards, OIC councillor  
S Sankey, OIC councillor  
J Scott, OIC councillor  
G Shearer, OIC councillor  
G Smee, St Magnus Festival  
W Stewart, Public Representative

**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

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# THE PICKAQUOY CENTRE TRUST

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# THE PICKAQUOY CENTRE TRUST

## CHAIRMAN'S STATEMENT

**FOR THE YEAR ENDED 31 MARCH 2022**

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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.

The global pandemic created an incredibly difficult situation for almost every sector across the country, with leisure being particularly hard-hit. Whilst we are now emerging from the pandemic, the economic after-effects remain, and so astute and dynamic management of the business, paired with a number of external funding application successes has been essential during the most recent year of operation. We are indebted to the Management Team for their efforts in this respect, as well as all external funding bodies.

Whilst membership sales remain lower than pre-pandemic there is steady growth in both membership uptake and user numbers within the Centre, and we will continue to focus on customer incentives to aid a return towards pre-pandemic levels.

Looking further ahead, planning is now well underway for the 2025 International Island Games that will be hosted in Orkney. With The Pickaquoy Centre being the central hub for many of the sports as well as much of the games social activities, this will bring an exciting and positive focus as well as new opportunities for partnership working locally between The Trust and the many stakeholders involved.

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: ..... 22/07/22

# THE PICKAQUOY CENTRE TRUST

## TRUSTEES REPORT

### FOR THE YEAR ENDED 31 MARCH 2022

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The trustees present their annual report and financial statements for the year ended 31 March 2022.

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 the continued challenges presented by the implications of the Covid-19 pandemic, this year has yet again proved to be difficult for all of the Pickaquoy team. Our focus has centred around continuous review of our offering and how best to deliver the business recovery for our community. Financially, we continue to concentrate on the survival of the Trust, ensuring that we keep as many staff employed as possible. We have been successful yet again with a number of funding applications and are particularly grateful to OIC, Creative Scotland, Screen Scotland and Voluntary Action Orkney for their support. With a greater degree of financial stability achieved, it is hoped that the next phase of recovery and development can now be discussed with a greater level of optimism for all parties.

#### Key stakeholders

We continue to work very closely with Orkney Islands Council, NHS Orkney, Community Leisure UK and sportscotland. We are delighted to have been able to work in partnership with Creative Scotland, Screen Scotland and Filmhub Scotland again this year and hope to be able to continue developing these relationships over the years to come.

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 Trust with the continued challenges we have faced throughout 2021/22.

#### Staff training

Course Description	Attendees
Scottish Athletics Coaching Assistant L1	1
All You Need to Know - Data Protection Officer	1
UK GDPR & DPA 2018	1
Pool Plant Operator Re-validation	4
Scottish Certificate for Personal Licence Holders	2
Boxercise	2
RLSS Pool Trainer / Assessor Course	1
National Pool Lifeguard Qualification (NPLQ)	9
National Pool Lifeguard Qualification (NPLQ) Renewal	15
First Aid at Work	6
Automated External Defibrillator (AED)	8
Save an Adults Life	3
Modern Apprentice – Sport & Active Leisure	2
Skills for Work – Sport & Recreation	2

# THE PICKAQUOY CENTRE TRUST

## TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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### Key performance indicators

Description of Indicator	Number of Participants	
	2020/21	2021/22
1. Fitness including Strength & conditioning	14,073	39,240
2. Group Exercise	4,214	16,855
3. Health	729	6,222
4. Junior Activities	2,121	93,744
5. Arena Sports	3,282	32,304
6. Other Indoor Leisure	4,665	6,084
7. Campsite	14	12,287
8. Track and Infield	2,901	8,225
9. Playing Fields	0	7,909
10. Synthetic Grass Pitch	1,373	4,168
11. Swimming	17,660	58,240
12. Squash	1,122	2,760
13. Cinema	811	18,785
14. Soft Play	326	4,658
15. Climbing & Bouldering	1,665	4,070

### Financial review

The Trust reports a net increase in funds of £415,349, with total funds as at 31 March 2022 in deficit by £61,094 net of a £918,000 pension liability. The net increase in funds during the period includes a £468,000 actuarial gain on the pension scheme; excluding this gain, net outgoing resources in the period totalled £52,651. Net current assets increased from £359,767 to £641,024.

