



The Cheltenham Trust

ANNUAL REPORT AND CONSOLIDATED ACCOUNTS

For the year ending 31 March 2018

The Cheltenham Trust

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The Cheltenham Trust

TRUSTEES' REPORT

For the year ending 31 March 2018

The Trustees are pleased to present their annual directors' report together with the consolidated financial statements of the charity and its subsidiary for the year ending 31 March 2018 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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).

Chair's Report

I am pleased to present the third annual report and account for The Cheltenham Trust. The Trust is now well established in its role managing, protecting and developing five significant and well-loved buildings on behalf of the people of Cheltenham. The Trust also manages an outstanding collection of cultural material, archives and heritage assets.

We are the guardians of much of the town's heritage, yet we are fundamentally a forwarding-looking organisation, with an ambition to create new facilities which will further the wellbeing of Cheltenham and its environs.

On 1st August 2018 we unveiled the first fruits of this at the town's busy Leisure Centre which has been given a sparkling new look through a £2.5 million scheme created and funded in partnership with Cheltenham Borough Council. There is a new water play feature, the Splash Pad, which will appeal to our young audience members and their parents and the gym equipment and studio rooms have been superbly up-graded. In addition there is a new lobby and entrance procedure, using electronic gates activated by finger-print recognition which should cut queues and allow a better welcome experience for users.

I thank, on behalf of my fellow Trustees and the Trust executives and all those who have contributed to this scheme, particularly Cheltenham Borough Council's officers and members who have been true partners in the project throughout the financial year under review and in the early planning stages.

The Trust remit is ambitious and challenging. We engage with audiences through the arts, heritage, performance, tourism, sport and play, wellbeing and health opportunities. This broad remit enables the Trust to devise and implement many choice opportunities for the public to engage with its activity in many different ways; with over 950,000 visits to our venues during the year, we can only describe the Trust as a success for the town.

We are responsible for a portfolio of historic and contemporary facilities which are all landmark assets of the town and well known to residents as well as a cultural and sporting audience throughout Gloucestershire and beyond. They are:-

- The Wilson, Gloucestershire's premier Art Gallery and Museum
- Cheltenham Town Hall
- Pittville Pump Room – Cheltenham's beautiful Grade 1 Listing building
- Leisure at Cheltenham
- The Prince of Wales Stadium

During the year our focus has been to remodel our resources to include the skills, experience and knowledge necessary to enable the charity to develop. This remodelling, to ensure a 'One Trust' approach, will enable the Trust to meet more clearly its charitable objectives and secure the role of our venues for the future. As a consequence of the re-structuring, these accounts show a net operating surplus on unrestricted funds (excluding pension scheme movements) for the year of £13.7k.

Cheltenham Borough Council (CBC) continues to contribute significantly to the Trust's income via a management fee and support on overheads. We are grateful for the support of CBC during this period of change and for their endorsement of our strategy which was reconfirmed by their undertaking to continue as a committed partner organisation of the Trust and to provide future management fee

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funding. The financial support from Cheltenham Borough Council working in partnership with the Cheltenham Trust ensures that Cheltenham's cultural and sporting offer is vibrant and contributes to the economic prosperity of the town, utilising the iconic assets and places for people to improve their health, for social engagement, learning and enjoyment. Our aim is to ensure that more people can benefit from the Trust more of the time as it develops its key areas of focus.

The Trust's role in developing Cheltenham has resulted in significant developments which have been measured throughout 2017/18 as follows:

- Over 11,000 volunteer hours pursuing various roles, invigilation, events support, collections work, caring for our venues, interpretation and much more – the most diverse part of the Trust in addition to our visitor base
- Over 950,000 customers engaged with across our venues
- Wilson Arts Collective continues to grow from strength to strength as we focus on young people and their needs
- Over 64,000 contacts with school children across the county of Gloucestershire and beyond through our exemplary loan boxes, learning, talent and skills programme, school swimming and events
- Worked in partnership with; the Victoria & Albert Museum, bringing some of the best names from the international Pop Art movement to Cheltenham with 'Pop Art in Print'; The Royal Collection Trust with the exhibition 'Queen Victoria in Paris'; and Sky Arts TV for 'Fake! The Great Reveal'
- Loaned material to a ground-breaking exhibition in Madrid by the Fundacion Juan March, William Morris and Company: The Arts and Crafts Movement in Great Britain which then toured to Barcelona at the Museu Nacional d'Art de Catalunya. Worked in association with the V&A, the William Morris Gallery, the Whitworth Manchester and the Fitzwilliam Museum and many more to present an overview of Arts and Crafts Movement material. Loaned items from our collection to Tate Britain, Tate Liverpool, Mead Gallery, Sainsburys Centre and Laing
- Hosting the Special Olympics, for disabled people across Gloucestershire on an annual basis, constantly seeking to ensure our offer is equitable
- The Trust has attracted over £363k of external funding for a wide range of projects which includes funding from DCMS, Arts Council England, Sport England and Gloucestershire County Council – projects which have been fulfilled during the period and will reach conclusion in 2018/19

The Trust has worked in partnership with and supported a number of organisations which include:

- Arts Council England
- Sport England
- Heritage Lottery Fund
- GFirst LEP
- Gloucestershire County Council (Education and Learning/Libraries)
- Create Gloucestershire
- Active Gloucestershire
- Special Olympics – Gloucestershire (disability sport)
- Wilson Arts Collective
- Friends of The Wilson
- Cheltenham BID
- Business Forum – Cheltenham

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Within Cheltenham, the Trust has been developing closer working relationships with other cultural organisations and groups. These include Cheltenham Festivals and the Everyman Theatre which are also run by charitable Trusts and with whom we are working more than ever through a Culture Board which aims to develop the town's cultural life even further. We have also been deepening our relationship with the Friends of The Wilson, an independent charity which focusses its efforts on assisting our art gallery and museum. Cheltenham is lucky to have such a large and enthusiastic group supporting The Wilson and the Friends have adopted a new and far-sighted approach of directly sponsoring enhancements and staffing needs as well as raising money for acquisitions. I salute them!

As we look to the future, we continue to work with Cheltenham Borough Council on the development of Cheltenham Town Hall, reimagining how the venue could be used by a 21st century audience. With a particular focus on increasing use, both day time and evening; developing new audiences; shaping the artistic programme and generating income from a wide range of activity to sustain a vibrant venue for future generations.

It has been a pleasure working with my enthusiastic Trust colleagues. I thank them for their support and wise counsel. It is invigorating to work with our talented staff, led by CEO Julie Finch, and the growing army of volunteers who give their time to our various facilities.

It has been a busy year. Our focus has been on ever more efficient use of financial resources, but it is apparent here – as it is nationally – that public funding cannot provide everything the town might want in its arts and leisure activities. I make no apology for my view that Cheltenham people – and those living in surrounding areas which benefit just as much from our superb facilities – will need to contribute even more in future, through donating or volunteering time, to develop what we all value so much and to ensure that Cheltenham continues to punch above its weight in art, culture and lifestyle.

Signed: Peter Harkness

Chair of the Board of Trustees

Date: 28/9/18

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For the year ending 31 March 2018

The Cheltenham Trust, a company limited by guarantee (No. 09021431), was incorporated on 1 May 2014 and obtained charitable status on 18 September 2014. It is governed by its Memorandum and Articles of Association.

The Cheltenham Trust commenced operations on 1 October 2014 and currently operates 'The Wilson' Art Gallery and Museum, Tourist Information services, 'Leisure At' Recreational Facilities at Pittville including the Prince of Wales Stadium, plus the Cheltenham Town Hall and Pittville Pump Room entertainment venues on behalf of Cheltenham Borough Council.

Cheltenham Leisure and Culture Ltd is a trading subsidiary of The Cheltenham Trust.

The Trust's charitable objectives are set out below. Any financial surplus achieved by the Trust is re-invested in the charitable aims and objectives.

