

Registered number: RS007062

ASPIRE COMMUNITY BENEFIT SOCIETY LIMITED
(A Company Limited by Guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

ASPIRE COMMUNITY BENEFIT SOCIETY LIMITED
(A Company Limited by Guarantee)

CONTENTS

	Page
Directors' Report	1 - 2
Independent Auditors' Report	3 - 6
Consolidated Statement of Income and Retained Earnings	7
Consolidated Statement of Financial Position	8
Company Statement of Financial Position	9
Consolidated Statement of Cash Flows	10
Notes to the Financial Statements	11 - 17

ASPIRE COMMUNITY BENEFIT SOCIETY LIMITED
(A Company Limited by Guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The directors present their report and the financial statements for the year ended 31 March 2023.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Societies Law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors

The directors who served during the year were:

Nicola Adamson
Carole Crawford (resigned 12 September 2022)
Stephen Farnill (resigned 12 September 2022)
Stewart Golton
Steve Johns
Dennis Holmes
Jackie Firth
Barbara Flaherty (resigned 6 January 2023)
Samuel Firth
Kathryn Mitchell
Sam Pawson
Gareth Nicholson
Kevin Ritchie
Ann Marie Beckles
Laura Redman
John Neri
Felicia Adunmade (appointed 12 September 2022)
Lisa Byrne (appointed 12 September 2022)
Ian Pickard (appointed 6 January 2023)

ASPIRE COMMUNITY BENEFIT SOCIETY LIMITED
(A Company Limited by Guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The directors present their report and the financial statements for the year ended 31 March 2023.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Societies Law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors

The directors who served during the year were:

Nicola Adamson
Carole Crawford (resigned 12 September 2022)
Stephen Farnill (resigned 12 September 2022)
Stewart Golton
Steve Johns
Dennis Holmes
Jackie Firth
Barbara Flaherty (resigned 6 January 2023)
Samuel Firth
Kathryn Mitchell
Sam Pawson
Gareth Nicholson
Kevin Richie
Ann Marie Beckles
Laura Redman
John Neri
Felicia Adunmade (appointed 12 September 2022)
Lisa Byrne (appointed 12 September 2022)
Ian Pickard (appointed 6 January 2023)

ASPIRE COMMUNITY BENEFIT SOCIETY LIMITED
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Auditors

Under section 487(2) of the Companies Act 2006, Sagars Accountants Ltd will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on *24 July 2023* and signed on its behalf.



Patricia Butler
Secretary

ASPIRE COMMUNITY BENEFIT SOCIETY LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASPIRE COMMUNITY BENEFIT SOCIETY LIMITED

Opinion

We have audited the financial statements of Aspire Community Benefit Society Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2023, which comprise the Group Statement of Income and Retained Earnings, the Group and Company Statements of Financial Position, the Group Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2023 and of the Group's profit 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 Co-operative and Community Benefit Societies Act 2014.

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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

ASPIRE COMMUNITY BENEFIT SOCIETY LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASPIRE COMMUNITY BENEFIT SOCIETY LIMITED (CONTINUED)

Other information

The other information comprises the information included in the annual report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors 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 directors 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 directors are responsible for assessing the Group's and the parent 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 directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

ASPIRE COMMUNITY BENEFIT SOCIETY LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASPIRE COMMUNITY BENEFIT SOCIETY LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: non-compliance with the Care Quality Commission (CQC), recognition of income, posting of unusual journals along with complex transactions and manipulating the Company's key performance indicators to meet targets. We discussed these risks with client management, designed audit procedures to test the recognition of income, reviewed a sample of journals as part of our audit work to confirm they were appropriate, reviewed the CQC's website to check the rating of services and reviewed areas of judgement for indicators of management bias to address these risks.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are

ASPIRE COMMUNITY BENEFIT SOCIETY LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASPIRE COMMUNITY BENEFIT SOCIETY LIMITED (CONTINUED)

responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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 Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Sagars Accountants Ltd
Chartered accountants & statutory auditor
Gresham House
5-7 St Paul's Street
Leeds
LS1 2JG
Date: 24 July 2023

ASPIRE COMMUNITY BENEFIT SOCIETY LIMITED
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
Turnover	5	27,496,080	25,996,812
Gross profit		<u>27,496,080</u>	<u>25,996,812</u>
Administrative expenses		(27,086,556)	(25,577,872)
Other operating income	6	19,243	17,202
Operating profit	7	<u>428,767</u>	<u>436,142</u>
Interest receivable and similar income	10	22,794	3,194
Profit before tax		<u>451,561</u>	<u>439,336</u>
Profit after tax		<u>451,561</u>	<u>439,336</u>
Retained earnings at the beginning of the year		1,360,891	921,555
		<u>1,360,891</u>	<u>921,555</u>
Profit for the year attributable to the parent company		451,561	439,336
Retained earnings at the end of the year		<u>1,812,452</u>	<u>1,360,891</u>

There were no recognised gains and losses for 2023 or 2022 other than those included in the consolidated statement of income and retained earnings.

