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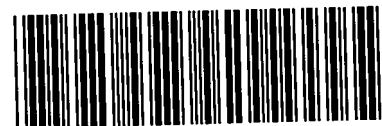
Coventry, Solihull and
Warwickshire Partnership Limited

ANNUAL REPORT AND ACCOUNTS

for the year ended

31 March 2014

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COMPANIES HOUSE

STRATEGIC REPORT

The directors present their strategic report for the year ended 31 March 2014.

BACKGROUND

2013/2014 has been a very successful year in terms of productivity, quality of service delivery and financial achievement.

The key focus for the year has been consolidation after years of continuous change and financial reductions. This report highlights the impressive service delivery, successful Ofsted inspection of the services we deliver to adults and benefits reducing of financial costs and improving productivity.

FINANCIAL REVIEW

2013/2014 was the first year in the last six where we have not restructured and reorganised to respond to financial reductions.

Our total income of £11,738,111 was in line with our income figure of the previous financial year.

Although our accommodation costs reduced in 2012/2013 we incurred additional pension costs of £395,000 relating to past deficit liabilities of the West Midlands Pension Fund.

However, despite the rising pension costs we are pleased to report a very successful year where we achieved a surplus of £752,376. This relates to excellent performance in all our contracted work, particularly our European Social Fund contract known as SURF. This was further added to by £243,538 which resulted from the agreement with HM Revenue and Customs relating to a long standing VAT issue.

Our reserves policy states that we aim to hold balance sheet reserves equivalent to three months operating costs. Operating costs continue to run at £549,000 per month thereby requiring us to grow the reserve from £795,000 to £1,647,000. Due to the surplus generated in 2013/2014 our reserve now stands at £1,569,388.

SERVICES

We demonstrated our continued high quality of service delivery as evidenced by the outcome of the Ofsted inspection of National Careers Service across the West Midlands. Ofsted graded our delivery of the National Careers Service across the West Midlands as 'Good'.

Indeed, in every area, e.g. Leadership and Management, Value for Money etc. we were graded 'Good'. Particularly pleasing were the messages in the inspection report that we have a solid platform to progress to 'Outstanding' by the time of the next inspection.

We also continued to deliver services to the most vulnerable young people and unemployed aged 16-18 across Coventry and Warwickshire through our long standing partnership agreements with the two Local Authorities.

Our marketing of services to schools across Coventry and Warwickshire and across the West Midlands has been successful and we have grown the number of schools to which we provide to just under 50.

Finally, the partnerships of organisations and agencies to secure the Big Lottery funding to help 18-24 year old long term unemployment people, led by CSWP was successful. The new project, known as Talent Match is now fully operational.

IMPACT

The Board regularly reviews performance against all key work areas. The key highlights are that we again delivered everything required of us in the National Careers Service contract for the West Midlands; we achieved 106% of contracted targets.

In our other key indicators we continued to follow up and track the performance of over 30,000 young people aged 16 to 18 years old across Coventry and Warwickshire and support those who are unemployed into employment, education and/or training.

The percentage who are unemployed (commonly known as Not engaged in Employment, Education or Training – NEET) rose slightly from 4.8% to 7.4% in Coventry and from 3.6% to 5.5% in Warwickshire. This increase was in part due to an improved performance in our tracking of young people where we reduced the percentage who were 'unknown' from 17.1% to 11.3% in Warwickshire and 10.6% to 8.4% in Coventry. The average for 'unknown' was 12.6% across the West Midlands.

ORGANISATION AND FINANCES

The revenue for the year totalled £11,738,111 which is a small decline on the 2012/2013 figure of £11,751,493 which considering a reduction in Local Authority contract of £400,000 reflects a successful year in terms of generating new business.

We continue to review all central overheads and costs to ensure we are as competitive as possible.

Net assets excluding pension liability now stands at £1,569,388 which is a significant advancement compared to last year's figure of £795,012.

ADMINISTRATON POLICIES

At CSWP we are committed to providing high quality services for our clients and developing our staff. We have achieved the Investors in Excellence and Investors in People awards, and recently became the first organisation to achieve the new Matrix quality standard for information and guidance services. In addition, we are working to achieve accreditation under the ISO 9001:2008 standard.