Objectives and Vision

The Trust has been established for the following charitable purposes:

- for the advancement and support of education, culture, arts and heritage including the provision of libraries, museums, galleries, learning and information centres, archives, activities, events, programmes and other related services.
- for the provision of facilities for recreation or other leisure time occupation in the interest of social welfare such facilities being provided to the public at large with special facilities being provided for various needs and demographics.
- for the promotion of good health and wellbeing through community and public participation in healthy recreation and activities.
- other such charitable purposes that are beneficial to the public and consistent with the objects as the Director Trustees shall determine.

Vision

The Trust's vision is to enrich the lives of the residents of Cheltenham and visitors to the town by building a vibrant cultural economy and creating a distinctive sense of place.

Value Outcomes

The Trust has established a value model which seeks impact and outcomes in the following areas: Social, Cultural and Economic.

The Trust operates from five main sites with a range of cultural, sport, learning, health & well-being, engagement and commercial hire and retail services provided within and across all venues, as well as in partnership with other public and charitable organisations.

Management Agreement

The Trust operates independently, occupying buildings owned by Cheltenham Borough Council. A Management Agreement has been established between Cheltenham Borough Council and The Cheltenham Trust to deliver key outcomes that are consistent with the Borough Council's social objectives and the Trust's creation of social value.

Activity during the year

The main activities at each of the five main sites are:

- **Leisure At Cheltenham**
A community leisure centre offering a wide range of wet and dry facilities and services.
- **Prince of Wales Stadium**
A 2,000-seat sports stadium, providing rugby and athletics facilities, and offering hire facilities

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For the year ending 31 March 2018

for parties and events.

- **The Wilson – Cheltenham Art Gallery and Museum**

The Wilson holds several outstanding collections, including the internationally designated Arts and Crafts Movement collection, much of which relates to the Cotswolds and the Edward Wilson collection. Following a £6m redevelopment scheme completed in October 2013, The Wilson now offers a greater opportunity for the display of local, regional, national and international art and heritage collections, attracting national and international touring exhibitions. There are also dedicated learning and research facilities.

The Wilson hosts the tourist information services for Cheltenham.

- **Cheltenham Town Hall**

A Grade 2 listed heritage landmark set in Cheltenham's Imperial Gardens with a 900 seat main concert hall and 300 seat second venue. It offers a wide and varied range of events and activities including live music, comedy, dancing as well as festivals.

- **Pittville Pump Room**

A Grade 1 star listed spa building dating from the early 1800's and sited in one of Cheltenham's finest parks. The Pump Room is a popular venue for weddings, musical events, meetings and gatherings, as well as a visitor destination.

During the year, the Trust has undergone significant change, and has concentrated much of its efforts in the development of the 'One Trust' model combining corporate activity in support of the wider aims of the Trust. Customer and Commercial Services and Public Programme incorporate all operational activity for the Trust and recalibrating these has resulted in changes in how we collect data, market our offer, welcome visitors, raise our standards to compete in different markets and ultimately how we fundraise and work with our partners.

Across the Trust the activity has included:

A focus on volunteering has enabled a more professional approach to supporting the work of the Trust, and our volunteers are a significant part of our operations. Significant activity to build support from volunteers has taken place. This includes gallery invigilation at The Wilson; work on collections care, behind the scenes talks and tours.

The Wilson Arts Collective has become a flagship youth engagement programme offering the opportunity to develop enterprise skills for future careers within the cultural and creative industries; including print-making, ceramics, silver-smithing and graphic design.

More than 20 sports clubs partner the Trust and also support the delivery of holiday programmes and events. In addition, wider relationships have been developed with other national organisations which include Morris and Co, the Arts Council Collection, The Tate and the National Portrait Gallery.

Our creative and enterprising sports and culture programme provided a number of highly successful events including:- Rio 2017 community event; the introduction of Glow Sports; 'Roll Up-Roll Up' a family friendly inaugural event at the Town Hall; and our 'Pitt Sunday' programme; all of which clearly demonstrated the Trust's ability to creatively originate and shape content. Our work with the Arts Council Collection resulted in the Pop Art exhibition, which was highly successful in bringing both the best art to the region and diversity in audiences.

During the year we have also increased awareness and use of The Wilson collection. Exhibitions such as Hidden Agenda, Wild Worlds and Last Word in Art have not only drawn on collections managed by the Trust but have also drawn on the skill of staff within the Trust and the artistic sector. The Trust has built relationships with national organisations such as TATE, National Portrait Gallery and Art Fund. The aim of The Trust is to develop this further in the future.

We've also seen a number of successful funding bids, resulting in the development of much needed work to support the ongoing improvement of The Wilson. This has included: Resilience funding from Arts Council England; a Heritage Lottery Funded project for 2018 relating to World War 1; and Swim Local funding from Sport England to enable swimming to be available to a wider range of inactive people. Whilst the funding bids were successful during the year, the roll out of projects will run

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For the year ending 31 March 2018

through to 2018.

Our commercial activity continues to support the work of the Trust. We have seen growth in gym membership, hires, food and beverage contributions, rental incomes, ticket sales. The Trust has attracted significant media coverage and is leveraging all digital channels to build relationships with customers and audiences.

Our work with learning and engagement continues to benefit a wide range of audiences and is in the process of being further developed across all demographics.

We aim to build on our success by growing and widening the diversity of our customer base. We do this with energy and enthusiasm, building our offering, so that as many people as possible benefit from the Trust. Audiences will be central to helping to shape future projects as The Trust begins to focus on capital developments.

Cheltenham Town Hall represents another key area of activity, working with Cheltenham Borough Council, with the feasibility work for a major capital project beginning in 2018/19. Similarly, the first phase of a strategic plan for Leisure At will be shaped further and delivered during 2018/19.

The development of our venues is vital in underpinning future income streams and rewarding and relevant engagement opportunities that will ensure our sustainability.

The Trust also worked on developing infrastructure which has included:

- Data Collection through the Data and Systems Project
- Website development and e communications
- Customer Charter and associated training and development for teams

Financial Report Summary

Over the last twelve months the Trust and its subsidiary (the Group) continued to focus on a number of key activities: the new structure, reconstitution of budgets, matrix working and measuring impacts within business units. The Trust continues to shape the new organisation following the transition from local authority control to that of a charitable trust with control residing with a board of trustees.

Total income of £6.1m comprised the following:-

Income from operations	£4.7 m
Management Fee	£0.9 m
Refund of LGPS from CBC	£0.2 m
Grants, donations and other contributions	£0.3 m

Net operating loss (excluding the pension scheme movements) for the year was £19.9k with a net surplus of £13.7k on unrestricted funds (excluding FRS102 pension costs).

Cheltenham Leisure and Culture Ltd

The Trust's wholly-owned trading subsidiary, Cheltenham Leisure and Culture Ltd, generated turnover of £334k and made a profit of £53 for the year.

The principal activities of the trading company now include the catering provision at Leisure At in addition to sales of various retail items through its Art Gallery & Museum Shop and Leisure At, and the provision of a Tourism Information service.

Reserves Policy and Going Concern

As a new business, the trustees are focussed on building sufficient reserves to ensure that the Trust is able to deliver its charitable objectives and is resilient and sustainable in the long term.

In the initial 5 years of operation, the policy is to utilise any surpluses to build income generating capacity and to accumulate unrestricted reserves to a target of £500k. The unrestricted reserves deficit (excluding the pension deficit) is £74k as at 31 March 2018.

To address the 2017/18 deficit, the Trust has undertaken a significant review of its activities and carried out a reforecasting exercise to deliver operating surpluses for 2018/19 and 2019/20.

The use of reserves is monitored by the Trust's Finance Committee.

The pension reserve deficit of £1,459k is explained in note 29, along with Cheltenham Borough Council's role as guarantor for any LGPS liability in the name of the Trust.

Investment Powers and Policy

In order to support the growth and investment strategy of the Trust and its cash flow requirements, surpluses are invested in interest bearing deposits.

Future Plans

Following the reorganisation and establishment of the Trust model, a continued period of consolidation is required during 2018/19 with a clear commercial focus to support charitable activities. This will include expenditure and income growth to underpin the future of the organisation.

