

The Scottish Council for Development and Industry (a Company limited by Guarantee)



FINANCIAL REPORT SCDI YEAR-END ACCOUNTS TO 30 SEPTEMBER 2015

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Company Number: SC24724

DIRECTORS' REPORT

To the Members of The Scottish Council for Development and Industry Limited (a company limited by guarantee). The Board of Directors submits its report together with financial statements for the year to 30 September 2015.

Principal Activities

The Council continues to be principally engaged in making representations to Government and others regarding matters of public policy.

Financial Commentary

This year has been one of continued consolidation and stability, creating a platform for future growth. The year ended on an operating profit of £28,533. Investments had a satisfactory performance during the year, with a gain of £29,652 being realised.

Under FRS17 reporting, there was an increase in the pension scheme deficit, due to adverse market conditions. As a result of this an actuarial loss of £137,000 was recorded in the year. The scheme closed to the accrual of future benefits in December 2004 and the Council will continue to contribute to the scheme, with a view to recovery within 8 years.

Our regional development programme gathered pace this year, with an increasing amount of activity targeted at maximizing our engagement with members in all sectors and across all geographies.

In a year which has seen the legislative backdrop to the economy signal a potential shift, with the transfer of powers to drive economic growth being debated through the provisions of the Scotland Bill, our work has developed opportunities for engaging Civic Scotland to support this more.

The directors continue to promote the Council's activities and to direct its future development. The directors have reviewed the business forecasts for the period of twelve months from the date of approval of these financial statements and consider the company has adequate resources to continue operations for the foreseeable future. Therefore they continue to adopt the going concern basis of accounting in preparing the financial statements.

Financial Risk Management Objectives and Policies

The Council does not enter into any hedging transactions.

The Council manages its liquidity and cash flow risks by the constant monitoring of its cash position and projections.

Price risk in financial instruments may exist where their value varies in accordance with interest rate or other market movement.

The Council's financial instruments comprise amounts receivable from debtors and amounts payable to suppliers. All of these balances are held in Sterling and so there is no currency risk.

The Scottish Council for Development and Industry (a Company limited by Guarantee)

Financial Risk Management Objectives and Policies (continued)

None of the financial instruments are subject to any other market movements affecting price risk. In summary, therefore exposure to price risk is not considered material.

The Council monitors credit risk via continual review of balances due from debtors.

Auditors

RSM UK Audit LLP offers itself for reappointment as auditor in accordance with Section 485(4) of the Companies Act 2006.

Statement as to disclosure of information to auditors

The directors have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors, in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Directors' Responsibilities for the Financial Statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgments and accounting estimates that are reasonable and prudent;
- (c) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

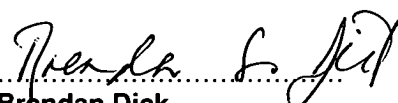
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Scottish Council for Development and Industry (a Company limited by Guarantee)

Directors

The membership of the Board for 2014/2015 is set out below. All Directors served throughout the year except as indicated.

Brendan Dick	BT Scotland – Chairman of the Board
Bill Drummond	Brodie's LLP (resigned 25 February 2015)
Sue Bruce	Private Member
James Fowlie	COSLA
Trevor Garlick	BP
Willie Maltman	Eglinton
Jack McLaren	Finance Adviser, Johnston Carmichael LLP
Steve Montgomery	First Group
Colin Parker	Aberdeen Harbour Board
Malcolm Robertson	Charlotte Street Partners
Nora Senior	Scottish Chambers of Commerce
Grahame Smith	STUC
Michael Urquhart	Gordon and MacPhail
Ian Wall	Private Member
Ross Martin	Chief Executive, SCDI (joined 25 February 2015)


.....
Brendan Dick
Chairman of the Board


.....
Date

1 Cadogan Square, Cadogan Street, Glasgow, G2 7HF

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SCOTTISH COUNCIL FOR DEVELOPMENT AND INDUSTRY LIMITED

We have audited the financial statements on pages 6 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at <http://www.frc.org.uk/apb/scope/UKNP>.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2015 and of its profit 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 Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

The Scottish Council for Development and Industry (a Company limited by Guarantee)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



