

**Registered Charity Number 1103980**  
**Company Limited By Guarantee Number 4868497**

**DACORUM SPORTS TRUST**  
**TRUSTEES REPORT**  
**FOR THE YEAR ENDED 31ST MARCH 2012**

THURSDAY



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27/09/2012  
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**DACORUM SPORTS TRUST**  
**(A company limited by guarantee)**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 2012**

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Registered Charity Number    1103980

Company Number                4868497

**DACORUM SPORTS TRUST**  
**(A company limited by guarantee)**

**LEGAL AND ADMINISTRATIVE INFORMATION**  
**FOR THE YEAR ENDED 31ST MARCH 2012**

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**Status**

Dacorum Sports Trust is a registered charity (Registered No 1103980) and a Company Limited by Guarantee (Registered Number 4868497)

The charity is constituted as a company limited by guarantee and was set up on 15 August 2003 and commenced its activities on 1 April 2004. Its activities are governed by its Memorandum and Articles of Association, which have not been amended since 15 August 2003.

**Registered office address**

The official address of Dacorum Sports Trust is: Park Road, Hemel Hempstead, Herts, HP1 1JS.

**Website addresses**

The website address of Dacorum Sports Trust is [www.sportspace.co.uk](http://www.sportspace.co.uk)

The website address for XC is [www.thexc.co.uk](http://www.thexc.co.uk)

**Appointment of directors**

The directors of the charitable company (the Charity) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees. The trustees serving during the year and since the year end were as follows:

<b>Trustees:</b>	E Emptage	(Chair - appointed Chair 28 9 11)
	M Dennis	(Vice Chair - Resigned as Chair 28 9 11)
	M Armstrong	(Vice Chair)
	B Bickel	
	M Carpenter	
	B Malyon	
	V Patel	
	I Phipps	
	L Topping	
	I Grant	
	R Copeland	
	M Wood	(Appointed 21 11 11)
	G Kearney	(Resigned 9.5 2011)
	A Adams	DST Staff Nominee (Appointed 23 5 12)
	M Dell	DST Staff Nominee (Resigned 24 1 12)
	T Douris	(Dacorum Borough Council Nominee)
	A Fantham	(Dacorum Borough Council Nominee)
	D Rance	(Dacorum Borough Council Nominee)

Company Secretary	R Hemmant	
	Contact details	<a href="mailto:rebecca.hemmant@sportspace.co.uk">rebecca.hemmant@sportspace.co.uk</a> Tel 01442 507117
Chief Executive Officer	D Cove	
	Contact details	<a href="mailto:dave.cove@sportspace.co.uk">dave.cove@sportspace.co.uk</a> Tel 01442 507094

**Auditor**

Hillier Hopkins LLP, 64 Clarendon Road, Watford, Hertfordshire, WD17 1DA

**Bankers**

The Co-Operative Bank, 2-6 Alma Street, Luton, LU1 2PL

**DACORUM SPORTS TRUST**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31ST MARCH 2012**

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**Introduction**

The Directors present their report and financial statements for the year ended 31<sup>st</sup> March 2012 and take pleasure in being able to report on another successful operating year. The company's eighth full operating year has built on the excellent start to the life of the Trust.

In these financial statements all references to the Company mean the Trust and references to the Directors in the Notes to the Financial Statements mean the Trustees.

**Structure, Governance and Management**

**Appointment of trustees**

As set out in the Articles of Association the chair of the trustees is nominated by the trustees. Dacorum Borough Council nominates three trustees and the staff nominate one trustee. The trustees have the power to co-opt further trustees if required.

All members are circulated with invitations to nominate trustees prior to the AGM advising them of the retiring trustees and requesting nominations for the AGM. When considering co-opting trustees, the Board has regard to the requirement for any specialist skills needed.

Trustees nominated by Dacorum Borough Council are subject to the nomination processes of that body, and of DST and the guidelines on appointment to public office as they apply to Local Government nominees. The staff nominee is subject to the nomination process as agreed by the Staff Partnership Board.

**Trustee induction and training**

Potential new trustees undergo an initial meeting with the Chief Executive who briefs them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, the history and the planned future of the charity.

The potential trustee is interviewed by 2 existing trustees and attends a Board meeting before being invited to join the Board. This gives them the chance to see the Board in action, meet and talk to existing trustees and senior staff. A Trustee Induction Pack has been produced and trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role. This year trustees have attended training on governance and strategic planning.

**Organisation**

The Board of trustees, which can have up to 16 members, administers the charity. The Board meets six times a year and there are standing sub-committees covering Human Resources and Finance that meet regularly. There are also 'task and finish' groups set up to explore specific issues, i.e. there is currently a Pensions Review group. A Chief Executive is appointed by the trustees to manage the day to day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the trustees, for operational matters including finance, employment and sport and recreation related activity. Although formally known as Dacorum Sports Trust, the majority of the Trust's activities are conducted under the banner of "Sportspace".

**Risk Management**

The trustees have a risk management strategy which comprises, a formal six monthly review of the risks the charity may face, the establishment of systems and procedures to mitigate those risks identified in the plan, and the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

This work has resulted in better planning and identified only a few minor new risks. The risk management strategy will continue to be reviewed on an ongoing basis. Particular attention has focussed on non financial risks arising from health and safety issues, fire, customer care and food hygiene. A key element in the management of financial risk is the setting of a reserves policy and its regular review by trustees.