Incoming resources increased from £2.18m to £2.71m. Expenditure increased from £2.07m to £2.76m. With the centre reopen and an easing of restrictions, the Trust was able to generate a reasonable revenue stream. The additional grant funding which was incoming gave it a better than anticipated position at year-end. With this comes the increase in expenditure; with the ventilation and heating guidance that the Trust operated under, it was challenging to find any additional savings within the financial period.

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.

The continued focus for the Trust over the past and coming year is very much business recovery. The Covid-19 pandemic continues to impact our operations to a degree with reduced footfall in some areas and sporadic staff sickness. While we have been relatively pleased with the recovery of our membership scheme, further promotion will be undertaken to stimulate new sales as well as looking to regain those members that we lost during the pandemic.

We continue working with our key stakeholders such as OIC, sportscotland, Community Leisure UK & NHS Orkney to identify new ways of working together in order to provide improved services to the wider community, which are inclusive and provide tangible benefit to both physical and mental health.

# THE PICKAQUOY CENTRE TRUST

## TRUSTEES REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 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:-

A Drever, Orkney Islands Council

S Kemp, Public Representative

H Kerr, Public Representative

K Macleod, Public Representative

R May, Public Representative (Appointed 16 July 2021)

A McNulty, Public Representative (Appointed 16 July 2021)

F McNaughton, Public Representative

J Nelson, Public Representative

J Richards, OIC councillor

S Sankey, OIC councillor

J Scott, OIC councillor

G Shearer, OIC councillor

G Smee, St Magnus Festival

W Stewart, Public Representative

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

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

The current board of 14 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.

# THE PICKAQUOY CENTRE TRUST

## TRUSTEES REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2022**

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### 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.

..... *SMP* .....

**S Kemp**

Trustee

Dated: ..... *22/07/22* .....



# THE PICKAQUOY CENTRE TRUST

## STATEMENT OF TRUSTEES RESPONSIBILITIES

*FOR THE YEAR ENDED 31 MARCH 2022*

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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

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#### **Opinion**

We have audited the financial statements of The Pickaquoy Centre Trust (the 'charity') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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 FRS 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 2022 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 27 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

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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 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

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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

11/8/22.....

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 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total Unrestricted funds 2022 £	Restricted funds 2021 £	Total 2021 £
<b>Income from:</b>						
Donations and legacies	3	1,326,890	110,060	1,436,950	1,704,269	1,828,654
Charitable activities	4	1,240,644	-	1,240,644	347,453	347,453
Other trading activities	5	33,303	-	33,303	5,305	5,305
Investments	6	185	-	185	-	-
<b>Total income</b>		<b>2,601,022</b>	<b>110,060</b>	<b>2,711,082</b>	<b>2,057,027</b>	<b>2,181,412</b>
<b>Expenditure on:</b>						
Raising funds	7	12,172	-	12,172	1,069	1,069
Charitable activities	8	2,694,590	32,971	2,727,561	1,955,756	2,059,500
Other	13	24,000	-	24,000	7,000	7,000
<b>Total resources expended</b>		<b>2,730,762</b>	<b>32,971</b>	<b>2,763,733</b>	<b>1,963,825</b>	<b>2,067,569</b>
<b>Net (outgoing)/incoming resources before transfers</b>		<b>(129,740)</b>	<b>77,089</b>	<b>(52,651)</b>	<b>93,202</b>	<b>113,843</b>
Gross transfers between funds		7,300	(7,300)	-	-	-
<b>Net (outgoing)/incoming resources</b>		<b>(122,440)</b>	<b>69,789</b>	<b>(52,651)</b>	<b>93,202</b>	<b>113,843</b>
<b>Other recognised gains and losses</b>						
Actuarial gain/(loss) on defined benefit pension schemes		468,000	-	468,000	(611,000)	(611,000)
<b>Net movement in funds</b>		<b>345,560</b>	<b>69,789</b>	<b>415,349</b>	<b>(517,798)</b>	<b>(497,157)</b>
Fund balances at 1 April 2021		(497,084)	20,641	(476,443)	20,714	20,714
<b>Fund balances at 31 March 2022</b>		<b>(151,524)</b>	<b>90,430</b>	<b>(61,094)</b>	<b>20,641</b>	<b>(476,443)</b>