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ALAN AITCHISON (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Third Floor
Centenary House
69 Wellington Street
GLASGOW
G2 6HG

.....
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Date

PROFIT AND LOSS ACCOUNT

For the year ended 30 September 2015

	Notes	2015 £	2014 £
Turnover	2	2,055,195	2,005,982
Administrative costs		(2,035,607)	(1,961,163)
Other operating income		8,945	2,554
Operating profit	3	28,533	47,373
Income from investments	4	15,369	18,598
Realised gain on sale of investments		29,652	130,106
Net interest on pension scheme	5	43,000	40,000
Profit on ordinary activities before taxation		116,554	236,077
Taxation	7	13,825	(13,069)
Profit for the financial year	13	130,379	223,008

The profit for the year arose from the Council's continuing activities.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 30 September 2015

	Notes	2015 £	2014 £
Profit for the financial year		130,379	223,008
Unrealised gain/(loss) on investments	9	4,990	(94,220)
Actuarial (loss) on pension scheme	18	(137,000)	(658,000)
Total gains and losses since the last financial report		(1,631)	(529,212)

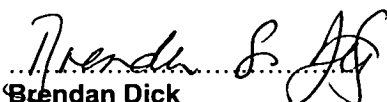
BALANCE SHEET

At 30 September 2015

	Notes	2015 £	2014 £
Fixed Assets			
Tangible Assets	8	60,402	56,549
Investments	9	869,155	900,899
		<u>929,557</u>	<u>957,448</u>
Current Assets			
Debtors	10	142,444	252,698
Cash at Bank and in Hand	15	153,613	371,720
		<u>296,057</u>	<u>624,418</u>
Creditors: Amounts falling due within one year	11	<u>(651,572)</u>	<u>(848,567)</u>
Net Current Liabilities excluding pension liability		(355,515)	(224,149)
Pension Liability	18	(506,317)	(669,969)
Provision for Liabilities and Charges	12	<u>(6,026)</u>	<u>-</u>
Total Assets		<u>61,699</u>	<u>63,330</u>
Revenue Reserve	13	(72,130)	(65,509)
Revaluation Reserve	13	133,829	128,839
		<u>61,699</u>	<u>63,330</u>

The financial statements were approved by the Board and authorised for issue on

28th January 2016


Brendan Dick
Chairman of the Board

Company Number: SC24724

CASHFLOW STATEMENT

For the year ended 30 September 2015

	Notes	2015		2014	
		£	£	£	£
Net Cash (Outflow)/Inflow from Operating Activities	14		(264,535)		99,839
Return on Investments					
Interest Received		101		101	
Dividends Received		<u>15,268</u>		<u>18,497</u>	
Net Cash Inflow from Returns on Investments			15,369		18,598
Taxation					
UK Corporation Tax Paid			(13,005)		346
Capital Expenditure and Financial Investment					
Purchase of Tangible Fixed Assets		(22,322)		(17,478)	
Purchase of Investments		(96,536)		(307,000)	
Sale of investments		99,581		360,034	
Movement in Investment Cash		<u>63,341</u>		<u>(64,942)</u>	
Net Cash Outflow from Capital Expenditure and Financial Investment			<u>44,064</u>		<u>(29,386)</u>
(Decrease)/Increase in Cash	15		<u>(218,107)</u>		<u>89,397</u>

The accompanying Accounting Policies and Notes form an integral part of these financial statements.

Notes to the Financial Statements for the year ended 30 September 2015

1 Accounting Policies

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice) under the historical cost convention except that investments are stated at market value. The principal accounting policies of the Council are set out below. The policies have remained unchanged from the previous year.