**DACORUM SPORTS TRUST**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT CONTINUED**  
**FOR THE YEAR ENDED 31ST MARCH 2012**

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**Public Benefit Disclosure**

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

**Objectives and activities**

The objects of the Trust are

1. To provide or assist in the provision of facilities and services (primarily for the benefit of the community and visitors to the administrative area of Dacorum and any surrounding areas) for recreational, sporting or other leisure time occupation in the interests of social welfare
2. Special facilities may be provided for persons who be reason of their youth, age, infirmity or disability, poverty or social or economic circumstances may have special needs
3. To promote and preserve good health and well being through community participation in healthy recreation
4. Such other charitable purposes beneficial to the community consistent with the objects above as the trustees shall in their absolute discretion determine

The Trust has the general aim of improving the quality of life within the community by the provision of opportunities for sport and other physical activity.

During the year the Board undertook a review and revised the strategic objectives of the Trust. The new objectives are

1. To reduce the grant from DBC
2. That facilities and services are provided only in the community of Dacorum
3. Maximise investment in commercially viable developments, either within or outside of existing facilities and continue to offer Value for Money services, of high quality and affordable
4. Work in collaboration with partner agencies to improve the health of the local population
5. Seek to widen our customer base with new products and services, targeted especially at young people and the ageing population
6. Secure long term capital finance investment in existing and new facilities
7. Ensure we maximise the community benefits of the 2012 London Olympics
8. Reduce our impact on the Environment
9. Reduce our relative costs and our potential future costs
10. Ensure that each site/service area returns an operating surplus unless there is an agreed deficit

The Board will continue to review the trust's objectives and will amend them further as required. The Trust works closely with numerous partners in health, education and sport to deliver opportunities for the local community. There is a close working relationship with many sports clubs, providing advice, facilities and promotion opportunities to assist them in recruiting new participants and in developing those that want to perform at a higher competitive level.

There is currently a great deal of work carried out jointly with schools and the school sports partnerships and the health sector. This is primarily aimed at providing school children with information, advice and opportunities to make healthy choices with regard to diet and exercise.

**DACORUM SPORTS TRUST**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT CONTINUED**  
**FOR THE YEAR ENDED 31ST MARCH 2012**

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**Achievements and performance**

Income from operations has increased by 14 per cent due mainly to the opening of XC and higher income at Little Hay (up 24%) Gym membership income has increased year on year although numbers dropped off towards the end of the year School swimming and swimming lessons have shown improvement but Casual Swimming fell back slightly Club hire income, membership income, dryside courses and catering are all down but most other income lines have held steady

The only change to the Senior management team has been the appointment of Elise Hyslop as Marketing and Communications Director on 7th September 2011

There have been many improvements and achievements over the past 12 months, the Dacorum Sports Awards and the Herts Youth Games were once again fantastic successes DST also received Quest accreditation again and continued to score excellent results in Health and Safety and Pool audits

**Acknowledgement of staff input**

The trustees wish to take the opportunity to thank each and every one of the staff for their splendid efforts and their collective contribution towards the performance of the Trust, the development of our new facilities at Little Hay and XC and the contribution we have made to the wider community of Dacorum

**Financial Review**

The Trustees report that the Accounts show a surplus of £1,107,351 for the year after taking account actuarial losses (£419,000), further pension adjustments (£42,000 credit), the receipt of My Place funding grants (£1 621 250) and depreciation on the XC centre (£199 337)

The Operating Profit from normal trading contributes a small surplus of £45,248 which is better than estimated at the beginning of the year when rises in utility costs, pensions and unrecoverable VAT were expected as well as a reduction in funding

Total Funds currently stand at £5,134,679 after inclusion of the pension scheme liability of £653,000 and the balance on restricted funds which relates to grants received from My Place for the construction of XC (£4,811,534)

Tangible fixed assets include the cost less depreciation for XC (£5,089,092) Also included is £386,094 relating to the value of the furniture, fittings and equipment transferred from DBC at time of transfer as having been effectively acquired by the Trust less depreciation to date (note 11 refers)

Intangible Costs of Rental of Facilities have also been included at a notional rental and included both as costs and as Donated Services Accommodation income from DBC (note 2 refers)

The revaluation of the pension scheme assets and liabilities has resulted in a pendulous swing in the scheme deficit which now stands at £885,000 The liability has been divided between Dacorum Borough Council and the Trust according to employees' length of service before and after the date the Trust commenced operations (1 April 2004) in accordance with the transfer agreement.

**DACORUM SPORTS TRUST**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT CONTINUED**  
**FOR THE YEAR ENDED 31ST MARCH 2012**

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**Little Hay**

The first full year with the new clubhouse combined with an exceptionally mild winter resulted in a 40% increase in usage over the previous year. The Trust's insurance policies bore the cost of the rebuilding of the clubhouse following the fire in 2009 and have provided compensation for lost income

**XC - My Place**

XC, our Extreme Sports Centre opened to the public on 23rd July and has been a tremendous success. Over 100,000 customers have used either the climbing, skate park, high ropes, caving and catering facilities in the period to 31st March. However there have been some problems with rain penetration and condensation which will be addressed after the school holiday period.

**Reserves and investment policy**

In accordance with the Charity Commission's recommendation the Trust has adopted a reserves policy to provide a revenue reserve equal to one month's expenditure. The Trust aims to build up this reserve over a number of years at the rate of £50,000 per annum. The reserve now stands at £400,000.

