

**SKILLNET EDINBURGH**  
**REPORT AND FINANCIAL STATEMENTS**

**For the year ended 31 March 2010**

**Charity No SC024528**

**Company No SC228710**

**WHITELAW WELLS**  
**Chartered Accountants**

**EDINBURGH**

**GLASGOW**

**SKILLNET EDINBURGH**  
**REPORT AND FINANCIAL STATEMENTS**  
**For the year ended 31 March 2010**

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# SKILLNET EDINBURGH

## DIRECTORS' REPORT

For the year ended 31 March 2010

The Directors are pleased to present their report together with the financial statements of the charity for the year ended 31<sup>st</sup> March 2010.

### Reference and Administrative Information

#### Directors and Council

|                        |                                           |
|------------------------|-------------------------------------------|
| Marion Fletcher        | Chair                                     |
| Dr Nicolina Kamenou    | Vice-chair                                |
| Arthur Akgubo          | Treasurer                                 |
| Lawrence Brew          |                                           |
| Shirley Galbraith      |                                           |
| Dinesh Joshi           | (resigned 25 <sup>th</sup> February 2010) |
| Dr Maktoba Omar        |                                           |
| Professor Geoff Palmer |                                           |

#### Company Secretary

Eddy McGregor

#### Manager

Eddy McGregor

#### Registered Office and Operational Address

Norton Park  
57 Albion Road  
Edinburgh EH7 5QY

#### Senior Statutory Auditor

David Main

#### Statutory Auditors

Whitelaw Wells  
Chartered Accountants  
9 Ainslie Place  
Edinburgh  
EH3 6AT

#### Bankers

Royal Bank of Scotland  
2 Blenheim Place  
Edinburgh  
EH7 5JH

# SKILLNET EDINBURGH

## DIRECTORS' REPORT

For the year ended 31 March 2010

### Structure, Governance and Management

#### Governing Document

Skillnet Edinburgh Limited is a company limited by guarantee governed by its Memorandum and Articles of Association dated 4 March 2002. It is registered as a charity with the Office of the Scottish Charity Regulator, having initially been established as an unincorporated charity in 1996. Anyone over the age of 18 can apply to become a member of the company by submitting a written request. Applications for membership will go before the Board of the Association. Members each agree to contribute £1 in the event of the charity winding up.

#### Appointment of Directors

As set out in the Articles of Association, the chair of the directors is elected by the other directors. Directors are elected from amongst eligible members at the Annual General Meeting of the company. At each AGM, one third of directors, being determined by length of service, shall retire. Those directors retiring at an AGM are eligible for re-election.

The directors have the power to appoint further members to fill any vacancies that arise. Appointed members may hold post until the next AGM, when they shall retire.

All members are circulated with invitations to nominate directors prior to the AGM advising them of the retiring directors and requesting nominations for the AGM. When considering appointing directors, the Board has regard to the requirement for any specialist skills needed.

At present, only those Directors listed on page 1 are members of Skillnet. The Directors have embarked upon a programme to examine the membership of Skillnet and potentially widen the pool of those eligible to serve as Directors.

#### Director Induction and Training

New directors undergo an orientation day to brief them on their legal obligations under charity and company law, the content of the Memorandum and Article of Association, the committee and decision making process, the business plan and recent financial performance. The directors and staff hold an annual training day, and directors are encouraged to undertake any external training that is appropriate to their roles.

#### Organisation

The board, who are directors for the purpose of company law and trustees for the purpose of charity law, can have up to 10 members. They administer the charity. The board meets quarterly and there are sub-committees covering personnel and finance & projects which meet more regularly. A manager is appointed by the directors to manage the day-to-day operations of the charity. To facilitate effective operations, the manager has delegated authority, within terms of delegation approved by the directors, for operational matters including finance, employment and project activity.

#### Risk management

The directors have a risk management strategy that comprises

- A review of the risks the charity may face
- The establishment of policies and procedures to minimise risk to the charity

## **SKILLNET EDINBURGH**

### **DIRECTORS' REPORT**

**For the year ended 31 March 2010**

As employment law becomes ever more complicated, the directors identified a medium to high risk of breaches of employment legislation. To counter this, an Employment Consultancy company was retained to provide advice and support on employment related matters. The Employment Consultancy also provides full legal and indemnity cover in the case of any employment tribunal. The directors are confident that this measure reduces the employment related risk of the charity to a low level.

The major risk identified by the directors was the financial position of Skillnet. The directors remain committed to diversifying the funding base of Skillnet, and seek multi-year funding, in order to provide on-going services for clients.

As a charity, dependent upon external financing, there exists an on-going risk to the medium to long-term sustainability of the charity. The directors have played an active part in trying to identify sources of multi-annual funding. During the year, Skillnet was again successful in gaining European Funding to develop and deliver services in partnership with the Black Community Development Project, as well as being awarded funding from the Scottish Government Race, Religion and Refugee Integration Fund until March 2011. An application to the Big Lottery Fund led to three year funding being awarded to develop the Mind2Work project. This funding will run until March 2012.

The directors regularly review the management accounts for the charity, and whilst still concerned at the financial risk to the charity, are confident that this can be addressed over the coming year.

#### Related organisations

Skillnet Edinburgh is a member of the City of Edinburgh Joined Up for Jobs Forum, Edinburgh and Lothian Race Equality Council, CEMVO, SCVO and EVOC. Our links with local statutory and non-statutory organisations shapes the services we provide, and ensure that we are aware of the wider strategic priorities of decision makers.