- (a) The directors have considered the applicability of the going concern basis in the preparation of these financial statements. This included the review of internal budgets and financial results. The directors have a reasonable expectation that the company has adequate resources to continue in operation for the foreseeable future. For this reason they have adopted the going concern basis in the preparation of the financial statements.
- (b) Financial instruments are classified and accounted for according to the substance of the contractual arrangement as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.
- (c) Depreciation is calculated to write down the cost of all tangible fixed assets by equal annual instalments over their expected useful lives. The rates generally applicable are:

Furniture & Fittings	10%/15%
IT Equipment	20%/25%/50%

- (d) Subscriptions are received throughout the financial year and are credited to the Profit and Loss account when received.
- (e) Project Activities are accounted for when the related administration has been completed.
- (f) Investment Income comprises interest and dividends on listed and unlisted investments received and receivable.
- (g) Deferred tax is recognised on all timing differences where the transactions or events that give the Council an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax on defined benefit pension scheme surpluses or deficits is adjusted against these balances where appropriate. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.
- (h) Fixed Asset Investments are included at market value.
- (i) All leases are operating leases and the total payments made under them are charged to the Income and Expenditure account on a straight line basis over the lease term.
- (j) Contributions to Pension Funds: the Council operates a defined benefits pension scheme under which contributions by employees and the Council are administered by trustees in a fund which has no connection with the Council's assets. The defined benefits pension scheme was closed to the accrual of further employee contributions at 31 December 2004. The Council will continue to make contributions. The Council implemented a Stakeholder pension scheme from 1 January 2005 under which contributions by employees and the Council are paid. The annual Council contributions payable are charged to the Income and Expenditure account. The

Notes to the Financial Statements for the year ended 30 September 2015 (continued)

- (k) Council has fully adopted the accounting and disclosure requirements of FRS17 Retirement Benefits (see note 18).
- (l) Provision is made for liabilities arising in respect of expected dilapidation claims on premises leased by the Council.

2 Turnover

The turnover is attributable to the principal activity, which is making representations to Government and others regarding matters of public policy and also includes event and project income.

3 Operating profit

	2015 £	2014 £
This is stated after charging:		
Auditors' Remuneration	5,065	4,870
Auditors' Remuneration – other fees, for taxation services	2,320	2,025
Operating Lease Rentals:		
Property	47,228	47,654
Motor Vehicles & Equipment	12,337	14,214
Depreciation Tangible Fixed Assets:		
Furniture and Fittings	6,917	6,815
IT Equipment	11,552	9,510

4 Income from Investments

	2015 £	2014 £
From Fixed Asset Investments – Listed	15,268	18,497
From Current Asset Investment – Bank Interest	101	101
	<u>15,369</u>	<u>18,598</u>

5 Net interest on Pension Scheme

	2015 £	2014 £
Expected return on pension scheme assets	274,000	270,000
Interest costs on pension scheme liabilities	(231,000)	(230,000)
	<u>43,000</u>	<u>40,000</u>

**Notes to the Financial Statements
for the year ended 30 September 2015 (continued)**

6 Staff Costs

	2015			2014
	Total	Charged to projects	Net staff Costs	
	£	£	£	£
Salaries	972,764	269,198	703,566	717,730
Social Security Costs	107,539	25,676	81,863	84,669
Professional Fees	19,524	-	19,524	16,979
Pension Costs – defined contributions scheme	63,763	11,839	51,924	49,325
Pension Costs – defined benefits scheme	40,000	-	40,000	40,000
	<u>1,203,590</u>	<u>306,713</u>	<u>896,877</u>	<u>908,703</u>

The average monthly number of employees, excluding secondees but including contract staff was as follows. The figures are expressed as full-time equivalents:

	2015	2014
Office and Management	<u>25</u>	<u>22</u>

Notes to the Financial Statements for the year ended 30 September 2015 (continued)

7 Taxation on Profit on Ordinary Activities

In accordance with an agreement with HM Revenue & Customs, Corporation Tax is payable on:

- (a) Interest received on Investments and Dividends from non UK sources
- (b) Net Rental Income, and
- (c) A proportion of any surplus subscription and other income over expenditure.

