Marks and Spencer (Initial LP) Limited

Report and Financial Statements

For the year ended 2 April 2011

Registered Number SC315365

Marks and Spencer (Initial LP) Limited
Report and financial statements
For the year ended 2 April 2011

Report of the Directors

The directors present their report and the financial statements for the year ended 2 April 2011.

Principal activities

The Company's principal activity is an investment vehicle. The directors consider that in the conditions prevailing during the year, the development of the Company's business and its financial position at the end of the year were satisfactory. The directors do not expect any development in the Company's business in the coming year that is significantly different from its present activities.

Marks and Spencer (Initial LP) Limited is domiciled in Scotland. The Company's registered office is No. 2 Lochrin Square, 96 Fountainbridge, Edinburgh, Midlothian, EH3 9QA.

The financial statements are made up to the nearest Saturday to 31 March each year. The current financial year is the 52 weeks ended 2 April 2011 (the 'year').

Results and dividends

The Company made a profit after tax of £5 (last year £3) during the year. The directors do not recommend the payment of a dividend (last year £nil).

Directors

The directors who held office during the year were as follows:

C Constantine	
RJ Ivens	
M Bolland	Appointed 14 July 2010 Resigned 7 February 2011
I Dyson	Resigned 14 July 2010
AR Findlay	Resigned 31 January 2011
Alan Stewart	Appointed 1 November 2010

Principal risks and uncertainties

The directors of Marks and Spencer Group plc manage the Group's risk at a Group level, rather than at an individual business unit level. For this reason, the Company's directors believe that a discussion of the Company's risks would not be appropriate for an understanding of the development, performance or position of the Marks and Spencer (Initial LP) Limited business. The principal risks and uncertainties of Marks and Spencer Group plc which include those of the Company are discussed on pages 45 to 47 of the Group's annual report which does not form part of this report. Copies of the Marks and Spencer Group plc consolidated financial statements are available from the Company Secretary at Waterside House, 35 North Wharf Road, London W2 1NW or are available on the website www.marksandspencer.com.

Key performance indicators

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

Marks and Spencer (Initial LP) Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MARKS AND SPENCER (INITIAL LP) LIMITED

We have audited the financial statements of Marks and Spencer (Initial LP) Limited for the year ended 2 April 2011 which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity, the Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Respective responsibilities of directors and auditors

As explained more fully 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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 2 April 2011 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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.

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.

S Watson

Stuart Watson
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
15 June 2011

Report of the Directors continued

Statement of directors' responsibilities

The directors are responsible for preparing the Report of the Directors 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 prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Statement of disclosure of information to auditors

The directors confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware and that each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

A resolution to appoint PricewaterhouseCoopers LLP as auditors of the Company will be proposed at the next Annual General Meeting.

On behalf of the Board

RJ Ivens

RJ Ivens
Director
14 June 2011

Marks and Spencer (Initial LP) Limited
Statement of comprehensive income

	Notes	52 weeks ended 2 April 2011 £	53 weeks ended 3 April 2010 £
Revenue	2	5	5
Gross profit		5	5
Profit before tax		5	5
Income tax expense	5	-	(2)
Profit and total comprehensive income for the year attributable to shareholders		5	3

The Company has no recognised gains or losses other than those included in the Statement of comprehensive income and therefore no separate Statement of other comprehensive income has been presented.

Marks and Spencer (Initial LP) Limited
Registered Number SC315365

Marks and Spencer (Initial LP) Limited
Statement of financial position

ASSETS	Notes	As at 2 April 2011 £	As at 3 April 2010 £
Current assets			
Cash and cash equivalents		110	110
Amount receivable from another Group undertaking		20	9
Investment in another Group undertaking	6	100	100
		230	219
LIABILIITES			
Current liabilities			
Current tax liabilities		(1)	(2)
Amount payable to another Group undertaking		(7)	-
Net assets		222	217
EQUITY			
Called up share capital	7	200	200
Retained earnings		22	17
Total shareholders' equity		222	217

The financial statements on pages 4 to 12 were approved by the Board of Directors and authorised for issue on 14 June 2011.