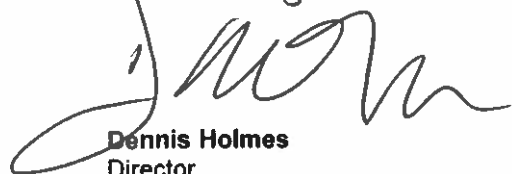
The notes on pages 11 to 17 form part of these financial statements.

ASPIRE COMMUNITY BENEFIT SOCIETY LIMITED**(A Company Limited by Guarantee)****REGISTERED NUMBER: RS007062****CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023**

	Note	2023 £	2022 £
Current assets			
Debtors: amounts falling due within one year	11	3,088,064	2,754,852
Cash at bank and in hand		4,200,465	3,650,154
		<u>7,288,529</u>	<u>6,405,006</u>
Creditors: amounts falling due within one year		<u>(5,476,077)</u>	<u>(5,044,115)</u>
Net current assets		1,812,452	1,360,891
Total assets less current liabilities		1,812,452	1,360,891
Net assets		1,812,452	1,360,891
Capital and reserves			
Profit and loss account		1,812,452	1,360,891
		<u>1,812,452</u>	<u>1,360,891</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

24 July 2023



Dennis Holmes
Director



Steve Johns
Director



Patricia Butler
Secretary

The notes on pages 11 to 17 form part of these financial statements.

ASPIRE COMMUNITY BENEFIT SOCIETY LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: RS007062

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Current assets			
Debtors: amounts falling due within one year	11	2,919,849	2,577,195
Cash at bank and in hand		4,195,465	3,645,154
		<u>7,115,314</u>	<u>6,222,349</u>
Creditors: amounts falling due within one year		(5,302,862)	(4,861,458)
Net current assets		<u>1,812,452</u>	<u>1,360,891</u>
Total assets less current liabilities		<u>1,812,452</u>	<u>1,360,891</u>
Net assets excluding pension asset		<u>1,812,452</u>	<u>1,360,891</u>
Net assets		<u><u>1,812,452</u></u>	<u><u>1,360,891</u></u>
Capital and reserves			
Profit and loss account brought forward		1,360,891	921,555
Profit for the year		451,561	439,336
Profit and loss account carried forward		<u>1,812,452</u>	<u>1,360,891</u>
		<u><u>1,812,452</u></u>	<u><u>1,360,891</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

Dennis Holmes
 24 July 2023
Dennis Holmes
 Director
Patricia Butler
Patricia Butler
 Secretary

Steve Johns
Steve Johns
 Director

The notes on pages 11 to 17 form part of these financial statements.

The profit for the financial year of the parent company was £451,561 (2022: £439,336).

ASPIRE COMMUNITY BENEFIT SOCIETY LIMITED
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	2023 £	2022 £
Cash flows from operating activities		
Profit for the financial year	451,561	439,336
Adjustments for:		
Interest received	(22,794)	(3,194)
(Increase)/decrease in debtors	(333,212)	113,830
Increase/(decrease) in creditors	650,660	(433,892)
Accrued expenses	(218,698)	85,193
	<u>527,517</u>	<u>201,273</u>
Cash flows from investing activities		
Interest received	22,794	3,194
	<u>22,794</u>	<u>3,194</u>
Net increase in cash and cash equivalents	550,311	204,467
Cash and cash equivalents at beginning of year	3,650,154	3,445,687
Cash and cash equivalents at the end of year	<u>4,200,465</u>	<u>3,650,154</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	4,200,465	3,650,154
	<u>4,200,465</u>	<u>3,650,154</u>

The notes on pages 11 to 17 form part of these financial statements.

ASPIRE COMMUNITY BENEFIT SOCIETY LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. General information

The principal activity of the society during the year was the provision of high quality, person-centred, care and support facilities for people with learning disabilities.

Aspire Community Benefit Society meets the definition of a public benefit entity under FRS102.

The society is a community benefit society, which is registered with the FCA (no 7062). Aspire Community Benefit Society has been granted charitable status from HMRC. The address of the registered office is:

Unit 2, Westfield Chambers
Westfield Court
Lower Wortley Road
Leeds
LS12 4PX

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Income and Retained Earnings in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Income and Retained Earnings from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the Group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 31 March 2016.

ASPIRE COMMUNITY BENEFIT SOCIETY LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.3 Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Aspire Community Benefit Society Limited which can be obtained from its registered office. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) Disclosures in respect of share-based payments have not been presented.
- (e) No disclosure has been given for the aggregate remuneration of key management personnel.