**Plans for future periods**

The Trust is now at the tendering stage following agreement with DBC to provide funding for the conversion of the Upper Hall at Sportspace Hemel into an extension of Gymspace and for refurbishment of the wet and dry changing rooms. The new facilities should be complete early next year.

Plans to build a function suite and spa at Little Hay are being formulated and other major improvements are being planned to bring exciting new facilities at an affordable price to our customers.

**Statement of trustees' responsibilities**

The Trustees, who are also directors of Dacorum Sports Trust Ltd for the purposes of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the directors 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 charitable company will continue in business.

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

**DACORUM SPORTS TRUST**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT CONTINUED**  
**FOR THE YEAR ENDED 31ST MARCH 2012**

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In so far as the Trustees are aware

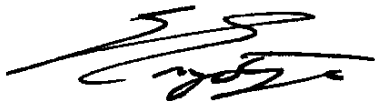
- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the Trustees have taken all steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

**Auditors**

In accordance with good business practice the Trust will be re-tendering the audit services it requires Hillier Hopkins LLP will be invited to re-tender

By order of the Board

Director  
E Emptage



24th September 2012



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**Registered Charity Number 1103980**  
**Company Limited By Guarantee Number 4868497**

**DACORUM SPORTS TRUST**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 2012**

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## **DACORUM SPORTS TRUST**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DACORUM SPORTS TRUST FOR THE YEAR ENDED 31ST MARCH 2012**

We have audited the financial statements of Dacorum Sports Trust for the year ended 31st March 2012, which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the 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, or for the opinions we have formed.

#### **RESPECTIVE RESPONSIBILITIES OF THE TRUSTEES AND AUDITOR**

As explained more fully in the Trustees' Responsibilities Statement in the Trustee Report, the trustees' (who are also the directors of Dacorum Sports Trust 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.

#### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

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

#### **OPINION ON THE FINANCIAL STATEMENTS**

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 2012 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,
- have been prepared in accordance with the Companies Act 2006,

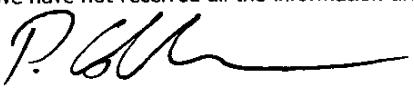
#### **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

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

#### **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

  
Phillip Collins FCA (Senior Statutory Auditor)  
for and on behalf of Hillier Hopkins LLP  
Chartered Accountants  
Statutory Auditor

Date 24/9/2012

64 Clarendon Road  
Watford  
WD17 1DA

**DACORUM SPORTS TRUST**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES**  
( INCOME & EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31ST MARCH 2012

		Unrestricted Funds	Restricted Funds	Total funds 2012	Total funds 2011
	Notes	£	£	£	£
<b>INCOMING RESOURCES</b>					
<b>Incoming Resources from generated funds:</b>					
Voluntary Income					
Donated Services - Accommodation	2	-	444,000	444,000	444,000
Funding Agreements and grants	3	589,627	1,621,250	2,210,877	3,876,851
Activities for generating funds					
Catering, Vending and Merchandising	4	615,875	-	615,875	409,238
Investment Income	5	356,588	-	356,588	303,891
		<u>1,562,090</u>	<u>2,065,250</u>	<u>3,627,340</u>	<u>5,033,980</u>
<b>Incoming Resources from charitable activities:</b>					
Operation of Sports Facilities and Sports Development	6	6,060,278	-	6,060,278	5,403,354
<b>TOTAL INCOMING RESOURCES</b>		<u>7,622,368</u>	<u>2,065,250</u>	<u>9,687,618</u>	<u>10,437,334</u>
<b>RESOURCES EXPENDED</b>					
<b>Fundraising trading costs</b>					
Catering, Vending and Merchandising	7	734,752	-	734,752	445,442
<b>Charitable activities</b>					
Marketing Costs	7	162,972	-	162,972	236,867
Operation of Sports Facilities and Sports Development	7	6,588,564	632,466	7,221,030	6,621,386
<b>Governance Costs</b>	7	42,513	-	42,513	38,039
<b>TOTAL RESOURCES EXPENDED</b>		<u>7,528,801</u>	<u>632,466</u>	<u>8,161,267</u>	<u>7,341,734</u>
<b>NET INCOMING RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>					
		93,567	1,432,784	1,526,351	3,095,600
<b>OTHER RECOGNISED GAINS AND LOSSES</b>					
Actuarial Loss - Pension Scheme	9	(530,000)	-	(530,000)	2,622,000
Contribution to Actuarial Loss from DBC	9	111,000	-	111,000	(1,290,000)
Net		<u>(419,000)</u>	<u>-</u>	<u>(419,000)</u>	<u>1,332,000</u>
<b>Net Movement in Funds</b>		(325,433)	1,432,784	1,107,351	4,427,600
<b>Reconciliation of Funds</b>					
Total Funds brought forward	21	648,578	3,378,750	4,027,328	(400,272)
<b>Total Funds carried forward at 31 March 2012</b>	22	<u>323,145</u>	<u>4,811,534</u>	<u>5,134,679</u>	<u>4,027,328</u>

