

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

**DACORUM SPORTS TRUST
TRUSTEES REPORT
FOR THE YEAR ENDED 31ST MARCH 2013**

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DACORUM SPORTS TRUST
(A company limited by guarantee)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2013

CONTENTS

	Page
Legal and Administrative Information	1
Trustees' Report	2 - 6
Auditors' Report	7
Statement of Financial Activities	8
Balance Sheet	9
Cashflow Statement	10
Notes to the Cashflow Statement	11
Notes to the Accounts	12 - 21

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 2013

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

The website address for XC is: 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.

Trustees:

E Emptage	(Chair
M Dennis	(Vice Chair)
M Armstrong	(Vice Chair)
B Bickel	
M Carpenter	
B Malyon	
V Patel	
I Phipps	
L Topping	
I Grant	
R Copeland	
M Wood	
A Adams	DST Staff Nominee (Appointed 23 5 2012)
T Douris	Resigned 25/5/2012
A Fantham	Resigned 12/2/2013
D Rance	(Dacorum Borough Council Nominee)
G Elliott	(Dacorum Borough Council Nominee - Appointed

Company Secretary:

R Hemmant
Contact details: rebecca.hemmant@sportspace.co.uk
Tel: 01442 507117

Chief Executive Officer:

D Cove
Contact details: dave.cove@sportspace.co.uk
Tel: 01442 507094

Auditor

haysmacintyre, Fairfax House, 15 Fulwood Place, London, WC1V 6AY

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 2013

Introduction

The Trustees present their report and financial statements for the year ended 31st March 2013. Despite the unfavourable economic climate the company's ninth full operating year has shown continued development and the establishment of the Sportspace brands in the life of the community of Dacorum.

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 two standing committees covering (1) Appointments, Remuneration and Human Resources and (2) Finance and Audit 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.

DACORUM SPORTS TRUST
(A company limited by guarantee)

TRUSTEES' REPORT CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2013

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 trustee director is appointed to serve on the Health and Safety committee and an outside agency carries out a continual assessment programme and health and safety audit to minimise risks in this area. A key element in the management of financial risk is the setting of a reserves policy and its regular review by trustees

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 by 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 of the strategic objectives of the Trust leaving them basically unchanged. The objectives are

- 1 To reduce the grant from DBC
- 2 That facilities and services are provided principally 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

DACORUM SPORTS TRUST
(A company limited by guarantee)

TRUSTEES' REPORT CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2013

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

Achievements and performance

Income from operations has increased by 3.6 per cent due mainly to having a full year at XC compared to just over eight months in 2011-12. Green Fee income at Little Hay was down 28% due to the wettest winter and coldest spring for many years. The delay in commencing the Upper Hall Gym conversion resulted in lost income but this was offset by additional funding from DBC. However through targeted development income from Personal Training has increased by 132% and income from Wetside Courses and Casual Swimming has increased by 9% and 5% respectively over the previous year.

The Senior management team has remained unchanged over the last year.

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 continuing 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 Statement of Financial Activities (SOFA) shows a Net Adverse Movement in Funds of £750,122. This includes the Pension Scheme actuarial losses (£429,000 net after DBC allocated contribution), further pension adjustments (£30,000 charge) and depreciation on XC (funded by My Place Restricted Funds received in prior years (£282,696)).

The Operating activities show a small deficit of £8,426 (excluding the £30,000 pension adjustment) before taking into account the XC Repairs and Renewals Allocation (£6,000).

Total Funds currently stand at £4,384,557 after inclusion of the pension scheme liability of £1,112,000 and the balance of restricted funds relating to grants received from My Place for the construction of XC (£4,528,838).

Tangible fixed assets include the building cost for XC plus the additional cost of the cladding works less depreciation for XC (£5,495,909). 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 further increase in the scheme deficit which now stands at £1,470,000. 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 (Note 9 refers).