During the year, Skillnet continued the partnership with Black Community Development Project to deliver structured employability and personal development training.

Skillnet continues to work closely with other specialist and mainstream agencies in Edinburgh in developing our work and services to clients.

#### **Objectives and activities**

The objectives of Skillnet are:

- To work towards the elimination of racial discrimination in training, education and employment
- To promote equality of opportunity and good relations between persons of different racial groups within the City of Edinburgh and surrounding areas.

Our wider aim is to promote the social and economic equality of minority ethnic communities, through education, training and sustainable employment, for an inclusive and enriched Scotland.

## SKILLNET EDINBURGH

### DIRECTORS' REPORT

For the year ended 31 March 2010

The directors previously agreed the following strategies to meet charitable objectives:

- A range of courses and workshops giving service users the skills and confidence to access appropriate training, education or employment
- Information on careers, education, and training opportunities
- Specialist project for men with mental health support needs
- Works with a range of employers and policy makers highlighting the labour market situation for minority ethnic communities in Edinburgh and the Lothians

#### Review of the Year

*'The project gives people the chance to develop important skills which can lead to further education and employment. Not only that, it gives people the life skills and confidence to build on and improve their personal development'*

Shirley-Anne Somerville, MSP, March 2010

The work of Skillnet is, and continues to be, to pro-actively address the needs of BME communities, to provide training, group and one-to-one support, and to work with employers and other training providers to tackle the institutional and structural barriers that prevent the full participation of black and minority ethnic communities in the economic opportunities of our nation.

Through individual work, and close partnerships formed with like-minded organisations, we strive to provide the support that enables people to realise their full potential, to gain meaningful employment, to develop their skills, to pursue their dreams.

The past year has been one of great success, but also great challenge.

The economic downturn, leading into recession, has seen many people across the country lose their jobs. No area of the country has been unaffected and, whilst employment rates within Edinburgh and the Lothians remain lower than across much of Scotland, the impact of the recession, particularly within the financial services sector, has been felt across all communities.

During the year, we continued to receive funding from the Scottish Government through the Race, Religion and Refugee Integration Fund, and from the European Structural Fund, through the European Social Fund. This funding allowed us to continue developing and running the Black Community Skills Project.

We were also fortunate to receive funding from the Big Lottery Fund, to develop and implement the Mind2Work project, working with people who had experienced mental ill-health.

#### Black Community Skills Project

The Black Community Skills Project is a partnership between Skillnet and the Community Organisation for Race Equality (formerly know as Black Community Development Project -BCDP).

This partnership project, running since 2007, continued to work with participants in relation to developing those skills that would enhance employment prospects.

## **SKILLNET EDINBURGH**

### **DIRECTORS' REPORT**

**For the year ended 31 March 2010**

Employer surveys have found in the past that communication and teamwork were key 'soft' skills, and a strong focus of our work over the year was developing inter-personnel skills, as well as working on core skills, such as language and IT.

In addition to the training, advice, guidance and casework, the project provided support to participants to help tackle some of the other barriers to employment.

Key to the success of this project is the provision of training close to the participants, enabling people to learn with other learners from within their local communities, to promote peer-to-peer support groups and through work with locally based mainstream organisations, to promote social inclusion and community cohesion.

Over the year, we worked with 119 participants. An important factor in this work was the provision of childcare for those participants with caring responsibilities. We recognise that caring responsibilities fall disproportionately upon women, and we work to ensure that our courses are open to all genders.

Once again, in March 2010, we were delighted to host our graduation ceremony. Mrs Shirley-Anne Somerville MSP sent a written message to all the graduates, which was read out at the meeting, and Councillor Stuart McIvor presented the certificates.

And once again, around 30 participants could not make the event due to work commitments!

We have been awarded a provisional grant for the forthcoming year and hope to continue building on the successes we have achieved so far.

#### Mind2Work

The Mind2Work project, running for the past 8 years, had been a very popular and successful programme.

The project was originally established to tackle the hidden issue of male mental ill-health within black and minority ethnic communities.

As the project continued, there was an increasing demand from other organisations in Edinburgh for a similar provision for women. Working closely with Shakti and Saheliya, we have expanded and developed the Mind2Work project to work with women as well as men.

The project successfully worked with 36 individuals. Some of those individuals required short-term support, whilst others, due to the nature of their ill-health, require longer on-going support. We have been fortunate to receive additional funding from the Big Lottery for the next year, to provide additional courses and one-to-one support for clients, particularly in light of the economic situation.

#### Other Work

During the year, the Board and Staff of Skillnet spend an away day looking at our work and the direction Skillnet should be taking in the future. The Board and Staff are committed to the core principles of our work but recognise that the changing nature of the workplace and additional pressures on people mean we need to be more creative and flexible in our approach.

## **SKILLNET EDINBURGH**

### **DIRECTORS' REPORT**

**For the year ended 31 March 2010**

The away day will form the basis for developing Strategic and Operation Plans that will guide us through the next few years.

In addition, we have been selected by CEMVO to undertake the European Framework for Quality Management. This is a European wide framework and CEMVO are working with a small number of voluntary sector organisations to develop their systems and processes in order to demonstrate their quality. It is planned that we will work towards achieving 'Committed to Excellence' status by the end of 2010.