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 2022

	Notes	2022		2021	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	15		215,882		158,790
<b>Current assets</b>					
Stocks	16	24,495		23,212	
Debtors	17	435,377		134,158	
Cash at bank and in hand		540,991		557,902	
		<u>1,000,863</u>		<u>715,272</u>	
<b>Creditors: amounts falling due within one year</b>	18	<u>(359,839)</u>		<u>(355,505)</u>	
Net current assets			<u>641,024</u>		<u>359,767</u>
<b>Total assets less current liabilities</b>			<u>856,906</u>		<u>518,557</u>
<b>Provisions for liabilities</b>	19		<u>(918,000)</u>		<u>(995,000)</u>
<b>Net liabilities</b>			<u>(61,094)</u>		<u>(476,443)</u>
<b>Income funds</b>					
Restricted funds	24		90,430		20,641
<u>Unrestricted funds</u>					
Designated funds	22	173,582		158,790	
General unrestricted funds		<u>(325,106)</u>		<u>(655,874)</u>	
			<u>(151,524)</u>		<u>(497,084)</u>
			<u>(61,094)</u>		<u>(476,443)</u>

The financial statements were approved by the board of trustees and authorised for issue on 22/07/22 and are signed on its behalf by:

  
.....  
S Kemp  
Trustee

# THE PICKAQUOY CENTRE TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

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	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	26		90,832		303,070
<b>Investing activities</b>					
Purchase of tangible fixed assets		(109,430)		(29,699)	
Proceeds on disposal of tangible fixed assets		1,502		492	
Investment income received		185		-	
<b>Net cash used in investing activities</b>			(107,743)		(29,207)
<b>Net cash used in financing activities</b>			-		-
<b>Net (decrease)/increase in cash and cash equivalents</b>			(16,911)		273,863
Cash and cash equivalents at beginning of year			557,902		284,039
<b>Cash and cash equivalents at end of year</b>			<u>540,991</u>		<u>557,902</u>

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# THE PICKAQUOY CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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### 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



# THE PICKAQUOY CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 Accounting policies

(Continued)

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

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

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

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

#### 1.6 Tangible fixed assets

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

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 2022

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### 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 2022

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### 1 Accounting policies

(Continued)

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

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

The 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 2022**

**3 Donations and legacies**

	Unrestricted funds		Restricted funds		Total Unrestricted funds		Restricted funds		Total	
	2022	2022	2022	2021	2022	2021	2022	2021	2022	2021
	£	£	£	£	£	£	£	£	£	£
Donations and gifts	-	-	-	610	-	610	-	-	-	610
Grants receivable	1,326,890	110,060	1,436,950	1,703,659	1,436,950	1,828,044	124,385	124,385	1,828,044	1,828,044
	<u>1,326,890</u>	<u>110,060</u>	<u>1,436,950</u>	<u>1,704,269</u>	<u>1,436,950</u>	<u>1,828,044</u>	<u>124,385</u>	<u>124,385</u>	<u>1,828,044</u>	<u>1,828,044</u>

# THE PICKAQUOY CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

3 Donations and legacies	(Continued)				
<b>Grants receivable for core activities</b>					
OIC management fee for delivery of leisure services	776,592	-	776,592	-	776,592
COSLA/OIC - loss of income compensation	200,000	-	302,000	-	302,000
Creative Scotland - Recovery Fund for Cultural Organisation	242,434	-	150,000	-	150,000
Firstport third sector resilience fund	-	-	-	75,000	75,000
Creative Scotland cinema recovery and resilience funding	-	-	-	36,664	36,664
OIC business top up	-	-	-	7,500	7,500
Filmhub	-	-	-	5,221	5,221
Coronavirus Job Retention Scheme	76,804	-	475,067	-	475,067
VAO - Third Sector C-19 Emergency Fund	-	7,300	7,300	-	-
Creative Scotland - Recovery Fund for Independent Cinemas	-	27,580	27,580	-	-
OIC - No One Left Behind, Employer Recruitment Incentive	-	12,000	12,000	-	-
OIC - Renewable Heat Incentive	31,060	-	31,060	-	-
Scottish Ballet - SB Elevate	-	7,000	7,000	-	-
HIE - E-Bikes for Campsite Users	-	55,980	55,980	-	-
Other	-	200	200	-	-
	1,326,890	110,060	1,436,950	124,385	1,828,044