DACORUM SPORTS TRUST
(A company limited by guarantee)

TRUSTEES' REPORT CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2013

Little Hay

The wettest summer for fifty years combined with the coldest spring for many years resulted in low numbers of golfers with a drop on the previous year of 27%

XC - My Place

The problems with rain penetration and condensation were finally addressed in September 2012 when the front of the building was redesigned to include roller shuttering and perspex cladding together with additional industrial fans. Over 125,000 customers used either the climbing, skate park, high ropes, caving and catering facilities in the period to 31st March although there was a significant drop in usage during the second half of the year.

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 unrestricted expenditure (approximately £800,000). 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 although it was not possible to add to the reserve in this financial year.

Plans for future periods

The conversion of the Upper Hall at Sportspace Hemel into an extension of Gymspace and the refurbishment of the wet and dry changing rooms is currently nearing completion. The new gym has already resulted in a surge of new members and the completion of the project will further enhance the standard of facilities.

A new Customer Contact Centre was opened on 10th June which is sited in the old Creche at Hemel Sportspace. The Customer Contact Centre now receives all incoming bookings for facilities and deals with special events and club bookings leaving Reception free to deal with face to face enquiries.

The Trust is investing heavily in IT and is now independent of the Borough Council. Further developments planned to take place this year include "Join at home" for customers wishing to join gymspace online and "Learn to" an online portal for swimming courses.

Further development at Little Hay is planned to include an extension or orangerie to the restaurant which will allow for larger scale functions to assist the profitability of the clubhouse.

Plans are also far advanced to take space in the new redeveloped Jarman Park Leisure World. A new low cost gym facility and ten pin bowling is currently being considered.

Discussions are also taking place on the possible redevelopment of both Berkhamsted Sports Centre and Tring Sports Centre.

Statement of Trustees' responsibilities

The Trustees, who are also directors of Dacorum Sports Trust 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.

DACORUM SPORTS TRUST
(A company limited by guarantee)

TRUSTEES' REPORT CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2013

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.

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

Auditors

Following the re-tendering of the audit process the Trust has appointed haysmacintyre as auditors to the Trust. A

By order of the Board

Director
E Emptage



23rd July 2013

Registered Charity Number 1103980
Company Limited By Guarantee Number 4868497

DACORUM SPORTS TRUST
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2013

DACORUM SPORTS TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DACORUM SPORTS TRUST FOR THE YEAR ENDED 31ST MARCH 2013

We have audited the financial statements of Dacorum Sports Trust for the year ended 31st March 2013, 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 its members as a body, for our audit work, for this report or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Statement of Trustees' Responsibilities set out in the Trustees' Report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the 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 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006,

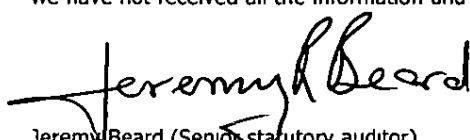
OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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.


Jeremy Beard (Senior statutory auditor)
for and on behalf of Haysmacintyre, Statutory Auditor
26/7/2013

Fairfax House
15 Fulwood Place
London

DACORUM SPORTS TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(INCOME & EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31ST MARCH 2013