Retention of our existing customers whilst accessing new markets is essential to enable us to leverage financial support. The completion of the Data Systems project, consolidation of the Customer Charter and robust financial controls, as well as plans to extend the reach of marketing collateral to attract new audiences will underpin our business activity. Further development of our cultural and sporting programmes to both shape and position the Trust for future funding opportunities is very important. This will be supported by learning, health and wellbeing and community engagement programmes.

Establishing the Trust as a vital part of Gloucestershire's cultural and sporting community for local people and visitors to the area is a priority.

Developing the assets is imperative to establish a refreshed business model to support the sustainability of the Trust.

The Town Hall project remains a priority with the successful completion of the feasibility stage. The Phase 1 development of Leisure At provides further opportunity to improve the visitor offer, extend the choices for engagement in health and wellbeing and improve overall customer experience. The Trust will also seek funding to establish options for Phase 2 development of The Wilson Art Gallery and Museum, optimising the collections and their audience reach and engagement.

Access to our services

The Trust remains committed to equal access to our services for everyone. The Trust strives to be an open employer; welcoming staff and volunteers from all backgrounds. The Trust aims to reflect the diversity of the population in both our user group and our staffing mix.

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For the year ending 31 March 2018

Reference and Administration Details

Registered charity name	The Cheltenham Trust
Charity registration number	1158606
Company registration number	09021431
Registered office	Cheltenham Town Hall Imperial Square Cheltenham GL50 1QA

Legal Advisors

Bevan Brittan LLP
Kings Orchard
1 Queen Street
Bristol
BS2 0HQ

Financial and Human Resources Advisors

Publica Group Limited
Trinity Road
Cirencester
Gloucestershire GL7 1PX

Auditor

Mazars LLP
45 Church Street
Birmingham
B2 3RT

Banker

Lloyds Bank PLC
130 High Street
Cheltenham
GL50 1EW

Directors and Trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law. The trustees and officers serving during the year and since the year end were as follows:

Key management personnel of The Cheltenham Trust: Trustees and Directors

Chair: Peter Harkness

Vice Chair: Duncan Smith

Trustees:

- Laura Brookes
- Jacqueline Meekings-Davis
- Louis Eperjesi – appointed 2 Feb 2018
- Jacqueline Grange
- Cllr Colin Hay – resigned 4 May 2018
- Cllr Karl Hobley
- Judith Hodsdon
- Martin Horwood – resigned 4 May 2018
- Stephen Anthony Limbrick – appointed 29 June 2018
- Maxine Melling – appointed 23 March 2018
- Sian Morgan – appointed 23 March 2018
- Jeremy Paul Owen
- Cllr Dennis Parsons – appointed 16 July 2018
- Ian Renton
- David Shelmerdine – resigned 28 July 2017

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Key management personnel:

Senior managers of The Cheltenham Trust

Chief Executive
Finance Director

Julie Finch
Lynn Todman to 16 June 2017

Head of Commercial & Customer Development
Head of Public Engagement
Head of Content & Programmes

Stephen Petherick to 31 August 2018
Craig Mortiboys to 22 August 2017
Riah Pryor

Key management personnel of Cheltenham Leisure and Culture Ltd: Directors

Jonathan Butler – appointed 29 June 2018
Julie Finch
Peter Harkness
Jeremy Paul Owen
Ian Renton
Duncan Smith
Laura Thomas - resigned 15 November 2017

Senior Management personnel Cheltenham Leisure and Culture Ltd

Chief Executive of the Group Julie Finch

Structure, Governance and Management

Governing Document

The Cheltenham Trust is a company limited by guarantee governed by its Memorandum and Articles of Association formed when the charitable company was incorporated in May 2014. It is registered as a charity with the Charity Commission.

Appointment of Trustees

The Board shall be composed of at least seven and not more than fifteen Trustees, including two Council appointed Trustees nominated by Cheltenham Borough Council. The Trustees are appointed on a three year term, with an option to extend for a further three years. The Board meets on a minimum of five occasions during the year.

The process to select new Trustees is based on the skills and competencies required by the Board at the time the vacancy arises.

Trustee Induction and Training

On joining the organisation, Trustees are given an induction and introduced to the organisation's culture.

Trustees have significant experience from various professions and use their skills to inform their responsibilities to ensure the good governance of the charity. The Board membership includes a balance of backgrounds and capabilities relevant to the overall strategic requirements of the Trust, and there is a recognised commitment by the Board to maintain this balance. The Board of Trustees participate in board development opportunities, and the overall board is subject to an annual skills audit that is aligned to the strategic direction of the Trust.

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For the year ending 31 March 2018

Directors' Indemnity insurance

The trust holds indemnity insurance with Zurich insurance for the directors with liability cover of £1 million (2017: £1 million). The annual premium for this is £915 (2017: £509).

Organisation

The business of the charitable company is delegated to and managed on a day to day basis by the Chief Executive, who is supported by an Executive Management Team of senior managers.

The Board of Trustees has established a Finance Committee, an Audit & Risk Committee and a Nominations and Remunerations Committee so that specific issues delegated can be studied in detail and recommendations made back to the Board. A Capital Development Committee is also in place to ensure that assets are developed appropriately, and a Trading Company has been established, Cheltenham Leisure and Culture Ltd.

The Chief Executive and the Executive Team advise the Board on strategy development and support for the Board's governance activities and have responsibility for operating the services of the charity on a day to day basis. The Board undertakes its role using the Code of Conduct for Good Governance and agrees the overall strategic direction of the Trust.

Related Parties and Co-operation with Other Organisations

None of our Trustees receive remuneration from their work with the charity. Any connection between a Trustee or senior manager of the charity with a production company, contracted actor, performer or exhibitor must be disclosed to the full board of Trustees in the same way as any other contractual relationship with a related party. In the current year no such related party transactions were reported.

Two Trustees are nominated representatives of Cheltenham Borough Council. Transactions between the Trust and CBC, along with other related party disclosures are recorded in note 15.

The charity's wholly owned subsidiary, Cheltenham Leisure and Culture Ltd was established to operate commercial activities including selling goods at 'The Wilson' shop, selling wedding packages and providing a Tourism agency.

Pay Policy for Senior Staff

The senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Trust on a day to day basis.

The pay of the Chief Executive is reviewed annually by the Trust's Nominations and Remuneration Committee. The pay of the key management personnel is periodically reviewed and benchmarked against pay levels in similar professions when recruiting to these roles.

Trust Staff

The Cheltenham Trust employs an average of 206 staff including 89 casuals. They undertake 116 full time equivalent roles across its sites. The Trust also benefits from the contribution of 236 volunteers delivering over 11,000 hours of volunteer time across its activities

The Trustees and Executive Management Team support the involvement and engagement of staff in the day to day running, policy making and general management of the charity. Members of staff are kept informed on matters affecting them as employees and on various factors affecting the performance of the Trust. This is achieved largely through formal and informal meetings and also, where practicable, by circulating notices.

The policy of the Trust is to offer the same opportunities to a diverse range of people in respect of recruitment and career progression. Where employees of the Trust become disabled, the employee will wherever possible be retained, rehabilitated and retrained.

Risk Management

The Trustees have adopted a risk management policy from which they have identified potential risks and the likelihood of their occurrence. In addition, they have identified measures to be put in place to mitigate the risks and further action that might be necessary to limit that risk.

The Board receives quarterly risk information at board meetings and sufficient commitments are made to cover known liabilities. The Board and its committees receive regular financial information and manage financial risk accordingly.