# THE PICKAQUOY CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 4 Charitable activities

	Sports & functions 2022 £	Arts 2022 £	In-house catering 2022 £	Campsite 2022 £	Total 2022 £	Total 2021 £
Sales within charitable activities	944,145	133,178	29,757	133,564	1,240,644	347,453

### For the year ended 31 March 2021

	Sports & functions £	Arts £	In-house catering £	Campsite £	Total 2021 £
Sales within charitable activities	341,857	5,605	91	(100)	347,453
Analysis by fund					
Unrestricted funds	341,857	5,605	91	(100)	347,453

### 5 Other trading activities

	2022 £	2021 £
Non-charitable trading activities	33,303	5,305

### 6 Investments

	2022 £	2021 £
Interest receivable	185	-

### 7 Raising funds

	2022 £	2021 £
Trading costs		
Other trading activities	12,172	1,069
	12,172	1,069

# THE PICKAQUOY CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 8 Charitable activities

	Sports & functions	Arts	Catering	Campsite	Total 2022	Total 2021
	2022	2022	2022	2022		
	£	£	£	£	£	£
Staff costs	861,542	89,890	82,632	78,322	1,112,386	867,163
Depreciation and impairment	21,270	2,164	6,040	5,164	34,638	38,479
Purchases	601	66,388	14,871	-	81,860	7,161
Other direct costs	16,901	-	2,173	2,471	21,545	9,287
Repairs & property costs	63,847	4,239	1,043	20,604	89,733	44,032
Heating oil	63,244	9,154	1,664	9,154	83,216	46,732
Electricity	156,131	22,598	4,109	36,694	219,532	192,473
Water & sewerage	12,233	1,770	322	4,470	18,795	19,821
Cleaning	15,590	1,772	346	(1,104)	16,604	10,876
Subs & licences	10,664	1,444	(767)	137	11,478	17,235
Marketing	866	30	-	1,543	2,439	682
OIC hire of facilities	116,040	-	-	-	116,040	60,000
Lease costs	40,656	-	-	-	40,656	40,476
Bad debts	(2,635)	-	-	-	(2,635)	2,175
Equipment	3,744	-	928	46	4,718	1,674
Other charitable expenditure	10,227	237	1,100	3,214	14,778	7,050
	<u>1,390,921</u>	<u>199,686</u>	<u>114,461</u>	<u>160,715</u>	<u>1,865,783</u>	<u>1,365,316</u>
Share of support costs (see note 9)	649,832	82,262	67,970	52,932	852,996	685,591
Share of governance costs (see note 9)	6,674	966	176	966	8,782	8,593
	<u>2,047,427</u>	<u>282,914</u>	<u>182,607</u>	<u>214,613</u>	<u>2,727,561</u>	<u>2,059,500</u>
<b>Analysis by fund</b>						
Unrestricted funds	2,035,297	262,073	182,607	214,613	2,694,590	1,955,756
Restricted funds	12,130	20,841	-	-	32,971	103,744
	<u>2,047,427</u>	<u>282,914</u>	<u>182,607</u>	<u>214,613</u>	<u>2,727,561</u>	<u>2,059,500</u>

# THE PICKAQUOY CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 8 Charitable activities

(Continued)

