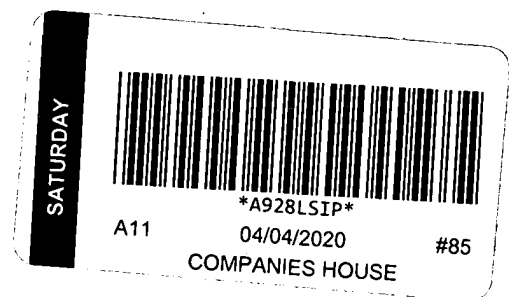


REGISTERED COMPANY NUMBER: 08109768 (England and Wales)
REGISTERED CHARITY NUMBER: 1149439

**REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019
FOR
ASPIRE SUSSEX LIMITED**



ASPIRE SUSSEX LIMITED

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for the Year Ended 31 July 2019

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ASPIRE SUSSEX LIMITED

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 JULY 2019**

TRUSTEES

Dr N Boyland
Mr J Burke
Dr L Glanz
Mr P Hofman (Co-opted) (appointed 1.10.19)
Ms R Kohler
Ms M Muir
Ms C Pickup
Mr D Smith

COMPANY SECRETARY

Ms R Kohler

REGISTERED OFFICE

Marle Place
Leylands Road
Burgess Hill
West Sussex
RH15 8HZ

REGISTERED COMPANY NUMBER 08109768 (England and Wales)

REGISTERED CHARITY NUMBER 1149439

AUDITORS

Richard Place Dobson Services Limited
Chartered Accountants
1-7 Station Road
Crawley
West Sussex
RH10 1HT

ASPIRE SUSSEX LIMITED

REPORT OF THE TRUSTEES for the Year Ended 31 July 2019

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 July 2019. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

1. The advancement of education particularly (but not exclusively) through the provision of adult and community learning services;
2. The relief of unemployment particularly (but not exclusively) through the provision of adult and community learning services;
3. To advance and protect the health of the general public particularly (but not exclusively) through the provision of services and facilities designed to improve the health and wellbeing of members of the public;
4. To provide or assist in the provision of facilities and services in the interests of social welfare for recreation or other leisure time occupation of individuals who have need of such facilities and services by reason of their youth, age, infirmity or disability, or social and/or economic circumstances, with the object of improving their conditions of life.

Mission

To enable people to achieve their personal aspirations, whatever their starting point, and inspire them to learn, enjoy and achieve.

Vision

We will provide community-based adult education that is vibrant, accessible, and sustainable and responds to the needs of our local communities.

Public benefit

The trustees have paid due regard to the guidance issued by the Charity Commission in deciding what activities the charitable company should undertake. The main focus of public benefit is the delivery of accessible community education.

CEO REPORT FOR ANNUAL REPORT 2018-19

This was Aspire Sussex Ltd.'s seventh year of operation, which was secured by the award, in 2017, of a three year contract to deliver adult community learning provision in West Sussex. This provision is enabled by the County Council's (WSCC) adult education grant from the Education and Skills Funding Agency (ESFA). 2018/19 was the first year of the second contract. In addition to successfully delivering the contract, Aspire Sussex Ltd. has continued to develop its own financial sustainability with key changes to diversify income and accelerate revenue growth.

CHARITABLE ACTIVITIES

Contract activity 2018-19

Aspire Sussex Ltd is strongly aware of its charitable purposes and of the 'impact', beyond the simple numbers of learning beneficiaries and opportunities that it is committed to make. What follows is a detailed summary of the 'impact' that the organisation had in 2018-19 in these broad areas of public benefit:

- Community based learning for adult learners from disadvantaged backgrounds
- Tailored programmes of learning for the unemployed and those furthest from the labour market
- Health and wellbeing provision designed to impact on key physical and mental aspects of community health
- English for Speakers of Other Languages (ESOL) learning provision for communities at risk of isolation
- Targeted learning opportunities for the aged and/or those experiencing disability (including learning disability)

In all of these areas, Aspire Sussex made a significant impact on lives and livelihoods.

In 2018-19, we continued to focus our efforts to match changing local priorities in West Sussex. There was more of a focus on engaging people into the type of education that would enable them to fulfil their potential, and progress into employment, whilst still working with hard to reach client groups in deprived areas for initial engagement. Operating two streams of funding within the contract, we have started to plan the shift from traditional community learning for leisure to a more honed offer of Employability skills; contract delivery has been analysed to enable us to concentrate future delivery on Crawley and the Coastal strip from Chichester to the West of the County across to Southwick on the edge of Brighton and Hove.

In year, we worked with 3,122 adult students, with 5,675 enrolments (some students doing more than one course) in over 80 community-based venues. 1,293 adults completed adult skills based courses, with 1,852 enjoying community based learning. We offered GCSE and functional skills in English and Maths, and qualifications in English as a second language to support community cohesion. We have looked to support people who have care responsibilities and worked with an organisation in Worthing providing care services with an offer of IT courses to enable the carers to use IT packages more proficiently, giving them more time to work with their service users.

We worked with 549 students that were studying independent living on our programme for adults with learning difficulties or disability, and overall had 1,654 enrolments from adults making a declaration. The programmes are designed to enable students to fulfil their aspirations and include an offer for students working in milestones at pre- entry level through to GCSEs.

We worked with 172 families through our Family Learning programme which targets provision in schools with high numbers of families claiming free school meals. The provision supports students to improve the chances of success for children of West Sussex and engages parents in opportunities to improve their lives, and the lives of their children, through progression towards work or into further learning giving children the best start in life.

During this academic year, we have developed an accommodation strategy to address the fact that two centres will reach the end of their leases next year. We anticipate working with strategic partners to maximise our reach into deprived areas whilst sustaining the community learning provision. The Business Development team has focussed on this and in the next year, we will be developing further engagement activity.

ASPIRE SUSSEX LIMITED

REPORT OF THE TRUSTEES for the Year Ended 31 July 2019

CHARITABLE ACTIVITIES continued.

We continuously work to make education accessible and this year have had significant success in offering online or distance learning.