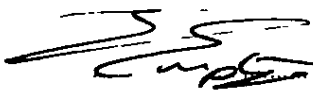
		Unrestricted Funds	Restricted Funds	Total funds 2013	Total funds 2012
	Notes	£	£	£	£
INCOMING RESOURCES					
Incoming Resources from generated funds:					
Voluntary Income:					
Donated Services - Accommodation	2	-	444,000	444,000	444,000
Funding Agreements and grants	3	686,433		686,433	2,210,877
Activities for generating funds					
Catering, Vending and Merchandising	4	612,558	-	612,558	615,875
Investment Income & Other Finance Income	5	314,284	-	314,284	356,588
		<u>1,613,275</u>	<u>444,000</u>	<u>2,057,275</u>	<u>3,627,340</u>
Incoming Resources from charitable activities:					
Operation of Sports Facilities and Sports Development	6	6,133,129	-	6,133,129	6,060,278
TOTAL INCOMING RESOURCES		<u>7,746,404</u>	<u>444,000</u>	<u>8,190,404</u>	<u>9,687,618</u>
RESOURCES EXPENDED					
Fundraising trading costs					
Catering, Vending and Merchandising	7	752,179	-	752,179	734,752
Charitable activities					
Marketing Costs	7	265,518	-	265,518	162,972
Operation of Sports Facilities and Sports Development	7	6,721,389	726,696	7,448,085	7,221,030
Governance Costs	7	45,744	-	45,744	42,513
TOTAL RESOURCES EXPENDED		<u>7,784,830</u>	<u>726,696</u>	<u>8,511,526</u>	<u>8,161,267</u>
NET INCOMING RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES					
		(38,426)	(282,696)	(321,122)	1,526,351
OTHER RECOGNISED GAINS AND LOSSES					
Actuarial Loss - Pension Scheme	9	(555,000)	-	(555,000)	(530,000)
Contribution to Actuarial Loss from DBC	9	126,000	-	126,000	111,000
Net		<u>(429,000)</u>	<u>-</u>	<u>(429,000)</u>	<u>(419,000)</u>
Net Movement in Funds		(467,426)	(282,696)	(750,122)	1,107,351
Reconciliation of Funds					
Total Funds brought forward	21	323,145	4,811,534	5,134,679	4,027,328
Total Funds carried forward at 31 March 2013	22	<u>(144,281)</u>	<u>4,528,838</u>	<u>4,384,557</u>	<u>5,134,679</u>

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

BALANCE SHEET
AS AT 31 MARCH 2013

	Notes	2013		2012	
		£	£	£	£
Fixed Assets					
Tangible Assets	11		5,911,676		5,883,819
Current Assets					
Stock		29,666		37,116	
Debtors	12	379,247		356,463	
Cash at Bank and in Hand		803,779		1,101,895	
		<u>1,212,692</u>		<u>1,495,474</u>	
Creditors: amounts falling due within one year	13	<u>1,056,537</u>		<u>1,202,932</u>	
Net Current Assets			<u>156,155</u>		<u>292,542</u>
Total Assets less Current Liabilities			6,067,831		6,176,361
Creditors amounts falling due after more than one year	14		<u>571,274</u>		<u>388,682</u>
Net Assets excluding Pension (Liability) / Surplus			5,496,557		5,787,679
Deferred Benefit Pension Scheme (Liability) / Surplus	9		(1,112,000)		(653,000)
Net Assets including Pension Scheme Liability			<u>4,384,557</u>		<u>5,134,679</u>
The Funds of the Charity					
Restricted Income Fund			4,528,838		4,811,534
Unrestricted Income Funds					
General Fund		557,210		571,636	
R & R Fund (XC)		10,509		4,509	
Designated Fund - Revenue Reserve		<u>400,000</u>		<u>400,000</u>	
Unrestricted Income Funds - excluding Pension Scheme Liability		967,719		976,145	
Pension Scheme Liability		<u>(1,112,000)</u>		<u>(653,000)</u>	
Total Unrestricted Income Funds			<u>(144,281)</u>		<u>323,145</u>
Total Charity Funds	21, 22		<u>4,384,557</u>		<u>5,134,679</u>

The financial statements were approved and authorised for issue by the Directors on the 23rd July 2013 and signed on their behalf by