For the year ended 31 March 2021

	Sports & functions	Arts	Catering	Campsite	Total 2021
	£	£	£	£	£
Staff costs	635,346	67,807	119,273	44,737	867,163
Depreciation and impairment	24,694	2,735	6,325	4,725	38,479
Purchases	509	4,661	1,991	-	7,161
Other direct costs	5,564	-	1,474	2,249	9,287
Repairs & property costs	31,868	5,213	513	6,438	44,032
Heating oil	42,058	2,337	-	2,337	46,732
Electricity	171,284	9,478	-	11,711	192,473
Water & sewerage	17,277	960	-	1,584	19,821
Cleaning	9,570	653	-	653	10,876
Subs & licences	14,325	1,875	851	184	17,235
Marketing	103	-	-	579	682
OIC hire of facilities	60,000	-	-	-	60,000
Lease costs	40,476	-	-	-	40,476
Bad debts	2,175	-	-	-	2,175
Equipment	1,659	-	-	15	1,674
Other charitable expenditure	4,251	99	488	2,212	7,050
	<u>1,061,159</u>	<u>95,818</u>	<u>130,915</u>	<u>77,424</u>	<u>1,365,316</u>
Share of support costs (see note 9)	529,971	64,961	25,698	64,961	685,591
Share of governance costs (see note 9)	6,875	859	-	859	8,593
	<u>1,598,005</u>	<u>161,638</u>	<u>156,613</u>	<u>143,244</u>	<u>2,059,500</u>
<b>Analysis by fund</b>					
Unrestricted funds	1,515,505	140,394	156,613	143,244	1,955,756
Restricted funds	82,500	21,244	-	-	103,744
	<u>1,598,005</u>	<u>161,638</u>	<u>156,613</u>	<u>143,244</u>	<u>2,059,500</u>



# THE PICKAQUOY CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 9 Support costs

	Support costs	Governance costs	2022	2021	Basis of allocation
	£	£	£	£	
Staff costs	615,331	-	615,331	529,155	Estimated staff time
Depreciation	16,199	-	16,199	15,387	See notes
Other staff costs	4,689	-	4,689	4,803	See notes
Clothing	5,777	-	5,777	1,463	See notes
Insurance	20,833	-	20,833	13,873	See notes
Service fees	36,825	-	36,825	30,399	See notes
Equipment	393	-	393	665	See notes
Stationary & postages	2,094	-	2,094	398	See notes
Telephone	9,803	-	9,803	9,532	See notes
Travel	581	-	581	-	See notes
Professional fees	2,525	-	2,525	4,285	See notes
Bank charges	8,315	-	8,315	3,023	See notes
Printing	2,565	-	2,565	1,952	See notes
Advertising	7,455	-	7,455	8,262	See notes
Non-recoverable VAT	78,849	-	78,849	35,944	All sports & functions
Other general expenses	934	-	934	846	See notes
Subscriptions & Licences	39,828	-	39,828	25,604	See notes
Audit fees	-	3,800	3,800	3,700	See notes
Accountancy	-	4,982	4,982	4,893	See notes
	<u>852,996</u>	<u>8,782</u>	<u>861,778</u>	<u>694,184</u>	
Analysed between					
Charitable activities	<u>852,996</u>	<u>8,782</u>	<u>861,778</u>	<u>694,184</u>	

Support and governance costs have been apportioned to charitable activities on the following basis (unless noted otherwise): sports and functions - 76%; Arts - 11%; Catering - 2%; Campsite - 11%.

### 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 £3,800 (2021: £3,800), assistance with preparation of the financial statements of £4,982 (2021: £4,600) and other non-audit services of £5,340 (2021: £4,823).

# THE PICKAQUOY CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 12 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Management & administration	18	23
Sports & functions	72	74
Arts	5	5
Maintenance & cleaning	7	6
Catering	9	10
Total	<u>111</u>	<u>118</u>

#### Employment costs

	2022 £	2021 £
Wages and salaries	1,141,788	1,055,632
Social security costs	64,960	59,379
Other pension costs	520,969	281,307
	<u>1,727,717</u>	<u>1,396,318</u>

Key management personnel received remuneration during the year totalling £51,100 (2021: £51,000).