As part of our organisation development strategy, people with disabilities are given full and fair consideration for job opportunities for which they are suitable.

We are also committed to taking practical steps to minimise our impact on the environment. We do this by encouraging our contractors, suppliers and staff to consider the environmental impact of their actions.

BOARD AND STAFF

I should like to take this opportunity to thank my fellow directors for their support during another challenging year. The management and staff are to be congratulated on their achievements against a difficult background, but which has never diminished their commitment to delivering high quality careers information and guidance services.

OUTLOOK

The last four years have seen major restructuring and re-shaping of CSWP into the confident, focussed niche careers information advice and guidance company it is.

The highly successful Ofsted inspection is further evidence of our delivery of quality services. The decision by the Skills Funding Agency to award the contract to deliver the National Careers Service to different providers with effect from 1st October 2014 will require further structural adjustment. Our planning, marketing and steady growth of new business enables this to be managed smoothly.

In addition to sub-contracted National Careers Service work, the strongly developing relationships with the Coventry and Warwickshire Local Enterprise Partnership will result in new business opportunities and our work in schools continues to grow.

Particularly exciting are the new projects we have developed and secured from private sector corporate social responsibility income.

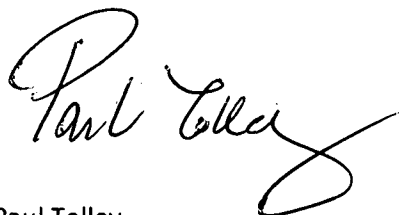
We look forward to the future with confidence and enthusiasm.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk facing the Company continues to be the uncertainty and changing priorities in public expenditure.

Our planning and strategies for developing additional business within existing customers and new and different courses of income enable us to manage this principal risk.

Furthermore, our good Ofsted inspection outcome and reputation for delivering all contractual requirements continues to promote CSWP as a company of worth going forward.

A handwritten signature in black ink, appearing to read 'Paul Tolley', with a stylized flourish at the end.

Paul Tolley
DIRECTOR
27 June 2014

DIRECTORS' REPORT

The directors present their report and the Financial Statements of Coventry, Solihull and Warwickshire Partnership Limited for the year ended 31 March 2014.

PRINCIPAL ACTIVITIES

The Company is a not for profit organisation providing careers information, advice and guidance, and related services, for young people and adults.

The Company is required by its memorandum and articles of association to apply any surplus it makes to the further attainment of its objectives. The Company has an agreement with HM Revenue and Customs not to pay corporation tax on its operating activities.

DIRECTORS

Nigel Snook	Independent Chairman (resigned 24 April 2014)
Peter Deeley	Deeley Group Limited
Paul Tolley	Warwickshire Community and Voluntary Action
Andrew Hardy	Coventry and Warwickshire University Hospital

DIRECTORS' RESPONSIBILITIES

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 these Financial Statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 to 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.

REMUNERATION

None of the directors have received any remuneration from the Company for acting in that capacity.

THIRD PARTY INDEMNITY PROVISION FOR DIRECTORS

Qualifying third party indemnity provision is in place for the benefit of all directors of the Company.

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 all of the directors 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 the Company's auditors are aware of that information.

A handwritten signature in black ink, reading "Paul Tolley". The signature is written in a cursive style with a large, looping initial 'P' and a long, sweeping tail that extends to the right.

Paul Tolley
DIRECTOR
27 June 2014

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COVENTRY, SOLIHULL AND WARWICKSHIRE PARTNERSHIP LIMITED

We have audited the Financial Statements of Coventry, Solihull and Warwickshire Partnership Limited for the year ended 31 March 2014 on pages 8 to 20. 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 a Report of the Auditors 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 AUDITORS

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 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.

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 Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 31 March 2014 and of its surplus 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 MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Report of the Directors 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.