The Trustees attend at least one risk focused workshop a year to identify potential strategic risks aligned to the Trust's 3 Year Strategic Plan and gain assurances on the management of previously identified risks. The key strategic risks facing the Trust are represented as follows:

<u>Risk Identified</u>	<u>Management Action</u>	<u>Managing Future Uncertainty</u>
1. If Capital projects are not undertaken in a timely manner the Trust's strategy will be undermined.	Ensure the relationship with Cheltenham Borough Council is successful and projects are enabled.	Invest in solid decision making at board level and time in ensuring the relationship with funders and Cheltenham Borough Council is consistent with the aims of the Trust to develop the assets and collections.
2. If funding is cut significantly within the service level agreement with Cheltenham Borough Council, the Trust will not be able to meet its charitable objectives or operate successfully.	Develop income generating opportunities outside of the service level agreement. Ensure that the Leases in place enable fundraising optimisation.	Ensure all legal, contractual and agreement arrangements are in place to protect the Trust's position in order to develop the assets.
3. If the Trust fails to meet income targets in 2018/19, the Trust's ability to generate surpluses will be undermined.	Investing in mechanisms and processes to ensure that the budget control is consistent with income generation. Ensure the Board have the appropriate information on which to base decisions. Board approval of an operational financial strategy aimed at delivering a surplus in 2018/19 and 2019/20	Seek optimal model for charitable and trading opportunities.

Events since the Balance Sheet date

There are no events since the balance sheet date that impact on The Trust and change its 'going concern' status.

The Cheltenham Trust

STATEMENT OF TRUSTEES' RESPONSIBILITIES

For the year ending 31 March 2018

Statement of Trustees' Responsibilities in relation to the Financial Statements

The Trustees (who are Directors of The Cheltenham Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 Group and of the incoming resources and application of resources, including income and expenditure, of the Group for that period. In preparing these 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Trust's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have regard to the Charity Commissioner'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 as to disclosure to our auditors

In so far as the Trustees are aware at the time of approving our Trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- the Trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take a director in order to make themselves aware of any audit information and to establish that the auditor is aware of that information.

Auditor

A resolution to appoint Mazars LLP as auditor of the company was approved at a meeting of Trustees on 23rd March 2018.

The Trustees have prepared this report in accordance with the provisions applicable to companies subject to the small companies' regime.

By order of the board of Trustees and signed on their behalf by:



Peter Harkness
Trustee & Chair of the Board

28/9/18

Date

The Cheltenham Trust

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE CHELTENHAM TRUST

For the year ending 31 March 2018

Opinion

We have audited the financial statements of The Cheltenham Trust (the 'parent charity') and its subsidiary (the 'group') for the year ended 31st March 2018 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, The Consolidated Statement of Cash Flows 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, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31st March 2018 and of the group's 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees' have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we

The Cheltenham Trust

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE CHELTENHAM TRUST

For the year ending 31 March 2018

conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report and the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specific by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees (who are also the directors of the parent charity 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually

The Cheltenham Trust

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE CHELTENHAM TRUST

For the year ending 31 March 2018

or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Ian Holder FCA

(Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

45 Church Street, Birmingham B3 2RT

The Cheltenham Trust

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (including a consolidated income and expenditure account) For the year ending 31 March 2018

		Unrestricted Funds		Restricted	Total Funds for the year ended 31 March 2018 £	Total Funds for the year ended 31 March 2017 £
	Note	FRS102 Pension £	General £	Funds £		
Income						
Donations and legacies	4	-	10,527	-	10,527	11,302
<i>Income from charitable activities:</i>						
Operation of leisure and cultural facilities	5	-	5,389,157	363,174	5,752,331	5,727,523
<i>Income from other trading activities</i>						
Commercial trading operations	6	-	334,084	-	334,084	164,081
Investment income	7	-	3,136	-	3,136	1,618
Total Income		-	5,736,904	363,174	6,100,078	5,904,524
Expenditure						
<i>Cost of raising funds:</i>						
Commercial trading operations	6	-	334,060	-	334,060	161,293
<i>Expenditure on charitable activities</i>						
Operation of leisure and cultural facilities	8	194,000	5,387,888	398,030	5,979,918	6,006,161
Total expenditure		194,000	5,721,948	398,030	6,313,978	6,167,454
Net income / (expenditure)		(194,000)	14,956	(34,856)	(213,900)	(262,930)
Other Recognised Gains and Losses						
Actuarial (loss) / gain arising on defined benefit pension scheme		246,000	-	-	246,000	(773,000)
Net Movement in Funds before transfers		52,000	14,956	(34,856)	32,100	439,134
Transfers between funds		-	(1,265)	1,265	-	-
Net Movement in funds		52,000	13,691	(33,591)	32,100	(1,035,930)
<i>Reconciliation of Funds:</i>						
Total Funds brought forward		(1,511,000)	(87,808)	131,727	(1,467,081)	(431,151)
Total Funds carried forward		(1,459,000)	(74,117)	98,136	(1,434,981)	(1,467,081)

The statement of financial activities includes all gains and losses recognised in the year. Comparative figures for the period ended 31st March 2017 are included in note 10.
All income and expenditure derive from continuing activities.

The notes on pages 19 to 38 form an integral part of these financial statements.

The Cheltenham Trust

CONSOLIDATED BALANCE SHEET As at 31 March 2018

	Note	Group		Charity	
		2018	2017	2018	2017
		£	£	£	£
Fixed Assets					
Tangible assets	18	45,420	32,208	45,420	32,208
Investments	19	-	-	1	1
Total Fixed Assets		45,420	32,208	45,421	32,209
Current Assets					
Stock	20	28,750	38,729	-	12,098
Debtors	21	783,095	727,295	963,675	865,075
Cash at bank and in hand		293,410	329,018	152,448	283,436
Total Current Assets		1,105,255	1,095,042	1,116,123	1,160,609
Liabilities					
Creditors falling due within one year	22	(1,125,627)	(1,082,302)	(1,136,550)	(1,168,851)
Net Current Assets/(Liabilities)		(20,372)	12,740	(20,427)	(8,242)
Total assets less current liabilities		25,048	44,948	24,994	23,967
Creditors: falling due after more than one year	24	(1,029)	(1,029)	(1,029)	(1,029)
Net assets excluding pension fund liability		24,019	43,919	23,965	22,938
Pension Fund Liability	29	(1,459,000)	(1,511,000)	(1,459,000)	(1,511,000)
Net Liabilities		(1,434,981)	(1,467,081)	(1,435,035)	(1,488,062)
The funds of the charity:					
General unrestricted funds	25	(74,117)	(87,808)	(74,171)	(108,789)
Unrestricted pension reserve	29	(1,459,000)	(1,511,000)	(1,459,000)	(1,511,000)
Restricted funds	26	98,136	131,727	98,136	131,727
		(1,434,981)	(1,467,081)	(1,435,035)	(1,488,062)

The Trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

These financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:


Peter Harkness
Trustee & Chair of the Board

28/9/18
Date

The notes on pages 19 to 38 form an integral part of these financial statements.

The Cheltenham Trust
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ending 31 March 2018

		Group	
		Year ended 31 March 2018	Year ended 31 March 2017
Note		£	£
Cash used in operating activities	28	909	(392,040)
Cash flows from investing activities			
Interest income		3,136	1,618
Purchase of tangible fixed assets		(39,653)	(27,657)
Cash used in investing activities		(36,517)	(26,039)
Cash flows from financing activities			
Repayment of borrowing		-	-
Cash used in financing activities		-	-
(Decrease) / increase in cash and cash equivalents in the period		(35,608)	(418,079)
Cash and cash equivalents at the beginning of the period		329,018	747,097
Cash and cash equivalents at the end of the year		293,410	329,018

The Cheltenham Trust

NOTES TO THE ACCOUNTS

For the year ending 31 March 2018

1. Accounting Policies

(a) Basis of preparation

The financial statements of the Trust 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) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

The Cheltenham 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).

(b) Preparation of the accounts on a going concern basis

The Trust has undertaken a significant review of its activities and carried out a reforecasting exercise to deliver operating surpluses for 2018/19 and 2018/20.

The Trustees (who are Directors of The Cheltenham Trust for the purposes of company law) have prepared an operating budget that shows that the Trust will make sufficient surpluses to enable it to continue 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 obligation for the foreseeable future and the Trustees consider that contributions do not compromise the Trust's ability to continue to operate due to the Council's guarantee.