Finally, staff from Skillnet have been involved in delivering training around employability with the Voluntary Action Fund, attending a number of conferences and events, including the Scottish Government race Equality Conference, as well as hosting a visit by three members of the European DG Employment department.

#### **Financial Review**

In January 2009, Skillnet was awarded £270,000 over three years from April 2009 – March 2012 from the Big Lottery Fund. This has enabled us to develop the Mind2Work project to engage with women as well as men.

We received one year funding from ESF with respect to the Black Community Skills Project, which has allowed us the develop the partnership approach with BCDP. During 2009 - 2010 we were awarded up to £117,000, although due to the criteria around eligible expenditure and match funding, we were unable to access all of this.

We have also been awarded an indicative grant for 2010 - 2011 of up to £146,000, subject to formal acceptance. However, we have also been informed that this will be the last year that funding through ESF will be available, due to changes in the approach and funding mechanisms from April 2011.

We also received £90,000 from the Scottish Government, through the Race, Religion and Refugee Integration Fund. This funding will continue during 2010-2011, and then cease. Indications from the Government suggest that this funding stream will not be continued.

The financial climate within the voluntary sector, the reduction of ESF funding across the country and the increased demand on other funders generates uncertainty and concern both for the Board and also the staff working for Skillnet. We will continue to seek multi-annual funding, diversify the funding base of the organisation, and work to increase the unrestricted reserves of Skillnet.

#### Grant Making Policy

The charity awards grants in line with the terms and conditions it has to comply with as lead partner of a given project.

#### Investment Powers and Policy

Under the memorandum and Articles of Association, the charity has the power to invest in any way the directors wish. The directors, having regard to the liquidity of the charity, have established with the Royal Bank of Scotland a High Interest Deposit Account. The Royal Bank automatically transfers any surplus funds from our current account to the High Interest account, maximising the income received by the charity.

## **SKILLNET EDINBURGH**

### **DIRECTORS' REPORT**

**For the year ended 31 March 2010**

#### Reserves Policy

The directors seek to reach a level of reserves equivalent to three months normal operating expenses, which excludes grants payable to partners. This level of reserve would provide for the short-term withdrawal of funding, and allow for alternative funding to be sourced, of failing this, an ordered exit strategy for staff and clients.

The directors therefore aim to generate unrestricted reserves of approximately £39,000. The actual unrestricted deficit of the charity at 31<sup>st</sup> March 2010 was £17,249 (2009: surplus £3,865). As noted within the accounts, the Directors are taking active steps to eliminate this deficit over the duration of the 3-year project, of which 2010-2011 is the final year.

The directors are committed to generating the necessary unrestricted funding to reach the targeted reserves, and will be pro-active in generating increased income for the charity.

#### Pension Trust

Skillnet Edinburgh provided pension provision for staff through the Pensions Trust "Scottish Voluntary Sector Pension Scheme". This Scheme closed to future accrual of benefits on March 31<sup>st</sup> 2010. This means that no new members of staff can join the scheme, and existing members, whilst maintaining any contributions they had already made, will no longer be able to continue within the scheme.

The Pensions Trust took the decision to close the Scheme due to the projected shortfall in funds available. The Pensions Trust have calculated the proportion of the shortfall due from each of the Employer organisations, and have determined that Skillnet Edinburgh's debt is £291,000.

This debt of £291,000 is the amount which would have been due if Skillnet had withdrawn from the Scheme at the 31<sup>st</sup> March 2010. Instead, as the scheme is closed, a recovery plan has been introduced by the Pensions Trust, which is based upon Skillnet paying a calculated sum each year, such that this payment, together with management of funds by the Pension Trust, will eliminate the deficit.

Skillnet will pay £2,968 towards the debt during 2010-2011. This payment is expected to continue annually until 2022.

#### **Plan for future periods**

As we move into 2010-2011, we will continue to offer the training, advice and guidance required to participants from across Edinburgh and the Lothians.

We have been provisionally offered a grant from ESF, in addition to the secured funding from the Scottish Government and Big Lottery.

However, we recognise the issue of funding is key to our future success. We will be working to develop programmes of activities which will attract funding from statutory and voluntary sector funders.

## **SKILLNET EDINBURGH**

### **DIRECTORS' REPORT**

**For the year ended 31 March 2010**

The Board and Staff away day has provided a platform for restating our aims and objectives, and pointing the way toward the development of strategic and operation plans for the next few years.

Our work with CEMVO, in working towards 'Committed to Excellence' status will help us identify areas for improvement, and build upon our strengths.

We will also continue to develop those partnerships that have worked effectively, with CORE, Shakti and Saheliya, as well as working on those which are not so strong.

Finally, we will strive to work more closely with the FE and HE sectors, to strengthen the links and routes to further and higher education for clients, and to seek external verification and accreditation for our work.

#### **Taxation**

Skillnet Edinburgh is a charity and is recognised as such by the Inland Revenue for taxation purposes. As a result, there is no liability to taxation on any of its income.

#### **Auditors**

A resolution to re-appoint Whitelaw Wells as auditors for the ensuing year will be proposed at the annual general meeting.

## **SKILLNET EDINBURGH**

### **DIRECTORS' REPORT**

**For the year ended 31 March 2010**

#### **Directors' Responsibilities**

The directors are responsible for preparing the report of the directors and the financial statements in accordance with the applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial period, which give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure, for the financial period. In preparing those financial statements, the directors are required to:

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

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities & Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The directors are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the provision of Part 15 of the Companies Act 2006 applicable to small companies.