Geoffrey Cox BA FCA (Senior Statutory Auditor)
for and on behalf of Dafferns LLP
Chartered Accountants
Statutory Auditor
One Eastwood
Harry Weston Road
Binley Business Park
Coventry, CV3 2UB

27 June 2014

INCOME AND EXPENDITURE ACCOUNT for the year ended 31 March 2014

	Notes	2014 £	2013 £
OPERATING INCOME	1	11,738,111	11,751,493
Administrative and operating expenses		(11,187,840)	(11,408,754)
FRS17 adjustment		135,000	290,000
OPERATING SURPLUS		685,271	632,739
Investment income	2	13,372	12,322
Interest payable (including FRS17 adjustment)	3	(160,222)	(284,341)
Exceptional items (including FRS17 adjustment)	4	216,629	(313,661)
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION	5	755,050	47,059
Taxation	7	(2,674)	(2,402)
SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION	13	752,376	44,657

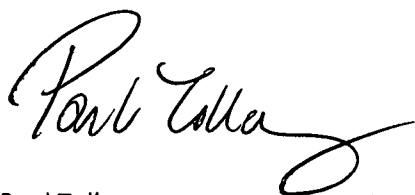
• STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FRS17 adjustment - Actuarial gain/(loss) on pension liability	17	2,007,000	(3,910,000)
Total recognised gain/(loss) relating to the year		2,759,376	(3,865,343)

No significant parts of the Company's business were acquired or disposed of during the current or previous year.

BALANCE SHEET at 31 March 2014

	Notes	2014 £	2013 £
FIXED ASSETS			
Tangible assets	8	246,583	264,994
CURRENT ASSETS			
Debtors	9	2,047,156	1,209,320
Cash at bank and in hand		1,332,363	2,261,983
		3,379,519	3,471,303
CREDITORS			
Amounts falling due within one year	10	(2,050,148)	(2,756,752)
NET CURRENT ASSETS		1,329,371	714,551
TOTAL ASSETS LESS CURRENT LIABILITIES		1,575,954	979,545
CREDITORS			
Amounts falling due after more than one year	11	(6,566)	(184,533)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY		1,569,388	795,012
FRS17 adjustment - Defined benefit pension scheme liability	17	(13,446,000)	(15,431,000)
NET LIABILITIES INCLUDING PENSION SCHEME LIABILITY		(11,876,612)	(14,635,988)
CAPITAL AND RESERVES			
Partners funding	12	50,000	50,000
Income and expenditure account	13	1,519,388	745,012
FRS17 adjustment - Pension reserve	13	(13,446,000)	(15,431,000)
		(11,876,612)	(14,635,988)



Paul Tolley
DIRECTOR
27 June 2014

CASH FLOW STATEMENT for the year ended 31 March 2014

	Notes	2014 £	2013 £
Cash flow from operating activities	14	(769,679)	110,470
Returns on investment and servicing of finance:			
- Interest received		13,372	12,322
- Interest paid		(1,980)	-
Taxation		(2,464)	(3,338)
Capital expenditure and financial investment:			
- Purchase of tangible assets		(18,869)	(113,463)
Financing:			
- Loan repaid		(150,000)	-
(DECREASE)/INCREASE IN CASH IN THE YEAR		<u>(929,620)</u>	<u>5,991</u>

RECONCILIATION OF CASH FLOW TO MOVEMENT IN NET FUNDS

	2014 £	2013 £
(Decrease)/increase in cash in the year	(929,620)	5,991
Loan repaid	150,000	-
Change in net funds resulting from cash flows	<u>(779,620)</u>	<u>5,991</u>
NET FUNDS AT 1 APRIL 2013	1,961,983	1,955,992
NET FUNDS AT 31 MARCH 2014	<u>15</u> <u>1,182,363</u>	<u>1,961,983</u>

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The Financial Statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

GOING CONCERN

The balance sheet at 31 March 2014 shows the Company to have net liabilities of £11.877m. In the opinion of the directors the going concern basis of accounting remains appropriate as the net liabilities is wholly caused by the FRS17 pension provision. Were it not for this provision the Company would be showing net assets of £1.57m.

TANGIBLE FIXED ASSETS

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

- | | |
|---|----------------------|
| - Freehold property | over 40 years |
| - Leasehold improvements | over period of lease |
| - Office fixtures, fittings and equipment | over 4 years |
| - Computer equipment | over 4 years |

Assets acquired under certain projects that are funded by European and Government guidance are not capitalised under European guidance. This policy does not comply with FRS15.