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

(c) Judgements and estimations

Management has not made any significant judgements in the process of applying the accounting policies and there are no areas of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(d) Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary Cheltenham Leisure and Culture on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the Trust has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

(e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executors to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

The Cheltenham Trust

NOTES TO THE ACCOUNTS

For the year ending 31 March 2018

Income received in advance of a theatrical performance or provision of other specified service is deferred until the criteria for income recognition are met (see note 23).

(f) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised; refer to the Trustees' annual report on page 2 for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

(g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

(h) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the Trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Trust's work or for specific artistic projects being undertaken by the Trust.

(i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of commercial trading including the shop and the Tourism agency and their associated support costs.
- Expenditure on charitable activities includes the costs of performances, exhibitions and other educational activities undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

(j) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Trust's artistic programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 11.

The Cheltenham Trust

NOTES TO THE ACCOUNTS

For the year ending 31 March 2018

(k) Tangible fixed assets

Individual fixed assets are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis as follows:

Asset Category	Annual rate
Furniture and fixtures	20%
Equipment	33%

(l) Stock

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

(m) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

(n) Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(o) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

(p) Financial instruments

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest rate method.

(q) Pensions

Employees that transferred to the Trust under TUPE were entitled to remain with the Local Government Pension Scheme administered by the County Council which is funded by contributions from employee and employer. Alternatively they may have opted to join the group money purchase defined contribution pension scheme operated by Scottish Life. Members of the County Pension Scheme may also contribute added years to that scheme or take out an Additional Voluntary Contribution scheme, each of which is funded by the employee only. Since 1st October 2014 new employees are only able to join the money purchase scheme and cannot join the County Pension Scheme. New and existing employees who are not in the County Pension Scheme were automatically enrolled into the money purchase scheme unless they have exercised their right to opt out of scheme membership.

The County Pension Scheme is a multi-employer defined benefit scheme administered for the benefit of Local Authorities and other bodies and is managed in accordance with the Local Government Pension Scheme Regulations 1997 (as amended). Past and present employees are covered by the provisions of the County Pension Scheme.

The Cheltenham Trust

NOTES TO THE ACCOUNTS

For the year ending 31 March 2018

Members of the County Scheme used to accrue an index linked pension of $1/80^{\text{th}}$ of the best of their last three years pensionable service for each year of service, but from April 2014 this is now $1/49^{\text{th}}$ of their average earnings for each year of service. Additional benefits for service before April 2014 included a lump sum on retirement, but this has now been replaced with a lump sum option but a reduced annual pension from April 2014. Other benefits include continued (reduced) pensions for a spouse on the death of the member and benefits for dependents on death or permanent incapacity in service.

The Trustees are unable to confirm the charity's share of the underlying assets and liabilities of the County Pension Scheme and therefore the Scheme is accounted for as a defined contribution scheme. The County Pension Scheme provides that in the event that a single employer has individuals contributing to the scheme then any remaining liability for benefits payable under the scheme falls on that employer. Since the main participating employers are statutory bodies, the Trustees consider it highly improbable that such a liability will ever fall to the Trust.

The employer's contributions made to the scheme in 2017-18 were £247,000 (2016-17 £259,000) with an employer's contribution rate of 18.5% of pensionable pay and an employee's contribution of between 5.5% and 7.5% of pensionable pay. The Trustees are satisfied that any foreseeable change in employer's contributions can be budgeted for without detriment to the charity's ongoing activities.

The Company also offers a Stakeholder pension administered by Scottish Life, and employees joining the money purchase scheme contract directly with the insurance company. The Trust now makes a matching contribution to a maximum of 3% of salary to this pension scheme and acts as agent in collecting and paying over employee pension contributions. The contributions made for the accounting period are treated as an expense and were £16,266 (2016-17: £6,027). See note 29 for pension disclosures.

The Company started auto enrolment from November 2017.

2. Legal status of the Trust

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

The Cheltenham Trust

NOTES TO THE ACCOUNTS

For the year ending 31 March 2018

3. Financial Performance of the charity

The consolidated statement of financial activities includes the results of the charity's wholly owned trading subsidiary, Cheltenham Leisure and Culture Ltd, which runs the catering provision at Leisure At, shop sales at The Wilson and Leisure At and the Tourism agency.

The summary financial performance of the individual charity is:

	2018	2017
	£	£
Income	5,976,928	5,854,376
Gift Aid from subsidiary	20,983	17,931
	5,997,911	5,872,307
Expenditure on charitable activities	(5,996,884)	(6,037,288)
Net income/ (expenditure)	1,027	(164,981)
Movement in Pension reserve	52,000	(874,000)
Total funds brought forward	(1,488,062)	(449,081)
Total funds carried forward	(1,435,035)	(1,488,062)
Represented by:		
Restricted income funds	98,136	131,727
Unrestricted pension reserve	(1,459,000)	(1,511,000)
Unrestricted income funds	(74,171)	(108,789)
	(1,435,035)	(1,488,062)

4. Income from donations and legacies

	2018	2017
	£	£
Gifts	10,527	10,290
Legacies	-	-
Donated services	-	1,012
	10,527	11,302

The income from donations and legacies was £10,527 (2017: £11,302) of which £10,527 was unrestricted (2017: £4,687) and £nil restricted (2017: £6,615).

The Trust benefits greatly from the involvement and enthusiastic support of its many volunteers, details of which are given in our annual report. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

The Cheltenham Trust

NOTES TO THE ACCOUNTS

For the year ending 31 March 2018

5. Income from charitable activities

	Restricted and Unrestricted funds 2018 £	Restricted and Unrestricted funds 2017 £
Income from Charitable Activities operations:		
Public Engagement		
Income from Public Engagement Activities	1,118,940	1,149,095
Grants and donations for Public Engagement Activities	96,369	1,040
Sub-total: income from Public Engagement activities	1,215,309	1,150,135
Commercial & Customer Services		
Income from Commercial & Customer Services	1,803,199	2,119,496
Grants and donations for CCS	-	-
Sub-total: income from Customer Service activities	1,803,199	2,119,496
Content & Programming		
Income from Content & Programming	1,278,837	1,281,315
Grants and donations towards content & programming	262,663	27,759
Sub-total: income from Content& Programming activities	1,541,500	1,309,074
Support from sponsors and local authorities	1,192,321	1,130,887
Gift Aid from Subsidiary Company	-	17,931
Total income from charitable activities	5,752,331	5,727,523

6. Income earned from other trading activities

The wholly owned trading subsidiary, Cheltenham Leisure and Culture Ltd (CLC Ltd), is incorporated in the United Kingdom (company number 09133998) and any profits contributed to the charity are made under the gift aid scheme. CLC Ltd operates the Wilson shop and the Tourism agency, and provides wedding packages. A summary of the trading result is shown below:

The summary financial performance of the subsidiary alone is:

	2018 £	2017 £
Turnover before intercompany transactions eliminated on consolidation	334,084	164,081
Investment Income	29	264
Cost of sales and administration costs	(334,060)	(143,362)
Net profit / (loss)	53	20,983
Amount gift aided to the charity	-	(17,931)
Retained in subsidiary	53	3,052
The assets and liabilities of the subsidiary were:		
Current assets	252,814	171,595
Current liabilities	(252,760)	(150,611)
Total net assets / (liabilities)	53	20,984
Aggregate share capital and reserves	54	20,984

The Cheltenham Trust

NOTES TO THE ACCOUNTS

For the year ending 31 March 2018

For the year ended 31 March 2018 Cheltenham Leisure and Culture Ltd was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies and its members have not required the company to obtain an audit of its financial statements for the year in question in accordance with Section 476.

7. Investment income

All of the group's investment income of £3,136 (2017: £1,618) arises from money held in interest bearing deposit accounts.