C Constantine
Director

Marks and Spencer (Initial LP) Limited
Statement of changes in equity

	Share capital £	Retained earnings £	Total £
At 29 March 2009	200	14	214
Profit for the year attributable to shareholders	-	3	3
At 3 April 2010	**200**	**17**	**217**
At 4 April 2010	200	17	217
Profit for the year attributable to shareholders	-	5	5
At 2 April 2011	**200**	**22**	**222**

Marks and Spencer (Initial LP) Limited
Statement of cash flows

	52 weeks ended 2 April 2011 £	53 weeks ended 3 April 2010 £
Cash flows from operating activities		
Profit after tax	5	3
Income tax expense	-	2
Cash generated from operations	5	5
Tax paid	(1)	(3)
Net increase in intercompany receivables	(11)	(2)
Net increase in intercompany payables	7	-
Net cash inflow from operating activities	-	-
Cash and cash equivalents at beginning of year	110	110
Cash and cash equivalents at end of year	110	110

Marks and Spencer (Initial LP) Limited
Notes to the financial statements
For the year ended 2 April 2011

1 ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, International Financial Reporting Interpretations Committee (IFRIC) interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRSs.

The following IFRSs, IFRIC interpretations and amendments are effective for this accounting period but are not considered to be relevant to the Company's current activities and operations;

IAS 32 – 'Financial instruments: Presentation

The following IFRSs, IFRIC interpretations and amendments have been issued but are not yet effective and have not been early adopted by the Company;

IAS 24 (Revised 2009) – 'Related party disclosures'
IFRIC 19 – 'Extinguishing financial liabilities with equity instruments'

A summary of the Company's significant accounting policies adopted is given below:

Accounting convention

The financial statements are drawn up on the historical cost basis of accounting, except as disclosed in the accounting policies set out below.

Revenue

Revenue represents the Company's entitlement to income profits from a fellow Group undertaking which is recognised on an accruals basis. The annual allocation of income profits is equal to 5% of the capital contribution made by the Company to Marks and Spencer Scottish Limited Partnership.

Taxation

Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the balance sheet date.

Tax is recognised in the income statement, except to the extent it relates to items recognised in other comprehensive income or directly in equity, in which case the related tax is also recognised in other comprehensive income or directly in equity.

Investments in other Group undertakings

Investments in other Group undertakings are classified as available for sale financial assets. They are initially measured at cost, including transactions costs, and subsequently at fair value. Gains or losses arising from changes in fair value are recognised directly in equity, until the asset is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the net profit or loss for the period.

Share capital

Ordinary shares are classified as equity.

1 ACCOUNTING POLICIES continued

Financial Instruments

Financial assets
Loans to other Group undertakings and all other receivables are non-derivative financial assets, initially recognised at fair value, then subsequently carried at amortised cost. All receivables from other Group undertakings are not considered to be overdue or impaired.

Financial liabilities
Loans from other Group undertakings and all other payables are initially recorded at fair value, which is generally the proceeds received. They are then subsequently carried at amortised cost. All payables to other Group undertakings are repayable on demand.

Financial risk management
Interest rate risk
The Company has no exposure to interest rate fluctuations as it has no interest-bearing loans.

Liquidity risk
The Company's exposure to liquidity risk is managed by funding cash flow requirements from the parent company.

Credit risk
The Company's exposure to credit risk is limited to amounts receivable from and payable to other Group undertakings.

Fair value estimation
The fair values of receivables and payables are approximate to their book values.

Capital risk management
The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide optimal return for shareholders.

