



ASPIRE SPORTS AND CULTURAL TRUST
(COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

for the year ended

31st March 2017

Company Registration Number 06644292

Charity Number 1125995

Contents

Page

Reference and administrative details

1

Chair's Statement

2

Trustees Annual Report

3 - 11

Independent Auditor's Report

12 - 13

Statement of Financial Activities

14

Balance Sheet

15

Statement of Cash Flows

16

Notes to the Financial Statements

17 - 30

Reference and administrative details

Trustees (Directors for the purpose of Companies Act)

Mr Neil Cameron
Ms Elizabeth Clegg
Ms Caroline Corbett
Mr Sanjai Desai
Mr Neil Hampson – (Council Nominee)
Ms Kathleen Houson
Mr Andrew Pain
Mr Clive Walford – (Council Nominee)
Mr Martyn White

Chief Executive

Director of Business/Deputy Chief Executive

Mr Bernie Jones
Mrs Jacqueline Douglas

Company Secretary

Mrs Jacqueline Douglas

Company Number

06644292

Charity Number

1125995

Registered Office

GL1 Leisure Centre
Bruton Way
Gloucester
GL1 1DT

Principal Bankers

Co-operative Bank
23 St Aldate Street
Gloucester
GL1 1RU

Auditors

RSM UK Audit LLP
Hartwell House
55-61 Victoria Street
Bristol
BS1 6AD

Solicitors

BPE
St James House
St James Square
Cheltenham
Glos
GL50 3PR

Chair's Statement

Year ended 31st March 2017

It has been another good year for the charity, albeit it has still had its challenges. We have met our financial targets for the year, however, there has been a slight reduction in visitor numbers.

The Board remains committed to ensuring the long-term sustainability of the charity and have set out a focused strategy to deliver the outcome. It is important that the charity is not only financially sustainable but also makes a valuable contribution to the people of Gloucestershire.

It is worth noting that since Aspire's inception the charity has saved Gloucester City Council approximately ten million pounds in management fees and invested a further two million pounds into the facilities and services.

We continue to see a reduction in funding from Gloucester City Council reducing to nil contributions next year. The impact of these reductions have been offset by the excellent work of the Executive Team to drive down cost and increased efficiency with little or no impact on the quality of the service we provide.

Finally, Aspire is a reflection of its people: the Board; the Executives and its staff. Without the valuable contribution from these groups the charity would not be as successful as it is. I would like to thank you all for your dedication and hard work.

Sanjai Desai
Chair

Trustees Annual Report

The Trustees are pleased to present their report together with the financial statements of the charity for the year ended 31st March 2017. The Charities Statement of Recommended Practice (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', effective 1st January 2015, has been fully adopted in these financial statements which have been prepared in accordance with the accounting policies in note 1 of the accounts.

Legal and Administrative

The legal and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements and the Memorandum and Articles of Association.

The Trustees

The Trustees who served during the period were as follows:

Mr Matthew Burgess - resigned 22 November 2016

Mr Neil Cameron – appointed 18 May 2016

Ms Elizabeth Clegg

Mrs Caroline Corbett – appointed 18 May 2016

Mr Sanjai Desai appointed 18 May 2016

Mr Neil Hampson (Council Nominee)

Mr Lee Hawthorne (Council Nominee) – appointed 18 May 2016; resigned 22 May 2017

Ms Kathleen Houson

Mr Andrew Pain

Mr Martyn White

Structure, Governance and Management

Governing Document

Aspire Sports and Cultural Trust is a company limited by guarantee incorporated on 11th July 2008 governed by its Memorandum and Articles of Association, which were reviewed and amended on 4th December 2014. Aspire Sports and Cultural Trust is a registered charity with the Charities Commission.

Appointment of Trustees

The Board must consist of at least eight and not more than eleven individuals.

The Local Authority must nominate up to two of the Trustees. Local Authority Trustees may be removed and replaced by the Local Authority at any time provided written notice is given to the Secretary.

The Trustees have the power at any time to appoint any person to be a Trustee, either to fill a casual vacancy or as an addition to the existing Trustees but so that the total number of Trustees shall not at any time exceed the maximum number fixed in accordance with the Articles of Association.

Trustee induction and training

The charity is essentially one local to Gloucestershire providing management of community sport and leisure. The Trustees are mostly drawn from Gloucestershire or the surrounding area with many being users of the facilities and as a result they have a grasp of service requirements and a feel for the ethos of Aspire Sports and Cultural Trust.

New Trustees are briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the decision making process, the business plan and recent financial performance of the charity. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Organisation

The Memorandum and Articles of Association sets out the process for decision-making, Board meetings and election of Trustees. The Board is required to meet at least four times a year and in 2016/17, the Board met on six occasions in addition to two Trustee working party meetings (audit and development project) and a Board strategic 'Away Day' session. A Chief Executive is appointed by the Trustees to manage the day-to-day operations of the charitable company.

Related Parties

Gloucester City Council provides support funding towards the cost of the operation of the facilities to ensure that all sections of the community can access them. The Council nominates two Trustees to the Board; a summary of transactions with the organisation is set out in Note 11 to the Financial Statements.