8. Analysis of expenditure on charitable activities

	2018				
	FRS102 Pension	Public Engagement	Commercial and Customer Services	Content and Programming	Total
		£	£	£	£
Art Gallery & Museum	-	46,923	282,346	601,734	931,003
Performance	-	10,884	305,291	1,009,487	1,325,662
Sports & Leisure	-	661,725	1,215,270	21,459	1,898,454
Exec & Corporate Overheads	-	373,690	792,377	464,731	1,630,798
FRS102 pension adjustment	194,000	-	-	-	194,000
	194,000	1,093,222	2,595,285	2,097,411	5,979,918

	2017				
	FRS102 Pension	Public Engagement	Commercial and Customer Services	Content and Programming	Total
		£	£	£	£
Art Gallery & Museum	-	159,220	488,919	400,652	1,048,791
Performance	-	-	663,892	827,122	1,491,014
Sports & Leisure	-	659,256	1,170,341	44,007	1,873,604
Exec & Corporate Overheads	-	332,663	786,428	372,661	1,491,752
FRS102 pension adjustment	101,000	-	-	-	101,000
	101,000	1,151,139	3,109,580	1,644,442	6,006,161

All costs relate to the activities of the charity, being the provision of management of leisure, recreation and cultural activities.

The Cheltenham Trust

NOTES TO THE ACCOUNTS

For the year ending 31 March 2018

9. Summary analysis of expenditure and related income for charitable activities

This table shows the cost of the three main charitable activities and the sources of income directly to support those activities.

	Public Engagement	Commercial and Customer Services	Content and Programming	Total
	£	£	£	£
Costs	(1,093,222)	(2,595,285)	(2,097,411)	(5,785,918)
Fees and charges	1,118,940	1,803,199	1,278,837	4,200,976
	25,718	(792,086)	(818,574)	(1,584,942)
Direct grant support	96,369	-	262,663	359,032
Net cost funded from other income	122,087	(792,086)	(555,911)	(1,225,910)

The Cheltenham Trust

NOTES TO THE ACCOUNTS

For the year ending 31 March 2018

10. Consolidated Statement of Financial Activities

For the year ending 31 March 2017 (including a consolidated income and expenditure account)

		Unrestricted Funds	Restricted	Total Funds
				for the
				year
				ended
				31 March
				2017
	Note	FRS102 Pension £	General £	Funds £
Income				
Donations and legacies	4	-	-	11,302
<i>Income from charitable activities:</i>				
Operation of leisure and cultural facilities	5	-	5,492,688	234,835
<i>Income from other trading activities</i>				
Commercial trading operations	6	-	164,081	-
Investment income	7	-	1,618	-
Total Income		-	5,658,387	246,137
Expenditure				
<i>Cost of raising funds:</i>				
Commercial trading operations	6	-	161,293	-
<i>Expenditure on charitable activities</i>				
Operation of leisure and cultural facilities	8	101,000	5,747,762	157,399
Total expenditure		101,000	5,909,055	157,399
Net income / (expenditure)		(101,000)	(250,668)	88,738
Other Recognised Gains and Losses				
Actuarial (loss) / gain arising on defined benefit pension scheme		(773,000)	-	-
Net Movement in Funds before transfers		(874,000)	(250,668)	88,738
Transfers between funds		-	-	-
Net Movement in funds		(874,000)	(250,668)	88,738
<i>Reconciliation of Funds:</i>				
Total Funds brought forward		(637,000)	162,860	42,989
Total Funds carried forward		(1,511,000)	(87,808)	131,727

The Cheltenham Trust

NOTES TO THE ACCOUNTS

For the year ending 31 March 2018

11. Analysis of governance and support costs

The Trust initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the key charitable activities undertaken (see note 8) in the year. Refer to the table below for the basis for apportionment and the analysis of support and governance costs.

	General support	Governance function	Total	Basis of apportionment
	£	£	£	
Salaries, wages & related costs	220,584	85,782	306,366	Allocated on time basis, 25% Governance, 75% support
Catering & venue hire for trustee and other business meetings	1,205	772	1,977	Invoiced events
General office	83,448	27,816	111,264	Pro rata to staff full time equivalents
External audit fees	-	9,350	9,350	Governance
Accountancy & HR services	157,127	52,376	209,503	Pro rata to staff full time equivalents
Legal & other professional fees	163,562	-	163,562	Governance
	<u>625,926</u>	<u>176,096</u>	<u>802,022</u>	

12. Net income (expenditure) for the year

	2018	2017
	£	£
This is stated after charging:		
Depreciation	26,441	9,979
Auditor's remuneration:		
- Audit fees	9,350	10,700
- other services	2,650	1,050
Accountancy & HR services	209,503	284,523
Legal & other professional fees	163,562	107,329

13. Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel

	2018	2017
	£	£
Salaries and wages	2,706,630	2,826,376
National insurance	188,885	203,048
Pension costs	409,120	336,417
Other staff costs	16,563	18,535
Agency	56,972	38,902
	<u>3,378,170</u>	<u>3,423,278</u>

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For the year ending 31 March 2018

Employees receiving salaries, including benefits in kind, of more than £60,000 per annum were in the following bands:

	2018	2017
£70,000 to £79,999	-	1
£80,000 to £89,999	1	-

Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds. Staff costs and emoluments include payments relevant to income generating and charitable activities. During the period, pension contributions of £2,490 (2017: £2,310) were made on behalf of staff earning in excess of £60,000.

The charity Trustees were not paid or received any other benefits from employment with the Trust or its subsidiary in the year in their capacity as Directors' (2017: £nil), however one Trustee was paid expenses of £178 (2017: £488) for reimbursement of travel costs, subsistence and stakeholder engagement expenses in the period. No charity Trustee received payment for professional or other services supplied to the charity (2017: £nil).

The key management personnel of the parent charity, The Trust, comprise the Trustees, the Chief Executive Officer, Finance Director, Head of Commercial and Customer Development, Head of Public Engagement and Head of Content and Programmes. The total employee benefits of the key management personnel of the Trust were £225,557 (2017: £299,032). No staff are directly employed by the subsidiary, Cheltenham Leisure and Culture Ltd.

Termination payments (contractual £10,269 non-contractual £7,783) totalling £18,153 (2017: contractual £22,912, non-contractual £5,930, totalling £28,842) were made to 3 employees in the event of redundancy (2017: 5).

14. Staff numbers

The average monthly headcount was 206 staff (2017: 210 staff) and the average monthly number of full-time equivalent employees (including casual and part-time staff) during the year 2017-17 was 116 (year 2016-17: 105) analysed across services as follows:

	2018	2017	2018	2017
	No	No	FTE	FTE
Art Gallery & Museum	32.9	37.0	22.8	19.8
Performances	43.3	50.2	20.4	20.1
Sports and Leisure	120.2	109.2	63.4	52.9
Management	9.6	14.1	9.1	12.6
	205.9	210.5	115.7	105.4

15. Related party transactions

The Trust was set up to operate the leisure, entertainments and cultural facilities of Cheltenham Borough Council (CBC). During the period the Trust received amounts of £1,262,272 from CBC under a Management Agreement (2016-17: £1,244,955). At the period end there was £374,750 outstanding (2017: £369,121).

The Trust receives administrative support from various related bodies including Publica (an employment company jointly owned by Cotswold, West Oxfordshire, and Forest of Dean District Councils and Cheltenham Borough Council) that delivers finance, HR, and ICT services transferred from GO Shared Services in November 2017). These bodies associated with CBC provide services under service level agreements. as follows:

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For the year ending 31 March 2018

	2018	2017
	£	£
Cheltenham Borough Council	283,068	220,736
Publica (GO Shared Services)	209,502	219,515
One Legal	150	9,600
	492,720	449,851

See note 6 in respect of The Trust's subsidiary undertaking, Cheltenham Leisure and Culture Ltd (CLC Ltd). At 31 March 2018 the Trust was owed £nil (2017: £97,128) by the trading subsidiary for staff costs provided to it in respect of wedding packages, the Wilson shop and the Tourism agency, and the Trust owed CLC Ltd £nil (2017: £45,000) in respect of income due for services provided. Advantage is taken of the FRS102 exemption from disclosure of certain intergroup transactions.

