

Registered Charity Number 1103980
Company Limited By Guarantee Number 4868497

DACORUM SPORTS TRUST
TRUSTEES' REPORT
FOR THE YEAR ENDED 31ST MARCH 2014



DACORUM SPORTS TRUST
(A company limited by guarantee)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2014

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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 2014

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)
	B Malyon	(Vice Chair)
	M Armstrong	(Vice Chair)
	B Bickel	
	M Carpenter	
	M Dennis	
	V Patel	
	I Phipps	
	L Topping	
	I Grant	
	R Copeland	(Resigned 14th April 2014)
	M Wood	
	A Adams	DST Staff Nominee
	D Rance	(Dacorum Borough Council Nominee)
	G Elliott	(Dacorum Borough Council Nominee)
	G Adshead	(Dacorum Borough Council Nominee - Appointed 27th January 2014)

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, 26 Red Lion Square, London, WC1R 4AG

Bankers

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

Royal Bank of Scotland, Black Horse House, Wallbrook Court, North Hinksey Lane, Botley, Oxford, OX2 0QS

DACORUM SPORTS TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31ST MARCH 2014

Introduction

The Trustees present their report and financial statements for the year ended 31st March 2014. Despite the unfavourable economic climate the company's tenth full operating year has shown continued development and the further 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.

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.

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. 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.

TRUSTEES' REPORT CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2014

Health and Safety

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 wellbeing 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 2014

Strategic Report

Fair Review of the Company's Business

Income from operations has increased by 3.6 per cent due mainly to the increase in memberships resulting from the conversion of the Upper Hall Gym. Green Fee income at Little Hay Golf Course improved on the previous poor performing year with an increase of 12% but another damp summer is still keeping income down. The targeted development income continues to rise with Personal Training having increased by a further 20% and income from Wetside Courses has increased by 5% over the previous year.

The senior management team has had one change at the end of the financial year. Bill Turner, our Finance Director, who came in to set up the finances of the trust has retired. Following Bill is Jason Kilby, a Chartered Management Accountant with a mixture of experience in Not-for-Profit and Commercial industries including Sports Development. The Trustees wish Bill all the best in his retirement and thank him for his hard work and diligence over the last 10 years.

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 commitment 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 positive Net Movement in Funds of £44,908. This includes the Pension Scheme actuarial gain (£431,000 net after DBC allocated contribution), further pension adjustments and depreciation on XC (funded by My Place Restricted Funds received in prior years £282,696).

The Operating activities show a surplus of £21,473 before taking into account the XC Repairs and Renewals Allocation (£6,000).

Total Funds currently stand at £4,429,465 after inclusion of the pension scheme liability of £812,000 and the balance of restricted funds relating to grants received from My Place for the construction of XC (£4,246,140).

Tangible fixed assets include the building cost for XC plus the additional cost of the cladding works less depreciation for XC (£5,495,652). 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 decrease in the scheme deficit which now stands at £1,054,000. 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
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TRUSTEES' REPORT CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2014

Little Hay

Little Hay has bounced back from the wettest summer for fifty years with an increase in income of 7.4%. Memberships have held steady with Pay and Play rounds more than covering a small decline in Driving Range and Pitch and Putt usage.

XC - My Place

It has been a challenging year for XC. Although the numbers in the skatepark have dropped they are still overachieving in terms of the original business plan. The casual climbing figures since site opening have been proving more of a slower growth rate, however the course and taster session attendees are consistently high, enabling growth over the casual and social climbing sessions from the previous year. A number of operational and programming changes have had a positive effect on the overall budget and a new focused marketing plan will assist in the continued development of this exciting facility.

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 Trust continues to improve our IT infrastructure and has implemented several planned developments including "Join at home" for customers wishing to join Gymspace online and "Learn to" an online portal for swimming courses. The Trust upgraded its Sun accounting software and Vision reporting tool, and introduced Cascade, a data mining application to better analyse usage across the centres.

A planned development has been sanctioned at Little Hay for an extension or orangerie to the restaurant, which will allow for larger scale functions to assist the profitability of the clubhouse. Work is expected to begin in late Spring/early Summer.

The Trust continues to investigate a new low cost gym facility and may consider further development at Little Hay. The Trust is planning to participate in an Inert Soil Recovery scheme, which will provide landscaping for a more interesting and challenging course and a lake to help reduce irrigation costs.