One Trustee, Neil Cameron is also a Trustee with Active Gloucestershire, who rent premises and hire facilities at GL1. This Trustee played no part in the decision-making in awarding this lease to Active Gloucestershire.

Risk Management

It is acknowledged by the Trustees that Risk Management is one of their key responsibilities. The Trustees have adopted a risk management policy from which they have identified potential risks, the likelihood of their occurrence and the potential costs involved. In addition, they have identified current practices in place to mitigate the risks and further action that might be necessary to limit that risk. The Trustees are given regular reports on the financial performance of the charity to enable them to monitor the situation.

The Trustees have identified the reliance on Gloucester City Council (and associated annual management fee income) and new entrants to the market as the risks requiring significant focus and attention. A five-year management fee was agreed with Gloucester City Council in period 2013/14, which will result in the reduction of the management fee to zero by April 2018. New entrants to the market and increased competition in health and fitness remain as we take a more aggressive approach to our marketing and sales and expand the range of services and products we offer.

Health and Safety

Aspire Sports and Cultural Trust is committed to excellence in health and safety, and takes a pro-active approach to its management. The charity uses the Health and Safety Executive "*Managing Health and Safety – a Plan, Do, Check and Act*" model. During the year, despite attendances exceeding 820,000, there were no RIDDOR reportable accidents, incidents or near misses.

Pay policy for key management personnel

The Trustees consider the members of the Senior Leadership Team, being the Chief Executive, Director of Business/Deputy Chief Executive, Finance and Performance Manager, HR Manager, Marketing Manager, Health and Fitness Manager and Oxstalls and GL1 Centre Managers as the key management personnel of the charity.

The pay of the key management personnel is reviewed on a regular basis by the HR Manager and the Executive Officers benchmark against pay levels in similar professions and within the leisure industry when recruiting to these roles.

Disabled employees

Reasonable adaptations will be made wherever practicable to enable employee and/or applicants for jobs who have disabilities to make full use of their ability in the delivery of the charity's service.

Wherever possible, the Charity will retain the services of employees who are, or become disabled and, where necessary, provide retraining and redeployment. Disabled employees will be given equal opportunities with other employees for training, career development and promotion.

Objectives and Activities

The principal activities of Aspire Sports and Cultural Trust is the provision of facilities and services for recreational, sporting or other leisure time occupation, and to promote community participation in healthy recreation.

During the year, Aspire provided recreation and leisure activities at GL1 Leisure Centre, Oxstalls Sports Park, and Estcourt Close Sports Hall. Aspire occupies buildings owned by Gloucester City Council and Gloucestershire County Council and supports the Council in endeavours where they coincide with the objectives of Aspire. Aspire also has other partnerships including Gloucester Schools Partnership, Lawn Tennis Association, University of Gloucester, Gloucestershire College and Gloucestershire Community Health Trainers.

There have been no material changes during the last year in the activities and objectives of the charity.

Public Benefit Statement

The Trustees are clear that the objects of Aspire Sports and Cultural Trust are carried out for public benefit.

Aspire's vision is to: ***'enrich the lives of our community'***

However, in 2016 we took the opportunity to review our purpose, mission, aims and values. The Trustees, Management, and Staff were all involved in the review, which agreed the following:

- | | |
|-----------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| Purpose: | <i>A local charity that provides an active life for all the family</i> |
| Mission: | <i>Aspire to do more</i> |
| Aims: | <i>To be a sustainable charity
Develop and grow the charity
Increase and widen participation
To be an employer and partner of choice</i> |

Values:

** Honest * Professional * Respectful * Responsible * Trusting*

In setting our objectives and planning our activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. Highlighted in Achievements and Performance, below are examples of where the public have benefitted from the activities and initiatives of Aspire Sports and Cultural Trust.

Achievements and Performance

The Trustees Annual Report Year Ended 31 March 2016 identified that for the future the charity should focus on its four key aims (as identified above). In addition, it was identified that the charity was keen to build on the 'family' offer and continue to develop our 'Active Life' membership and the range of activities that are available within our facilities. Equally, we indicated that we would look outside of our existing facilities and at other opportunities in the area to further enhance our offer to the community.

Detailed below are examples of what we have achieved during the past twelve months:

To be a sustainable charity

Sustainability is the number one priority for the charity and not only has Aspire continued to absorb the reduction in Management Fee funding to zero by April 2018, but also has to reinvest surpluses generated in prior years back into the business to ensure that we are able to keep the facilities and activities fresh and up to date.

During the past twelve months, a number of improvements and refurbishments have taken place at both GL1 and Oxstalls Sports Park, ensuring that we continue to provide our customers with the best possible experience. During the year, a number of efficiency measures have been implemented to make our management more cost effective. These have had no negative impact on the operation.

Develop and grow the charity

Growing and developing the charity is fundamental to ensuring that Aspire can become a sustainable charity without the Management Fee funding. The need to grow the charity both internally, maximise the use of our existing facilities, and develop new and additional profitable activities and services externally is fundamental to the sustainability of the charity.