Approved by the Directors on 27 October 2010 and signed on their behalf by:



Eddy McGregor  
Company Secretary

## **SKILLNET EDINBURGH**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SKILLNET EDINBURGH**

**For the year ended 31 March 2010**

We have audited the financial statements of Skillnet Edinburgh for the year ended 31 March 2010, which comprise the Statement of Financial Activities incorporating the Income and Expenditure Account, the Balance Sheet and related notes. These financial statements have been prepared in accordance with accounting policies set out therein.

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the company's directors, as a body, in accordance with section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the members and the company's directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, its members as a body and its directors as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

The directors are the trustees of the company for the purposes of charity law. Their responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Directors' Responsibilities.

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

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you whether, in our opinion, the information given in the Directors' Report is consistent with those financial statements.

We also report to you if, in our opinion, the charity has not kept adequate and proper accounting records, if the charity's financial statements are not in agreement with these accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosures of directors' remuneration specified by law are not made.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement within it.

## SKILLNET EDINBURGH

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SKILLNET EDINBURGH

For the year ended 31 March 2010

#### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the charity's affairs as at 31 March 2010 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006; and
- the information provided in the Directors' Report is consistent with the financial statements.



David Main  
Senior Statutory Auditor  
for and on behalf of Whitelaw Wells, Statutory Auditors  
Whitelaw Wells is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006  
9 Ainslie Place  
Edinburgh  
EH3 6AT

27 October 2010

## SKILLNET EDINBURGH

### STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2010

|                                                       | Note | Unrestricted<br>Funds<br>2010<br>£ | Restricted<br>Funds<br>2010<br>£ | Total<br>Funds<br>2010<br>£ | Funds<br>2009<br>£ |
|-------------------------------------------------------|------|------------------------------------|----------------------------------|-----------------------------|--------------------|
| <b>Incoming resources</b>                             |      |                                    |                                  |                             |                    |
| <b>Incoming resources from generated funds:</b>       |      |                                    |                                  |                             |                    |
| <i>Voluntary income:</i>                              |      |                                    |                                  |                             |                    |
| Donations                                             | 3    | 250                                | -                                | 250                         | -                  |
| <i>Activities for generating funds:</i>               |      |                                    |                                  |                             |                    |
| Consultancy and other fees                            |      | 1,623                              | -                                | 1,623                       | 21,926             |
| <i>Investment income</i>                              |      | 1                                  | -                                | 1                           | 62                 |
| <b>Incoming resources from charitable activities:</b> |      |                                    |                                  |                             |                    |
| Grants                                                | 4    | -                                  | 261,286                          | 261,286                     | 179,163            |
| <b>Total incoming resources</b>                       |      | 1,874                              | 261,286                          | 263,160                     | 201,151            |
| <b>Resources expended</b>                             |      |                                    |                                  |                             |                    |
| Charitable activities                                 |      | -                                  | 249,968                          | 249,968                     | 226,178            |
| Governance costs                                      |      | -                                  | 4,613                            | 4,613                       | 4,383              |
| <b>Total resources expended</b>                       | 5    | -                                  | 254,581                          | 254,581                     | 230,561            |
| <b>Net movement in funds</b>                          | 14   | 1,874                              | 6,705                            | 8,579                       | (29,410)           |
| Transfers                                             | 14   | (22,988)                           | 22,988                           | -                           | -                  |
| <b>Total funds at 1 April 2009</b>                    |      | 3,865                              | (29,693)                         | (25,828)                    | 3,582              |
| <b>Total funds at 31 March 2010</b>                   | 14   | (17,249)                           | -                                | (17,249)                    | (25,828)           |

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

The notes on pages 14 to 24 form part of the financial statements.

## SKILLNET EDINBURGH

### BALANCE SHEET

As at 31 March 2010

|                                                   | Note  | 2010<br>£ | 2010<br>£ | 2009<br>£ |
|---------------------------------------------------|-------|-----------|-----------|-----------|
| <b>FIXED ASSETS</b>                               |       |           |           |           |
| Tangible assets                                   | 9     |           | 1,383     | -         |
| <b>CURRENT ASSETS</b>                             |       |           |           |           |
| Debtors                                           | 10    | 54,594    |           | 51,096    |
| Cash in hand and at bank                          |       | 273       |           | 171       |
|                                                   |       | <hr/>     |           | <hr/>     |
|                                                   |       | 54,867    |           | 51,267    |
| <b>CURRENT LIABILITIES</b>                        |       |           |           |           |
| Creditors: Amounts falling due<br>within one year | 11    | (73,499)  |           | (77,095)  |
|                                                   |       | <hr/>     |           | <hr/>     |
|                                                   |       |           | (18,632)  | (25,828)  |
|                                                   |       |           | <hr/>     | <hr/>     |
| <b>TOTAL ASSETS LESS LIABILITIES</b>              |       |           | (17,249)  | (25,858)  |
|                                                   |       |           | <hr/>     | <hr/>     |
| <b>NET ASSETS</b>                                 |       |           | (17,249)  | (25,858)  |
|                                                   |       |           | <hr/>     | <hr/>     |
| <b>FUNDS</b>                                      | 14,15 |           |           |           |
| Restricted                                        |       |           | -         | (29,693)  |
| Unrestricted - General                            |       |           | (17,249)  | 3,865     |
|                                                   |       |           | <hr/>     | <hr/>     |
|                                                   |       |           | (17,249)  | (25,828)  |
|                                                   |       |           | <hr/>     | <hr/>     |

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These financial statements were approved by the members of the board on 27 October 2010 and are signed on their behalf by:



Marion Fletcher  
Chair

The notes on pages 14 to 24 form part of these financial statements.