E Emptage
Director

23/7/13

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 2013

	Notes	2013 £	2012 £
Net cash inflow from operating activities		401,118	866,289
Returns on investments and servicing of finance			
Interest received		14,284	7,588
Capital expenditure and financial investment			
Capital Grant from My Place	-	1,432,784	
Purchase of fixed assets	(613,414)	(2,124,226)	
Net cash outflow from capital expenditure		(613,414)	(691,442)
Net cash (outflow)/inflow before financing		(198,012)	182,435
Financing			
Capital element of finance leases		(100,104)	(7,765)
(Decrease)/Increase in cash in year		(298,116)	174,670
Reconciliation of net cash flow to movement in debt			
(Decrease)/Increase in cash for year		(298,116)	174,670
Cash (outflow)/ inflow from increase in debt and leasing financing		(223,243)	7,765
		(521,359)	182,435
Opening funds as 1 April 2012		1,091,543	909,108
Closing funds at 31 March 2013		570,184	1,091,543

FOR THE YEAR ENDED 31ST MARCH 2013
(A company limited by guarantee)

CASHFLOW
FOR THE YEAR ENDED 31ST MARCH 2013

NOTES TO THE CASH FLOW STATEMENT

	<u>2013</u> £	<u>2012</u> £
Analysis of Cash Flow from Operating Activities		
Net (outgoing)/incoming resources for the year	(38,426)	93,567
Returns on Pension Scheme	(300,000)	(349,000)
Pension costs	25,000	(2,000)
Interest paid on Pension Scheme	305,000	305,000
Interest received	(14,284)	(7,588)
Depreciation	585,557	437,073
Decrease/(Increase) in Stocks	7,450	(8,063)
(Increase)/Decrease in Debtors	(22,784)	987,679
(Decrease) in Creditors	(146,395)	(590,379)
	<u>401,118</u>	<u>866,289</u>

	<u>2012</u> £	<u>Cashflow</u> £	<u>Other non</u> <u>cashflow</u> <u>changes</u> £	<u>2013</u> £
Analysis of Funds/Net Debt				
Cash at Bank and in Hand	1,101,895	(298,116)	-	803,779
Finance Leases	(10,352)	(223,243)	-	(233,595)
	<u>1,091,543</u>	<u>(521,359)</u>	<u>-</u>	<u>570,184</u>

DACORUM SPORTS TRUST
(A company limited by guarantee)

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2013

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:

DBC equipment and furniture	21 years
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
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.

DACORUM SPORTS TRUST
(A company limited by guarantee)

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2013

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.

	2013	2012
	£	£
Myplace Grant Scheme grant	-	1,621,250
Funding from Dacorum Borough Council	525,000	449,027
Funding from Tring and Longdean Schools	144,441	124,190
Other Grants received or accrued	16,992	16,410
	<u>686,433</u>	<u>2,210,877</u>

DACORUM SPORTS TRUST
(A company limited by guarantee)

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2013

4 Catering, Vending and Merchandising	2013	2012
	£	£
Customer Sales	612,558	615,875
5 Investment & Other Finance Income	2013	2012
	£	£
Interest receivable	14,284	7,588
Return on pension scheme assets	300,000	349,000
	314,284	356,588
6 Operation of Sports Centres and Sports Facilities	2013	2012
	£	£
Customer Sales	6,133,129	6,060,278

7 Total resources expended

2012/13	Staff Costs	Other Direct Costs	Support Costs	Intangible Costs	Total 2013
	£	£	£	£	£
Cost of generating funds					
Catering Vending and Merchandising	317,908	352,965	81,306	-	752,179
Marketing and Publicity	114,706	121,476	29,336	-	265,518
Operation of Sports Centres and Sports Development	3,778,074	2,266,149	959,862	444,000	7,448,085
Governance costs	24,399	15,105	6,240	-	45,744
Total resources expended	4,235,087	2,755,695	1,076,744	444,000	8,511,526
2011/12					2012
					£
Total resources expended	3,983,415	2,614,725	1,119,127	444,000	8,161,267