In December 2016, the charity launched Studio 2 and Active Ladies, as well as a refurbishment of the existing gym at GL1. The new Studio 2 and Active Ladies provides women with the opportunity to work out in comfort and the knowledge that they can just get on with their session, without having to worry about how they look, what other people are doing, and what anyone else thinks.

Increase and widen participation

Increasing and widening participation is a key area for the charity, which also contributes to the Sport England and Government 'Active Nation' strategy, and improving the health of the people of Gloucestershire. Being active is part of a life long journey at Aspire and we try to ensure that everybody, regardless of their circumstances is able to participate in an activity of one form or another.

Some of the new activities introduced during the year include: 'Active Everyday' – working in partnership with the MacMillan Next Steps Rehabilitation Team, a programme of activity to support people with breast, colorectal and prostate cancer; 'Powerchair football' – Cheltenham Power Football Club have moved their home based to GL1 and will be providing local opportunities for wheelchair bound children and adults to have a

go at Powerchair football; 'Cardio tennis' – an energetic, fast, entertaining class where participants can choose to be competitive or take it easy.

To be an employer and partner of choice

As a charity, it is important that Aspire has the right values, ethos that ensures people want to work for the organisation, and partners want to work with us because we will do what we say and deliver results. Retaining good staff and developing good partners is also vital to ensuring a successful future.

'Terry Parker BEM' – Terry has worked at Oxstalls Sports Park for over 15 years in different elements of the tennis programme at Oxstalls. Sadly, he was diagnosed with Alzheimer's a few years ago but this has not stopped him being an active and vibrant part of the tennis programme, volunteering his time to support SEN (Special Educational Needs) and wheelchair tennis groups.

'Babcock Training' – the charity began working with Babcock a couple of years ago through the appointment of Apprentices. The partnership has developed considerably and during the year, we launched the Aspire Academy aimed at ensuring every member of staff has an individual development programme.

'Joel Layton' – Joel joined Aspire as an Apprentice in April 2016. From the word go it was clear that Joel had the right attitude and determination to succeed. In 12 months, Joel has developed considerably, initially securing a full-time Recreation Officer post. Joel is now acting as Relief Duty Manager and has been put forward for a national award.

Active Life Membership

Throughout the year the Active Life Membership, and the various packages within it, have been reviewed to ensure that we have maximised the benefits to both the charity and to our members. In particular, the Active Life Junior Membership has been re-vamped to make more activities available to young people.

Broaden our facilities/services

As indicated in our last report, the charity has been working closely with the University of Gloucestershire, Gloucester City Council and Gloucestershire County Council to expand the sports facilities of the University's Oxstalls Campus and Oxstalls Sports Park. Work finally commenced on the temporary access road and the first of the 3G pitches at the end of May 2017. The new facilities which will include a twelve badminton court sports hall (three basketball/netball courts), two 3G floodlit all-weather pitches and improved layout and better management of the existing grass pitches, including enhancement of the cricket square and provision of a cricket pavilion. The two 3G pitches will be available autumn 2017, followed by the Sports Hall in early 2018. Aspire Sports and Cultural Trust has been chosen by the University to manage the new facilities during community time. This will be managed holistically with the existing first class facilities already within Oxstalls Sports Park and will provide fantastic opportunities for students and residents alike.

User Statistics/Performance:

• Total attendances	828,702	(2016: 846,655)
• Swim school	97,114	(2016: 92,740)
• Total Wet (includes swim school)	386,578	(2016: 375,861)
• Health and Fitness attendances	141,263	(2016: 139,610)
• Total Dry	147,675	(2016: 158,602)
Total GL1	675,516	(2016: 674,073)
• Oxstalls Sports Park	136,916	(2016: 151,686)
• Bishops College	16,270	(2016: 20,896)
Total Oxstalls	153,186	(2016: 172,582)

Capital Investment:

The key focus for the charity's capital investment is to: reduce the day-to-day running costs; expand and develop the existing services or product offer; create potential income; and ensure good quality services within a safe and well-maintained environment. During the year, capital investment was made in the following areas:

- Development of Studio 2 Active Ladies Fitness
- Gym Resistance Equipment
- Gym redecoration and layout remodelling
- ICT Hardware/Software
- Bowls Hall carpet
- Sports Hall Floor refurbishment and re-lining

Events during 2016/17 included:

During 2016/17 we deliberately reduced the number of events we hosted to focus our time and energy on looking after our regular customers and trying not to disrupt them too often. However, Aspire facilities still hosted numerous, local, regional and national events including:

- British Synchronised Swimming Championships
- UB40 Concert
- Ultimate Impact Wrestling Tournaments
- Oxstalls Open Junior Tennis Tournament
- White Collar Boxing Promotions
- WTKO Karate Championships
- MPCT Awards Ceremony
- National Disability Wheelchair Tennis Championships
- Royal British Legion Festival of Remembrance
- BUCS Waterpolo League
- Robot Wars

Financial Review

The charitable company is pleased to report a net surplus before pension of £38,499 (£36,805 unrestricted funds), which has exceeded our budget plan for the period.