The accounting policies and notes on pages 12 to 21 form part of the accounts

**DACORUM SPORTS TRUST**  
(A company limited by guarantee)

**BALANCE SHEET**  
**AS AT 31 MARCH 2012**

	Notes	2012	2011
		£	£
<b>Fixed Assets</b>			
Tangible Assets	11	5,883,819	4,196,666
<b>Current Assets</b>			
Stock		37,116	29,053
Debtors	12	356,463	1,344,142
Cash at Bank and in Hand		<u>1,101,895</u>	<u>927,225</u>
		1,495,474	2,300,420
<b>Creditors:</b> amounts falling due within one year	13	<u>1,202,932</u>	<u>1,793,311</u>
<b>Net Current Assets</b>		<u>292,542</u>	<u>507,109</u>
<b>Total Assets less Current Liabilities</b>		6,176,361	4,703,775
<b>Creditors</b> amounts falling due after more than one year	14	<u>388,682</u>	<u>396,447</u>
<b>Net Assets excluding Pension (Liability) / Surplus</b>		5,787,679	4,307,328
<b>Deferred Benefit Pension Scheme (Liability) / Surplus</b>	9	(653,000)	(280,000)
<b>Net Assets including Pension Scheme Liability</b>		<u>5,134,679</u>	<u>4,027,328</u>
<b>The Funds of the Charity</b>			
Restricted Income Fund		4,811,534	3,378,750
Unrestricted Income Funds			
General Fund		571,636	578,578
R & R Fund (XC)		4,509	-
Designated Fund - Revenue Reserve		<u>400,000</u>	<u>350,000</u>
Unrestricted Income Funds - excluding Pension Scheme Liability		976,145	928,578
Pension Scheme Liability		<u>(653,000)</u>	<u>(280,000)</u>
Total Unrestricted Income Funds		<u>323,145</u>	<u>648,578</u>
<b>Total Charity Funds</b>	21, 22	<u>5,134,679</u>	<u>4,027,328</u>

The financial statements were approved by the Directors on 24th September 2012 and signed on their behalf by



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Director

The accounting policies and notes on pages 12 to 21 form part of the accounts

**DACORUM SPORTS TRUST**  
**(A company limited by guarantee)**

**CASHFLOW**  
**FOR THE YEAR ENDED 31ST MARCH 2012**

	Notes	2012 £	2011 £
<b>Net cash inflow from operating activities</b>		866,289	286,388
<b>Returns on investments and servicing of finance</b>			
Interest received		7,588	4,891
<b>Capital expenditure and financial investment</b>			
Capital Grant from My Place	1,432,784	3,133,003	
Sale of fixed assets	-	-	
Purchase of fixed assets	<u>(2,124,226)</u>	<u>(3,261,070)</u>	
Net cash outflow from capital expenditure		(691,442)	(128,067)
Net cash inflow before financing		<u>182,435</u>	<u>163,212</u>
<b>Financing</b>			
Capital element of finance leases		(7,765)	(7,765)
Increase in cash in year		<u>174,670</u>	<u>155,447</u>
Reconciliation of net cash flow to movement in debt			
Increase/ (Decrease) in cash for year		174,670	155,448
Cash inflow from decrease in debt and leasing financing		<u>7,765</u>	<u>7,765</u>
		182,435	163,213
New finance leases		-	-
Opening funds as 1 April 2011		909,108	745,895
Closing funds at 31 March 2012		<u>1,091,543</u>	<u>909,108</u>

**FOR THE YEAR ENDED 31ST MARCH 2012**  
**(A company limited by guarantee)**

**CASHFLOW**  
**FOR THE YEAR ENDED 31ST MARCH 2012**

**NOTES TO THE CASH FLOW STATEMENT**

	<u><b>2012</b></u>	<u><b>2011</b></u>
	<b>£</b>	<b>£</b>
Analysis of Cash Flow from Operating Activities		
Net (outgoing)/incoming resources for the year	93,567	(37,403)
Returns on Pension Scheme	(349,000)	(299,000)
Pension costs	(2,000)	71,000
Interest paid	305,000	366,000
Interest received	(7,588)	(4,891)
Depreciation	437,073	245,846
(Profit)/Loss on Sale of Fixed Assets	-	-
(Increase) in Stocks	(8,063)	(3,669)
Decrease/(Increase) in Debtors	987,679	(1,064,349)
(Decrease)/Increase in Creditors	(590,379)	1,012,854
	<u>866,289</u>	<u>286,388</u>

	<u><b>2011</b></u>	<u><b>Cashflow</b></u>	<u><b>Other non</b></u>	<u><b>2012</b></u>
	<b>£</b>	<b>£</b>	<b>cashflow</b>	<b>£</b>
			<u><b>changes</b></u>	
			<b>£</b>	
Analysis of Funds/Net Debt				
Cash at Bank and in Hand	927,225	174,670	-	1,101,895
Finance Leases	(18,117)	7,765	-	(10,352)
	<u>909,108</u>	<u>182,435</u>	<u>-</u>	<u>1,091,543</u>

**DACORUM SPORTS TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31ST MARCH 2012**

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**1 ACCOUNTING POLICIES**

**1.1 Basis of preparation**

The financial statements have been prepared under the historical cost convention, and in accordance with the Statement of Recommended Practice - 'Accounting and Reporting by Charities' (SORP 2005) issued in March 2005, applicable accounting standards and the Companies Act 2006

The Trust has availed itself of Para 3 (3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of its activities

The Statement of Financial Activities (SOFA) shows the sources of income and expenditure analysed between General Fund and Restricted Funds.

The SORP (Statement of Recommended Practice) requires all sources of income to be shown, even though they may be used for purchasing fixed assets. The asset itself is charged in the balance sheet at the time of purchase and is not included in the SOFA expenditure. Depreciation of the asset is charged in the SOFA. Accordingly the net incoming resources are not necessarily operating surpluses (or deficits). They include the purchase cost of the assets less the depreciation charges.