Non-contract activity for raising income in 2018-19

In 2018-19, there was a drive to increase non-contract activity to underpin our charitable aims, and targets set for the Business Development team were surpassed. Opportunities arose to continue with existing community engagement when ESFA funding regulations changed, meaning that courses that had been traditionally delivered in the community at levels three and four would no longer be funded or subsidised - the commercial course base was significantly increased by continuing to make these courses available to communities. By the end of the year, there were 909 non-contract course participants, resulting in 1,581 enrolments, attending 197 new courses.

In addition, Aspire Sussex Ltd is a lead partner in two Building Better Opportunities (BBO) projects which are funded by the European Social Fund and the National Lottery, through the Big Lottery Fund. The projects are designed to work with people who are furthest away from employment and engagement, offering a more personalised response to their individual learning needs, including bespoke learning at a pace appropriate to their needs. These projects involve eight partners, who deliver in different parts of the Coast to Capital area. Partners offer a mixture of mentoring, one to one support, workshops and learning through sport, horticulture and crafts to support the hardest to reach people either on their journey towards or into employment and education. This was the third year of these two projects, which to date have 425 participants engaged in the projects, with 20 participants exiting into education and 51 into employment or self-employment. In addition, an evaluation of the two projects has been completed; this included a survey of a sample of participants, which shows the following soft outcomes have been achieved:

- 83.5% feel more optimistic about the future
- 75.5% feel their skills have improved
- 84.5% feel they have more options available to them
- 87.5% feel less lonely and isolated as a result of the project
- 88.5% agree that their confidence has improved
- 89% feeling happier

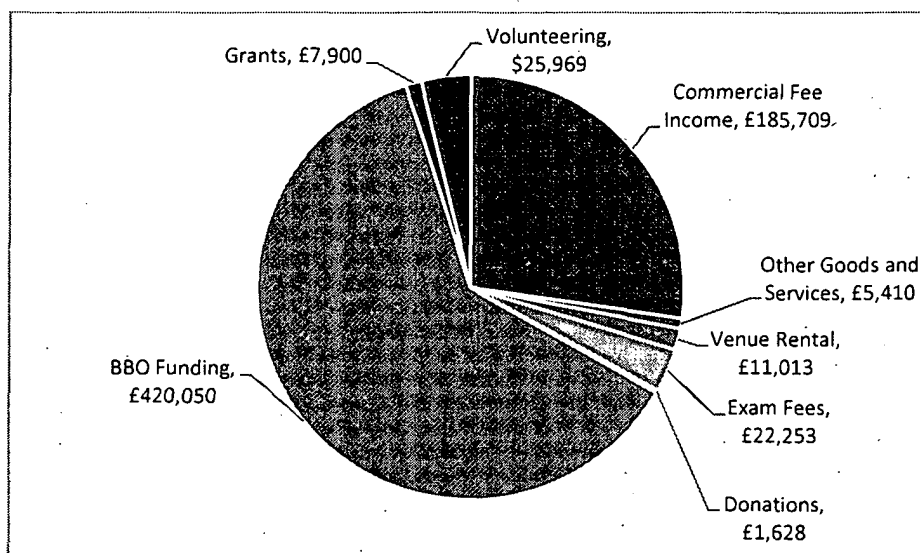
Within this year, Aspire Sussex Ltd. was awarded extensions to both projects, for a further two years, with total funding of £854,978. We will continue working with five of the existing partners to engage a further 239 participants across the Coastal West Sussex Partnership area.

Other income is raised through a range of education related means; examination fees; renting out our venues when underutilised; benefits in kind such as volunteer time; securing smaller grants for specific strategic purposes supporting adults in the community, whether they are unemployed, wishing to return to work following periods of ill health or wanting to be in an environment to alleviate social isolation. We had a volunteer force of 42 Learning Support Volunteers and 3 Administrative Volunteers. Grants came from The Nineveh Charitable Trust, National Lottery, the Heritage Fund and Building Better Opportunities - National Lottery Community Fund and European Social Fund.

REPORT OF THE TRUSTEES
for the Year Ended 31 July 2019

CHARITABLE ACTIVITIES continued.

Chart showing other income breakdown:



Partners for WSCC Contract activity

The schools which participated in Family Learning:

Adur - Glebe Primary, North Lancing Primary & Buckingham Park Primary Worthing - Durrington Primary & Hawthorn Primary Arun - Lyminster Primary and Family Learning offered at Aspire Centre - The Learning Shop Chichester - Chichester Children & Family Centre Mid Sussex - Steyning Primary & Littlehaven Primary - Horsham Crawley - Seymour, Northgate, Rose Green, and Waterfield & Three Bridges Primary as well as an offer at Ifield Community College.

Specific partners worked with in different curriculum areas:

English and Maths: University of Chichester to provide disadvantaged students with the minimum requirements in FS L2 to embark on a degree ALD.

ALD: Coastal Enterprises, Ferring Country Centre, Aldingbourne Trust, The Arc Crawley, Burnside College, Walberton HFT, Learning Links, Strawfords Day Centre, The Pines, The Lovett Centre, Scope Worthing and The Laurels.

Employability Skills: JCP Worthing, Horsham, Bognor, My Sister's House, Stonepillow, The Training Studio Worthing, The Library Service and job search tool COBRA, Worthing and Adur Council.

ESOL: The Open House Crawley, Broadfield and Bewbush CFCs, Langmeads Pickers, Viridor.

Non-Contract Partnerships:

Elysium Healthcare - English and Maths provision

Batchelor Monkhouse Estate Agent - Photography

Saxon Weald - Tai Chi and Cake Decorating

Stonepillow and Chichester Cathedral - English

Viridor - ESOL West Sussex

Carers Support Service - Marketing

West Sussex County Council Refugee Service - ESOL

Bikesmart - Hire of carpark in Burgess Hill

Code Club - Hire of rooms in various locations

City and Guilds - Exam Services Burgess Hill

Private letting (local business)

Clarks Shoes- Exam services Bognor Regis

ASPIRE SUSSEX LIMITED

REPORT OF THE TRUSTEES for the Year Ended 31 July 2019

CHARITABLE ACTIVITIES continued.