**SKILLNET EDINBURGH**  
**NOTES TO THE FINANCIAL STATEMENT**

**For the year ended 31 March 2010**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and follow the recommendations in Accounting and Reporting by Charities: Statement of Recommended Practice issued in March 2005 except for the matter referred to below.

The Financial Reporting Standard for Smaller Entities requires that any surplus or deficit on the defined benefit pension scheme be recognised in the financial statements. The charity is a member of the Scottish Voluntary Sector Pensions Scheme, a multiemployer defined benefit pension scheme, which is unable to identify Skillnet Edinburgh's share of underlying assets or liabilities in the scheme. Consequently, the Board of Directors have followed the FRS17 requirement to account for the contributions to the scheme as if it were a defined contribution scheme.

**Fixed assets and depreciation**

Fixed assets are originally recorded at cost. Items of expenditure are only capitalised where the purchase price exceeds £500. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

- Equipment                      - 25% Straight line

**Incoming resources**

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of donations and is included in full in the Statement of Financial Activities when the charity becomes unconditionally entitled to the income.
- Activities for generating funds is received for consultancy work and is included in full in the Statement of Financial Activities when the charity earns the right to the income.
- Investment income is included when receivable.
- Incoming resources from charitable activities are received by the way of grants. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant. Grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.
- The value of services provided by volunteers has not been included in these accounts.

**SKILLNET EDINBURGH**  
**NOTES TO THE FINANCIAL STATEMENT**  
**For the year ended 31 March 2010**

**1. ACCOUNTING POLICIES (continued)**

**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 charity is not registered for VAT and accordingly costs are shown gross of irrecoverable VAT.

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be directly to such activities and those of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

**Operating leases**

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged against income on a straight-line basis over the period of the lease.

**Pensions**

Skillnet Edinburgh is a participating employer in The Pensions Trust Scottish Voluntary Sector final salary Pension Scheme. The assets of the Scheme are held separately from those of the charity and it is not possible to identify the charity's individual share. Accordingly, pension costs charged in the Statement of Financial Activities represent the contributions payable by the charity in the year.

**Unrestricted Funds**

Unrestricted funds are grants and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

**Restricted Funds**

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure, which meets these criteria, is charged to the fund, together with a fair allocation of management and support costs.

**SKILLNET EDINBURGH**

**NOTES TO THE FINANCIAL STATEMENT**

**For the year ended 31 March 2010**

**2. GOING CONCERN**

The financial statements have been prepared on the going concern basis, which assumes the charitable company will continue to operate for the foreseeable future. In order to do so the charitable company will require the continued support of its funders and creditors. The Directors of the charity have prepared cash flow projections for the 18 months to March 2012. These indicate that the charity should be in a position to honour all debts and obligations as they arise, assuming that grant income from funders is received in a timely manner, in line with agreed payment schedules. Skillnet has confirmed funding from the Scottish Government until 2011, and from the Big Lottery until 2012, during which time the Directors will continue to seek further funding to secure the on-going operation of the charity.

**3. DONATIONS**

|                          | <b>Unrestricted</b> | <b>Restricted</b> | <b>2010</b>  | <b>2009</b>  |
|--------------------------|---------------------|-------------------|--------------|--------------|
|                          | <b>£</b>            | <b>£</b>          | <b>Total</b> | <b>Total</b> |
|                          |                     |                   | <b>£</b>     | <b>£</b>     |
| The JTH Charitable Trust | 250                 | -                 | 250          | -            |
| Peninsula Referral       | -                   | -                 | -            | 156          |
| Robertson Trust          | -                   | -                 | -            | 5,000        |
|                          | <hr/>               | <hr/>             | <hr/>        | <hr/>        |
|                          | 250                 | -                 | 250          | 5,156        |
|                          | <hr/> <hr/>         | <hr/> <hr/>       | <hr/> <hr/>  | <hr/> <hr/>  |

**4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

**Grants received for the promotion of equal opportunity**

|                                | <b>Unrestricted</b> | <b>Restricted</b> | <b>2010</b>  | <b>2009</b>  |
|--------------------------------|---------------------|-------------------|--------------|--------------|
|                                | <b>£</b>            | <b>£</b>          | <b>Total</b> | <b>Total</b> |
|                                |                     |                   | <b>£</b>     | <b>£</b>     |
| Big Lottery Fund – Mind 2 Work | -                   | 92,757            | 92,757       | 16,281       |
| Scottish Government - RRRIF    | -                   | 90,000            | 90,000       | 70,000       |
| ESF 2007-13 Program            | -                   | 78,529            | 78,529       | 92,882       |
|                                | <hr/>               | <hr/>             | <hr/>        | <hr/>        |
|                                | -                   | 261,286           | 261,286      | 179,163      |
|                                | <hr/> <hr/>         | <hr/> <hr/>       | <hr/> <hr/>  | <hr/> <hr/>  |