2 REVENUE

	52 weeks ended 2 April 2011 £	53 weeks ended 3 April 2010 £
Income profits from another Group undertaking	5	5

3 DIRECTORS' EMOLUMENTS AND EMPLOYEE INFORMATION
The Company had no employees during the year (last year nil). No director received emoluments in respect of their services to the Company during the year (last year £nil).

4 PROFIT BEFORE TAX

Auditors' remuneration of £3,000 (last year £3,000) in respect of the Company's annual audit has been borne by Marks and Spencer plc in the current and prior years.

5 INCOME TAX EXPENSE

A Tax charge

	52 weeks ended 2 April 2011 £	53 weeks ended 3 April 2010 £
UK Corporation tax at 28% (last year 28%)		
- current year	1	2
- prior year	(1)	-
Total current tax	-	2
Total income tax expense	-	2

On 23 March 2011, the Chancellor of the Exchequer announced a number of changes to the UK corporation tax system, including a reduction of the main rate of corporation tax from 28% to 26% with effect from 1 April 2011. This change of rate became substantively enacted for the purposes of *IAS12 Income Taxes* on 29 March 2011 when the House of Commons passed a resolution in respect of it under the Provisional Collection of Taxes Act 1968.

B Tax reconciliation

The tax on the Company's loss before tax differs from the amount that would arise by applying the current UK tax rate to profits of the Company as follows:

	52 weeks ended 2 April 2011 £	53 weeks ended 3 April 2010 £
Profit before tax	5	5
Tax at the standard UK rate of 28% (last year 28%)	1	2
Adjustments in respect of prior years	(1)	-
Total income tax expense	-	2

6 INVESTMENT IN ANOTHER GROUP UNDERTAKING

	As at 2 April 2011 £	As at 3 April 2010 £
Cost and net book value		
At the start and end of the year	100	100

The investment of £100 is in Marks and Spencer Scottish Limited Partnership, a partnership registered in Scotland and represents the Company's capital in its capacity as a Limited Partner.

7 SHARE CAPITAL

	As at 2 April 2011 £	As at 3 April 2010 £
Allotted, called up and fully paid		
200 ordinary shares of £1	200	200

8 RELATED PARTY DISCLOSURES

During the year the Company had the following related party transactions and balances.

	52 weeks ended 2 April 2011 £	52 weeks ended 3 April 2010 £
Transactions:		
Income profits from another Group undertaking	5	5

	As at 2 April 2011 £	As at 3 April 2010 £
Balances:		
Current accounts receivable from other Group undertakings	20	9
Current accounts payable to other Group undertakings	(7)	-
Investment in another Group undertaking	100	100

There were no other transactions with related parties.

All current account balances are non-interest bearing.

9 ULTIMATE PARENT COMPANY

The immediate parent undertaking is Marks and Spencer plc which is the smallest group to consolidate these financial statements. The ultimate parent undertaking and controlling party is Marks and Spencer Group plc, a company registered in England and Wales, which is the parent undertaking of the largest group to consolidate these financial statements. Copies of the Marks and Spencer Group plc consolidated financial statements can be obtained from the Company Secretary at Waterside House, 35 North Wharf Road, London W2 1NW.

CALMAN TRUST
NOTES TO THE ACCOUNTS
For the year ended 31st March 2011

2 SUMMARY OF ACTIVITIES FOR THE CHARITY ONLY

	General Fund	Restricted Funds	Total Funds Y/E 31/03/11	Total Funds Y/E 31/03/10
	£	£	£	£
Incoming Resources				
Incoming resources from generated funds				
Voluntary income	589,609	97,994	687,603	785,597
Investment income	5,152	-	5,152	5,152
Incoming resources from charitable activities	279,293	-	279,293	279,293
Total Incoming Resources	874,054	97,994	972,048	1,070,042
Resources Expended				
Charitable activities	855,163	107,454	962,618	1,070,072
Governance costs	4,200	-	4,200	4,200
Total Resources Expended	859,363	107,454	966,818	1,074,272
Net Incoming / (Outgoing) Resources for the year	14,691	(9,460)	5,230	(4,230)
Transfers (to)/from Restricted Funds	-	-	-	-
Total funds brought forward	157,068	676,869	833,937	1,510,806
Total funds carried forward	171,759	667,409	839,167	1,506,576