Overall the Charity had total incoming resources of £3,618,295 (2016: £3,772,130) before pension movements of which £3,593,371 was unrestricted (2016: £3,747,602) and £15,924 restricted grant funding (2016: £24,528).

During the year, we had budgeted to deliver a further £200,000 savings to the City Council management agreement. A reduced fee of £457,507 (2016: £657,507) was received from the City Council for management of the centres; £12,000 (2016: £12,000) from the County Council for the management of Bishops College Sports Hall; and £3,113,661 (2016: £3,070,580) was received at the centres for activities, gym membership, events and from the shop, café and bar.

Net current assets at the year-end are £1,054,791 (2016: £953,833) including cash at bank and in hand of £1,364,015 (2016: £1,206,610).

At the balance sheet date, a £173,000 surplus (2016: £262,000 deficit) has been reported as the excess of the value of the assets in the defined benefit pension plan over the present value of the plan's liabilities.

Under FRS102, a defined benefit plan asset is recognised to the extent that the charity is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. As the pension scheme is part of a larger multi employer scheme, the likelihood of the charity benefiting from refunds or reductions in future contributions to the plan are considered to be remote and on this basis, the pension asset has not been recognised.

Current reserves total £1,154,724 (2016: £1,116,225). This is represented by £19,342 (2016: £17,648) in restricted funds and £1,135,382 (2016: £1,098,577) in the general fund.

Reserves Policy Statement

The Charity Commission uses the term reserves to describe that part of the charity's income funds that is freely available for its general (unrestricted) purposes. "Reserves" are therefore resources the charity has or can make available to spend, for any or all of the charity's purposes, once it has met its commitments and covered its other planned expenditure. In determining our 'free' reserves, we have excluded restricted grant funds, tangible fixed assets and designated funds.

The total value of Free Reserves at 31 March 2017 was £988,150 (2016: £880,319)

At its Board Meeting on 24th May 2016, the Trustees reviewed its Reserves Policy and resolved that a target of £440,000 would provide them with safeguards they need to be able to guarantee continuity of operation during periods of instability, uncertainty or change and also enable the Trustees to continue to respond to development opportunities if and when they arose.

Investment powers and policy

The Trustees have the power to invest the monies of the organisation in such investments, securities or property as they see fit. In view of the length of time, the charitable company has been in existence and the need to ensure a positive cash flow at all times, surpluses so far generated have been invested in interest bearing deposit accounts and allocated to business development opportunities to generate further surpluses and enhance the products and services on offer.

Plans for future periods

At a recent strategy away day the Board reiterated its commitment to the four key aims of the organisation but agreed that for the immediate future emphasis should be put on the sustainability of the Charity. Four priorities were agreed that should be worked on simultaneously. These were:

- Seek contract extension to maximum possible length by making ourselves attractive
- Deliver and develop centre and/or programme based activities
- Use our reserves to invest in a community asset
- Reduce our costs and increase income from existing assets

As indicated above the charity is committed to all four key aims and the charity will continue to look at ways of developing the business both internally and externally; ensure that all sections of the community, regardless of their circumstances, can access our programmes and facilities; and be a good employer and partner that people and organisations want to work for or with.

Statement of Trustees Responsibilities

Company law requires the Trustees to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the charitable company and of the incoming and outgoing resources for the year then ended. In preparing those financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

The Trustees are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the charity 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 charitable company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit. When reviewing the aims and objectives of the charitable company and in planning its future activities the Trustees refer to the guidance and consider, in particular, how planned activities will contribute to the aims and objectives they have set.

Statement of Disclosure

So far as the Trustees are aware, there is no relevant audit information of which the charitable company's auditor is not aware. The Trustees have taken all steps they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

Auditor

A resolution proposing that RSM UK Audit LLP be re-appointed will be put to the next Board Meeting.

This report has been prepared in accordance with the provisions applicable to companies entitled to the Small Companies Exemption.

Approved by the Trustees and signed on their behalf by:



Mr S Desai

18th September 2017

Date

Independent Auditor's Report to the members of Aspire Sports and Cultural Trust

Opinion on financial statements

We have audited the financial statements of Aspire Sports and Cultural Trust for the year ended 31 March 2017, which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and, based on the work undertaken in the course of our audit, the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Trustees' Report.

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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' responsibilities set out on page 10, the trustees (who are also the directors of the charitable company for the purposes of company law) 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.