In 2018-19, Aspire Sussex Ltd. set a strategy to engage with new partners and communities to enhance the awareness of the provision but also to consult on the types of education they need or want. Development staff have increased the number of partner organisations who receive information regarding courses available to 202. We have specifically targeted businesses and community partners that work with economically disadvantaged or socially isolated residents of West Sussex such as Age UK, GuildCare (Worthing) and Job Centre Plus. We have also subscribed to new business networks including Gatwick Diamond Business and the Chichester Chamber of Commerce. Development staff surveyed specific communities of residents through partnerships with schools, libraries and free tasters in a number of venues. This work has resulted in 18 students gaining basic IT skills as a direct result of a survey response, six wellbeing courses being delivered at libraries and three taster courses at Worthing Town Hall. We have developed new partnerships in order to engage with the most disadvantaged and offer them an ambitious provision to enable their progression in life, learning and work. This has included working with three homeless charities in Crawley, Chichester and Bognor. The development of these partnerships has resulted in residents being able to access ESOL provision in a trusted venue belonging to the charity, pre-employment and confidence building, and Functional Skills Maths for students preparing for Access courses. Additionally, through introduction by WSCC, Aspire Sussex Ltd. have re-engaged with the locality heads for Crawley, where Family Learning had been minimally taken up. In future years, this partnership will increase the engagement of parents in educational settings which is an aim of the document, "The strategic vision for schools in Crawley: Paving the way to success for all schools".

FINANCIAL REVIEW

Principal funding sources

Aspire Sussex Ltd. received Education Skills Funding Agency (ESFA) funding via a subcontracting arrangement for the delivery of the Adult Education Budget (AEB) grant to West Sussex County Council. Aspire Sussex Ltd. is also in receipt of funds from the National Lottery as part of two Building Better Opportunities projects awarded in 2017.

Other income received in this year came from the Heritage Lottery and smaller trust funds.

Other non-restricted funds are generated from traded services and fee income from non-contract courses.

Reserves policy

The Finance and Audit Committee has considered the level of reserves required in light of the main risks to the organisation, whilst taking a realistic view on activity generating a surplus in the forthcoming years. It was agreed to revise the Reserves Policy to state the Board's ambition to hold reserves covering three months' operating costs.

The trustees consider this to be an appropriate level of reserves to support mid to longer term development, whilst recognising that the current financial dependency on the 'core' contract with West Sussex County Council (WSCC) makes this ambition difficult to achieve. Trustees and the organisation's leadership team are actively considering the potential for both expansion of activity and strategic partnership approaches to build towards the ambition.

The present reserves available were £180,000 by July 2019, which falls short of the target level of three months' operating costs quite significantly, so this remains a focus for the forthcoming year. The figure considers deferred and accrued income, as well as accrued expenditure.

The reserves are needed to meet contractual liabilities should the organisation close. This includes payroll and amounts due to creditors, unexpected costs on maintenance of buildings, replacement of IT equipment and legal costs defending the charity's interests. The reserves can also provide working capital when funding is paid in arrears, enabling Aspire Sussex Ltd. to bid for large amounts of funding, which can be paid in arrears.

ASPIRE SUSSEX LIMITED

REPORT OF THE TRUSTEES for the Year Ended 31 July 2019

ASPIRE SUSSEX LTD IN THE YEAR AHEAD

In year, it was agreed that there should be a revision to our first strategic priority, which is now: "Embedding a culture that embraces innovation and opportunity, including a priority for developing the wellbeing strategy and culture". We expect in the autumn of 2019 to propose an Organisational Culture Strategy for implementation over the next two years.

By the end of December, we will have identified new premises to accommodate staff and courses from our Crawley and Horsham sites, where our leases comes to an end on 31st July 2020. We have a working group researching the availability of accommodation to ensure that all staff who would be affected are engaged. In order to support the changing priorities within the WSCC contract, we will continue to develop activity in Crawley and the Coastal strip which includes Bognor Regis in the West across to Southwick in the East, with a focus on Worthing. We will continue to plan similarly for Littlehampton accommodation to change in 2021.

We will prepare for the impact of Brexit and the change to funding regulations, in terms of lost fee income from ESOL provision and the potential change to staffing.

We have also started working with WSCC in preparation for re-procurement of the Adult Education Grant, which at this point we believe will be in 2022, following WSCC proposal that there should be a two year extension.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Aspire Sussex is a private company, limited by guarantee with no share capital, which was incorporated on 18 June 2012. It is also a registered charity in England and Wales no. 1149439 with effect from 23 October 2012.

Aspire Sussex Limited was previously known as the West Sussex Adult Community Learning Service (WSACLS), which was then part of West Sussex County Council.

The Board consists of recruited members with expertise in Education, Finance, Public Service and Business. To enhance the expertise of the Board and continue succession planning, the Board advertises through the website and a number of business networks.

All members of the Board give their time voluntarily, and receive no benefits from the charity. The Trustee expenses that are reimbursed are set out in the annual accounts.

Declaration of Purpose

We are a provider of adult education, based in local communities within West Sussex, delivering education from pre-entry to Level 4. We work to a model that enables us to deliver free at the point of delivery or with concessions to meet particular individual need.

Corporate Governance

Aspire Sussex Ltd. bases its Corporate Governance behaviour on a combination of aspects of the UK Corporate Governance Code, the Good Governance Standards for Public Services, Charity Commission guidance, and other practices that it considers match the nature of the business and its constitution.

ASPIRE SUSSEX LIMITED

REPORT OF THE TRUSTEES for the Year Ended 31 July 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT continued.

Trustee Induction and Training

Trustees are kept aware of the work of the charity in the adult education field through a commitment to attend bespoke induction training and to complete mandatory training in Safeguarding and Prevent Duties. Induction training is conducted by existing Board members and the senior management team

Safeguarding training was completed in the previous year.

Training attended by Trustees in 2018/19 included:

- Data Protection Essentials: GDPR edition
- DFE Mandatory Prevent Training on 28 May 2018
- Voluntary Action Arun and Chichester on 13 November 2018 (which covered Charity Commission updates and changes to their approach to 'reporting').

There is an opportunity for Trustees to be affiliated to specific areas of the business and to participate in an Aspire course each year.

There is a Governance Handbook.