3 INCOMING RESOURCES & RESOURCES EXPENDED FOR GENERATING FUNDS

The charity is the 100% shareholder in Calman Enterprise Ltd a trading company which runs enterprise business activities in order to generate funds for the charity a summary of the trading for the period ending 31/3/2011 is shown below. Calman Trust and Calman Enterprise Ltd make up the group shown in the consolidated accounts

	Y/E 31/03/11	Y/E 31/03/10
	£	£
Income	56,658	-
Less - Cost of Sales	24,571	-
Gross Profit	32,087	-
Distribution Costs	555	-
Administration Costs	31,512	-
Net Profit	20	-

Calman Enterprise Ltd is registered for VAT and as such the above figures are shown net of VAT

4 VOLUNTARY INCOME

For Charity & Group

	General Fund £	Restricted Funds £	Total Funds Y/E 31/03/11 £	Total Funds Y/E 31/03/10 £
Grants & Donations Housing Support	34,454	-	34,454	336
Grants & Donations Training Activities	555,155	97,994	653,149	1,017,179
Other Voluntary Income	-	-	-	220
	589,609	97,994	687,603	1,017,735

5 INVESTMENT INCOME

For Charity

	General Fund £	Restricted Funds £	Total Funds Y/E 31/03/11 £	Total Funds Y/E 31/03/10 £
Bank Interest	152	-	152	1,106
Rental Income	5,000	-	5,000	-
	5,152	-	5,152	1,106

INVESTMENT INCOME

For Group

	General Fund £	Restricted Funds £	Total Funds Y/E 31/03/11 £	Total Funds Y/E 31/03/10 £
Bank Interest	152	-	152	1,106
	152	-	152	1,106

6 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

For Charity & Group

	General Fund £	Restricted Funds £	Total Funds Y/E 31/03/11 £	Total Funds Y/E 31/03/10 £
Housing Support Services Provision	241,493	-	241,493	241,493
Training Enterprise Sales	37,800	-	37,800	7,797
	279,293	-	279,293	249,290

7 CHARITABLE ACTIVITIES

For Charity & Group

	General Fund £	Restricted Funds £	Total Funds Y/E 31/03/11 £	Total Funds Y/E 31/03/10 £
Staff Costs	553,533	39,786	593,319	367,587
Direct Costs	197,472	11,673	209,145	102,806
Depreciation	-	48,687	48,687	23,354
Support costs **(note 10)**	104,158	7,308	111,466	119,764
	855,163	107,454	962,617	613,511

	Staff Costs	Direct Costs	Depn	Support Costs	Total Funds Y/E 31/03/11	Total Funds Y/E 31/03/10
Housing Support	163,228	28,880	-	29,522	221,629	260,862
Training Activities	430,092	180,265	48,687	81,944	740,988	352,649
	593,319	209,145	48,687	111,466	962,618	613,511

8 GOVERNANCE COSTS

For Charity & Group

	General Fund £	Restricted Funds £	Total Funds Y/E 31/03/11 £	Total Funds Y/E 31/03/10 £
Audit fee	4,200	-	4,200	4,760
Directors Meeting Expenses	-	-	-	280
Other Professional & Legal Fees	-	-	-	15
	4,200	-	4,200	5,055

CALMAN TRUST
NOTES TO THE ACCOUNTS
For the year ended to 31st March 2011

9 STAFF COSTS	Y/E 31/03/11	Y/E 31/03/10
For Group & Charity	£	£
Wages & salaries	612,386	405,213
Social security costs	45,821	32,798
Pension costs	19,439	20,729
	677,647	458,740

No employee earned £50,000 p.a. or more

The average number of employees, (full time equivalent based on 35 hour week) analysed by function, was:

Housing Project	8.0	8.3
Training	27.4	8.5
Support	2.0	2.0
	37.4	18.8

10 SUPPORT COSTS	Total Funds Y/E 31/03/11	Total Funds Y/E 31/03/10
For Group & Charity	£	£
Staff Costs	84,327	91,153
Training Costs	-	15
Rent & Rates	6,497	10,406
Telephone	864	449
Printing, stationery and post	821	823
Travel Costs	262	3,244
Property Maintenance, Utilities & Cleaning	767	1,015
Repairs & Renewals	147	1,160
Subscriptions	1,986	1,111
Advertising	240	130
Professional Fees	11,829	5,743
Insurances	574	458
Conferences & Catering	697	739
Depreciation	2,299	2,693
Bank charges	156	625
	111,466	119,764

11 TANGIBLE FIXED ASSETS - Charity	Freehold Property	Leasehold Improvements	Motor Vehicles	Computer Equipment	Furniture & equipment	Total
	£	£	£	£	£	£
COST/VALUATION						
Total at 1 April 2010	511,236	26,401	21,735	30,724	31,923	622,019
Acquisitions during year	201,387	10,950	-	1,173	4,223	217,733
Total at 31 March 2011	712,623	37,351	21,735	31,897	36,146	839,752
DEPRECIATION						
Total at 1 April 2010	6,390	17,161	11,937	26,485	16,844	78,817
Provision for Year	31,436	6,828	2,449	3,434	6,839	50,986
Total at 31 March 2011	37,826	23,989	14,386	29,919	23,683	129,803
NET BOOK VALUES						
At 31 March 2011	674,797	13,362	7,349	1,978	12,463	709,949
At 31 March 2010	504,846	9,240	9,798	4,239	15,079	543,202

CALMAN TRUST
NOTES TO THE ACCOUNTS
For the year ended to 31st March 2011

12 TANGIBLE FIXED ASSETS - Group	Freehold Property	Leasehold Improvements	Motor Vehicles	Computer Equipment	Furniture & equipment	Total
	£	£	£	£	£	£
COST/VALUATION						
Total at 1 April 2010	511,236	26,401	21,735	30,724	31,923	622,019
Acquisitions during year	201,387	10,950	-	1,173	94,065	307,575
Total at 31 March 2011	712,623	37,351	21,735	31,897	125,988	929,594
DEPRECIATION						
Total at 1 April 2010	6,390	17,161	11,937	26,485	16,844	78,817
Provision for Year	31,436	6,828	2,449	3,434	16,569	60,716
Total at 31 March 2011	37,826	23,989	14,386	29,919	33,413	139,533
NET BOOK VALUES						
At 31 March 2011	674,797	13,362	7,349	1,978	92,575	790,061
At 31 March 2010	504,846	9,240	9,798	4,239	15,079	543,202

13 DEBTORS	CHARITY 31/03/11	CHARITY 31/03/10	GROUP 31/03/11	GROUP 31/03/10
	£	£	£	£
Accounts Receivable	126,200	64,960	19,317	64,960
Prepayments and accrued income	104,259	57,491	120,522	57,491
	230,459	122,451	139,839	122,451

14 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	31/03/11	31/03/10	31/03/11	31/03/10
	£	£	£	£
Accounts Payable	28,028	12,136	39,609	12,136
Deferred Income (note 17)	82,413	-	82,413	-
Other Creditors & Accruals	24,620	23,930	25,620	23,930
Term Loan due within 1 year	6,559	6,559	6,559	6,559
	141,620	42,625	154,201	42,625

15 CREDITORS - AMOUNTS FALLING DUE IN MORE THAN ONE YEAR	31/03/11	31/03/10	31/03/11	31/03/10
	£	£	£	£
Term Loan Payable in 2-5 Years	28,689	28,689	28,689	28,689
Term Loan Payable in more than 5 Years	128,634	129,221	128,634	129,221
	157,323	157,910	157,323	157,910

16 CREDITORS - SECURED CREDITORS

The above term loans included in Creditors due within one year and due in more than one year are secured upon the property owned by the company by way of second standard security agreed with the lender. Additional security has been granted to Big Lottery Funds over the property which only activates if grant conditions are found to be in default. Both these charges have been registered with Companies House.