This report is made solely to the charitable 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 charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

KERRY GALLAGHER (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP STATUTORY AUDITOR

Chartered Accountants

Hartwell House

55-61 Victoria Street

Bristol, BS1 6AD

Date: 27 September 2017

Statement of Financial Activities
(including an income and expenditure account)
For the year-ended 31 March 2017

		Unrestricted Funds	Restricted Funds	Pension Unrestricted Funds	2017 Total Funds	2016 Total Funds
	Note	£	£	£	£	£
Income:						
Income from charitable activities	3	3,395,074	15,924	9,000	3,419,998	3,559,175
Income from other trading activities	4	194,675	-	-	194,675	210,035
Investment income	5	3,622	-	-	3,622	2,920
Total Income		3,593,371	15,924	9,000	3,618,295	3,772,130
Expenditure:						
Expenditure on charitable activities	6	3,432,081	14,230	48,000	3,494,311	3,877,250
Expenditure on raising funds:	7	124,485	-	-	124,485	147,810
Total Expenditure		3,556,566	14,230	48,000	3,618,796	4,025,060
Net Income/(Expenditure)		36,805	1,694	(39,000)	(501)	(252,930)
Other Recognised Gains and Losses						
Actuarial gain/(loss) arising on defined benefit pension scheme	21	-	-	39,000	39,000	855,000
Net Movement in Funds		36,805	1,694	-	38,499	602,070
Reconciliation of Funds:						
Total Funds brought forward		1,098,577	17,648	-	1,116,225	514,155
Total Funds carried forward	20	1,135,382	19,342	-	1,154,724	1,116,225

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The notes on pages 16 - 29 form an integral part of these financial statements.

Balance Sheet

as at 31 March 2017

	Note	2017 £	2016 £
Fixed Assets			
Tangible assets	12	102,434	165,059
		<u>102,434</u>	<u>165,059</u>
Current Assets			
Stocks	13	22,047	29,613
Debtors	14	115,330	104,586
Cash at bank and in hand		1,364,015	1,206,610
		<u>1,501,392</u>	<u>1,340,809</u>
Creditors: Amounts falling due within one year	15	(446,602)	(386,976)
Net Current Assets		<u>1,054,790</u>	<u>953,833</u>
Creditors: Amounts falling due after more than one year	16	(2,500)	(2,667)
Total Assets less Liabilities		<u>1,154,724</u>	<u>1,116,225</u>
Defined benefit pension liability	21	-	-
Net Assets	20	<u><u>1,154,724</u></u>	<u><u>1,116,225</u></u>
Funds			
Restricted funds	18	19,342	17,648
Unrestricted funds			
General fund	19	1,135,382	1,098,577
Pension fund	21	-	-
Total Funds	20	<u><u>1,154,724</u></u>	<u><u>1,116,225</u></u>

The notes on pages 16 - 29 form an integral part of these financial statements.

These financial statements were approved and authorised for issue by the members of the committee on 18 September 2017 and are signed on their behalf by:



Mr S Desai
Chair

Statement of Cash Flows
for the year ending 31 March 2017

	Note	2017 £	2016 £
Cash used in operating activities	22	185,126	259,213
Cash flows from investing activities			
Interest Income		3,622	2,920
Purchase of Tangible fixed assets		(31,343)	-
Cash provided by (used in) investing activities		(27,721)	2,920
Cash flows from financing activities		-	-
Increase in cash and cash equivalents in the year		157,405	262,133
Cash and cash equivalents at the beginning of the year		1,206,610	944,477
Total cash and cash equivalents at the end of the year		1,364,015	1,206,610

Notes to the Financial Statements

for the year-ended 31 March 2017

1. Accounting Policies

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Aspire Sports and Cultural Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Going Concern

The Trustees have prepared an operating budget that shows that the company will be able to continue to operate within its existing bank facilities and to meet its operating liabilities as they fall due.

The Trustees have taken into consideration the level of employer contributions required to fund the defined benefit pension scheme obligation for the foreseeable future and the Trustees consider that contributions do not compromise the charitable company's ability to continue to operate.

Accordingly, the Trustees have concluded that it remains appropriate to prepare the accounts on the basis that the charity is a going concern.

Income

Income from charitable activities is recognised where there is entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Income is deferred when it is received in the form of memberships and advance bookings of facilities, as the services have not been provided in the relevant accounting period.

Income from any trading activities is recognised as earned (as the related goods and services are provided).

Investment income is recognised on a receivable basis.

Grant income is only recognised when the charity has unconditional entitlement to the resources.

Accounting Policies (continued)

Fund accounting

Funds held by the charity are either:

Unrestricted funds, which comprise those funds which the Trustees are free to use in accordance with the charitable objects and are divided into:

- General fund - Those unrestricted funds, which have not been designated for a specific purpose by the Trustees.
- Designated funds - Those unrestricted funds, which have been designated for a specific purpose by the Trustees.

Restricted funds are those, which are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Expenditure

Expenditure is recognised when a liability is incurred and includes any irrecoverable VAT. Contractual arrangements are recognised as goods or services are supplied.

Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities include expenditure associated with the operation of the facilities and the achievement of its objects and include both the direct costs and support costs relating to these activities.

Support costs include central functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll, ICT systems and governance costs, which support the Trusts programmes and activities. These costs have been allocated within expenditure on charitable activities.

Any irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Taxation

Aspire Sports and Cultural Trust is a registered charity and as such is exempt from taxation of its income and gains falling within part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to its charitable objectives.

Tangible fixed assets and depreciation

Fixed assets costing £5,000 or more are capitalised at cost and depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:-

Plant and machinery	-	3-5 years straight-line
Fixtures and fittings	-	5 years straight-line*

Accounting Policies (continued)

*With the exception of the Soft Play asset acquired during 2012-13, which is considered to have a useful economic life of 10 years.