SKILLNET EDINBURGH

NOTES TO THE FINANCIAL STATEMENT

For the year ended 31 March 2010

5. TOTAL RESOURCES EXPENDED

|                                               | Basis of Allocation | Provision of information to clients<br>£ | Training<br>£  | Strategic research & policy<br>£ | Governance<br>£ | 2010 Total<br>£ | 2009 Total<br>£ |
|-----------------------------------------------|---------------------|------------------------------------------|----------------|----------------------------------|-----------------|-----------------|-----------------|
| <b>Costs directly allocated to activities</b> |                     |                                          |                |                                  |                 |                 |                 |
| Grants awarded                                | Direct              | -                                        | 98,257         | -                                | -               | 98,257          | 78,571          |
| Staff Salaries (note 7)                       | Direct              | 29,012                                   | 32,982         | 2,345                            | -               | 64,339          | 45,787          |
| Other staff costs                             | Direct              | -                                        | 12,781         | -                                | -               | 12,781          | 22,334          |
| Venue rent                                    | Direct              | -                                        | 1,591          | -                                | -               | 1,591           | 1,698           |
| Subscriptions                                 | Direct              | 1,666                                    | -              | -                                | -               | 1,666           | 1,737           |
| Publicity                                     | Direct              | 748                                      | 1,317          | -                                | -               | 2,065           | 324             |
| Consultancy costs                             | Direct              | -                                        | -              | -                                | -               | -               | 2,400           |
| Beneficiary costs                             | Direct              | -                                        | 13,117         | -                                | -               | 13,117          | 17,796          |
| Audit fees                                    | Direct              | -                                        | -              | -                                | 3,556           | 3,556           | 3,816           |
| Board meeting and travel                      | Direct              | -                                        | -              | -                                | 323             | 323             | 76              |
| Bank, legal and other charges                 | Direct              | -                                        | -              | -                                | 734             | 734             | 1,722           |
| Depreciation                                  | Direct              | 462                                      | -              | -                                | -               | 462             | -               |
| <b>Support costs</b>                          |                     |                                          |                |                                  |                 |                 |                 |
| Staff Salaries (note 7)                       | Staff time          | 17,638                                   | 19,989         | 1,568                            | -               | 39,195          | 37,227          |
| Property costs                                | Usage               | 6,730                                    | 6,730          | -                                | -               | 13,460          | 15,015          |
| Telephone                                     | Usage               | 564                                      | 994            | -                                | -               | 1,558           | 1,252           |
| Printing, postage and stationery              | Usage               | 535                                      | 942            | -                                | -               | 1,477           | 806             |
| <b>Total resources expended</b>               |                     | <b>57,355</b>                            | <b>188,700</b> | <b>3,913</b>                     | <b>4,613</b>    | <b>254,581</b>  | <b>230,561</b>  |

All grants awarded were paid to BDCP as part of the ESF and Scottish Government projects, as described at Note 14.

**SKILLNET EDINBURGH**  
**NOTES TO THE FINANCIAL STATEMENT**

**For the year ended 31 March 2010**

**6. NET INCOMING RESOURCES FOR THE YEAR**

|                                       | <b>2010</b>       | <b>2009</b>       |
|---------------------------------------|-------------------|-------------------|
| <b>This is stated after charging:</b> | <b>£</b>          | <b>£</b>          |
| Depreciation                          | 462               | -                 |
| Auditors' remuneration – audit fee    | 3,556             | 3,816             |
|                                       | <u>          </u> | <u>          </u> |

No director received any remuneration for services as a director, nor was reimbursed any expenses (2009: nil).

**7. STAFF COSTS AND NUMBERS**

|                       | <b>2010</b>       | <b>2009</b>       |
|-----------------------|-------------------|-------------------|
|                       | <b>£</b>          | <b>£</b>          |
| Wages & salaries      | 90,214            | 71,891            |
| Social security costs | 6,629             | 5,850             |
| Pensions              | 6,691             | 5,273             |
|                       | <u>          </u> | <u>          </u> |
|                       | 103,534           | 83,014            |
|                       | <u>          </u> | <u>          </u> |

The average monthly number of employees, calculated as full time equivalents, during the period was:

|                                | <b>No.</b>        | <b>No.</b>        |
|--------------------------------|-------------------|-------------------|
| Promotion of equal opportunity | 3                 | 3                 |
|                                | <u>          </u> | <u>          </u> |

No employee received remuneration of more than £60,000 in either the current or previous year.