Governance, Structures and Reporting

Aspire has a Governing Board which is supported by the Chief Executive Officer (CEO) and Aspire Executive and Senior Management Team. The eight Board members are responsible to the company members and community stakeholders for the delivery of the strategic objectives. The Board is made up of independent directors (Trustees), including the CEO, and are appointed initially by the Members.

In year, we started to develop a stronger programme of Member engagement, which included recruitment and induction of two new members.

The Board and sub-committee meetings have their own Terms of Reference, which are approved by the Board and reviewed annually.

Frequency of meetings:

Board meetings (including the Strategy Day): 9
NRG meetings: 5
FAC meetings: 9

There are two sub-committees:

The Finance and Audit Committee:

Mr D Smith (Chair)
Dr N Boyland
Ms M Muir
Mr P Hofman (since December 2019)
Ms R Kohler
Mr J Mills

This committee has responsibility for providing the Board with reasonable assurance that the system of internal controls continues to be appropriate and effective. This committee regularly reviews the financial position of the company and ensures that the financial statements are compliant. It also monitors the register of company assets and liabilities. The committee met on nine occasions to consider the following:

ASPIRE SUSSEX LIMITED

REPORT OF THE TRUSTEES for the Year Ended 31 July 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT continued

- Policy review (including Reserves, Procurement, Anti-fraud and Bribery, IT Capitalisation Expenditure Strategy, Capitalisation)
- 2018/19 Audit and preparation/approval of Annual Report and Accounts for the year ended 31 July 2018
- Monitoring of auditors' 'management letter' issues
- Re-procurement of auditors
- Receipt of Venue Audit
- Budget setting for 2019/20
- Monitoring of financial controls in Aspire Centres

The Nomination, Remuneration and Governance Committee:

Dr L Glanz (Chair)
Dr N Boyland
Mr J Burke
Ms C Pickup
Ms R Kohler
Ms C Chacksfield

The committee provides an independent oversight, review and advisory role to the Board to ensure continuity of the business by overseeing a strategy for Board succession planning and a governance structure which delivers a well-run and controlled organisation. It is directly accountable to the Board for its activities in line with its delegated authority. The committee also provides an oversight, review and advisory role to the Board on the remuneration of the Chief Executive and staff.

The Board has responsibility to review the performance of the CEO and the whole organisation. It has delegated the responsibility to manage the performance of the Executive and the Senior Management Team to the CEO.

The CEO's salary is benchmarked externally. The senior management roles are externally evaluated and set on an existing Hay pay scale.

In year the following items were considered by this committee:

- Phase 2 restructure
- Annual Pay award
- Review of Governance Handbook
- Oversight of the annual Board Self-Assessment exercise
- Planning and oversight of a Members' Event
- Business Continuity Plan
- Receipt of results of annual staff and tutor survey
- Receipt of annual report on performance of Bluesky Pension
- Member and Trustee recruitment
- Policy review (including Health and Safety, Safeguarding and Prevent, Gifts and Hospitality, Pay Policy)
- Received HR reports on various subjects including Culture and Wellbeing

Risk management

The Board assesses risk strategy and risk appetite. A risk register is maintained and risk features as a standard item on Board meeting agendas. The risk register has been refreshed through 2019. The CEO is named responsible manager for oversight of risk and the ongoing identification and management of existing and new risks. Each identified risk is placed on a central risk register with the senior management team having accountability for the regular review of the register and reporting significant issues to the Board.

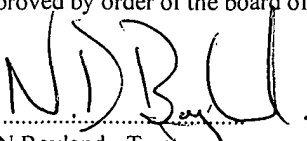
The impact of these risks forms part of the continuous assessment conducted by the Board, and the success of actions are reviewed bi-monthly.

ASPIRE SUSSEX LIMITED

**REPORT OF THE TRUSTEES
for the Year Ended 31 July 2019**

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 16th December 2019 and signed on its behalf by:


.....
Dr N Boyland - Trustee

ASPIRE SUSSEX LIMITED

STATEMENT OF TRUSTEES RESPONSIBILITIES for the Year Ended 31 July 2019

The trustees (who are also the directors of Aspire Sussex Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF ASPIRE SUSSEX LIMITED

Opinion

We have audited the financial statements of Aspire Sussex Limited (the 'charitable company') for the year ended 31 July 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2019 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF ASPIRE SUSSEX LIMITED

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144¹ of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Richard Place Dobson Services Limited
Chartered Accountants
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
1-7 Station Road
Crawley
West Sussex
RH10 1HT

Date: 03/02/2020

¹ When a charity is below the thresholds where a charity audit is required and it decides to have its accounts audited, the auditor is appointed under section 145 of the Charities Act 2011.

ASPIRE SUSSEX LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
for the Year Ended 31 July 2019**

		Unrestricted fund	Restricted funds	31.7.19 Total funds	31.7.18 Total funds as restated £
	Notes	£	£	£	
INCOME FROM					
Donations	2	1,629	-	1,629	1,313
Charitable activities	4	3,421,365	425,452	3,846,817	3,944,522
Investment income	3	1,944	-	1,944	-
Other trading income	5	46,111	-	46,111	20,218
Total		3,471,049	425,452	3,896,501	3,966,053
EXPENDITURE ON					
Raising funds	6	40,776	-	40,776	54,178
Charitable activities	7	3,449,830	438,041	3,887,871	3,717,491
Total		3,490,606	438,041	3,928,647	3,771,669
NET INCOME/(EXPENDITURE)		(19,557)	(12,589)	(32,146)	194,384
Transfers between funds	19	(11,430)	11,430	-	-
Exceptional items	12	-	-	-	(208,900)
Other unrealised gains / (losses)					
Actuarial gains/ (losses) on defined benefit schemes		(22,893)	-	(22,893)	-
Net movement in funds		(53,880)	(1,159)	(55,039)	(14,516)
RECONCILIATION OF FUNDS					
Total funds brought forward		387,373	1,399	388,772	403,288
TOTAL FUNDS CARRIED FORWARD		333,493	240	333,733	388,772

The notes form part of these financial statements

ASPIRE SUSSEX LIMITED (REGISTERED NUMBER: 08109768)