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Stock consists of sports clothing and equipment and catering foodstuffs.

Operating lease agreements

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

Liabilities

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

Retirement benefits

The defined benefit scheme is funded by contributions from employees and the Trust as an employer. The assets of the scheme are held separately in a fund administered for the benefit of Local Authority employees and those other scheduled bodies.

At each balance sheet date, pension scheme liabilities are measured on an actuarial basis using a projected unit method. Actuarial gains and losses arising are recognised immediately in the Statement of Financial Activities under the heading "Actuarial gain/(loss) arising on defined benefit pension scheme".

Under FRS102, a defined benefit plan asset is recognised to the extent that the charity is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. As the pension scheme is part of a larger multi employer scheme, the likelihood of the charity benefiting from refunds or reductions in future contributions to the plan are considered to be remote and on this basis, the pension asset has not been recognised.

Financial instruments

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Financial assets include trade debtors and accrued income. Financial liabilities include trade and other creditors and accruals. Such financial instruments are initially recognised transaction value and subsequently measured at their settlement value.

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument, and are offset only when the Trust currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Termination Payments

Termination payments are payable when employment is terminated before normal retirement date or end of employment contract. They are recognised when the commitment to make the payment is made.

Critical accounting estimates and areas of judgement

The Trust makes estimates and assumptions concerning the future. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the Trust as lessee.

2. Legal status of the Trust

The Trust is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

3. Income from charitable activities

	Unrestricted Funds	Restricted Funds	Pension Funds	2017 Total Funds	2016 Total Funds
	£	£	£	£	£
GLI and Oxstalls Centre income	2,920,516	-	-	2,920,516	2,865,140
Management fees received	469,507	-	-	469,507	669,507
Grants receivable	5,051	15,924	-	20,975	24,528
Defined benefit pension income	-	-	9,000	9,000	-
Total income from charitable activities	3,395,074	15,924	9,000	3,419,998	3,559,175

4. Income from other trading activities

	Unrestricted Funds	Restricted Funds	2017 Total Funds	2016 Total Funds
	£	£	£	£
Income from bars, cafes and shop	194,675	-	194,675	210,035
Total income from trading activities	194,675	-	194,675	210,035

5. Investment income

All of the charity's investment income of £3,622 (2016: £2,920) arises from money held in interest bearing deposit accounts.

6. Expenditure on charitable activities

	Unrestricted Funds	Restricted Funds	Pension Funds	2017 Total Funds	2016 Total Funds
	£	£	£	£	£
Direct costs					
Staff costs	2,093,633	14,120	-	2,107,753	2,123,252
Maintenance	259,490	-	-	259,490	224,254
Utilities	317,309	-	-	317,309	388,735
Other direct costs	497,410	-	-	497,410	459,891
Indirect costs					
Other indirect costs	241,419	110	-	241,529	268,189
Governance costs	22,820	-	-	22,820	27,929
Defined benefit pension costs	-	-	48,000	48,000	385,000
Total expenditure charitable activities	3,432,081	14,230	48,000	3,494,311	3,877,250

7. Expenditure on raising funds: Cost of goods sold and other costs

	Unrestricted Funds	Restricted Funds	2017 Total Funds	2016 Total Funds
	£	£	£	£
Costs of operating bars, cafes and shop	124,485	-	124,485	147,810
Total expenditure trading activities	124,485	-	124,485	147,810

The amounts above include £33,208 (2016: £39,566) in respect of staff costs for the year.

8. Net income/(expenditure)

	2017	2016
	£	£
Net income/ (expenditure) is stated after charging:		
Depreciation – owned assets	93,968	107,983
Operating lease rentals – equipment	25,815	23,148
Services provided by the Auditor and its associates:		
- audit of the financial statements	15,670	15,156
- other services	-	6,749

9. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

	2017	2016
	£	£
Wages and salaries	1,494,507	1,626,410
Social security costs	92,697	76,776
Pension costs	98,541	127,735
Other staff costs	455,216	331,897
	<hr/>	<hr/>
	2,140,961	2,162,818
	<hr/>	<hr/>

Staff costs include payments relevant to both charitable activities and other trading activities.

During the period, one member of staff had benefits in excess of £80,000 (2016: none). No other members of staff received benefits in excess of £60,000 (2016: none).

No trustees received remuneration or expenses during the period.

The key management personnel of the charity comprise the Trustees and members of the Senior Management Team, Chief Executive, Director of Business/Deputy Chief Executive, Finance and Performance Manager, HR Manager, Marketing Manager and Oxstalls and GL1 Centre Manager whose employee benefits for the period total £303,920 (2016: £299,023).

During the year termination payments of £6,250 (2016: nil) were made.

10. Staff Numbers

The average number of employees during the year, was as follows:

	2017	2016
	No.	No.
Management and administration staff	16	18
Service delivery staff	66	67
	<hr/>	<hr/>
	82	85
	<hr/>	<hr/>

The above numbers exclude our flexible working teams (such as zero hours, coaches, teachers and instructors).