Councillor C Hay was appointed as a CBC nominated Trustee in May 2014. He was an elected member of Cheltenham Borough Council and is a County Councillor of Gloucestershire County Council. During the year the Trust made sales to Cheltenham Borough Council for a value of £1,262,272 (2017: £1,244,996) and received goods and services from CBC to the value of £283,068 (2017: £220,736). At the end of the year, there was a net balance of £239,736 owing from CBC to the Trust (2017: £255,609 net owing from CBC to the Trust). During the year, the Trust made sales of £1,359 for room hire (2017: £406) to Cheltenham Borough Homes Ltd, a subsidiary company of Cheltenham Borough Council. £nil (2017: £800) was outstanding at year end, and received services £420 (2017: £nil). £nil was outstanding at year end (2017: £nil). During the year the Trust made sales to Gloucestershire County Council for a value of £18,013, (2017: £2,602) and received goods and services from GCC to the value of £4,472 (2017: £3,024). £nil (2017: £nil) was outstanding at year end. He is also a member of the Pension Committee of Gloucestershire LGPS. Note 29 provides details in respect of the pension scheme which is administered by Gloucestershire County Council, Note 26 provides the value of transactions and balances of GCC Grants and the paragraphs at the start of note 15 provide details in respect of Cheltenham Borough Council transactions.

Councillor K Hobley was appointed as CBC nominated Trustee 22 June 2017. Paragraphs at the start of note 15 provide details in respect of Cheltenham Borough Council transactions.

Mr P Harkness was appointed as a Trustee in May 2014. He is an ordinary member of the Friends of The Wilson Art Gallery & Museum.

Ms J Hodsdon was appointed as a Trustee in May 2014. She is an ordinary member of the Friends of The Wilson Art Gallery & Museum.

Ms J Meekings-Davis was appointed as a Trustee in October 2017. She is a Trustee of the Friends of The Wilson Art Gallery & Museum.

During the year the Company received £nil from the Friends (2017: £1,169) and held a balance of £nil of this sum at 31 March 2018 (2017: £nil).

There were no other outstanding balances with related parties as at 31 March 2018 (2017: £nil).

16. Government Grants

Income from government grants comprises sport related grants made by local authorities to fund healthy lifestyles and cultural activity in the community. See note 26 for more information and to the amount and source of these grants.

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NOTES TO THE ACCOUNTS

For the year ending 31 March 2018

17. Corporation Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

18. Tangible fixed assets – group & charity

	Equipment	Furniture and Fixtures	Total
	£	£	£
Cost			
As at 1 April 2017	43,523	2,546	46,069
Additions	36,912	2,741	39,653
Disposals	-	-	-
As at 31 March 2018	80,435	5,287	85,722
Depreciation			
As at 1 April 2017	12,696	1,165	13,861
Charges	25,733	708	26,411
Disposals	-	-	-
As at 31 March 2018	38,429	1,873	40,302
Net Book value as at 31 March 2018	42,006	3,414	45,420
Net Book value as at 31 March 2017	30,827	1,381	32,208

19. Investments

The charity holds one share of £1 in its wholly owned trading subsidiary company Cheltenham Leisure & Culture Ltd which is incorporated in the United Kingdom. This is the only share allotted, called up and fully paid. The activities and results of this company is summarised in note 6.

20. Stock

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Recreation Centre goods for resale	5,414	12,098	-	12,098
The Wilson shop goods for resale	23,336	26,631	-	-
	28,750	38,729	-	12,098

Expenditure incurred on stock during the year ended 31 March 2018 was £136,116 (period ended 31 March 2017: £145,665).

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For the year ending 31 March 2018

21. Debtors

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	451,806	163,314	451,194	161,014
Other debtors	284,385	496,226	284,085	491,662
Prepayments and accrued income	46,904	67,755	46,904	67,755
Amounts due from subsidiary undertaking	-	-	181,492	144,644
	783,095	727,295	963,675	865,075

22. Creditors: amounts falling due within one year

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Trade creditors	23,541	624	23,541	624
Other creditors and accruals	412,000	449,987	395,926	445,020
Deferred income	555,911	545,314	555,911	544,314
Short term Grants Receipts in Advance - Revenue	4,489	-	4,489	-
Taxation and social security costs	129,686	86,377	74,493	86,377
Amount owed to subsidiary undertaking	-	-	82,191	92,516
	1,125,627	1,082,302	1,136,550	1,168,851

23. Deferred income

Deferred income comprises advance ticket sales relating to various performances at the Town Hall in 2018-19 and for advance memberships at the recreation centre and for venue hires.

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Balance as at 1 April 2017	545,314	569,469	544,314	560,802
Amount released to income earned from charitable activities	(528,425)	(568,469)	(527,425)	(560,802)
Amount deferred in year	539,022	544,314	539,022	544,314
Balance as at 31 March 2018	555,911	545,314	555,911	544,314

24. Creditors: amounts falling due after more than one year

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Office rental deposit	(1,029)	(1,029)	(1,029)	(1,029)
	(1,029)	(1,029)	(1,029)	(1,029)

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NOTES TO THE ACCOUNTS

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25. Analysis of movements in unrestricted funds

	Balance 1 April 2017	Income	Expenditure	Transfers	Funds at 31 March 2018
	£	£	£	£	£
General fund	(87,808)	5,736,904	(5,723,948))	(1,265)	(74,117)
FRS 102 Pension fund	(1,511,000)	-	52,000	-	(1,459,000)
Total Unrestricted Funds	(1,598,808)	5,736,094	(5,669,948)	(1,265)	(1,533,117)

Name of unrestricted Fund	Description, nature and purpose of the fund
General fund	The 'free reserves' after allowing for all designated funds
FRS 102 Pension fund	Pension fund asset / (liability) recognised in the balance sheet

26. Analysis of movements in restricted funds

	Balance 1 April 2017	Income	Expenditure	Transfers	Funds as at 31 March 2018
	£	£	£	£	£
The Wilson Resilience	42,284	136,708	(174,877)	-	4,115
Pool Pod	55,320	-	(29,185)	-	26,135
The Order of Things	4,147	-	(6,942)	2,795	-
World War 1 Project	16,450	-	(3,239)	-	13,211
Whittem portrait	470	-	-	(470)	-
Archaeology	4,445	810	(610)	-	4,645
Active for Life	1,500	997	(2,497)	-	-
Wilson Arts Collective	696	-	-	(696)	-
Art & Culture Learning Donations	939	-	-	(939)	-
Street Games	5,476	5,500	(4,482)	-	6,494
DCMS Wolfson Capital Project	-	120,682	(120,682)	-	-
Swim Local Pilot Project	-	66,000	(26,764)	-	39,236
Navigator Developer Funding	-	14,167	(14,167)	-	-
Tour of Britain Cycling	-	9,360	(5,720)	-	3,640
Alternative Visions	-	5,050	(4,390)	-	660
Bands in the Park	-	2,300	(2,300)	-	-
Glosports	-	1,600	(2,175)	575	-
Total Restricted Funds	131,727	363,174	(398,030)	1,265	98,136

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NOTES TO THE ACCOUNTS

For the year ending 31 March 2018

Details of Restricted Funds

Name of fund	Description, nature and purpose of the fund
The Wilson Resilience	A broad programme of activity across creative, fundraising and volunteering to increase The Wilson's creative and financial sustainability.
Pool Pod	GCC Short Breaks Funding to Install a pool pod in swimming pool.
The Order of Things	A joint exhibition with the University of Gloucestershire.
World War 1 Project	HLF funding through Cheltenham Borough Council for workshops, exhibitions and activities to understand WW1.
Whittem portrait	A crowdfunding campaign to undergo conservation and display work to an item of our collection.
Archaeology	Contributions from local archaeology groups towards shelving and storage for finds.
Active for Life	An engagement project for over 50's to develop volunteer ambassadors and volunteering opportunities.
Wilson Arts Collective	An arts collective group of young people aged 11-25 years who meet and run projects within The Wilson.
Arts & Culture Learning donations	Amounts received in donation boxes labelled for the general work of the art gallery and museum.
Street Games	Sport England, funding for delivery of year round sports sessions.
Friends of Wilson Projects	Specific projects as determined by funding agreements with the Friends of the Wilson.
DCMS Wolfson Capital Project	A capital project to undertake the redesign and redisplay of a closed gallery within The Wilson.
Swim Local Pilot Project	A programme of capital and revenue activity focussed on increasing the participation in swimming through marketing, programming and physical changes.
Navigator Developer Funding	Funding to cover a Navigator Developer role to support those who are furthest away from employment in to employment.
Tour of Britain Cycling	A programme of on the day and legacy activity as part of the Tour of Britain event around cycling. Includes an accessible portaloo for Tour of Britain funded by the Barnwood Trust.
Alternative Visions	To install and run an exhibition providing unique insights into a previously undiscovered group of artists and what motivates them to create art. The exhibition is developed by Arts & Health South West, Outside In and Bristol Culture.
Bands in the Park	To fund a programme of local artists to perform in Cheltenham park based performance locations
Glosports	A programme of multi-sport activity using glow in the dark equipment