LEASED ASSETS AND OBLIGATIONS

All leases are operating leases and the annual rentals are charged to income and expenditure on a straight line basis over the lease term.

RETIREMENT BENEFITS

For defined benefit schemes the amount charged to the income and expenditure account in respect of pension costs and other post retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost.

Defined benefit schemes are funded, with the assets held separately from the Company in separate trustee administered funds. Full actuarial valuations, by a professionally qualified actuary, are obtained at least every three years, and updated to reflect current conditions at each balance sheet date. The pension scheme assets are measured at fair value. The pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency. A pension scheme asset is recognised on the balance sheet only to the extent that the surplus may be recovered by reduced future contributions or to the extent that the trustees have agreed a refund from the scheme at the balance sheet date. A pension scheme liability is recognised to the extent that the Company has a legal or constructive obligation to settle the liability. Further information relating to the scheme is given in note 17.

INCOME RECOGNITION

Government grants on capital expenditure are credited to a deferred capital grant account and are released to revenue by equal annual amounts over the expected useful life of the asset to which they relate.

Grants of a revenue nature are credited to income in the period to which they relate.

Other income is recognised when the service has been provided or when the condition attached has been satisfied.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2014

1 OPERATING INCOME AND SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION

The Company's operating income and surplus before taxation were all derived from its principal activities.

2	INVESTMENT INCOME	2014 £	2013 £
	Bank interest receivable	13,372	12,322
<hr/>			
3	INTEREST PAYABLE	2014 £	2013 £
	FRS17 adjustment - Financial element of pensions cost	157,000	268,000
	Other interest	3,222	16,341
		160,222	284,341
<hr/>			
4	EXCEPTIONAL ITEMS	2014 £	2013 £
	Redundancy payments	19,854	103,791
	Pension top up	-	31,076
	Dilapidation costs	(438)	140,794
	Release of VAT provision following settlement of dispute	(236,045)	-
	FRS17 adjustment - Effect of settlements and curtailments	-	38,000
		(216,629)	313,661
<hr/>			
5	SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION	2014 £	2013 £
	The following expenditure/(income) was incurred in producing the surplus on ordinary activities before taxation		
	Depreciation on tangible fixed assets	37,280	29,750
	Loss on disposal of tangible fixed assets	-	1,425
	Auditors' remuneration	13,800	13,759
	Operating lease rentals:		
	- Land and buildings	174,543	228,279
	- Plant and machinery	28,629	28,658
	Deferred capital grant release	(27,967)	(27,967)
<hr/>			

6 EMPLOYEES

2014

2013

The average number of persons employed by the Company during the year was

173

177

Staff costs

2014

2013

£

£

Wages and salaries

4,081,656

4,037,439

Social security costs

274,724

287,908

Current service pension cost

649,368

546,999

5,005,748

4,872,346

The directors are non-executive directors and are not employees. The directors received no emoluments from the Company and did not participate in the pension scheme.

7 TAXATION

2014

2013

£

£

Corporation tax

Tax liability

2,674

2,464

Adjustments in respect of previous year

-

(62)

Tax on ordinary activities

2,674

2,402

The tax on ordinary activities relates to corporation tax due on investment income received by the Company at the rate of 20% (2013: 20%).

8 TANGIBLE FIXED ASSETS

	Freehold property £	Leasehold improvements £	Office fixtures, fittings and equipment £	Computer equipment £	Total £
Cost					
1 April 2013	208,605	43,296	315,835	471,081	1,038,817
Additions	-	-	-	18,869	18,869
31 March 2014	208,605	43,296	315,835	489,950	1,057,686
Depreciation					
1 April 2013	52,151	2,789	315,835	403,048	773,823
Charged in the year	5,215	11,156	-	20,909	37,280
31 March 2014	57,366	13,945	315,835	423,957	811,103
Net book value					
31 March 2014	151,239	29,351	-	65,993	246,583
31 March 2013	156,454	40,507	-	68,033	264,994

9 DEBTORS

	2014 £	2013 £
Trade debtors	1,949,228	981,979
Prepayments and accrued income	97,928	227,341
	<u>2,047,156</u>	<u>1,209,320</u>