Discussions continue on the possible redevelopment of both Berkhamsted Sports Centre and Tring Sports Centre.

Principal risks and uncertainties facing the Trust

The main threats we face are from competitors moving into our markets. In particular we have seen schools open sports halls and 3G pitches and commercial gym operators open sites in Dacorum. Whilst competition is healthy these will start to have significant impacts on our income levels unless we can secure investment to maintain quality across all sites and service areas, and are able, using ICT, to differentiate our offering from others, maximising the benefits we have in offering such a wide range of services.

DACORUM SPORTS TRUST
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TRUSTEES' REPORT CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2014

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.

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:

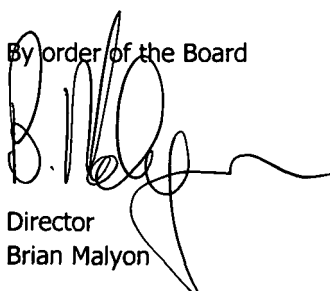
- ♦ there is no relevant audit information of which the charitable company's auditors are unaware, and
- ♦ the Trustees have taken all steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that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

Auditors

Following the re-tendering of the audit process the Trust has appointed haysmacintyre as auditors to the Trust. A programme of internal audit will also be undertaken to complement the annual audit.

Strategic Report

The Trustees, in their capacity as company directors, approve the Strategic Report contained within this Trustee Report

By order of the Board

Director
Brian Malyon

29th July 2014

DACORUM SPORTS TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DACORUM SPORTS TRUST FOR THE YEAR ENDED 31ST MARCH 2014

We have audited the financial statements of Dacorum Sports Trust for the year ended 31st March 2014, 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.

We have been appointed auditor under the Companies Act 2006. 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

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

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 2014 and of the charitable company's incoming resources and application of resources 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;

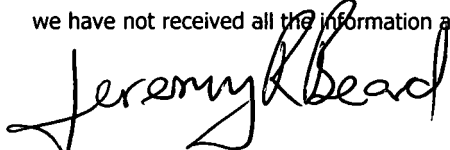
OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Annual Report incorporating the Strategic 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:

- the charitable company (and group) has (have) not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the (consolidated) charitable company financial statements are not in agreement with the accounting records and
- 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

Date: 29/7/14

haysmacintyre is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

26 Red Lion Square
London
WC1R 4AG

DACORUM SPORTS TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(INCOME & EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31ST MARCH 2014

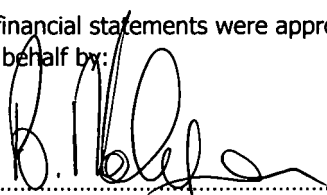
		Unrestricted Funds	Restricted Funds	Total funds 2014	Total funds 2013
	Notes	£	£	£	£
INCOMING RESOURCES					
Incoming Resources from generated funds:					
Voluntary Income:					
Donated Services - Accommodation	2	-	444,000	444,000	444,000
Funding Agreements and grants	3	639,384		639,384	686,433
Activities for generating funds:					
Catering, Vending and Merchandising	4	592,995	-	592,995	612,558
Investment Income & Other Finance Income	5	339,938	-	339,938	314,284
		<u>1,572,317</u>	<u>444,000</u>	<u>2,016,317</u>	<u>2,057,275</u>
Incoming Resources from charitable activities:					
Operation of Sports Facilities and Sports Development	6	6,318,799	-	6,318,799	6,133,129
TOTAL INCOMING RESOURCES		<u>7,891,116</u>	<u>444,000</u>	<u>8,335,116</u>	<u>8,190,404</u>
RESOURCES EXPENDED					
Fundraising trading costs					
Catering, Vending and Merchandising	7	716,184	-	716,184	752,179
Charitable activities					
Marketing Costs	7	321,820	-	321,820	265,518
Operation of Sports Facilities and Sports Development	7	6,903,444	726,698	7,630,142	7,448,085
Governance Costs	7	53,062	-	53,062	45,744
TOTAL RESOURCES EXPENDED		<u>7,994,510</u>	<u>726,698</u>	<u>8,721,208</u>	<u>8,511,526</u>
NET INCOMING RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES					
		(103,394)	(282,698)	(386,092)	(321,122)
OTHER RECOGNISED GAINS AND LOSSES					
Actuarial Gain - Pension Scheme	9	547,000	-	547,000	(555,000)
Contribution to Actuarial Loss from DBC	9	(116,000)	-	(116,000)	126,000
Net		<u>431,000</u>	<u>-</u>	<u>431,000</u>	<u>(429,000)</u>
Net Movement in Funds		327,606	(282,698)	44,908	(750,122)
Reconciliation of Funds					
Total Funds brought forward	21	(144,281)	4,528,838	4,384,557	5,134,679
Total Funds carried forward at 31 March 2014	22	<u>183,325</u>	<u>4,246,140</u>	<u>4,429,465</u>	<u>4,384,557</u>