**1.2 Grants and income**

Grants are recorded in full in the Statement of Financial Activities in the financial period for which they were receivable. Other Income shown in the Statement of Financial Activities relates to activities carried out during the year. Receipts of income for activities in the following year have been carried forward as advance income.

**1.3 Donations and fundraising**

Donations and fundraising income is recorded in the financial period for which it was received.

**1.4 Tangible fixed assets and depreciation**

Tangible fixed assets are capitalised and included at cost including any incidental expenses of acquisition.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected useful economic lives as follows:

XC Building Costs	20 years
Leasehold improvements	10 years
Plant and machinery	5 years
Furniture, fittings and equipment	5 years
Computer equipment and software	3 years
Gym equipment	5 years
DBC equipment and furniture	21 years
Motor vehicles	4 years

As part of the transfer agreement between Dacorum Borough Council and the Trust the Council permits the Trust to use certain equipment and furniture while retaining ownership of the assets. To reflect the substance of the transaction the assets have been capitalised and are being depreciated over 21 years from date of transfer (1/4/2004), being the term of the leasehold tenure granted to the Trust.

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**1 5 General fund (unrestricted)**

Unrestricted funds are donations and other incoming resources receivable, or generated, for the objects of the Trust without further specified purpose, and are available as general funds

**1 6 Restricted funds**

Restricted funds are used for the specific purpose as laid down by the funder. Expenditure which meets these criteria is charged to the fund

**1 7 Resources expended**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources

Support costs are those costs incurred providing services to other parts of the organisation and include HR, Finance and Administration. Governance costs are those costs incurred in order to comply with constitutional and statutory requirements

**1 8 Stock**

Stock consists of food and drink used for catering and vending and merchandising stocks for resale to customers. Stocks are valued at the lower of cost and net realisable value. Other stocks are written off in the year of purchase

**1 9 Pension costs**

The Trust has adopted the provisions of FRS17, 'Retirement benefits'. Accordingly the Trust's defined benefit pension scheme liability has been recognised in the financial statements. The Trust provides a defined benefit scheme for all employees other than Directors administered by Hertfordshire County Council (HCC). The Trust has been awarded admitted body status to the HCC Local Government Pension Scheme (LGPS). The assets of the scheme are invested and managed independently of the finances of the Trust

**1 10 Finance and operating leases**

Rentals applicable to operating leases are charged to the SOFA on a straight-line basis over the period of the leases

Assets held under finance leases are included in the balance sheet and depreciated in accordance with the Trust's normal accounting policies. The present value of future rentals is shown as a liability. The interest element of rental obligations is charged to the SOFA over the period of the lease so as to produce a constant periodic rate of charge

**2 Donated Services - Accommodation**

The Trust has a twenty one year lease on Hemel Hempstead and Berkhamsted Sports Centres and the Athletics Track from the Dacorum Borough Council at a peppercorn rent. The amount of donated services is the estimated rental costs foregone by the Council

**3 Funding Agreements and grants**

The Trust provides a range of sport, recreation, health and fitness activities through its two main leisure centres, XC (Extreme Sports Centre), two dual use shared facilities, athletics track, golf course and community projects. Charges are made to customers for these activities and management funding is received from Dacorum Borough Council

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Myplace Grant Scheme grant ( see Note 23)	1,621,250	3,133,003
Funding from Dacorum Borough Council	449,027	575,000
Funding from Hertfordshire County Council	124,190	124,703
Other Grants received or accrued	16,410	44,145
	<u>2,210,877</u>	<u>3,876,851</u>



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<b>4 Catering, Vending and Merchandising</b>						<b>2012</b>	<b>2011</b>
						<b>£</b>	<b>£</b>
Customer Sales						615,875	409,238
<b>5 Investment income</b>						<b>2012</b>	<b>2011</b>
						<b>£</b>	<b>£</b>
Interest receivable						7,588	4,891
Return on pension scheme assets						349,000	299,000
						356,588	303,891
<b>6 Operation of Sports Centres and Sports Facilities</b>						<b>2012</b>	<b>2011</b>
						<b>£</b>	<b>£</b>
Customer Sales						6,060,278	5,403,354
<b>7 Total resources expended</b>							
<b>2011/12</b>	<b>Staff Costs</b>	<b>Other Direct Costs</b>	<b>Support Costs</b>	<b>Intangible Costs</b>	<b>Total 2012</b>		
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>		
Cost of generating funds							
Catering Vending and Merchandising	313,005	333,853	87,894	-	734,752		
Marketing and Publicity	44,679	105,747	12,546	-	162,972		
Operation of Sports Centres and Sports Development	3,604,188	2,160,204	1,012,638	444,000	7,221,030		
Governance costs	21,543	14,921	6,049	-	42,513		
Total resources expended	3,983,415	2,614,725	1,119,127	444,000	8,161,267		
<b>2010/11</b>						<b>2011</b>	
						<b>£</b>	
Total resources expended	3,764,375	2,144,983	988,376	444,000	7,341,734		
<b>Other direct costs include:</b>						<b>2012</b>	<b>2011</b>
						<b>£</b>	<b>£</b>
Marketing & Publicity						105,747	115,464
Maintenance & cleaning						306,585	261,570
Gas, electric and water						496,721	409,557
Catering and vending & merchandising purchases						333,583	204,455
Venue hire						48,278	53,338
Depreciation						437,073	245,846
Pension Fund Adjustment (FRS 17)						305,000	437,000
Other operational costs						581,738	417,753
						2,614,725	2,144,983
<b>Support Costs Include:</b>						<b>2012</b>	<b>2011</b>
						<b>£</b>	<b>£</b>
Salaries of support staff						232,184	223,580
Other staff costs						105,537	95,960
Service level agreements						43,120	60,357
Irrecoverable VAT						315,800	222,275
Legal, office and insurance						422,486	386,204
						1,119,127	988,376