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Trade creditors	1,082,217	903,624
Corporation tax	2,674	2,464
Other taxes and social security	201,360	615,154
Accruals	156,277	155,370
Loans	150,000	150,000
Other creditors	258,870	294,294
Receipts in advance and deferred income	198,750	635,846
	<u>2,050,148</u>	<u>2,756,752</u>

11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2014 £	2013 £
Deferred capital grants	6,566	34,533
Loans	-	150,000
	<u>6,566</u>	<u>184,533</u>

Amounts of deferred capital grants to be released:

- In one year or less	27,967	27,967
- In more than one year but not more than two years	6,566	27,967
- In more than two years but not more than five years	-	6,566
	<u>34,533</u>	<u>62,500</u>

Analysis of the maturity of loans:

- In one year or less	150,000	150,000
- In more than one year but not more than two years	-	150,000
	<u>150,000</u>	<u>300,000</u>

The loan is secured with a legal charge over the Company's freehold premises.

12 PARTNERS FUNDING

	2014 £	2013 £
Balance brought forward and carried forward	<u>50,000</u>	<u>50,000</u>

Partners funding represents the initial injection of £25,000 from each partner on incorporation of the Company. No conditions or repayment terms are attached to the funding.

13 RESERVES

	2014 £	2013 £
Income and Expenditure Account		
1 April 2013	745,012	684,355
Retained surplus for the year	752,376	44,657
FRS17 adjustment – Transfer from pension reserve	22,000	16,000
31 March 2014	<u>1,519,388</u>	<u>745,012</u>
Pension Reserve		
1 April 2013	(15,431,000)	(11,505,000)
FRS17 adjustment - Actuarial gain/(loss)	2,007,000	(3,910,000)
FRS17 adjustment - Transfer from income and expenditure account	(22,000)	(16,000)
31 March 2014	<u>(13,446,000)</u>	<u>(15,431,000)</u>

14 CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Operating surplus	685,271	632,739
Depreciation	37,280	29,750
Loss on disposal of fixed assets	-	1,424
Increase in debtors	(837,836)	(32,373)
(Decrease)/increase in creditors	(736,023)	44,591
FRS17 adjustment - Current service pension cost	597,000	547,000
FRS17 adjustment - Pension contributions paid	(732,000)	(837,000)
Exceptional costs	216,629	(275,661)
	<u>(769,679)</u>	<u>110,470</u>

15 NET FUNDS

	2014 £	2013 £
Cash at bank and in hand	1,332,363	2,261,983
Loans falling due:		
- In one year or less	(150,000)	(150,000)
- In more than one year	-	(150,000)
	<u>1,182,363</u>	<u>1,961,983</u>

16 COMMITMENTS UNDER OPERATING LEASES

	Land and Buildings 2014 £	Other 2014 £	Land and Buildings 2013 £	Other 2013 £
Within one year	-	-	-	1,981
After five years	78,499	-	78,499	-
	<u>78,499</u>	<u>-</u>	<u>78,499</u>	<u>1,981</u>

17 WEST MIDLANDS PENSION FUND

West Midlands Metropolitan Authorities Pension Fund ("the Fund") is a defined benefit pension fund, with the assets held in separate trustee administered funds. For 2013/14 contribution rates were 12.5% for the employer plus a fixed annual contribution of £393,800. The agreed employer contribution rate for next year is 14.2% plus an annual contribution of £506,000.

Contribution rates for our employees within the amended fund range from 5.5% up to 7.5% based upon the full time equivalent salary of each employee.

The last full actuarial valuation of the fund took place as at 31 March 2013. Following that review the recommendation is for the employer contribution rates to be increased over the following years.

The administering body of the Fund have indicated that they have a plan to bring the Fund into balance within 15 years from 2008.

The Company has admitted body status to the Fund. This means that:

- The Fund is regulated by regulations and statutory instruments approved by Parliament.
- The Board of the Company has no responsibility for governance and investment, this rests with the administering authority, Wolverhampton City Council.
- The Fund is not subject to the Pensions Regulator and is not required to contribute to the Pensions Protection Fund.
- The Fund's investments are pooled. Although a notional allocation of the Fund's investments based on historic contributions and a notional calculation of the liabilities of the Fund based on accrued pension entitlements of the Company's eligible employees has been made, both investments and liabilities are ultimately a matter for the Fund.
- Benefit levels are set by statutory regulations. Employer contributions are set by the Fund having regard to actuarial valuations based on the notional allocation of investments and the notional calculation of liabilities described above.