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

BALANCE SHEET
AS AT 31 MARCH 2014

	Notes	2014		2013	
		£	£	£	£
Fixed Assets					
Tangible Assets	11		5,530,336		5,911,676
Current Assets					
Stock		34,161		29,666	
Debtors	12	195,801		379,247	
Cash at Bank and in Hand		1,300,568		803,779	
		<u>1,530,530</u>		<u>1,212,692</u>	
Creditors: amounts falling due within one year	13	<u>1,293,797</u>		<u>1,056,537</u>	
Net Current Assets			<u>236,733</u>		<u>156,155</u>
Total Assets less Current Liabilities			5,767,069		6,067,831
Creditors: amounts falling due after more than one year	14		<u>525,604</u>		<u>571,274</u>
Net Assets excluding Pension (Liability) / Surplus			5,241,465		5,496,557
Deferred Benefit Pension Scheme (Liability) / Surplus	9		(812,000)		(1,112,000)
Net Assets including Pension Scheme Liability			<u>4,429,465</u>		<u>4,384,557</u>
The Funds of the Charity					
Restricted Income Fund			4,246,140		4,528,838
Unrestricted Income Funds:					
General Fund		578,816		557,210	
R & R Fund (XC)		16,509		10,509	
Designated Fund - Revenue Reserve		<u>400,000</u>		<u>400,000</u>	
Unrestricted Income Funds - excluding Pension Scheme Liability		995,325		967,719	
Pension Scheme Liability		<u>(812,000)</u>		<u>(1,112,000)</u>	
Total Unrestricted Income Funds			<u>183,325</u>		<u>(144,281)</u>
Total Charity Funds	21, 22		<u>4,429,465</u>		<u>4,384,557</u>

The financial statements were approved and authorised for issue by the Directors on the 23rd July 2014 and signed on their behalf by:



B Malyon
Director

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

DACORUM SPORTS TRUST
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CASHFLOW
FOR THE YEAR ENDED 31ST MARCH 2014

	Notes	2014 £	2013 £
Net cash inflow from operating activities		1,046,788	401,118
Returns on investments and servicing of finance			
Interest received		7,938	14,284
Capital expenditure and financial investment			
Capital Grant from My Place	(282,698)		
Purchase of fixed assets	<u>(221,643)</u>	<u>(613,414)</u>	
Net cash outflow from capital expenditure		(504,341)	(613,414)
Net cash (outflow)/inflow before financing		<u>550,386</u>	<u>(198,012)</u>
Financing			
Capital element of finance leases		(53,596)	(100,104)
(Decrease)/Increase in cash in year		<u>496,789</u>	<u>(298,116)</u>
Reconciliation of net cash flow to movement in debt			
(Decrease)/Increase in cash for year		496,789	(298,116)
Cash (outflow)/ inflow from increase in debt and leasing financing		<u>48,258</u>	<u>(223,243)</u>
		545,047	(521,359)
Opening funds as 1 April 2013		570,184	1,091,543
Closing funds at 31 March 2014		<u>1,115,231</u>	<u>570,184</u>

FOR THE YEAR ENDED 31ST MARCH 2014
(A company limited by guarantee)

CASHFLOW
FOR THE YEAR ENDED 31ST MARCH 2014

NOTES TO THE CASH FLOW STATEMENT

	<u>2014</u> £	<u>2013</u> £
Analysis of Cash Flow from Operating Activities		
Net (outgoing)/incoming resources for the year	(103,394)	(38,426)
Returns on Pension Scheme	(332,000)	(300,000)
Pension costs	101,000	25,000
Interest paid on Pension Scheme	362,000	305,000
Interest received	(7,938)	(14,284)
Depreciation	602,983	585,557
Decrease/(Increase) in Stocks	(4,495)	7,450
(Increase)/Decrease in Debtors	183,446	(22,784)
(Decrease) in Creditors	245,186	(146,395)
	<u>1,046,788</u>	<u>401,118</u>