**8. TAXATION**

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

**SKILLNET EDINBURGH**

**NOTES TO THE FINANCIAL STATEMENT**

**For the year ended 31 March 2010**

|                                                           |             |                  |
|-----------------------------------------------------------|-------------|------------------|
| <b>9. TANGIBLE FIXED ASSETS</b>                           |             | <b>Equipment</b> |
|                                                           |             | <b>£</b>         |
| <b>Cost</b>                                               |             |                  |
| Balance at 1 Apr 2009                                     |             | 6,304            |
| Additions in year                                         |             | 1,845            |
| Disposals in year                                         |             | (1,685)          |
|                                                           |             | <hr/>            |
| Balance at 31 Mar 2010                                    |             | 6,464            |
|                                                           |             | <hr/>            |
| <b>Depreciation</b>                                       |             |                  |
| Balance at 1 Apr 2009                                     |             | 6,304            |
| Charged in year                                           |             | 462              |
| Disposals in year                                         |             | (1,685)          |
|                                                           |             | <hr/>            |
| Balance at 31 Mar 2010                                    |             | 5,081            |
|                                                           |             | <hr/>            |
| <b>Net book value</b>                                     |             |                  |
| At 31 March 2010                                          |             | 1,383            |
|                                                           |             | <hr/> <hr/>      |
| At 31 March 2009                                          |             | -                |
|                                                           |             | <hr/> <hr/>      |
| <b>10. DEBTORS</b>                                        | <b>2010</b> | <b>2009</b>      |
|                                                           | <b>£</b>    | <b>£</b>         |
| Grants receivable                                         | 51,160      | 45,859           |
| Other debtors                                             | 3,434       | 5,237            |
|                                                           | <hr/>       | <hr/>            |
|                                                           | 54,594      | 51,096           |
|                                                           | <hr/> <hr/> | <hr/> <hr/>      |
| <b>11. CREDITORS: Amounts falling due within one year</b> | <b>2010</b> | <b>2009</b>      |
|                                                           | <b>£</b>    | <b>£</b>         |
| Bank overdraft                                            | 18,348      | 9,786            |
| Grants payable to partners                                | 27,993      | 44,641           |
| PAYE & NI                                                 | 18,630      | 4,519            |
| Pension contributions                                     | 543         | 792              |
| Accruals                                                  | 3,750       | 3,500            |
| Other creditors                                           | 4,235       | 13,857           |
|                                                           | <hr/>       | <hr/>            |
|                                                           | 73,499      | 77,095           |
|                                                           | <hr/> <hr/> | <hr/> <hr/>      |

## SKILLNET EDINBURGH

### NOTES TO THE FINANCIAL STATEMENT

For the year ended 31 March 2010

#### 12. COMMITMENTS UNDER OPERATING LEASES

At 31<sup>st</sup> March 2010 the company had annual commitments under operating leases as set out below.

|                                | 2010              | 2009              |
|--------------------------------|-------------------|-------------------|
|                                | £                 | £                 |
| Operating leases which expire: |                   |                   |
| Between 2 and 5 years          | 11,003            | -                 |
| Over 5 years                   | -                 | 10,704            |
|                                | <u>          </u> | <u>          </u> |

The above commitments relate to rental of premises, including utilities and maintenance charges.

#### 13. RELATED PARTY TRANSACTIONS

During the year Skillnet invoiced SASLI (Scottish Association of Sign Language Interpreters) £600 (2009: £2,400) for financial training and support services, all of which remained outstanding at the year end. SASLI and Skillnet are related parties as Skillnet's Manager was also a director of SASLI in the year.

£10,000 was owed to Empower at the beginning of the year, of which £3,506 remained outstanding at the year end. Empower and Skillnet are related parties as Skillnet's Manager was also a director of Empower in the year.

Empower was formally dissolved on 5<sup>th</sup> July 2010. The Directors of Skillnet intend to donate the remaining balance of £3,506 to another charitable organisation operating within a similar field to Empower.

#### 14. MOVEMENTS IN FUNDS

|                                         | At 1<br>April<br>2009 | Incoming<br>Resources | Outgoing<br>Resources | Transfers         | At 31<br>March<br>2010 |
|-----------------------------------------|-----------------------|-----------------------|-----------------------|-------------------|------------------------|
|                                         | £                     | £                     | £                     | £                 | £                      |
| <b>Restricted funds</b>                 |                       |                       |                       |                   |                        |
| Big Lottery Fund – Mind2Work            | -                     | 92,757                | (93,338)              | 581               | -                      |
| ESF – Black Community<br>Skills Project | -                     | 78,529                | (78,529)              | -                 | -                      |
| Scottish Government - RRIF              | (29,693)              | 90,000                | (82,714)              | 22,407            | -                      |
|                                         | <u>          </u>     | <u>          </u>     | <u>          </u>     | <u>          </u> | <u>          </u>      |
|                                         | (29,693)              | 261,286               | (254,581)             | 22,988            |                        |
| <b>Unrestricted funds</b>               | 3,865                 | 1,874                 | -                     | (22,988)          | (17,249)               |
|                                         | <u>          </u>     | <u>          </u>     | <u>          </u>     | <u>          </u> | <u>          </u>      |
| <b>Total funds</b>                      | (25,828)              | 263,160               | (254,581)             | -                 | (17,249)               |
|                                         | <u>          </u>     | <u>          </u>     | <u>          </u>     | <u>          </u> | <u>          </u>      |

**SKILLNET EDINBURGH**  
**NOTES TO THE FINANCIAL STATEMENT**

**For the year ended 31 March 2010**

**14. MOVEMENTS IN FUNDS (continued)**

**Purposes of restricted funds**

Big Lottery Fund: The Mind2Work project worked with men and women who have experienced mental ill-health. Through a program of training, one-to-one support, mentoring and advocacy, the project developed the core skills of clients in order to increase opportunities for employment, education and training.

ESF – Black Community Skills Project is a partnership project between Skillnet Edinburgh and BCDP that aims to develop training and support programmes to assist people into employment, education or training. Skillnet Edinburgh is the lead partner.

Scottish Government Race, Religion and Integration Fund joint funds the partnership project between Skillnet Edinburgh and BCDP that aims to develop training and support programmes to assist people into employment, education or training. Skillnet Edinburgh is the lead partner. This is a three-year project and the intention is that the deficit arising in years one and two will be recovered by the end of the project.

**Transfers**

Whilst the Directors of Skillnet are confident of recovering the brought forward deficit generated on restricted funds during the final year of the Scottish Government Religion and Integration Fund, they have taken the decision to show a transfer from unrestricted funds to restricted funds to cover the full amount of the deficit, in order to more clearly show that any remaining deficit must be met through unrestricted reserves.