BALANCE SHEET
At 31 July 2019

		Unrestricted fund	Restricted funds	31.7.19 Total funds	31.7.18 Total funds as restated £
	Notes	£	£	£	
FIXED ASSETS					
Tangible assets	16	169,611	-	169,611	253,465
CURRENT ASSETS					
Debtors	17	264,073	-	264,073	283,793
Cash at bank and in hand		<u>277,591</u>	<u>4,096</u>	<u>281,687</u>	<u>337,116</u>
		541,664	4,096	545,760	620,909
CREDITORS					
Amounts falling due within one year	18	(377,782)	(3,856)	(381,638)	(485,602)
NET CURRENT ASSETS		<u>163,882</u>	<u>240</u>	<u>164,122</u>	<u>135,307</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>333,493</u>	<u>240</u>	<u>333,733</u>	<u>388,772</u>
NET ASSETS		<u>333,493</u>	<u>240</u>	<u>333,733</u>	<u>388,772</u>
FUNDS	19				
Unrestricted funds				333,493	387,373
Restricted funds				<u>240</u>	<u>1,399</u>
TOTAL FUNDS				<u>333,733</u>	<u>388,772</u>

The notes form part of these financial statements

BALANCE SHEET - CONTINUED
At 31 July 2019

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 July 2019.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been audited under the requirements of Section 144 of the Charities Act 2011.

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees on 16th December 19 and were signed on its behalf by:


.....
Dr N Boyland - Trustee

ASPIRE SUSSEX LIMITED

CASH FLOW STATEMENT
for the Year Ended 31 July 2019

		31.7.19	31.7.18
	Notes	£	£
Cash flows from operating activities:			
Cash generated from operations	1	(33,659)	(13,016)
Finance costs		<u>(16,531)</u>	<u>(14,562)</u>
Net cash provided by (used in) operating activities		<u>(50,190)</u>	<u>(27,578)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(7,183)	(167,082)
Interest received		<u>1,944</u>	<u>-</u>
Net cash provided by (used in) investing activities		<u>(5,239)</u>	<u>(167,082)</u>
Change in cash and cash equivalents in the reporting period		<u>(55,429)</u>	<u>(194,660)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>337,116</u>	<u>531,776</u>
Cash and cash equivalents at the end of the reporting period		<u>281,687</u>	<u>337,116</u>

The notes form part of these financial statements

ASPIRE SUSSEX LIMITED

NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 31 July 2019

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.7.19	31.7.18
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(32,146)	194,384
Adjustments for:		
Depreciation charges	91,037	33,713
Interest received	(1,944)	-
Finance costs	16,531	14,562
Decrease/(increase) in debtors	19,720	(2,745)
Decrease in creditors	(103,964)	(289,826)
Difference between pension charge and cash contributions	(22,893)	36,896
Net cash provided by (used in) operating activities	<u>(33,659)</u>	<u>(13,016)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.8.18 £	Cash flow £	At 31.7.19 £
Net cash			
Cash at bank and in hand	337,116	(55,429)	281,687
	<u>337,116</u>	<u>(55,429)</u>	<u>281,687</u>
Total	<u>337,116</u>	<u>(55,429)</u>	<u>281,687</u>

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 July 2019

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The registered office is Marle Place, Leylands Road, Burgess Hill, West Sussex, RH15 8HZ. The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

There are no material uncertainties about the charities ability to continue as a going concern.

The principle accounting policies adopted, judgements and key sources of estimating uncertainty in the preparation of the financial statements are as follows:

Judgements and key sources of estimation uncertainty

There have been no judgements (apart from those involving estimates) made in the process of applying the following accounting policies, which have had a significant effect on amounts recognised in the financial statements.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year include:

Valuation of defined benefit pension scheme. The basis on which this has been included in the accounts is explained under the relevant accounting policy.

Income

Grants are credited to the Statement of Financial Activities in the year in which the charity becomes entitled to them and any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be reliably measured and is not deferred.

Income from charitable activities includes course income and is recognised when the course takes place.

Investment income which includes venue rental and interest receivable is included in the Statement of Financial Activities in the year in which it is receivable.

Other income includes money received from the hair and beauty salon, course materials and other goods and services. This is recognised in the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 July 2019

1. ACCOUNTING POLICIES - continued

Expenditure

Liabilities and related expenditure are recognised in full in the financial statements as soon as an obligation arises and include VAT.

Costs of raising funds comprise the costs involved in marketing and advertising for courses and new funding streams.

Expenditure is split between direct costs, support costs and governance costs.

The direct costs relate to the cost of running courses and learning delivery and are allocated directly to functional headings as shown in the Statement of Financial Activities.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees, legal and professional fees, consultancy costs, Company Secretarial fees, trustees expenses and bank charges.

Allocation and apportionment of costs

Support costs functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, management and governance costs which support the charitable company's activities. These costs have been allocated between the different charitable activities. The bases on which support costs have been allocated are set out in note 8.

The only support costs allocated to other projects is management time dedicated to supporting and monitoring each project. All other support costs are allocated directly to course running costs.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

IT Equipment - Teaching	- 20% on cost and 33% on cost
Fixtures, fittings & Equipment	- 10% Straight Line
IT Equipment- Office	- 20% on cost and 33% on cost

Assets costing less than £500 are not capitalised but written off directly to the Statement of Financial Activities.

Taxation

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

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

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

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Operating leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The charitable company operates a defined contributions pension scheme for some employees. Contributions are charged in the accounts as they become payable in accordance with the rules of the scheme.

Retirement benefits to teaching staff are provided by the Teachers' Pension Scheme (TPS). To employees TUPE'd over from West Sussex County Council, who are not members of the TPS, retirement benefits are provided by the Local Government Pension Scheme (LGPS). These are both defined benefit schemes and the assets are held separately from those of Aspire Sussex Limited.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with Aspire Sussex Limited in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 19, the TPS is a multi-employer scheme and Aspire Sussex Limited is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each year. The TPS provides that in the event that a single employer has individuals contributing to the scheme then any remaining liability for benefits payable under the scheme falls on that employer. Since the main participating employers are statutory bodies, the trustees consider it highly improbable that such a liability will ever fall due to the charity.