Other direct costs include:	2013	2012
	£	£
Marketing & Publicity	121,476	105,747
Maintenance & cleaning	308,640	306,585
Gas, electric and water	469,160	496,721
Catering and vending & merchandising purchases	336,019	333,583
Venue hire	44,988	48,278
Depreciation	586,474	437,073
Pension Fund Adjustment (FRS 17)	305,000	305,000
Other operational costs	583,938	581,738
	2,755,695	2,614,725

Support Costs Include:	2013	2012
	£	£
Salaries of support staff	226,969	232,184
Other staff costs	112,109	105,537
Service level agreements	15,059	43,120
Irrecoverable VAT	249,194	315,800
Legal, office, IT and insurance	473,413	422,486
	1,076,744	1,119,127

DACORUM SPORTS TRUST
(A company limited by guarantee)

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2013

7 Total resources expended continued

Intangible costs include:	2013	2012
	£	£
Notional rental of facilities	444,000	444,000
	2013	2012
	£	£
Governance costs include:		
Auditors' remuneration	12,480	12,295

8 Staff costs

	2013	2012
	£	£
Wages and salaries	3,908,072	3,700,938
Social security costs	236,906	228,884
Pension costs - contributions during the year	292,078	287,777
- actuarial adjustment	25,000	(2,000)
	4,462,056	4,215,599

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

	2013	2012
	Number	Number
£70,000 - £80,000		1
£80,000 - £90,000	1	

Contributions are made on the employee's behalf to the company's defined benefit pension scheme

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

	2013	2012
	Number	Number
Fundraising activities	31	27
Charitable activities	168	162
Support services	5	5
	204	194

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 2013 was £6,405,000. The Trust made employers' contributions for the year to 31 March 2013 of £292,078 (2012 £287,777).

DACORUM SPORTS TRUST
(A company limited by guarantee)

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2013

9 Pension costs continued

The latest estimate of Pension Scheme Assets and Liabilities reveals a deficit of £1,470,000

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.

	2013	2012
	£	£
Total pension scheme (deficit) (FRS17)	(1,470,000)	(885,000)
Amount due from Dacorum Borough Council	358,000	232,000
Defined benefit pension scheme (net liability)	<u>(1,112,000)</u>	<u>(653,000)</u>

A Assumptions underlying valuation

	2013	2012
	% pa	% pa
Pension Increase Rate	2.8%	2.5%
Salary Increase Rate	5.1%	4.8%
Expected Return on Assets	5.1%	5.5%
Discount rate	4.5%	4.8%

B Scheme assets and expected rate of return

	2013		2012	
	Market	Expected rate of	Market	Expected rate of
	Value	return	Value	return
	£'000	% pa	£'000	% pa
Equities	4,548	5.8	3,664	6.2
Bonds	1,153	3.6	956	4.0
Property	320	3.9	319	4.4
Cash	384	3.0	372	3.5
Total	<u>6,405</u>	<u>5.1</u>	<u>5,311</u>	<u>5.5</u>

C Net pension assets

	2013	2012
	£'000	£'000
Estimated scheme assets	6,405	5,311
Present value of scheme liabilities	(7,875)	(6,196)
Net pension liability	<u>(1,470)</u>	<u>(885)</u>

D Recognition in the profit or loss

	2013	2012
	£'000	£'000
Service cost	315	286
Interest cost	305	305
Expected Return on Employer Assets	(300)	(349)
Losses/(Gains) on Curtailments and Settlements	-	-
Total	<u>320</u>	<u>242</u>

DACORUM SPORTS TRUST
(A company limited by guarantee)

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2013

9 Pension costs continued

E Reconciliation of the defined benefit obligation

	Year to 31/03/2013 £'000	Year to 31/03/2012 £'000
Opening Defined Benefit Obligation	6,196	5,474
Current Service Cost	315	286
Interest Cost	305	305
Contributions by members	100	98
Actuarial Losses / (Gains)	1,060	286
Past Service Costs (Gains)	-	-
Losses / (Gains) on curtailments	-	-
Estimated Benefits Paid	(101)	(253)
Closing Defined Benefit Obligation	7,875	6,196