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**FOR THE YEAR ENDED 31ST MARCH 2012**

**7 Total resources expended continued**

**Intangible costs include:**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Notional rental of facilities	444,000	444,000

**Governance costs include:**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Auditors' remuneration	12,295	11,665

**8 Staff costs**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Wages and salaries	3,700,938	3,462,765
Social security costs	228,884	228,813
Pension costs - contributions during the year	287,777	225,377
- actuarial adjustment	(2,000)	71,000
	<u>4,215,599</u>	<u>3,987,955</u>

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the year was as follows

	<b>2012</b>	<b>2011</b>
	<b>Number</b>	<b>Number</b>
£80,000 - £90,000		1
£90,000 - £100,000	1	

The average number of employees, calculated on a full-time equivalent basis, analysed by function was:

	<b>2012</b>	<b>2011</b>
	<b>Number</b>	<b>Number</b>
Fundraising activities	27	24
Charitable activities	162	145
Support services	5	5
	<u>194</u>	<u>174</u>

No trustee received remuneration or reimbursement of expenses during the year

**9 Pension costs**

The Trust operates a defined benefit pension scheme for employees administered by Hertfordshire County Council (HCC). The Trust has been awarded admitted body status to the HCC Local Government Pension Scheme (LGPS). The scheme is externally funded and contracted out of the State Second Pension.

Triennial actuarial valuations of the scheme are performed by a qualified actuary using the projected unit method. The most recent formal actuarial review of the scheme was at 31 March 2010. The market value of the scheme's assets at 31st March 2012 was £5,311,000. The Trust made employers' contributions for the year to 31 March 2012 of £287,777 (2011 £225,377).

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**9 Pension costs continued**

The latest estimate of Pension Scheme Assets and Liabilities reveals a deficit of £885,000

The transfer agreement between the Trust and Dacorum Borough Council on the transfer of business at 1st April 2004 stipulated that any liability spanning the transfer date would be apportioned between the Council and the Trust. Accordingly the net defined benefit pension scheme deficit has been apportioned between the parties in proportion to staff service and included in the SOFA in accordance with FRS 17 and the Charities SORP 2005

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Total pension scheme (deficit) (FRS17)	(885,000)	(401,000)
Amount due from Dacorum Borough Council	232,000	121,000
Defined benefit pension scheme (net liability)	<u>(653,000)</u>	<u>(280,000)</u>

**A Assumptions underlying valuation**

	<b>2012</b>	<b>2011</b>
	<b>% pa</b>	<b>% pa</b>
Inflation/Pension Increase Rate	2.5%	2.8%
Salary Increase Rate	4.8%	5.1%
Expected Return on Assets	5.5%	6.8%
Discount rate	4.8%	5.5%

**B Scheme assets and expected rate of return**

	<b>2012</b>		<b>2011</b>	
	<b>Market</b>	<b>Expected</b>	<b>Market</b>	<b>Expected</b>
	<b>Value</b>	<b>rate of</b>	<b>Value</b>	<b>rate of</b>
	<b>£'000</b>	<b>return</b>	<b>£'000</b>	<b>return</b>
		<b>% pa</b>		<b>% pa</b>
Equities	3,664	6.2	3,703	7.5
Bonds	956	4.0	964	4.9
Property	319	4.4	203	5.5
Cash	372	3.5	203	4.6
Total	<u>5,311</u>	<u>5.5</u>	<u>5,073</u>	<u>6.8</u>

**C Net pension assets**

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Estimated scheme assets	5,311	5,073
Present value of scheme liabilities	(6,196)	(5,474)
<b>Net pension liability</b>	<u>(885)</u>	<u>(401)</u>

**D Recognition in the profit or loss**

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Service cost	286	308
Interest cost	305	366
Expected Return on Employer Assets	(349)	(299)
Losses/(Gains) on Curtailments and Settlements	-	-
<b>Total</b>	<u>242</u>	<u>375</u>

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**9 Pension costs continued**

**E Reconciliation of the defined benefit obligation**

	Year to 31/03/2012 £'000	Year to 31/03/2011 £'000
<b>Opening Defined Benefit Obligation</b>	<b>5,474</b>	<b>7,033</b>
Current Service Cost	286	308
Interest Cost	305	366
Contributions by members	98	103
Actuarial Losses / ( Gains)	286	(1,553)
Past Service Costs (Gains)	-	(689)
Losses / (Gains) on curtailments	-	-
Estimated Benefits Paid	(253)	(94)

**Closing Defined Benefit Obligation**

<b>6,196</b>	<b>5,474</b>
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**F Reconciliation of fair value of employer assets**

	Year to 31/03/2012 £'000	Year to 31/03/2011 £'000
<b>Opening Fair Value of Employer Assets</b>	<b>5,073</b>	<b>4,148</b>
Expected Return on Assets	349	299
Contributions by members	98	103
Contributions by the Employer	288	237
Actuarial Gains / (Losses)	(244)	380
Assets acquired in a Business Combination	-	-
Benefits Paid	(253)	(94)