Some employees have pensions with the LGPS. The LGPS is a funded scheme and the assets are held separately from those of Aspire Sussex Limited in separate trustee administered funds. Pension Scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least annually and are updated at each balance sheet date.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, at the start of the period taking into account any changes in the net defined liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance income or cost.

Re-measurements, comprising actuarial gains and losses, the effect of the asset ceiling and the return on the net defined liability are recognised immediately in other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

The defined net benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme. Under Local Government Pension Scheme regulations, it is not possible for any surplus to be paid to the employer. Therefore no pension scheme surpluses are recognised in the balance sheet as an asset.

Contributions to defined contribution schemes are recognised in the SOFA in the period in which they become payable.

The amounts charged to operating deficit in relation to defined benefit schemes are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

ASPIRE SUSSEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 July 2019

1. ACCOUNTING POLICIES - continued

Financial instruments

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

Financial liabilities and assets are measured at fair value through profit or loss.

Cash at bank and in hand

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

Debtors

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

Creditors and provisions

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

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Gifts in Kind and Volunteer time

Aspire Sussex Ltd do occasionally receive gifts in kind and make use of volunteers in carrying out the charitable activities. It is impractical to value the costs of these donations and the volunteer time involved. No amounts for these are included in the accounts.

2. DONATIONS

	Unrestricted funds	Restricted funds	31.7.19 Total funds	31.7.18 Total funds as restated
	£	£	£	£
Donations	<u>1,629</u>	<u>-</u>	<u>1,629</u>	<u>1,313</u>

3. INVESTMENT INCOME

	Unrestricted funds	Restricted funds	31.7.19 Total funds	31.7.18 Total funds as restated
	£	£	£	£
Deposit account interest	<u>1,944</u>	<u>-</u>	<u>1,944</u>	<u>-</u>

ASPIRE SUSSEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 July 2019

4. INCOME FROM CHARITABLE ACTIVITIES

	31.7.19	31.7.18 as restated
	£	£
Course fee income	516,618	539,357
Core Funding	2,904,747	3,296,350
Other Projects	425,452	108,815
	<u>3,846,817</u>	<u>3,944,522</u>

Grants received, included in the above, are as follows:

	31.7.19	31.7.18 as restated
	£	£
24+ Advanced Learning Loans Bursary	-	18,048
Building Better Opportunities (Restricted)	420,051	339,641
Community Learning Mental Health Project (Restricted)	-	82,345
Adult Education budget	2,904,747	2,956,709
Nineveh Trust (Restricted)	483	-
Heritage lottery (Restricted)	4,918	-
Awards for All (Restricted)	-	8,422
	<u>3,330,199</u>	<u>3,405,165</u>

5. OTHER TRADING INCOME

	Unrestricted funds	Restricted funds	31.7.19 Total funds	31.7.18 Total funds as restated
	£	£	£	£
Venue hire	11,013	-	11,013	7,855
Other commercial income	<u>35,098</u>	<u>-</u>	<u>35,098</u>	<u>12,363</u>
	<u>46,111</u>	<u>-</u>	<u>46,111</u>	<u>20,218</u>

6. RAISING FUNDS

Raising donations and legacies

	Unrestricted funds	Restricted funds	31.7.19 Total funds	31.7.18 Total funds
	£	£	£	£
Marketing	<u>40,776</u>	<u>-</u>	<u>40,776</u>	<u>54,178</u>

ASPIRE SUSSEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 July 2019

7. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs (See note 8)	Totals
	£	£	£
Courses	2,924,727	525,103	3,449,830
Other Projects	<u>438,041</u>	<u>-</u>	<u>438,041</u>
	<u>3,362,768</u>	<u>525,103</u>	<u>3,887,871</u>

8. SUPPORT COSTS

	Office	Governance costs	Management	Totals
	£	£	£	£
Courses	<u>132,713</u>	<u>43,136</u>	<u>349,254</u>	<u>525,103</u>

9. NET INCOME/(EXPENDITURE)

Net income/ (expenditure) is stated after charging/ (crediting):

	31.7.19	31.7.18
	£	£
Depreciation - owned assets	91,037	32,924
Other operating leases	196,704	124,400
Audit fee	12,000	12,000
Other fees paid to auditors	<u>1,200</u>	<u>1,200</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

None of the trustees received remuneration for their role as trustee. One of the trustees Ms Robyn Kohler received remuneration during the year of £78,101 (2018: £77,037) for her role as Chief Executive Officer of the Charity. Payment is made with the permission of the Charity Commission.

Trustees' expenses

Three trustees were reimbursed a total of £912 (2018: three trustees were reimbursed a total of £983) for travelling expenses.

ASPIRE SUSSEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 July 2019

11. STAFF COSTS

	31.7.19	31.7.18
	£	£
Wages and salaries	2,010,611	1,995,205
Social security costs	111,901	123,849
Other pension costs	<u>341,412</u>	<u>296,921</u>
	<u>2,463,924</u>	<u>2,415,975</u>

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

	31.7.19	31.7.18
Management- Full time	5	7
Operational and Admin - Full Time	18	18
Operational and Admin - Part Time	63	63
Tutors	115	115
Part Time casuals	<u>32</u>	<u>38</u>
	<u>233</u>	<u>241</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	31.7.19	31.7.18
£70,001 - £80,000	<u>1</u>	<u>1</u>

The Executive Management Team of the charity comprises the Chief Executive Officer, the Director of Commercial and Community Partnerships, the Director of Performance, Quality and inclusion, the Head of HR, the Head of Finance and the safeguarding and compliance manager. The total employee benefits of the key management personnel of the charity were £326,406 (2018: £285,198), including the Chief Executive's remuneration.

There is one (2018: one) trustee who is accruing retirement benefits under the LGPS.

ASPIRE SUSSEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 July 2019

12. EXCEPTIONAL ITEMS

Exceptional items are made up of the following:

	2019 £	2018 £
Clawback of grant	-	173,900
Rent back dated for Ifield	-	35,000
	<u>-</u>	<u>208,900</u>

Grant clawback:

There was a clawback of £173,900 of the main grant from West Sussex County Council. During 2016/2017 the criteria for receiving the grant was not met and therefore a portion of it was clawed back from the council.