Apart from continuing to pay the annual employer contributions as determined, which for the year under review were set at 12.5% of eligible employees' pensionable remuneration plus a fixed annual contribution of £393,000, the Company has no further obligations in relation to the strategy, investment policy, administration or governance of the Fund and has no other financial obligations in relation to the Fund.

	2014 £000	2013 £000
Contributions paid in the year to the Fund	732	837

17 WEST MIDLANDS PENSION FUND

FRS 17

A full actuarial valuation, which was carried out as at 31 March 2013, was updated to 31 March 2014 by a qualified independent actuary. The Company expects to contribute £893,000 to the Fund in the year to 31 March 2015.

	2014 £000	2013 £000
Amounts recognised in the balance sheet		
Present value of the Fund's obligations	(44,352)	(45,050)
Fair value of the Fund's assets	30,906	29,619
Net liability	<u>(13,446)</u>	<u>(15,431)</u>
Amounts recognised in the Income and Expenditure Account		
Current service cost	597	547
Past service cost	-	-
Interest cost	1,887	1,906
Expected return	(1,730)	(1,638)
Effect of settlements and curtailments	-	38
Total operating expenditure	<u>754</u>	<u>853</u>
Actual return on the Fund's assets	<u>890</u>	<u>3,246</u>
Changes in the present value of the Fund's obligations		
Obligations at 1 April 2013	45,050	37,928
Current service cost	597	547
Past service cost	-	-
Interest cost	1,887	1,906
Contribution by employees	178	207
Actuarial (gains)/losses	(2,326)	5,518
Effect of settlements and curtailments	-	38
Benefits paid	<u>(1,034)</u>	<u>(1,094)</u>
Obligations at 31 March 2014	<u>44,352</u>	<u>45,050</u>
Changes in the fair value of the Fund's assets		
Fair value of the Fund's assets at 1 April 2013	29,619	26,423
Contributions by employer	732	837
Contribution by employees	178	207
Expected return	1,730	1,638
Actuarial (losses)/gains	(319)	1,608
Benefits paid	<u>(1,034)</u>	<u>(1,094)</u>
Fair value of the Fund's assets at 31 March 2014	<u>30,906</u>	<u>29,619</u>

17 WEST MIDLANDS PENSION FUND

Amounts recognised in the Statement of Total Recognised Gains and Losses

	2014 £000	2013 £000
Actuarial gains/(losses)	2,007	(3,910)
Cumulative actuarial losses	(8,563)	(10,570)

Major categories of the Fund's assets

Equities	18,018	12,469
Government Bonds	2,534	2,666
Other Bonds	3,307	3,554
Property	2,782	2,666
Other	4,265	8,264
	30,906	29,619

Principal actuarial assumptions at the balance sheet date
(expressed as weighted averages)

	2014	2013
Discount rate	4.5%	4.2%
Expected return on fund assets	5.98%	5.85%
Future salary increases	4.15%	3.8%
Future pension increases	2.4%	2.4%
Inflation assumption	2.4%	2.4%

To develop the expected long-term rate of return on assets assumption, the employer considered the current level of expected returns on risk free investments (primarily Government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the asset allocation to develop the expected long-term rate of return on assets assumption for the portfolio. This resulted in the selection of the above assumptions.

17 WEST MIDLANDS PENSION FUND

Amounts for the current and previous four years

	2014 £000	2013 £000	2012 £000	2011 £000
Obligations of the Fund	(44,352)	(45,050)	(37,928)	(34,869)
Fair value of the Fund's assets	30,906	29,619	26,423	25,771
Deficit	(13,446)	(15,431)	(11,505)	(9,098)
Experience adjustments on the Fund's assets	2,007	(3,910)	(3,529)	3,642

Coventry, Warwickshire and Solihull Partnership Limited
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 Registered in England and Wales
 Registered number 2960454