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

### 13 Other

	2022 £	2021 £
Pension scheme interest cost	24,000	7,000
	<u>24,000</u>	<u>7,000</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 2022

### 15 Tangible fixed assets

	Leasehold improvements	Plant and machinery	Fixtures, fittings & equipment	Computers	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 April 2021	14,006	338,027	283,311	140,828	776,172
Additions	13,150	45,219	1,089	49,972	109,430
Disposals	-	(22,750)	(1,091)	(61,682)	(85,523)
At 31 March 2022	27,156	360,496	283,309	129,118	800,079
<b>Depreciation and impairment</b>					
At 1 April 2021	1,693	255,890	231,896	127,903	617,382
Depreciation charged in the year	1,458	23,150	12,442	11,142	48,192
Eliminated in respect of disposals	-	(19,194)	(897)	(61,286)	(81,377)
At 31 March 2022	3,151	259,846	243,441	77,759	584,197
<b>Carrying amount</b>					
At 31 March 2022	24,005	100,650	39,868	51,359	215,882
At 31 March 2021	12,313	82,137	51,415	12,925	158,790

### 16 Stocks

	2022 £	2021 £
Goods for resale and consumables	24,495	23,212

### 17 Debtors

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Trade debtors	32,295	73,639
Other debtors	371,973	39,833
Prepayments and accrued income	31,109	20,686
	435,377	134,158

# THE PICKAQUOY CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 18 Creditors: amounts falling due within one year

	2022	2021
	£	£
Other taxation and social security	58,419	96,281
Deferred income	90,761	64,474
Trade creditors	51,295	70,379
Other creditors	1,898	695
Accruals	157,466	123,676
	<u>359,839</u>	<u>355,505</u>

### 19 Provisions for liabilities

	Notes	2022	2021
		£	£
Retirement benefit obligations	20	918,000	995,000
		<u>918,000</u>	<u>995,000</u>

### 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 2022 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

	2022	2021
	%	%
Discount rate	2.75	2.05
Expected rate of increase of pensions in payment	3.15	2.80
Expected rate of salary increases	<u>3.65</u>	<u>3.30</u>

# THE PICKAQUOY CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 20 Retirement benefit schemes

(Continued)

#### *Mortality assumptions*

The assumed life expectations on retirement at age 65 are:

	2022 Years	2021 Years
Retiring today		
- Males	21.3	21.4
- Females	23.7	23.9
Retiring in 20 years		
- Males	22.9	23.1
- Females	25.9	26.1

Amounts recognised in the profit and loss account:

	2022 £	2021 £
Current service cost	520,000	282,000
Net interest on defined benefit liability/(asset)	24,000	7,000
Total costs	544,000	289,000

Amounts taken to other comprehensive income:

	2022 £	2021 £
Actual return on scheme assets	(161,000)	1,539,000
Less: calculated interest element	(116,000)	(91,000)
Return on scheme assets excluding interest income	(277,000)	1,448,000
Actuarial changes related to obligations	745,000	(2,059,000)
Total income/(costs)	468,000	(611,000)

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

	2022 £	2021 £
Present value of defined benefit obligations	6,515,000	6,580,000
Fair value of plan assets	(5,597,000)	(5,585,000)
Deficit in scheme	918,000	995,000

# THE PICKAQUOY CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 20 Retirement benefit schemes

(Continued)

Movements in the present value of defined benefit obligations:

	2022 £
Liabilities at 1 April 2021	6,580,000
Current service cost	520,000
Benefits paid	(31,000)
Contributions from scheme members	51,000
Actuarial gains and losses	(745,000)
Interest cost	140,000
At 31 March 2022	<u>6,515,000</u>

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

Movements in the fair value of plan assets:

	2022 £
Fair value of assets at 1 April 2021	5,585,000
Interest income	116,000
Return on plan assets (excluding amounts included in net interest)	(277,000)
Benefits paid	(31,000)
Contributions by the employer	153,000
Contributions by scheme members	51,000
At 31 March 2022	<u>5,597,000</u>

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

	2022 £	2021 £
Equity instruments	4,813,000	5,082,000
Debt instruments	504,000	447,000
Property	224,000	-
Cash	56,000	56,000
	<u>5,597,000</u>	<u>5,585,000</u>

# THE PICKAQUOY CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 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:

	2022 £	2021 £
Within one year	41,196	40,476
Between two and five years	24,031	64,087
	<u>65,227</u>	<u>104,563</u>

#### 22 Designated funds

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

	Balance at 1 April 2020 £	Transfers £	Balance at 1 April 2021 £	Transfers £	Balance at 31 March 2022 £
Fixed assets	183,449	(24,659)	158,790	14,792	173,582
	<u>183,449</u>	<u>(24,659)</u>	<u>158,790</u>	<u>14,792</u>	<u>173,582</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.