	2015 £	2014 £
The tax charge is based on the result of the year and represents:		
Corporation Tax at 20.50% (2014 – 22.00%)	(13,415)	13,415
Adjustment for prior year	(410)	(346)
	<u>(£13,825)</u>	<u>13,069</u>

FRS 19 Reconciliation of current tax charge

	2015 £	2014 £
Profit on ordinary activities before tax	<u>116,554</u>	<u>236,077</u>
Tax on Profit on ordinary activities at standard corporation tax in the UK of 20.50% (2014 – 22.00%)	23,892	51,930
<i>Effects of:</i>		
Fixed asset differences	135	110
Expenses not deductible for tax purposes	2,435	1,114
Income not taxable for tax purposes	(6,078)	(26,021)
Adjustments to brought forward values	205	-
Amounts (charged)/credited directly to STRGL or otherwise Transferred	(28,015)	(131,518)
Losses carried back	13,749	-
Exempt dividend income	(1,213)	(1,734)
Chargeable gains/losses	4,762	20,191
Adjustments to tax charge in respect of previous periods	(13,415)	-
Capital allowances in excess of depreciation	(1,145)	58
Defined benefit scheme timing differences	(33,823)	104,000
Unrelieved tax losses and other deductions arising in the period	25,095	-
Other timing differences	1	(4,715)
	<u>(13,415)</u>	<u>13,415</u>

The Council has trading losses of £707,013 (2014: £584,588) and capital losses of £nil (2014: £nil) available for carry forward against future trading profits and capital gains respectively. The deferred tax asset arising from these losses of £234,155 (2014: £243,787) has not been recognised on the grounds that it may take some time for the losses to be relieved and, as such, the recoverability of the asset is considered relatively uncertain. If these losses are relieved in the future then the asset will be recovered.

Notes to the Financial Statements for the year ended 30 September 2015 (continued)

8 Tangible Fixed Assets

	Furniture and equipment £
Cost	
At 1 October 2014	109,324
Additions	<u>22,322</u>
At 30 September 2015	<u>131,646</u>
Depreciation	
At 1 October 2014	52,775
Charge for the year	<u>18,469</u>
At 30 September 2015	<u>71,244</u>
Net Book Amount at 30 September 2015	<u>60,402</u>
Net Book Amount at 30 September 2014	<u>56,549</u>

9 Fixed Asset Investments

	UK Listed Investments £	Cash £	Total £
Market value			
At 1 October 2014	800,641	100,258	900,899
Additions at cost	96,536	-	96,536
Disposals at opening market value	(69,929)	-	(69,929)
Cash outflow	-	(63,341)	(63,341)
Revaluation	<u>4,990</u>	<u>-</u>	<u>4,990</u>
Market Value at 30 September 2015	<u>832,238</u>	<u>36,917</u>	<u>869,155</u>
Market Value at 30 September 2014	<u>800,641</u>	<u>100,258</u>	<u>900,899</u>

Notes to the Financial Statements for the year ended 30 September 2015 (continued)

10 Debtors

	2015 £	2014 £
Trade Debtors	105,274	218,849
Other Debtors (see below)	4,891	15,195
Corporation Tax Debtor	13,415	-
Other Prepayments and Accrued Income	18,864	18,654
	<u>142,444</u>	<u>252,698</u>

Other Debtors includes expenditure in respect of current Trade and Membership related projects of £4,891 (2014 - £15,195). The ultimate surplus on these projects will be transferred to the Income and Expenditure account when the related administration has been completed.

11 Creditors: Amounts falling due within one year

	2015 £	2014 £
Trade Creditors	25,474	50,272
Social Security and Other Taxes	34,405	37,481
Other Creditors (see below)	553,625	666,031
Accruals	38,068	94,783
	<u>651,572</u>	<u>848,567</u>

Other creditors represent advance income received in respect of Trade and Membership related projects of £553,625 (2014 - £666,031). The ultimate surplus on these projects will be transferred to the Income and Expenditure account when the related administration has been completed.