17 DEFERRED INCOME

Balance at 1 April 2010	-
Highland Council 2011/2012 Funding received March 2011	82,413
Balance as 31 March 2011	82,413

CALMAN TRUST
NOTES TO THE ACCOUNTS
For the year ended to 31st March 2011

18 UNRESTRICTED FUNDS - Group

	General Fund	Designated Fund	Total Funds Y/E 31/03/11	Total Funds Y/E 31/03/10
	£	£	£	£
Incoming Resources	874,054	-	874,054	576,206
Resources expended	(859,363)	-	(859,363)	(560,360)
	14,691	-	14,691	15,846
Transfers				
to/from designated/restricted funds	-	-	-	(11,343)
	14,691	-	14,691	4,503
Balances, brought forward at 1 April 2010	57,068	100,000	157,068	152,565
Balances, carried forward at 31 March 2011	71,759	100,000	171,759	157,068

Designated Fund:-
The designated fund has been set aside by the trustees toward the future pension liability of £259,545 as discussed in note 23.

19 RESTRICTED FUNDS

Group & Charity	Incoming Resources	Outgoing Resources	Transfers to/from Funds	Net Movement in Fund	Bfwd Balance @ 1 April	Cfwd Balance @ 31 March
	£	£	£	£	£	£
Financial Inclusion	24,961	(14,950)	-	10,011	-	10,011
Dove Project	-	-	(23,261)	(23,261)	23,261	-
Arts Project	26,000	(30,671)	23,261	18,590	-	18,590
Digital Media	47,033	(13,146)	-	33,887	8,000	41,887
Big Lottery Fund	-	(16,500)	-	(16,500)	330,000	313,500
Other Capital Funds	-	(32,187)	-	(32,187)	315,608	283,421
Total Y/E 31/3/2011	97,994	(107,454)	-	(9,460)	676,869	667,409
Total Y/E 31/3/2010	691,925	(58,206)	11,343	645,062	31,806	676,868

Transfers from general funds have been made to cover the start up costs of staffing new projects as agreed by the directors.

20 TAXATION

The trust is a registered charity and as such is not liable to direct taxation. The Company is not registered for VAT and therefore these costs are included within the relevant expenses.

Subsequent to the year end the charity has registered for VAT with regard to the property which is to be let out to a wholly owned subsidiary of the charity incorporated after the year end. This may result in VAT being recoverable on the purchase of the property and other related capitalised assets within these accounts. Any VAT recoverable will be subject to a partial exemption to be negotiated with HM Revenue & Customs. As the negotiations have yet to be concluded the amount of VAT recoverable is unknown and as such no adjustments have been made to the figures in these accounts.

21 DIRECTORS/TRUSTEES REMUNERATION

No remuneration is paid to Directors/Trustees. Expenses incurred by trustees related to attending board meetings are reimbursed on presentation of an expenses claim under the Charity's usual procedures. The total amount of expenses paid was £nil (2010 £280).

22 ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds
	£	£	£	£
Tangible Fixed Assets	(19,789)	-	809,850	790,061
Cash and Bank	105,829	100,000	10,020	215,849
Other Net Assets/Liabilities	(9,400)	-	-	(9,400)
Creditors Due more than 1 Year	-	-	(152,461)	(152,461)
Total Y/E 31/3/2011	76,640	100,000	667,409	844,049

23 PENSION SCHEMES

General
Calman Trust participates in three pension schemes, a defined contribution scheme which is currently open to new employees and in the CARE Pension Scheme (CARE) and SFHA Pension Scheme (SFHA) both of which are now closed to new entrants.