	<u>2013</u> £	<u>Cashflow</u> £	<u>Other non</u> <u>cashflow</u> <u>changes</u> £	<u>2014</u> £
Analysis of Funds/Net Debt				
Cash at Bank and in Hand	803,779	496,789	-	1,300,568
Finance Leases	(233,595)	48,258	-	(185,337)
	<u>570,184</u>	<u>545,047</u>	<u>-</u>	<u>1,115,231</u>

DACORUM SPORTS TRUST
(A company limited by guarantee)

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2014

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
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NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2014

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.

	2014	2013
	£	£
Myplace Grant Scheme grant	-	-
Funding from Dacorum Borough Council	475,000	525,000
Funding from Tring and Longdean Schools	130,887	144,441
Other Grants received or accrued	33,497	16,992
	<u>639,384</u>	<u>686,433</u>

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NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2014

4 Catering, Vending and Merchandising	2014	2013
	£	£
Customer Sales	592,995	612,558
5 Investment & Other Finance Income	2014	2013
	£	£
Interest receivable	7,938	14,284
Return on pension scheme assets	332,000	300,000
	<u>339,938</u>	<u>314,284</u>
6 Operation of Sports Centres and Sports Facilities	2014	2013
	£	£
Customer Sales	6,318,799	6,133,129

7 Total resources expended

2013/14	Staff Costs	Other Direct Costs	Support Costs	Intangible Costs	Total 2014
	£	£	£	£	£
Cost of generating funds					
Catering Vending and Merchandising	298,540	339,345	78,299	-	716,184
Marketing and Publicity	150,583	131,743	39,494	-	321,820
Operation of Sports Centres and Sports Development	3,695,635	2,521,240	969,268	444,000	7,630,142
Governance costs	24,768	21,796	6,497	-	53,062
Total resources expended	<u>4,169,526</u>	<u>3,014,123</u>	<u>1,093,558</u>	<u>444,000</u>	<u>8,721,208</u>

2012/13					2013
					£
Total resources expended	<u>4,235,087</u>	<u>2,755,695</u>	<u>1,076,744</u>	<u>444,000</u>	<u>8,511,526</u>

Other direct costs include:

	2014	2013
	£	£
Marketing & Publicity	131,743	121,476
Maintenance & cleaning	307,562	308,640
Gas, electric and water	544,181	469,160
Catering and vending & merchandising purchases	322,392	336,019
Venue hire	46,064	44,988
Depreciation	602,592	586,474
Pension Fund Adjustment (FRS 17)	362,000	305,000
Other operational costs	697,590	583,938
	<u>3,014,124</u>	<u>2,755,695</u>

Support Costs Include:

	2014	2013
	£	£
Salaries of support staff	239,291	226,969
Other staff costs	111,975	112,109
Service level agreements	15,359	15,059
Irrecoverable VAT	248,787	249,194
Legal, office, IT and insurance	478,146	473,413
	<u>1,093,558</u>	<u>1,076,744</u>

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NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2014

7 Total resources expended continued

Intangible costs include:

	2014	2013
	£	£
Notional rental of facilities	444,000	444,000

Governance costs include:

	2014	2013
	£	£
Auditors' remuneration	11,250	12,480

8 Staff costs

	2014	2013
	£	£
Wages and salaries	3,771,616	3,908,072
Social security costs	230,620	236,906
Pension costs - contributions during the year	305,579	292,078
- actuarial adjustment	101,000	25,000
	4,408,816	4,462,056

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

	2014	2013
	Number	Number
£80,000 - £90,000	1	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:

	2014	2013
	Number	Number
Fundraising activities	31	31
Charitable activities	171	168
Support services	5	5
	207	204

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 2014 was £7,853,000. The Trust made employers' contributions for the year to 31 March 2014 of £305,579 (2013 £292,078).

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NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2014

9 Pension costs continued

The latest estimate of Pension Scheme Assets and Liabilities reveals a deficit of £1,054,000.

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.