**Closing Fair Value of Employer Assets**

<b>5,311</b>	<b>5,073</b>
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**G Amounts for the current and previous accounting periods**

	Year to 31/03/2012 £'000	Year to 31/03/2011 £'000	Year to 31/03/2010 £'000
Fair Value of Employer Assets	5,311	5,073	4,148
Present Value of Defined Benefit Obligation	(6,196)	(5,474)	(7,033)
Surplus / (Deficit)	(885)	(401)	(2,885)
Experience gains/(losses) on assets	(244)	380	793
Experience gains/(losses) on liabilities	(22)	349	-

**H Amounts Recognised in Statement of Total Recognised Gains and Losses (STRGL)**

	Year to 31/03/2012 £'000	Year to 31/03/2011 £'000	Year to 31/03/2010 £'000
Actuarial Gains / (Losses)	(530)	2,622	(2,268)

**Projected amount charged to operating profit**

	Year to 31/03/2013	
<b>I</b> Projected current service cost	329	20.3%
Interest on Obligation	305	18.8%
Expected return on Plan assets	(299)	-18.4%
<b>Total</b>	<b>335</b>	<b>20.7%</b>

The estimated current service cost includes an allowance for administration expenses of 0.4% of pay

The above figures should be treated as estimates and may need to be adjusted to take account of

- any material events, such as curtailments, settlements or the discontinuance of the Employers participation in the Fund
- any changes to accounting practice or any changes in the Scheme benefits
- any changes to scheme benefits

In addition the monetary amount of the service cost for 2012/13 may be adjusted to take account of actual pensionable payroll for the year

The projected service cost will not necessarily be appropriate for employers who are no longer admitting new employees to the fund

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**10 Taxation**

The Trust is exempt from corporation tax on its charitable activities

**11 Tangible fixed assets**

	<b>Brought Fwd</b> <b>31-Mar-11</b>	<b>Additions</b>	<b>Disposals</b>	<b>At</b> <b>31-Mar-12</b>
<b>Cost</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>XC Only</b>				
Land and Buildings	3,378,750	1,728,061	-	5,106,811
Furniture, fittings & equipment		126,555		126,555
IT expenditure		55,063		55,063
<b>XC Sub Total (see note below)</b>	<b>3,378,750</b>	<b>1,909,679</b>	<b>-</b>	<b>5,288,429</b>
<b>Sports Centres &amp; Little Hay:</b>				
Leasehold Improvements	227,056	11,145	-	238,201
Plant & Machinery	46,672	2,000	-	48,672
Furniture, fittings & equipment	487,911	61,669	-	549,580
Office Equipment	7,770	-	-	7,770
IT expenditure	43,210	118,535	-	161,745
IT software	99,092	21,198	-	120,290
Gym equipment	464,709	-	-	464,709
Motor Vehicles	10,900	-	-	10,900
DBC Assets Transferred 1/4/04	386,094	-	-	386,094
	<b>5,152,164</b>	<b>2,124,226</b>	<b>-</b>	<b>7,276,390</b>
<b>Depreciation</b>				
<b>XC Only</b>				
Land and Buildings	-	170,227		170,227
Furniture, fittings & equipment		16,874		16,874
IT expenditure		12,236		12,236
<b>XC Sub Total (see note below)</b>	<b>-</b>	<b>199,337</b>	<b>-</b>	<b>199,337</b>
<b>Sports Centres &amp; Little Hay:</b>				
Leasehold Improvements	65,446	22,737		88,183
Plant & Machinery	24,571	10,220		34,791
Furniture, fittings & equipment	327,252	82,073		409,325
Office Equipment	6,103	1,554		7,657
IT expenditure	24,540	12,423		36,963
IT software	96,664	7,897		104,561
Gym equipment	280,545	79,722		360,267
Motor vehicles	1,679	2,725		4,404
DBC Assets Transferred 1/4/04	128,698	18,385		147,083
	<b>955,498</b>	<b>437,073</b>	<b>-</b>	<b>1,392,571</b>
<b>Net book value</b>				
<b>At 31 March 2012</b>	<b>4,196,666</b>	<b>1,687,153</b>	<b>-</b>	<b>5,883,819</b>

Land and Buildings at the XC centre are being written off over the term of the XC lease (20 years) whilst the other assets are being written off in accordance with our normal policy

DBC Assets at 1 April 2004 relate to the equipment and furniture etc notionally transferred to the Trust from Dacorum Borough Council. The Council has retained ownership of these assets which are being depreciated over the period of the lease.

Plant and Machinery relates mainly to greens equipment purchased under a hire purchase agreement in 2008

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
<b>Cost</b>		
At May 2008	38,882	38,882
<b>Accumulated depreciation</b>		
At 31 March 2012	30,457	22,681
<b>Net book value</b>		
At 31 March 2011	8,425	16,201
<b>Depreciation charged during the year</b>	<b>7,776</b>	<b>7,776</b>

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**FOR THE YEAR ENDED 31ST MARCH 2012**

**12 Debtors**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Dacorum Borough Council current account	-	50,946
Prepayments	132,463	142,479
Accrued income	1,458	4,626
Insurance Claim re Little Hay Fire	121,701	75
My Place debtor re March Funding	-	1,013,166
Other debtors	100,841	132,850
	<u>356,463</u>	<u>1,344,142</u>