#### 23 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total Unrestricted funds 2022 £		Restricted funds 2021 £	Total 2021 £
Fund balances at 31 March 2022 are represented by:						
Tangible assets	173,582	42,300	215,882	158,790	-	158,790
Current assets/ (liabilities)	592,894	48,130	641,024	339,126	20,641	359,767
Provisions and pensions	(918,000)	-	(918,000)	(995,000)	-	(995,000)
	<u>(151,524)</u>	<u>90,430</u>	<u>(61,094)</u>	<u>(497,084)</u>	<u>20,641</u>	<u>(476,443)</u>

# THE PICKAQUOY CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 24 Restricted funds

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

	Movement in funds		Balance at		Movement in funds		Transfers		Balance at	
	Incoming resources	Resources expended	1 April 2021	£	Incoming resources	Resources expended	31 March 2022	£	£	£
Firstport and OIC - essential staff costs	82,500	(82,500)	-	-	-	-	-	-	-	-
Creative Scotland - Independent Cinema Recovery and Resilience Fund	36,664	(21,244)	15,420	-	-	(15,420)	-	-	-	-
Filmhub - BFI FAN Exhibition Fund	5,221	-	5,221	-	-	(5,221)	-	-	-	-
VAO - Third Sector C-19 Emergency Fund	-	-	-	7,300	7,300	-	(7,300)	-	-	27,580
Creative Scotland - Recovery Fund for Independent Cinemas	-	-	-	27,580	27,580	-	-	-	-	2,201
OIC - No One Left Behind, Employers Recruitment Incentive	-	-	-	12,000	12,000	(9,799)	-	-	-	4,669
Scottish Ballet - SB Elevate	-	-	-	7,000	7,000	(2,331)	-	-	-	55,980
HIE - E-Bikes for Campsite Users	-	-	-	55,980	55,980	-	-	-	-	-
Other	-	-	-	200	200	(200)	-	-	-	-
	<u>124,385</u>	<u>(103,744)</u>	<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>90,430</u>



# THE PICKAQUOY CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 24 Restricted funds

(Continued)

Firstport & OIC - funding provided from Firstport Third Sector Resilience Fund and OIC Business Top Up Grant to support the cost of employing essential staff.

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 to be used to develop a more diverse programme to help grow audiences. The funds will be 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. Funding was partially spent during the year, with remaining amount due to be spent in 2022/23. The fund balance will be reduced inline with asset depreciation as assets remain restricted.

Other grants include funding awarded to assist with the staff and screening costs for the cinema.

# THE PICKAQUOY CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 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 £233,758 (2021: £149,650). Creditors falling due within one year include £52,023 (2021: £39,865) due to OIC for services provided to the charity.

The charity received from OIC a revenue contribution of £776,592 (2021: £776,592), compensation for lost income of £200,000 (2021: £302,000), income of £nil from the OIC Business Top Up grant (2021: £7,500), an employment recruitment incentive of £12,000 (2021: £nil), £31,060 (2021: £nil) of Renewable Heat Incentive and a grant of £200 towards cinema costs (2021: £nil). The charity provides certain services to OIC, including event management and facilities hire. The total income for these services during the year was £31,060 (2021: £26,671). These transactions are at normal commercial terms. Debtors include balances due from OIC totalling £223,109 (2021: £76,061).

26 Cash generated from operations	2022	2021
	£	£
Surplus/(deficit) for the year	(52,651)	113,843
Adjustments for:		
Investment income recognised in statement of financial activities	(185)	-
Loss on disposal of tangible fixed assets	2,644	3,764
Depreciation and impairment of tangible fixed assets	48,192	50,102
Difference between pension charge and cash contributions	391,436	158,770
Movements in working capital:		
(Increase)/decrease in stocks	(1,283)	2,538
(Increase)/decrease in debtors	(301,219)	26,651
Increase/(decrease) in creditors	3,898	(52,598)
<b>Cash generated from operations</b>	<b>90,832</b>	<b>303,070</b>

### 27 Auditor's Ethical Standards

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

### 28 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.