12 Provision for Liabilities and Charges

	Building Maintenance Provision £
At 1 October 2014	-
Provided during the year	6,026
Dilapidation Costs Paid	-
At 30 September 2015	<u>6,026</u>

13 Reserves

	Revenue Reserve £	Revaluation Reserve £	Total £
At 1 October 2014	(65,509)	128,839	63,330
Actuarial loss (recognised through STRGL)	(137,000)	-	(137,000)
Surplus for year	130,379	-	130,379
Revaluation of fixed asset investments	-	4,990	4,990
At 30 September 2015	<u>(72,130)</u>	<u>133,829</u>	<u>61,699</u>

Notes to the Financial Statements for the year ended 30 September 2015 (continued)

14 Reconciliation of Operational Surplus to Net Cash Outflow from Operating Activities

	2015 £	2014 £
Operating profit/(loss)	28,533	47,373
Depreciation	18,469	16,325
Decrease/(increase) in Debtors	123,668	(157,307)
(Decrease)/increase in Creditors	(183,581)	300,600
Net pension charge less contributions paid	(257,650)	(97,652)
Increase(decrease) on Provision for Liabilities and Charges	6,026	(9,500)
Net Cash (Outflow)/inflow from Operating Activities	<u>(264,535)</u>	<u>99,839</u>

15 Analysis of Changes in Net Funds

	At 01/10/13 £	Cash Flow £	At 01/10/14 £	Cash Flow £	At 30/09/15 £
Cash at bank and in hand	282,323	89,397	371,720	(218,107)	153,613
	<u>282,323</u>	<u>89,397</u>	<u>371,720</u>	<u>(218,107)</u>	<u>153,613</u>

16 Capital Commitments

The Council had no capital commitments at 30 September 2015 (30 September 2014 – nil).

17 Related Party Transactions

During the year the Council was charged £100 (2014 – £1,345) by Eglinton, a Company related by Common Directors for the provision of staff training. The balance due to Eglinton as at the year-end was £nil.

No other transactions with related parties were undertaken such as required to be disclosed under Financial Reporting Standard 8.

18 Pension Commitments

The Council operates a defined benefit pension scheme for the benefit of the employees. This scheme was closed to the accrual of future benefits on 31 December 2004. The assets of the scheme are administered by trustees in a fund independent from the assets of the Council. Costs and liabilities of the scheme are based on actuarial valuations. The latest full actuarial valuation, using the projected unit method of funding, was carried out at 30 September 2013. At 30 September 2013 the scheme was 75% funded. The deficiency at 30 September 2013 of £1,719,000 is being addressed by the Council contributions agreed with the trustees with a view to recovery within 8 years.

Notes to the Financial Statements for the year ended 30 September 2015 (continued)

18 Pension Commitments (continued)

Scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at appropriate high quality corporate bond rates.

The net surplus or deficit is presented separately from other assets on the balance sheet. A net surplus is recognised only to the extent that it is recoverable by the Council.

The current service cost and costs from settlements and curtailments are charged against operating profit. Interest on the scheme liabilities and the expected return on scheme assets are included as either net interest on pension scheme or other net finance costs. Actuarial gains and losses are reported in the statement of total recognised gains and losses. The pension cost charge for the year in respect of the defined benefits scheme is £40,000 (2014 - £40,000) (see note 6). For the financial year 2014-2015 the cash contribution from the Council for the defined benefit scheme was £297,650 (2014-£137,652), which has been agreed by the directors, the trustees and the actuary.

The directors have obtained the information required under FRS17 from the scheme's actuary based on an update of the most recent actuarial valuation completed as at 30 September 2015.

The 30 September 2015 mortality assumptions are based on members' individual year of birth and produce a life expectancy of 89 years for a male aged 65, and for a male currently aged 45 the life expectancy once they reach 65 is assumed to be 90. An increase in life expectancy of 1 year would increase the liabilities by approximately 3%.

The expected return on assets is based on the long term expectation of the total return for each asset class assuming they are held to redemption (with the exception of corporate bonds which have an expected return in line with the discount rate) at the beginning of the period (i.e. at 30 September 2015 for the year to 30 September 2016).