Back-dated rent demand

In the previous year an invoice was received from West Sussex County Council in relation to back rent for Ifield School for the 2 year period 1 September 2016 to 28 September 2018 for an amount of £35,000. This is an exceptional cost.

13. 2018 STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds as restated £
INCOME FROM			
Donations	1,313	-	1,313
Charitable Activities	3,514,114	430,408	3,944,522
Other trading income	<u>20,218</u>	<u>-</u>	<u>20,218</u>
Total	3,535,645	430,408	3,966,053
 EXPENDITURE ON			
Raising funds	54,178	-	54,178
Charitable activities	3,263,956	453,535	3,717,491
Total	<u>3,318,134</u>	<u>453,535</u>	<u>3,771,669</u>
 NET INCOME/(EXPENDITURE)	217,511	(23,127)	194,384
Exceptional items	<u>(208,900)</u>	<u>-</u>	<u>(208,900)</u>
Net movement in funds	8,611	(23,127)	(14,516)

ASPIRE SUSSEX LIMITED**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**
for the Year Ended 31 July 2019**13. 2018 STATEMENT OF FINANCIAL ACTIVITIES – continued**

	Unrestricted fund	Restricted funds	Total funds as restated
	£	£	£
RECONCILIATION OF FUNDS			
Total funds brought forward	378,762	24,526	403,288
TOTAL FUNDS CARRIED FORWARD	<u>387,373</u>	<u>1,399</u>	<u>388,772</u>

14. PRIOR YEAR ADJUSTMENT

Previously grant income received from West Sussex County Council has been shown net of management fees on the basis that these management fees were set at the Councils discretion and where not invoiced to Aspire (Sussex) Ltd. These management fees have become material and in order to reflect a truer picture of how much grant income is received and the cost of West Sussex County Council administering the funds received from the Skills funding Agency, the accounts have been amended to show these management fees. This adjustment has meant the grant income received has been increased by £232,379 (2018: £240,380) and a corresponding increase shown in charitable expenditure. This adjustment has not impacted on the surplus and deficit made in either year.

In previous years the grant income received has been shown as voluntary income but on the basis that there are performance related conditions on the grant income, which may result in clawbacks being levied on the Charity, if these targets are not met, it has been decided that a more accurate presentation of these grants would be to show them as charitable activity income. This has resulted in £3,097,820 (2018: £3,164,785) being removed from grants and donations income and being shown within charitable activities income. The adjustment has not impacted on the surplus and deficit made in either year and is purely presentational.

Last year the accounts showed there was a closing balance of £99,736 on the restricted fund for Community Learning Mental Health Fund. It was discovered during this financial year, that these funds had been spent and were incorrectly shown as unrestricted expenditure in the previous year. A prior year adjustment has been made to show no closing balance on this fund. The impact of this adjustment was to increase the expenditure on restricted other project costs and decrease the expenditure on unrestricted costs. There was no change to the overall deficit made in the previous year. The closing balance on the unrestricted fund was increased by £99,736 and the closing balance on restricted funds was reduced by £99,736.

15. LEGAL STATUS OF THE CHARITY

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

ASPIRE SUSSEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 July 2019

16. TANGIBLE FIXED ASSETS

	IT Equipment - Teaching £	Fixtures, fittings & Equipment £	IT Equipment- Office £	Totals £
COST				
At 1 August 2018	31,858	164,376	138,651	334,885
Additions	<u>1,287</u>	<u>2,795</u>	<u>3,101</u>	<u>7,183</u>
At 31 July 2019	<u>33,145</u>	<u>167,171</u>	<u>141,752</u>	<u>342,068</u>
DEPRECIATION				
At 1 August 2018	4,668	42,039	34,713	81,420
Charge for year	<u>13,674</u>	<u>39,636</u>	<u>37,727</u>	<u>91,037</u>
At 31 July 2019	<u>18,342</u>	<u>81,675</u>	<u>72,440</u>	<u>172,457</u>
NET BOOK VALUE				
At 31 July 2019	<u>14,803</u>	<u>85,496</u>	<u>69,312</u>	<u>169,611</u>
At 31 July 2018	<u>27,190</u>	<u>122,337</u>	<u>103,938</u>	<u>253,465</u>

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.19	31.7.18
	£	£
Trade debtors	159,579	176,391
Prepayments	104,378	107,402
Accrued income	<u>116</u>	<u>-</u>
	<u>264,073</u>	<u>283,793</u>

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.19	31.7.18
	£	£
Trade creditors	42,575	104,846
Social security	34,005	34,437
Other creditors	26,513	18,893
Pension Payments outstanding	29,747	28,983
Accruals and deferred income	<u>248,798</u>	<u>298,443</u>
	<u>381,638</u>	<u>485,602</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 July 2019

19. MOVEMENT IN FUNDS

Restricted Funds

	Balance at 1 August 2018 (as restated)	Incoming resources	Resources Expended	Transfers	Balance as at 31 July 2019
	£	£	£	£	£
Restricted Funds					
Building Better Opportunities	-	420,051	(432,640)	12,829	240
Tribal Maths Graduate Award	1,399	-	-	(1,399)	-
Community Learning Mental Health project	-	-	-	-	-
National Lottery Heritage Fund	-	4,918	(4,918)	-	-
Nineveh Charitable Trust	-	483	(483)	-	-
TOTAL	1,399	425,452	(438,041)	11,430	240

Analysis of movements in restricted funds- previous year

	Balance at 1 August 2017	Incoming resources	Resources Expended	Transfers	Balance as at 31 July 2018 (as restated)
	£	£	£	£	£
Restricted Funds					
Building Better Opportunities Award for all	5,736	339,641	(345,377)	-	-
Tribal Maths Graduate Award	-	8,422	(8,422)	-	-
Tribal Maths Graduate Award	1,399	-	-	-	1,399
Community Learning Mental Health project	17,391	82,345	(99,736)	-	-
TOTAL	24,526	430,408	(453,535)	-	1,399

Building Better Opportunities project is a grant for Aspire & partners to assist some of the most socially excluded workless participants, including the disabled and recovering from mental ill health to access learning, volunteering and work opportunities.