F Reconciliation of fair value of employer assets

	Year to 31/03/2013 £'000	Year to 31/03/2012 £'000
Opening Fair Value of Employer Assets	5,311	5,073
Expected Return on Assets	300	349
Contributions by members	100	98
Contributions by the Employer	290	288
Actuarial Gains / (Losses)	505	(244)
Assets acquired in a Business Combination	-	-
Benefits Paid	(101)	(253)
Closing Fair Value of Employer Assets	6,405	5,311

G Amounts for the current and previous accounting periods

	Year to 31/03/2013 £'000	Year to 31/03/2012 £'000	Year to 31/03/2011 £'000
Fair Value of Employer Assets	6,405	5,311	5,073
Present Value of Defined Benefit Obligation	(7,875)	(6,196)	(5,474)
Surplus / (Deficit)	(1,470)	(885)	(401)
Experience gains/(losses) on assets	505	(244)	380
Experience gains/(losses) on liabilities	3	(22)	349

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

	Year to 31/03/2013 £'000	Year to 31/03/2012 £'000	Year to 31/03/2011 £'000
Actuarial Gains / (Losses)	(555)	(530)	2,622

	Year to 31/03/2013
Projected amount charged to operating profit	
Projected current service cost	385
Interest on Obligation	363
Expected return on Plan assets	(334)
Total	414

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 or member contribution rates and/or

any full funding valuation that may have been carried out on the Employer's behalf

The monetary amount of the projected service cost for 2013/14 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

DACORUM SPORTS TRUST
(A company limited by guarantee)

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2013

10 Taxation

The Trust is exempt from corporation tax on its charitable activities

11 Tangible fixed assets

Cost	Brought Fwd 31-Mar-12 £	Additions £	Disposals £	At 31-Mar-13 £
XC Only				
Building	5,106,811	200,720	-	5,307,531
Furniture, fittings & equipment	126,555	6,760	-	133,315
IT expenditure	55,063	-	-	55,063
XC Sub Total (see note below)	5,288,429	207,480	-	5,495,909
Sports Centres & Little Hay:				
Leasehold Improvements	238,201	8,865	-	247,066
Plant & Machinery	48,672	64,100	-	112,772
Furniture, fittings & equipment	549,580	105,936	-	655,516
Office Equipment	7,770	-	-	7,770
IT expenditure	161,745	5,801	-	167,546
IT software	120,290	26,053	-	146,343
Gym equipment	464,709	195,179	-	659,888
Motor Vehicles	10,900	-	-	10,900
DBC Assets Transferred 1/4/04	386,094	-	-	386,094
	7,276,390	613,414	-	7,889,804
Depreciation				
XC Only				
Land and Buildings	170,227	260,649	-	430,876
Furniture, fittings & equipment	16874	25,311	-	42,185
IT expenditure	12236	18,354	-	30,590
XC Sub Total (see note below)	199,337	304,314	-	503,651
Sports Centres & Little Hay:				
Leasehold Improvements	88,183	24,307	-	112,490
Plant & Machinery	34,791	18,951	-	53,742
Furniture, fittings & equipment	409,325	75,385	-	484,710
Office Equipment	7,657	113	-	7,770
IT expenditure	36,963	42,626	-	79,589
IT software	104,561	17,791	-	122,352
Gym equipment	360,267	80,959	-	441,226
Motor vehicles	4,404	2,725	-	7,129
DBC Assets Transferred 1/4/04	147,083	18,386	-	165,469
	1,392,571	585,557	-	1,978,128
Net book value				
At 31 March 2013	5,883,819	27,857	-	5,911,676

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 to green keeping equipment purchased through hire purchase or lease agreements

	2013 £	2012 £
Cost	112,772	38,882
Accumulated depreciation		
At 31 March 2013	53,742	30,457
Net book value		
At 31 March 2013	<u>59,030</u>	<u>8,425</u>
Depreciation charged during the year	<u>18,951</u>	<u>7,776</u>