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27. Analysis of group net assets between funds

	General Fund £	Designated Funds £	Restricted Funds £	Total £
Tangible fixed assets	45,420	-	-	45,420
Cash at bank and in hand	293,410	-	-	293,410
Other net current assets / (liabilities)	(215,646)	-	(98,136)	(313,782)
Creditors of more than one year	(1,029)	-	-	(1,029)
Pension asset / (liability)	(1,459,000)	-	-	(1,459,000)
Total	(1,336,845)	-	(98,136)	(1,434,981)

28. Reconciliation of net movements in funds to net cash flow from operating activities

	Group	
	2018 £	2017 £
Net movement in funds	(213,900)	(262,930)
FRS102 pension adjustments	194,000	101,000
Add back depreciation charge	26,441	9,979
Deduct interest income shown in investing activities	(3,136)	(1,618)
Increase / (decrease) in stock	9,979	7,574
Increase in debtors	(55,800)	(226,072)
(Decrease) / Increase in creditors	43,325	(19,973)
Net cash (used in) / provided by operating activities	(909)	(392,040)

29. Pension Scheme

On 1 October 2014 the charitable company became a scheduled member into the Local Government Superannuation Scheme. At that date the liability relating to employees transferred under TUPE became the liability of the charitable company.

Under the transfer arrangements between Cheltenham Borough Council and the Trust, the net liability on the pension scheme remains a liability for the Trust but the Council is guarantor for any liability for the Local Government Pension Scheme in the name of the Trust.

This is a funded defined benefit scheme. This is a closed scheme for new employees unless the Transfer of Undertakings (Protection of Employment) Regulations 2006 apply. The contribution rates are those recommended by the fund's actuary, Hymans Robertson, and were set on the basis of:

- the relationship between the assessed value of assets and the accrued value of liabilities of pensionable service to 31 March 2018.
- the level of contribution needed to meet the cost of the year by year accrued benefits in future.
- the change in terms of contracting out of SERPS.

The actuarial valuation was based on economic and statistical assumptions, the main ones being:

- the rate of accumulation of income and capital on new investments over the long term and the increase from time to time of income from existing investments.
- future rises in pensionable pay due to inflation etc. and pension increases.
- withdrawals from membership due to mortality, ill health and ordinary retirement.
- progression of pensionable pay due to promotion.

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For the year ending 31 March 2018

The latest formal valuation of the fund for the purpose of setting employers' actual contributions was as at 31 March 2017 with the next formal valuation due as at 31 March 2020.

The market value figures below are based on assumptions required by FRS 102 standards. The assumptions that have the most significant effect on the results of the FRS 102 valuation are detailed below. Mortality follows the standard tables known as PFA92 and PMA92 with improvements in line with the Medium Cohort. The life expectancy used is based upon mortality assumptions. Assuming retirement at age 65, the life expectancies in years used in the valuation are as follows:

29.1 Financial assumptions

	31 March 2018	31 March 2017
Rate of increase in salaries	2.6%	2.7%
Rate of increase in pensions in payment	2.3%	2.4%
Discount rate	2.7%	2.7%

29.2 Major categories

	31 March 2018	31 March 2017
Equities	72%	71%
Bonds	20%	20%
Property	7%	7%
Derivatives	0%	1%
Cash	1%	1%

The total bid value of the entire Fund's assets as at 31 March 2018 was £2,209,000,000 (2017 £2,075,000,000,000) as provided by the administering authority. The charitable company's share of these assets at their market value amounted to £4,413,000 as at 31 March 2018 (£3,980,000 as at 31 March 2017). The split of these assets by category and their expected return is given below. There were no unfunded benefits as at 31 March 2018.

29.3 Assets in scheme

	Market Value 31 March 2018	Market Value 31 March 2017
	£'000	£'000
Equities	3,156	2,846
Bonds	882	796
Property	308	278
Derivatives	3	3
Cash	64	57
Total market value of assets	4,413	3,980
Actuarial valuation of liabilities	(5,872)	(5,491)
Net liability	(1,459)	(1,511)

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For the year ending 31 March 2018

29.4 Reconciliation in movement

	2018 £'000	2017 £'000
Surplus/(loss) at the beginning of the period	(1,511)	(637)
Movement in the period		
Current service cost (see (c) below)	(398)	(303)
Contributions	247	259
Settlements/curtailments	-	-
Past service costs	-	(35)
Net return from other finance income (see (a) below)	(43)	(25)
Actuarial gain (see (b) below)	246	(773)
Surplus/(loss) at the end of the period	(1,459)	(1,511)
Effect of irrecoverable pension asset	-	-
Pension asset/(liability) recognised in the balance sheet at 31 March	(1,459)	(1,511)

Under FRS 102, any asset resulting from the actuarial calculation is limited to the lower of the asset and any unrecognised past service cost plus the present value of available refunds or reductions in future contributions to the plan.

29.5 (a) Analysis of movement

	2018 £'000	2017 £'000
Expected return on assets	111	123
Interest cost	(154)	(148)
Net return on scheme assets	(43)	(25)
Effect of irrecoverable pension asset	-	-
Net return on scheme asset recognised in the statement of financial activities	(43)	(25)

29.5 (b) Analysis of actuarial loss

	2018 £'000	2017 £'000
Return on assets excluding amounts included in net interest	69	272
Other experience	177	84
Changes in demographic assumptions	-	(38)
Changes in financial assumptions	-	(1,091)
Actuarial gain	246	(773)
Effect of irrecoverable pension asset	-	-
Actuarial gain recognised in statement of financial activities	246	(773)

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For the year ending 31 March 2018

29.5 (c) Net current service costs

	2018 £'000	2017 £'000
Current service costs	(398)	(303)
Past service cost	-	(32)
Net service costs	(398)	(335)
Effect of irrecoverable pension asset	-	-
Current service costs recognised in statement of financial activities	(398)	(335)

29.6 Mortality assumptions

Life expectancy is based on the Fund's Vita Curves in line with the CMI model assuming the current rate of improvements has peaked and will converge to a long term rate of 1.25%. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	2018		2017	
	Males	Females	Males	Females
Current Pensioners	22.4 years	24.6 years	22.4 years	24.6 years
Future Pensioners	24.0 years	26.4 years	24.0 years	26.4 years

* Figures assume members aged 45 as at the last formal valuation date.

29.7 Historic mortality

Life expectancies for the prior period end are based on the Fund's Vita Curves. The allowance for future life expectancy is shown below.

Period Ended	Prospective Pensioners	Pensioners
31 March 2018	year of birth, medium cohort and 1% p.a. minimum improvements from 2010	year of birth, medium cohort and 1% p.a. minimum improvements from 2010

29.8 Commutation

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre-April 2008 service and 75% of the maximum tax-free cash for post-April 2008 service.

29.9 Contributions

The employer's contributions to the Local Government Pension Scheme by the Company for the period to 31 March 2018 were £247,000 (31 March 2017: £259,000). The Actuary has estimated that employer's contributions for the year ending 31 March 2019 will be approximately £247,000).

30. Events after the end of the reporting period

There have been no significant events since the balance sheet date.