The assumptions used by the actuary following instruction from the company as at 30 September 2015 were:

	2015	2014
	%	%
Rate of increase for pensions in payment accrued before 5 April 1997	3.00	3.00
Rate of increase for pensions in payment accrued after 5 April 1997	2.20	2.30
Discount rate	3.80	3.85
Inflation (RPI)	3.20	3.30
Inflation (CPI)	2.20	2.30
Increases to deferred pensions before 1 November 2003	5.00	5.00
Increases to deferred pensions after 1 November 2003	2.20	2.30

Notes to the Financial Statements for the year ended 30 September 2015 (continued)

18 Pension Commitments (continued)

The assets in the scheme and the expected long-term rate of return were:

	Rate of Return %	2015 £,000	Rate of Return %	2014 £,000
Equities	n/a	2,674	6.50	2,715
Corporate Bonds	n/a	1,412	3.75	1,367
Bonds	n/a	1,181	3.20	978
Property	n/a	308	4.60	249
Cash	n/a	20	3.40	79
Total market value of assets	n/a	5,595	5.06	5,388
Present value of scheme liabilities		6,101		6,057
(Deficit) in the scheme		(506)		(669)
Net pension (liability)		(506)		(669)

The major categories of plan asset, as a percentage of total plan assets are as follows:

	2015 %	2014 %
Equities	48	50
Corporate Bonds	25	25
Bonds	21	18
Property	5	5
Cash	0	1

Changes in the present value of the defined benefit obligation are as follows:

	2015 £,000	2014 £,000
Movement in the defined benefits obligation		
At start of year	(6,057)	(5,246)
Current service cost	(40)	(40)
Interest cost	(231)	(229)
Actuarial gain/(loss)	(28)	(660)
Benefits paid	255	118
	(6,101)	(6,057)

Notes to the Financial Statements for the year ended 30 September 2015 (continued)

18 Pension Commitments (continued)

	2015 £,000	2014 £,000
Movement in the fair value of the scheme assets		
At start of year	5,388	5,096
Expected return on scheme assets	274	270
Contributions	298	138
Actuarial (loss)/gain	(109)	2
Benefits paid	(256)	(118)
Closing fair value of the scheme assets at 30 September 2015	<u>5,595</u>	<u>5,388</u>

The estimated value of employer contributions for the year ending 30 September 2016 is £147,650.

Amounts for the current and previous four periods are as follows:

	2015 £,000	2014 £,000	2013 £,000	2012 £,000	2011 £,000
Fair value of plan assets at 30 September	5,595	5,388	5,096	4,638	4,133
Present value of Defined Benefit Obligation at 30 September	(6,101)	(6,057)	(5,246)	(5,030)	(4,461)
(Deficit)/Surplus in the Plan	(506)	(669)	(150)	(392)	(328)
Experience adjustments arising on plan liabilities	(50)	5	(5)	54	-
Experience adjustments arising on plan assets	(109)	2	265	305	(290)

Notes to the Financial Statements for the year ended 30 September 2015 (continued)

18 Pension Commitments (continued)

The movement in the deficit during the year on implementation of FRS17 has been reflected in the financial statements as follows:

	2015 £,000	2014 £,000
(a) Amount charged to operating profit		
Current service costs and other outgoings	<u>40</u>	<u>40</u>
(b) Amount charged to other financial income		
Expected returns on pension scheme assets	274	270
Interest cost on pension scheme liabilities	<u>(231)</u>	<u>(230)</u>
Net return	<u>43</u>	<u>40</u>
(c) Amount recognised in the Statement of Total Recognised Gains and Losses		
Actual returns less expected returns on pension scheme assets	(109)	2
	-	-
Experienced gains and losses on pension scheme assets		
Changes in assumptions underlying the scheme liabilities	<u>(28)</u>	<u>(660)</u>
Actuarial (loss)/gain in the STRGL	<u>(137)</u>	<u>(658)</u>

The cumulative actuarial losses recognised in the statement of total recognised gains and losses at 30 September 2015 was £1,633,000 (2014 - £1,496,000).

The Council also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Council in an independently administered fund. The pension cost charge represents contributions payable by the Council to the fund and amounted to £51,924 (2014: £49,325) for the year.

19 Other Financial Commitments

At 30 September 2015 the Council had gross annual commitments under non-cancellable operating leases as set out below:

	Property		Motor vehicles and equipment	
	2015 £	2014 £	2015 £	2014 £
Operating leases which expire:				
In one year or less	-	-	-	5,817
Between one and five years	49,537	48,271	9,697	3,475
In five years or more	-	-	-	-
	<u>49,537</u>	<u>48,271</u>	<u>9,697</u>	<u>9,292</u>