DACORUM SPORTS TRUST
(A company limited by guarantee)

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2013

12 Debtors

	2013	2012
	£	£
Prepayments	121,186	132,463
Accrued income	12,234	1,458
Insurance Claim re Little Hay Fire	-	121,701
Dacorum Borough Council current account	134,757	-
Other debtors	111,070	100,841
	<u>379,247</u>	<u>356,463</u>

13 Creditors: amounts falling due within one year

	2013	2012
	£	£
Trade creditors	169,397	217,218
Dacorum Borough Council current account	-	18,601
HM Revenue & Customs - VAT	248,320	242,809
Sundry Creditors	87,993	180,098
Accruals	261,332	290,551
Deferred income	241,080	245,891
Obligations under finance leases	48,415	7,764
	<u>1,056,537</u>	<u>1,202,932</u>

14 Creditors: amounts falling due after more than one year

	2013	2012
	£	£
Dacorum Borough Council - Transfer value of assets (note 11)	386,094	386,094
Obligations under finance leases	185,180	2,588
	<u>571,274</u>	<u>388,682</u>

15 Obligations under finance leases

	2013	2012
	£	£
The amounts fall due as follows		
Within one year	48,415	7,764
In the second to fifth year inclusive	185,180	2,588
	<u>233,595</u>	<u>10,352</u>

16 Operating lease commitments

At 31st March 2013 the company had annual commitments under non-cancellable operating leases as follows

	2013	2012
	£	£
Other lease commitments		
Less than 12 months	7,224	9,354
Between 2 and 5 years	<u>12,446</u>	<u>7,224</u>

17 Company Status

The Trust is a company limited by guarantee and does not have share capital. However 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.

DACORUM SPORTS TRUST
(A company limited by guarantee)

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2013

18 Capital Commitments

	2013	2012
	£	£
XC Building Contract	-	80,000

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.

	2013	2012
	£	£
Directors, officials and employee's indemnity insurance	2,544	2,544

21 Movements in funds

	B/fwd	Incoming	Outgoing		At
	31/03/2012	Resources	Resources	Transfers	31/03/2013
	£	£	£	£	£
Restricted funds:					
My Place Funding - Capital	4,811,534	-	(282,696)	-	4,528,838
Donated Services - Accommodation	-	444,000	(444,000)	-	-
Total Restricted Funds	4,811,534	444,000	(726,696)	-	4,528,838
Unrestricted funds:					
General funds	477,636	7,740,404	(7,784,830)	-	433,210
Pension Fund Revenue Adjs	94,000	-	-	-	94,000
Designated fund -					
XC Repairs Fund	4,509	6,000	-	-	10,509
Revenue reserve	400,000	-	-	-	400,000
	976,145	7,746,404	(7,784,830)	-	937,719
Pension Fund Actuarial Loss/Gain	(653,000)	(429,000)	-	-	(1,082,000)
Total Unrestricted Funds	323,145	7,317,404	(7,784,830)	-	(144,281)
Total funds	5,134,679	7,761,404	(8,511,526)	-	4,384,557

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2013

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

	£ 2013	£ 2012
Information and communication technology support	-	28,630
Grounds maintenance	11,979	11,410
Legal and insurance	3,080	3,080
	<u>15,059</u>	<u>43,120</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. This year there was insufficient funds to make a transfer.

22 Analysis of net assets between funds

	Tangible assets £	Current assets £	Liabilities £	Total £
Restricted funds - My Place (to cover depreciation on XC)	4,528,838	-	-	4,528,838
Unrestricted funds	1,382,838	1,212,692	1,627,811	967,719
Pension Scheme Liability	-	-	1,112,000	(1,112,000)
	<u>5,911,676</u>	<u>1,212,692</u>	<u>2,739,811</u>	<u>4,384,557</u>