**13 Creditors: amounts falling due within one year**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Trade creditors	217,218	109,956
Dacorum Borough Council current account	18,601	-
HM Revenue & Customs - VAT	242,809	34,491
Sundry Creditors	180,098	-
Accruals	290,551	1,413,611
Deferred income	245,891	227,489
Obligations under finance leases	7,764	7,764
	<u>1,202,932</u>	<u>1,793,311</u>

**14 Creditors: amounts falling due after more than one year**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Dacorum Borough Council - Transfer value of assets (note 11)	386,094	386,094
Obligations under finance leases	2,588	10,353
	<u>388,682</u>	<u>396,447</u>

**15 Obligations under finance leases**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
The amounts fall due as follows		
Within one year	7,764	7,764
In the second to fifth year inclusive	2,588	10,353
Over five years	-	-
	<u>10,352</u>	<u>18,117</u>

**16 Operating lease commitments**

At 31st March 2012 the company had annual commitments under non-cancellable operating leases as follows

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Other lease commitments		
Less than 12 months	21,800	14,576
Between 2 and 5 years	13,125	11,682

**17 Share capital**

The Trust is a company limited by guarantee, not having share capital. Every member of the company undertakes to contribute such amounts as may be required (not exceeding £1) to the company's assets if it should be wound up.

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**18 Capital Commitments**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Contracted for but not provided	<u>80,000</u>	<u>1,463,124</u>

There is a commitment to pay architects and project fees relating to the Upper Hall Gym Conversion which is planned to take place later this year. Last year there was a capital commitment on the contract with GB Building Solutions to complete XC (Extreme Space Sports Centre).

**19 Related Parties**

The Trust operates the leisure facilities of Dacorum Borough Council under contractual arrangements that provide for both revenue and capital funding from the Council. The Trust provides these activities mainly from premises owned by the Council and let to the Trust at a peppercorn rent.

The charity trustees were not paid or reimbursed expenses during the year and no charity trustee received any emolument or payment for professional or other services.

**20 Indemnity Insurance**

The Trust has arranged insurance to protect itself from loss arising from the neglect, or defaults of its Directors and employees.

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Directors, officials and employee's indemnity insurance	<u>2,931</u>	<u>2,931</u>

**21 Movements in funds**

	<b>B/fwd 31/03/2011</b>	<b>Incoming Resources</b>	<b>Outgoing Resources</b>	<b>Transfers</b>	<b>At 31/03/2012</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Restricted funds:</b>					
My Place Funding - Capital	3,378,750	1,621,250	(188,466)	-	4,811,534
Donated Services - Accommodation	-	444,000	(444,000)	-	-
Total Restricted Funds	<u>3,378,750</u>	<u>2,065,250</u>	<u>(632,466)</u>	<u>-</u>	<u>4,811,534</u>
<b>Unrestricted funds:</b>					
General funds	438,578	7,617,859	(7,528,801)	(50,000)	477,636
Pension Fund Revenue Adjs	140,000	-	-	(46,000)	94,000
Designated fund - XC Repairs Fund		4,509			4,509
Revenue reserve	<u>350,000</u>	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>400,000</u>
	928,578	7,622,368	(7,528,801)	(46,000)	976,145
Pension Fund Actuarial Loss/Gain	<u>(280,000)</u>	<u>111,000</u>	<u>(530,000)</u>	<u>46,000</u>	<u>(653,000)</u>
Total Unrestricted Funds	<u>648,578</u>	<u>7,733,368</u>	<u>(8,058,801)</u>	<u>-</u>	<u>323,145</u>
Total funds	<u><u>4,027,328</u></u>	<u><u>9,798,618</u></u>	<u><u>(8,691,267)</u></u>	<u><u>-</u></u>	<u><u>5,134,679</u></u>

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**21 Movements in funds continued**

**Purposes of restricted funds:**

**Myplace Grant Scheme grant**

The grant has now been received in full. The purpose of the grant was to fund the construction of the new XC centre for young people at Jarman Park. The funding was made as part of a joint application with Youth Connexions who also operate from the centre. The balance of the restricted fund represents a proportion of the capital cost less depreciation written off to date.

**Service Level Agreements**

DBC funding included an amount to pay for the service level agreements with DBC and included the following

	£ 2012	£ 2011
Information and communication technology support	28,630	28,630
Grounds maintenance	11,410	10,970
Payroll	0	14,000
Legal and insurance	3,080	3,080
	<u>43,120</u>	<u>56,680</u>

**Purposes of designated funds (unrestricted):**

**Revenue Reserve**

This reserve has been set up to provide a contingency reserve to cover one months expenditure. The Trust aims to build up this reserve over a number of years at the rate of £50,000 per annum.

**22 Analysis of net assets between funds**

	Tangible assets £	Current assets £	Liabilities £	Total £
Restricted funds - My Place	4,811,534	-	-	4,811,534
Unrestricted funds	1,072,285	1,495,474	1,591,614	976,145
	<u>5,883,819</u>	<u>1,495,474</u>	<u>1,591,614</u>	<u>5,787,679</u>

**23 XC (Extreme Space )**

The grant from My Place and associated expenditure has been shown in the accounts as follows

		Restricted funds	
		2012 £	2011 £
Capital Grant to fund new centre	(note 21)	1,621,250	3,133,003
Balance Brought Forward		<u>3,378,750</u>	<u>245,747</u>
Total Grant Received	(note 3)	5,000,000	3,378,750
Depreciation (in proportion to funding)		(188,466)	-
Balance Carried Forward	(note 21)	<u>4,811,534</u>	<u>3,378,750</u>