11. Related party transactions

Aspire Sports and Cultural Trust was set up to operate the leisure facilities of Gloucester City Council ('GCC'). During the period the charitable company received amounts totalling £457,507 (2016: £657,507) from GCC under an arm's length management agreement. At the period end there was £nil (2015: £nil) outstanding.

GCC provided various administrative, ICT and debtor/creditor support during the period totalling £123,744 (2016: £124,161). During the period GCC paid utilities costs of £253,630 (2016: £327,262) on behalf of the charitable company.

At the period end, a debtor balance of £2,966 (2016: £2,966) remains on the intercompany account.

GCC has also guaranteed the company's pension scheme liabilities in the event of a failure of the company.

Note 9 refers to the payments made to Trustees during the period.

12. Tangible Fixed Assets

	Plant & Machinery £	Fixtures & Fittings £	Total £
Cost			
At 1 April 2016	96,407	588,800	685,207
Additions	31,343	-	31,343
At 31 March 2017	127,750	588,800	716,550
Depreciation			
At 1 April 2016	76,168	443,980	520,148
Charge for the year	26,508	67,460	93,968
At 31 March 2017	102,676	511,440	614,116
Net Book Value			
At 31 March 2016	20,239	144,820	165,059
At 31 March 2017	25,074	77,360	102,434

13. Stocks

	2017 £	2016 £
Stock on hand	22,047	29,613

14. Debtors

	2017	2016
	£	£
Trade debtors	105,504	102,692
Accrued Income	9,826	1,894
	<u>115,330</u>	<u>104,586</u>

15. Creditors: Amounts falling due within one year

	2017	2016
	£	£
Trade accruals	37,279	27,229
Other taxes and social security	54,222	67,998
Deferred income	109,818	101,351
Other accruals	245,283	187,732
Refundable security deposit	-	2,666
	<u>446,602</u>	<u>386,976</u>

16. Creditors: Amounts falling due after one year

	2017	2016
	£	£
Refundable Security Deposit	2,500	2,667
	<u>2,500</u>	<u>2,667</u>

Security rent deposit connected to a new lease agreement within GL1 commencing March 2017, which is fully refundable subject to lease terms being adhered to.

17. Commitments under operating leases

As at 31 March 2017 the charity has total future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2017	2016
	£	£
Not later than one year;	21,120	24,115
Later than one year and not later than five years	38,147	59,266
	<u>59,267</u>	<u>83,381</u>

18. Restricted funds

	Balance at 1 Apr 2016 £	Incoming resources £	Outgoing resources and losses £	Transfers £	Balance at 31 Mar 2017 £
LTA	11,963	13,200	(11,750)	-	13,413
Tennis Foundation	5,685	2,724	(2,480)	-	5,929
Total restricted funds	17,648	15,924	(14,230)	-	19,342

The LTA funding mainly relates to performance programmes, a partnership project and schools outreach programmes. Tennis Foundation funding relates to Oxstalls being a disability tennis hub providing a focus on raising participation for children and adults with disabilities.

19. Unrestricted funds

	Balance at 1 Apr 2016 £	Incoming resources £	Outgoing resources and losses £	Other gains/ (losses) transfers £	Balance at 31 Mar 2017 £
Designated funds					
Maintenance fund	14,378	-	-	-	14,378
GLI sinking fund	3,821	-	-	-	3,821
Tennis centre sinking fund	19,000	-	-	-	19,000
Payroll Project fund	16,000	-	(8,400)	-	7,600
Total designated funds	53,199	-	(8,400)	-	44,799
General fund	1,045,378	3,593,371	(3,548,166)	-	1,090,583
	1,098,577	3,593,371	(3,556,566)	-	1,135,382
Pension fund	-	-	-	-	-
Total unrestricted funds	1,098,577	3,593,371	(3,556,566)	-	1,135,382

The designated funds are reserves allocated for specific future commitments. The Maintenance Fund is designated for other maintenance and statutory works. The GLI sinking fund is used for major maintenance repairs at the GLI site, which are the responsibility of Aspire. The Tennis centre sinking fund is designated for future works on the indoor courts. The Payroll Project fund will be utilised to develop a self-service payroll system.

20. Analysis of net assets between Funds

	Tangible fixed assets	Net current assets	Non- current liability	Pension liability	Net assets/ liabilities 2017	Net assets/ liabilities 2016
Restricted funds						
LTA		13,413			13,413	11,963
Tennis Foundation		5,929			5,929	5,685
Total restricted funds	-	19,342	-	-	19,342	17,648
Designated funds (part of the unrestricted funds)						
Maintenance fund		14,378			14,378	14,378
GL1 sinking fund		3,821			3,821	3,821
Tennis centre sinking fund		19,000			19,000	19,000
Payroll Project fund		7,600			7,600	16,000
Total designated funds	-	44,799	-	-	44,799	53,199
General fund	102,434	990,649	(2,500)	-	1,096,583	1,045,378
Pension fund	-	-	-	-	-	-
Total unrestricted funds	102,434	1,035,448	(2,500)	-	1,135,382	1,098,577
Total Funds	102,434	1,054,790	(2,500)	-	1,154,724	1,116,225

21. Defined benefit pension scheme

On 1 October 2008, the charitable company became a scheduled member into the Local Government Superannuation Scheme. At that date the surplus relating to employees transferred from Gloucester City Council under TUPE became the surplus of the charitable company.