	2014	2013
	£	£
Total pension scheme (deficit) (FRS17)	(1,054,000)	(1,470,000)
Amount due from Dacorum Borough Council	242,000	358,000
Defined benefit pension scheme (net liability)	<u>(812,000)</u>	<u>(1,112,000)</u>

A Assumptions underlying valuation

	2014	2013
	% pa	% pa
Pension Increase Rate	2.9%	2.8%
Salary Increase Rate	4.2%	5.1%
Expected Return on Assets	6.0%	5.1%
Discount rate	4.3%	4.5%

B Scheme assets and expected rate of return

	2014		2013	
	Market	Expected rate of	Market	Expected rate of
	Value	return	Value	return
	£'000	% pa	£'000	% pa
Equities	5,811	6.6	4,548	5.8
Bonds	1,335	4.0	1,153	3.6
Property	471	4.8	320	3.9
Cash	236	3.7	384	3.0
Total	<u>7,853</u>	<u>5.1</u>	<u>6,405</u>	<u>5.1</u>

C Net pension assets

	2014	2013
	£'000	£'000
Estimated scheme assets	7,853	6,405
Present value of scheme liabilities	(8,907)	(7,875)
Net pension liability	<u>(1,054)</u>	<u>(1,470)</u>

D Recognition in the profit or loss

	2014	2013
	£'000	£'000
Service cost	403	315
Interest cost	362	305
Expected Return on Employer Assets	(332)	(300)
Losses/(Gains) on Curtailments and Settlements	-	-
Total	<u>433</u>	<u>320</u>

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NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2014

9 Pension costs continued

E Reconciliation of the defined benefit obligation

	Year to 31/03/2014 £'000	Year to 31/03/2013 £'000
Opening Defined Benefit Obligation	7,875	6,196
Current Service Cost	403	315
Interest Cost	362	305
Contributions by members	105	100
Actuarial Losses / (Gains)	336	1,060
Past Service Costs (Gains)	-	-
Losses / (Gains) on curtailments	-	-
Estimated Benefits Paid	(174)	(101)

Closing Defined Benefit Obligation

8,907	7,875
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F Reconciliation of fair value of employer assets

	Year to 31/03/2014 £'000	Year to 31/03/2013 £'000
Opening Fair Value of Employer Assets	6,405	5,311
Expected Return on Assets	332	300
Contributions by members	105	100
Contributions by the Employer	302	290
Actuarial Gains / (Losses)	883	505
Assets acquired in a Business Combination	-	-
Benefits Paid	(174)	(101)

Closing Fair Value of Employer Assets

7,853	6,405
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G Amounts for the current and previous accounting periods

	Year to 31/03/2014 £'000	Year to 31/03/2013 £'000	Year to 31/03/2012 £'000
Fair Value of Employer Assets	7,853	6,405	5,311
Present Value of Defined Benefit Obligation	(8,907)	(7,875)	(6,196)
Surplus / (Deficit)	(1,054)	(1,470)	(885)
Experience gains/(losses) on assets	883	505	(244)
Experience gains/(losses) on liabilities	(776)	3	(22)

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

	Year to 31/03/2014 £'000	Year to 31/03/2013 £'000	Year to 31/03/2012 £'000
Actuarial Gains / (Losses)	547	(555)	(530)

	Year to 31/03/2015	
Projected amount charged to operating profit		
I Projected current service cost	389	24.1%
Interest on Obligation	390	24.1%
Expected return on Plan assets	(478)	-29.6%
Total	301	18.6%

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.

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NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2014

10 Taxation

The Trust is exempt from corporation tax on its charitable activities.

11 Tangible fixed assets

	Brought Fwd			At
Cost	31-Mar-13	Additions	Disposals	31-Mar-14
	£	£	£	£
XC Only				
Building	5,307,531	-	-	5,307,531
Furniture, fittings & equipment	133,315	-	-	133,315
IT expenditure	55,063	-	-	55,063
XC Sub Total (see note below)	5,495,909			5,495,909
Sports Centres & Little Hay:				
Leasehold Improvements	247,066	59,073	-	306,139
Plant & Machinery	112,772	-	-	112,772
Furniture, fittings & equipment	655,516	52,620	-	708,136
Office Equipment	7,770	-	-	7,770
IT expenditure	167,546	32,298	-	199,844
IT software	146,343	53,372	-	199,715
Gym equipment	659,888	24,280	-	684,168
Motor Vehicles	10,900	-	-	10,900
DBC Assets Transferred 1/4/04	386,094	-	-	386,094
	7,889,804	221,643		8,111,447
Depreciation				
XC Only				
Land and Buildings	430,876	310,560	-	741,436
Furniture, fittings & equipment	42,185	-	-	42,185
IT expenditure	30,590	-	-	30,590
XC Sub Total (see note below)	503,651	310,560		814,211
Sports Centres & Little Hay:				
Leasehold Improvements	112,490	25,130	-	137,620
Plant & Machinery	53,742	15,626	-	69,368
Furniture, fittings & equipment	484,710	71,424	-	556,134
Office Equipment	7,770	-	-	7,770
IT expenditure	79,589	54,526	-	134,115
IT software	122,352	26,983	-	149,335
Gym equipment	441,226	76,093	-	517,319
Motor vehicles	7,129	2,725	-	9,854
DBC Assets Transferred 1/4/04	165,469	19,916	-	185,385
	1,978,128	602,983		2,581,111
Net book value				
At 31 March 2014	5,911,676			5,530,336