**15. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

|                    | <b>Unrestricted<br/>Funds<br/>£</b> | <b>Restricted<br/>Funds<br/>£</b> | <b>Total<br/>Funds<br/>£</b> |
|--------------------|-------------------------------------|-----------------------------------|------------------------------|
| Fixed assets       | 1,383                               | -                                 | 1,383                        |
| Net Current Assets | (18,632)                            | -                                 | (18,632)                     |
|                    | -----                               | -----                             | -----                        |
|                    | (17,249)                            | -                                 | (17,249)                     |
|                    | =====                               | =====                             | =====                        |

## SKILLNET EDINBURGH

### NOTES TO THE FINANCIAL STATEMENT

For the year ended 31 March 2010

#### 16. PENSIONS

Skillnet Edinburgh participates in the Scottish Voluntary Sector Pension Scheme (the Scheme). The Scheme is a multi-employer defined benefit scheme. The Scheme is funded and was contracted out of the state scheme until 31 March 2010, when the state scheme closed to future accrual.

The Scheme operated a single benefit structure, final salary with a 1/60<sup>th</sup> accrual rate until 30 September 2007. From October 2007 there were two benefit structures available, final salary with a 1/60<sup>th</sup> accrual rate and final salary with a 1/80<sup>th</sup> accrual rate, until the date of Scheme closure on 31 March 2010.

The Scheme closed to future accrual on 31 March 2010. There is currently no intention to wind-up the Scottish Voluntary Sector Pension Scheme and it continues in paid-up form.

The Trustee commissions an actuarial valuation of the Scheme every 3 years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required so that the Scheme can meet its pension obligations as they fall due.

The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market levels. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

It is not possible in the normal course of events to identify on a consistent and reasonable basis the share of underlying assets and liabilities belonging to individual participating employers. This is because the scheme is a multi-employer scheme where the scheme assets are co-mingled for investment purposes and benefits are paid from total scheme assets. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.

The last formal valuation of the Scheme was performed as at 30 September 2008, by a professionally qualified actuary using the Projected Unit Method. The market value of the Scheme's assets at the 30 September 2008 was £45.1 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £20.438 million (equivalent to a past service funding level of 68.8%).

## SKILLNET EDINBURGH

### NOTES TO THE FINANCIAL STATEMENT

For the year ended 31 March 2010

#### 16. PENSIONS (continued)

The financial assumptions underlying the valuation as at 30 September 2008 were as follows:

|                                                | % pa                                       |
|------------------------------------------------|--------------------------------------------|
| - Investment return pre retirement             | 6.8                                        |
| - Investment return post retirement            | 4.6                                        |
| - Rate of salary increases:                    | 4.2 for five years; and<br>4.7 thereafter. |
| - Rate of pension increases:                   |                                            |
| - for pensionable service<br>pre 6 April 2005  | 3.0                                        |
| - for pensionable service<br>post 5 April 2005 | 2.3                                        |
| - Rate of price inflation                      | 3.2                                        |

The funding update at the 30 September 2009 revealed that the estimated past service level funding has increased to 70.1%, but the shortfall of assets compared with the value of liabilities has also increased to an estimated £23.36m. This is primarily due to a reduction in the estimated returns from bond assets outweighing positive investment returns over the period concerned.

If an actuarial valuation reveals a shortfall of assets compared to liabilities the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

It was agreed that the following joint contribution rates would be payable until 31 March 2010:

| Benefit structure                            | Joint contribution rate<br>(% of pensionable salaries)                                  |
|----------------------------------------------|-----------------------------------------------------------------------------------------|
| Final salary 1/60 <sup>th</sup> accrual rate | 22.7%<br>comprising employer contributions of 15.2% and<br>member contributions of 7.5% |
| Final salary 1/80 <sup>th</sup> accrual rate | 18.0%<br>comprising employer contributions of 12.0% and<br>member contributions of 6.0% |

From 1 April 2010 contributions in respect of future service have ceased.

From 1 April 2010 a new recovery plan came into effect, following the finalisation of the 2008 valuation. Under the recovery plan Skillnet Edinburgh is required to make lump sum payments of £2,968, increasing annually in line with the salary assumption used in the valuation. Further details were provided in correspondence dated June and August 2009.

## SKILLNET EDINBURGH

### NOTES TO THE FINANCIAL STATEMENT

For the year ended 31 March 2010

#### 16. PENSIONS (continued)

If the valuation assumptions are borne out in practice, this pattern of contributions should be sufficient to eliminate the entire past service deficit arising from the 2005 and 2008 valuations, on an on-going funding basis, by 31 March 2022. The required level of deficit contributions will fall from 30 September 2018.

A copy of the recovery plan must be sent to the Pensions Regulator. The Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and / or recovery plan are inappropriate. For example the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the scheme liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Scheme (which would effectively amend the terms of the recovery plan).

The recovery plan from the 2008 valuation will be submitted to the Pensions Regulator in due course. The next full actuarial valuation will be carried out as at 30 September 2011.

Following a change in legislation in September 2005, there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme, or the Scheme winding up.

The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buyout basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

#### Contingent liability

Skillnet Edinburgh has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Scheme based on the financial position of the Plan as at 30 September 2008. As of this date the estimated employer debt for Skillnet Edinburgh was £291,000.