This is a funded defined benefit scheme. The Local Government Superannuation Scheme is no longer open to new employees. The contributions rates are those recommended by the fund's actuary Hymans Robertson.

The latest formal valuation of the fund for the purpose of setting employers' actual contributions was as at 31 March 2016 with the next formal valuation due as at 31 March 2019. In 2016-17, the employer contribution rate was 14.9%. Employee contribution rates varied between 5.5% and 7.5%.

The financial assumptions used for the purposes of the actuarial valuation are as follows:

	31 Mar 2017	31 Mar 2016
Rate of increase in salaries	2.7%	3.7%
Rate of increase in pensions in payment	2.4%	2.2%
Discount rate	2.6%	3.6%

Defined benefit pension scheme (continued)

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

	31 Mar 2017	31 Mar 2016
Equities	71%	70%
Bonds	20%	21%
Property	7%	8%
Cash	2%	1%

There were no unfunded benefits as at 31 March 2017.

The total bid value of the entire Funds assets as at 31 March 2017 was £2,075,000,000 as provided by the Administering Authority. The charitable company's share of these assets at their bid value amounted to £8,556,000 as at 31 March 2017. The split of these assets by category and their expected return is given below.

The assets in the scheme at 31 March 2016 and 31 March 2017 were as follows:

	Market Value 31 Mar 2017 £'000	Market Value 31 Mar 2016 £'000
Equities	6,075	5,129
Bonds	1,711	1,539
Property	599	586
Cash	171	73
Total market value of assets	8,556	7,327
Actuarial valuation of liabilities	(8,383)	(7,065)
Net pension asset/ (liability)	173	262

Under FRS102, a defined benefit plan asset is recognised to the extent that the charity is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. As the pension scheme is part of a larger multi employer scheme, the likelihood of the charity benefiting from refunds or reductions in future contributions to the plan are considered to be remote and on this basis, the pension asset has not been recognised.

Defined benefit pension scheme (continued)

Reconciliation in movement in defined benefit obligation:

	2017	2016
	£'000	£'000
Surplus/(loss) at the beginning of the period	262	(470)
Movement in the period		
Current service cost (see (c) below)	(138)	(228)
Contributions	90	123
Settlements/curtailments	-	-
Past service costs	-	-
Net return from other finance income (see (a) below)	9	(18)
Actuarial gain/(loss) (see (b) below)	(50)	855
Surplus at the end of the period	173	262
Effect of irrecoverable pension asset	(173)	(262)
Pension liability recognised in the balance sheet at 31 March	-	-

(a) Analysis of the amount credited to other finance income

	2017	2016
	£'000	£'000
Expected return on assets	264	240
Interest cost	(255)	(258)
Net return on scheme asset recognised in the statement of financial activities	9	(18)

(b) Analysis of the amount recognised as actuarial gain/(loss) in statement of financial activities

	2017	2016
	£'000	£'000
Actual return less expected return on assets	958	(231)
Experience gains/(losses) on liabilities	681	22
Effect of changes in assumptions on liabilities	(1,689)	1,064
Actuarial gain/(loss) recognised in statement of financial activities	(50)	855

Defined benefit pension scheme (continued)

(c) Net current service costs – defined benefit pension scheme

	2017	2016
	£'000	£'000
Current service costs	(138)	(228)
Past Service Gains	-	-
Current service costs recognised in statement of financial activities	<u>(138)</u>	<u>(228)</u>

History of experience gains and losses

The amount for this year is as follows:

	2017	2016	2015	2014	2013
	£'000	£'000	£'000	£'000	£'000
Difference between the expected and actual return on scheme assets	958	(231)	650	201	417
- as a % of scheme assets	11%	(3%)	8%	3%	8%
Experience gains/(losses) on scheme liabilities	681	22	14	(11)	-
- as a % of scheme liabilities	8%	0%	0%	(0%)	0%
Total amounts recognised in the SOFA	-	-	(470)	-	-
- as a % of scheme liabilities	0%	0%	6%	(0%)	0%

The best estimate of contributions to be paid by the charitable company to the scheme for the year ending 31 March 2018 is £90,000.

22. Reconciliation of net movement in funds to net cash flow from operating activities

	2017	2016
	£	£
Net movement in funds	38,499	602,070
Add back depreciation charge	93,968	107,983
Adjustment for defined benefit pension scheme	-	(470,000)
Deduct interest income shown in investing activities	(3,622)	(2,920)
Decrease (increase) in stock	7,566	11,385
Decrease (increase) in debtors	(10,744)	27,460
Increase (decrease) in creditors	<u>59,459</u>	<u>(16,765)</u>
Net cash used in operating activities	185,126	259,213

23. Capital commitments

Amounts contracted for but not provided in financial statements:

	2017	2016
	£	£
Acquisition of tangible fixed assets	<u>42,498</u>	<u>-</u>