CARE and SFHA are multi employer defined benefit schemes. The Schemes are funded and are contracted out of the state scheme.

CARE Pension Scheme

The main benefits provided by the Scheme are:

A pension of one-eightieth of the member's career average revalued earnings for each year (and months proportionately) of pensionable service.

Employers pay contributions at the rate of 10% of earnings and members pay contributions based on an age-related scale (equal to age divided by ten).

The Trustee commissions an actuarial valuation of this Scheme every 3 years. 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. Assets 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.

A defined contribution (DC) section of the Scheme has been made available from 1 April 2011. For members in the DC section of the Scheme, employers pay contributions at the rate of 8.5% of earnings and members pay contributions based on an age-related scale (equal to age divided by ten minus one.

As at the balance sheet date there were 5 active members of the Scheme employed by Calman Trust Ltd. The annual pensionable payroll in respect of these members was £124,356. Calman Trust Ltd closed the Scheme to new entrants.

During the accounting period Calman Trust Ltd paid contributions to the CARE Scheme at the rate of 10%.

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The scheme is a multi employer scheme, where the assets are co-mingled for investment purposed, and benefits are paid out of total scheme assets. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS 17 represents the employer contribution payable.

The last formal valuation of the CARE Scheme was performed as at 30 September 2007 by a professionally qualified actuary using the "projected unit" method. The market value of the Scheme's assets at the valuation date was £10.9 million. The valuation revealed a surplus of assets compared to liabilities of £1.5m, equivalent to a past service funding level of 116%.

The financial assumptions underlying the valuation as at 30 September 2007 were as follows:

% pa
- Rate of return pre retirement 6.1
- Rate of return post retirement 5.3
- Rate of pension increases pre 5 April 2005 2.9
- Rate of pension increases post 5 April 2005 2.25
- Rate of price inflation 2.9

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding of the Scheme as at 30 September 2009. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The funding update revealed an increase in the assets of the Scheme to £16.5 million and indicated an increase in the shortfall of assets compared to liabilities to approximately £2.9 million, equivalent to a past service funding level of 85%.

23 PENSION SCHEMES (continued)

The actuarial valuation as at 30 September 2010 is currently underway and is due to be finalised by 31 December 201. Full details of this valuation will be included in next years disclosure.

As a result of pension scheme legislation 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 issuer, 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.

Calman Trust Limited has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the CARE Scheme, based on the financial position of the scheme as at 30 September 2010. At this date the estimated employer debt for Calman Trust Ltd was £98,000.

SFHA Pension Scheme

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to an individual participating employer as the Scheme is a multi-employer arrangement where the assets are co-mingled for investment purposes, benefits are paid from the total Scheme assets, and the contribution rate for all employers is set by reference to the overall financial position of the Scheme rather than by reference to individual employer experience. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.

The Trustee commissions an actuarial valuation of the Scheme every three 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 last formal valuation of the Scheme was performed as at 30 September 2009 by a professionally qualified Actuary using the Projected Unit Credit method. The market value of the Scheme's assets at the valuation date was £295 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £160 million, equivalent to a past service funding level of 64.8%.

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30 September 2010. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The funding update revealed an increase in the assets of the Scheme to £335 million and indicated an increase in the shortfall of assets compared to liabilities to approximately £162 million, equivalent to a past service funding level of 67.4%.

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 buy-out 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.

23 PENSION SCHEMES (continued)

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 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.

Calman Trust Ltd has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the SFHA Pension Scheme based on the financial position of the Scheme as at 30 September 2010. As of this date the estimated employer debt for Calman Trust Ltd was £161,545.

24 OPERATING LEASES

The following operating leases are committed to be paid:

	Land & Buildings £	Other Equipment £
Expiring		
Within one year	-	240
Between two and five years	31,950	-
	31,950	240