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.

	2014	2013
	£	£
Cost	112,772	112,772
Accumulated depreciation		
At 31 March	69,368	53,742
Net book value		
At 31 March	<u>43,404</u>	<u>59,030</u>
Depreciation charged during the year	<u>15,626</u>	<u>18,951</u>

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NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2014

12 Debtors

	2014	2013
	£	£
Prepayments	97,179	121,186
Accrued income	(6,542)	12,234
Insurance Claim re Little Hay Fire	-	-
Dacorum Borough Council current account	-	134,757
Other debtors	105,164	111,070
	<u>195,802</u>	<u>379,247</u>

13 Creditors: amounts falling due within one year

	2014	2013
	£	£
Trade creditors	197,816	169,397
Dacorum Borough Council current account	6,559	-
HM Revenue & Customs - VAT	258,033	248,320
Sundry Creditors	79,333	87,993
Accruals	281,810	261,332
Deferred income	424,419	241,080
Obligations under finance leases	45,827	48,415
	<u>1,293,797</u>	<u>1,056,537</u>

14 Creditors: amounts falling due after more than one year

	2014	2013
	£	£
Dacorum Borough Council - Transfer value of assets (note 11)	386,094	386,094
Obligations under finance leases	139,510	185,180
	<u>525,604</u>	<u>571,274</u>

15 Obligations under finance leases

	2014	2013
	£	£
The amounts fall due as follows:		
Within one year	45,827	48,415
In the second to fifth year inclusive	139,510	185,180
	<u>185,337</u>	<u>233,595</u>

16 Operating lease commitments

At 31st March 2014 the company had annual commitments under non-cancellable operating leases as follows:

	2014	2013
	£	£
Other lease commitments		
Less than 12 months	138	7,224
Between 2 and 5 years	-	12,446

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
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NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2014

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.

	2014 £	2013 £
Directors, officials and employee's indemnity insurance	2,544	2,544

21 Movements in funds

	B/fwd 31/03/2013	Incoming Resources	Outgoing Resources	Transfers	At 31/03/2014
	£	£	£	£	£
Restricted funds:					
My Place Funding - Capital	4,528,838	-	(282,698)	-	4,246,140
Donated Services - Accommodation	-	444,000	(444,000)	-	-
Total Restricted Funds	4,528,838	444,000	(726,698)	-	4,246,140
Unrestricted funds:					
General funds	433,210	7,885,116	(7,994,510)	-	323,816
Pension Fund Revenue Adjs	94,000	-	-	-	94,000
Designated fund -					
XC Repairs Fund	10,509	6,000	-	-	16,509
Revenue reserve	400,000	-	-	-	400,000
	937,719	7,891,116	(7,994,510)	-	834,325
Pension Fund Actuarial Loss/Gain	(1,082,000)	431,000	-	-	(651,000)
Total Unrestricted Funds	(144,281)	8,322,116	(7,994,510)	-	183,325
Total funds	4,384,557	8,766,116	(8,721,208)	-	4,429,465

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2014

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:

	£ 2014	£ 2013
Information and communication technology support	-	-
Grounds maintenance	12,279	11,979
Legal and insurance	3,080	3,080
	<u>15,359</u>	<u>15,059</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)	4,246,140	-	-	4,246,140
Unrestricted funds	1,284,196	1,530,530	(1,819,401)	995,325
Pension Scheme Liability	-	-	(812,000)	(812,000)
	<u>5,530,336</u>	<u>1,530,530</u>	<u>(2,631,401)</u>	<u>4,429,465</u>