Community Learning Mental Health Project will provide development, delivery, evaluation and sharing of educational approaches to support recovery from mental health problems.

Tribal Maths Graduate Award is a programme for further education colleges and training providers to recruit new maths graduates into teaching.

Award for All Fund is a grant for Aspire & partners to assist in inspiring new learners in Chichester.

ASPIRE SUSSEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the Year Ended 31 July 2019

19. MOVEMENT IN FUNDS - continued

National Lottery Heritage Fund - is a grant awarded to commemorate the 100 year anniversary of WW1 through the provision of a programme of talks and activities with a focus on West Sussex, working in partnership with local schools and museums.

Nineveh Charitable Trust - Funds awarded to support the establishment of a garden space in our Chichester centre and the tools and equipment needed for Aspire to run courses to inspire adults into learning about horticulture.

20. EMPLOYEE BENEFIT OBLIGATIONS

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	31.7.19	31.7.18
	£	£
Fair value of plan assets	<u>9,605,000</u>	<u>8,803,000</u>
	9,605,000	8,803,000
Derecognition of pension asset	<u>(2,969,999)</u>	<u>(2,809,000)</u>
	6,635,001	5,994,000
Surplus	<u>6,635,001</u>	<u>5,994,000</u>
Net asset	<u>6,635,001</u>	<u>5,994,000</u>

The amounts recognised in the statement of financial activities are as follows:

	Defined benefit pension plans	
	31.7.19	31.7.18
	£	£
Current service cost	219,000	243,000
Net interest from net defined benefit asset/liability	<u>(77,000)</u>	<u>(53,000)</u>
	142,000	190,000
	<u>142,000</u>	<u>190,000</u>
Actual return on plan assets	<u>752,000</u>	<u>779,000</u>

ASPIRE SUSSEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 July 2019

20. EMPLOYEE BENEFIT OBLIGATIONS
- continued

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31.7.19	31.7.18
	£	£
Defined benefit obligation	5,994,000	5,912,000
Current service cost	219,000	243,000
Contributions by scheme participants	29,000	31,000
Interest cost	170,000	162,000
Actuarial losses/(gains)	321,000	(240,000)
Benefits paid	(98,000)	(114,000)
	<u>6,635,000</u>	<u>5,994,000</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	31.7.19	31.7.18
	£	£
Fair value of scheme assets	8,803,000	7,946,000
Contributions by employer	119,000	161,000
Contributions by scheme participants	29,000	31,000
Expected return	247,000	215,000
Actuarial gains/(losses)	505,000	564,000
Benefits paid	(98,000)	(114,000)
	<u>9,605,000</u>	<u>8,803,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	31.7.19	31.7.18
	£	£
	-	-

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

	Defined benefit pension plans	
	31.7.19	31.7.18
Equities	52%	54%
Bonds	35%	35%
Property	8%	8%
Cash	5%	3%

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 July 2019

20. EMPLOYEE BENEFIT OBLIGATIONS
- continued

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	31.7.19	31.7.18
Discount rate	2.1 %	2.8 %
Future salary increases	3.1 %	3.1 %
Future pension increases	2.4 %	2.4 %

The company operates a local government pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company, being invested with insurance companies. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was at 31 March 2016. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. It was assumed that the investment returns would be 2.1% per annum, that salary increases would average 3.1% per annum and that present and future pensions would increase at the rate of 2.4% per annum.

The pension charge for the period was £219,000 (2018: £243,000). This included £Nil in respect of the amortisation of experience surpluses.

The most recent actuarial valuation showed that the market value of the scheme's assets was £9,605,000 (2018: £8,803,000) and that the actuarial value of those assets represented 99.9% (2018: 99.9%) of the benefits that had accrued to members, after allowing for expected future increases in earnings. The contributions of the company and employees will remain at 16% and 7% of earnings respectively.

Teachers Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Regulations (2010), and the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full time teachers and lecturers, and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Scheme budgeting and valuation account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds, provided by parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer under arrangements governed by the above Act. The Teachers' Pension Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The Latest actuarial review of the TPS was carried out as at 31 March 2012 and in accordance with The Public Service Pensions (Valuations and employer cost Cap) Directions 2014.

The valuation report was published by the Department on 9 June 2014. The Key results of the valuation are:

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 July 2019

20. EMPLOYEE BENEFIT OBLIGATIONS
- continued

- employer contribution rates were set at 16.4% of pensionable pay; in line with current regulations, not including the additional 0.08% employers pay for the cost of Scheme administration;
- Total scheme liabilities for service to the effective date of £191.5 million and notional assets of £176.6 million, giving a notional past service deficit of £15 million;
- an employer cost cap of 10.9% of pensionable pay;
- Actuarial assessments are undertaken in intervening years between formal valuations for financial reporting purposes, using updated membership data.

The new employer contribution rate and administration levy for the TPS were implemented in September 2015.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>

Teachers' Pension Scheme changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015. The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected. In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection. In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40:80:100 percent basis. Under the definitions set out in Financial Reporting Standard Retirements Benefits, the TPS is a multi-employer pension scheme. Accordingly, Aspire Sussex Limited has taken advantage of an exemption and has accounted for its contributions to the scheme as if it were a defined contribution scheme.

21. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 July 2019 other than those disclosed in note 10.

ASPIRE SUSSEX LIMITED**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**
for the Year Ended 31 July 2019

22. DEFERRED INCOME

Deferred income comprises advance bookings for courses which commence from September 2019 onwards.

	2019 £	2018 £
Balance as at 1 August	201,768	169,116
Amount released to income earned from charitable activities	(201,768)	(169,116)
Amount deferred till next financial year	<u>148,096</u>	<u>201,768</u>
Balance as at 31 July	<u>148,096</u>	<u>201,768</u>

23. OPERATING LEASE COMMITMENTS

The following operating lease commitments are the total future minimum lease payments:

	2019 £	2018 £
Within one year	48,849	54,673
Between one and five years	361,760	488,260
In more than five years	-	-
Total	<u>410,609</u>	<u>542,933</u>