2.4 Going concern

The directors consider the company to be a going concern and the financial statements have been prepared on that basis. The move to individualised contracts took place on the 1st October 2022 and we continue to provide similar levels of activity across all three services of Supported Living, Day Service and Respite. The previous block contract resulted in considerable risk to Aspire of loss of one or more of the above services but individualised contracts has significantly reduced this risk.

Individualisation has brought some additional new risks around a slightly less advantageous cash flow position and greater demand risks in relation to our voids but careful management of both elements has meant there has not been any significant impact to Aspire.

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that it is probable the expenses recognised will be recovered.

ASPIRE COMMUNITY BENEFIT SOCIETY LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.6 Pensions

Employees who have transferred their employment from Leeds City Council to Aspire Community Benefit Society continue to be entitled to be members of a defined benefit pension scheme known as the West Yorkshire Pension Scheme. The Society is committed to make employer contributions to the scheme under the Contractor Admission Agreement with Leeds City Council at the rate of 9.5% (previously 12.4%) until the next tri-annual actuarial valuation.

As part of the Contractor Admission Agreement, if the Pension Scheme Actuaries communicate changes to the employer contributions rate then Leeds City Council will increase or decrease the funding rate to the Society to match the revised contribution rate, and hence remove any exposure of the Society to changes in the funding rate.

Leeds City Council acts as a guarantor for the Society under the admission agreement and has agreed to indemnify the administering authority of the fund from and against all losses and payment that may be incurred by the authority by reason of any default by the Society.

Management have considered whether the scheme should be accounted for as a defined benefit pension in accordance with FRS102. It has been concluded that based on management review of the contracts and the initial contract discussions with Leeds City Council, that the substance of the transaction is such that the company has a defined contribution pension scheme and not a defined benefit scheme. The scheme has been accounted for on this basis.

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2.7 Tangible fixed assets

All fixed assets are initially recorded at cost. Assets purchased for use solely in service delivery are treated as a direct cost in the year of expenditure and are not capitalised.

2.8 Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

ASPIRE COMMUNITY BENEFIT SOCIETY LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the date of the statement of financial position and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. Details of these judgements are set out in the accounting policies.

4. Company limited by guarantee

The society is a company limited by guarantee and does not have share capital. Each member of the society undertakes to contribute to the assets of the society in the event of it being wound up, such amount as may be required, not exceeding £1.

At 31 March 2023 there were 727 (2022 - 738) members of the society.

5. Turnover

An analysis of turnover by class of business is as follows:

	2023 £	2022 £
Rendering of services	27,496,080	25,996,812
	<u>27,496,080</u>	<u>25,996,812</u>

The whole of the turnover is attributable to the principal activity of the group wholly undertaken in the United Kingdom.

6. Other operating income

	2023 £	2022 £
Other operating income	19,243	17,202
	<u>19,243</u>	<u>17,202</u>

7. Operating profit

The operating profit is stated after charging:

	2023 £	2022 £
Impairment of trade debtors	1,107	-
Operating lease rentals	36,374	36,374
	<u>36,374</u>	<u>36,374</u>

ASPIRE COMMUNITY BENEFIT SOCIETY LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

8. Auditors' remuneration

	2023 £	2022 £
Fees payable to the Company's auditors for the audit of the consolidated and parent Company's financial statements	10,500	9,600

9. Employees

Staff costs were as follows:

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Wages and salaries	20,835,208	19,569,686	20,835,208	19,569,686
Social security costs	1,653,473	1,557,387	1,653,473	1,557,387
Cost of defined contribution scheme	1,407,999	1,413,112	1,407,999	1,413,112
	<u>23,896,680</u>	<u>22,540,185</u>	<u>23,896,680</u>	<u>22,540,185</u>

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

	2023 No.	2022 No.
Employees	<u>791</u>	<u>826</u>

10. Interest receivable

	2023 £	2022 £
Other interest receivable	22,794	3,194
	<u>22,794</u>	<u>3,194</u>

11. Debtors

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Trade debtors	2,275,673	2,551,253	1,896,339	2,126,410
Other debtors	798,345	158,956	1,009,464	406,142
Prepayments and accrued income	14,046	44,643	14,046	44,643
	<u>3,088,064</u>	<u>2,754,852</u>	<u>2,919,849</u>	<u>2,577,195</u>

ASPIRE COMMUNITY BENEFIT SOCIETY LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

12. Creditors: Amounts falling due within one year

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Trade creditors	200,475	119,448	200,475	119,450
Amounts owed to group undertakings	-	-	572,880	547,783
Other taxation and social security	746,095	730,441	-	-
Other creditors	1,559,760	1,412,463	1,559,760	1,412,462
Accruals and deferred income	2,969,747	2,781,763	2,969,747	2,781,763
	<u>5,476,077</u>	<u>5,044,115</u>	<u>5,302,862</u>	<u>4,861,458</u>

13. Reserves

Profit and loss account

Profit and loss account - This reserve records retained earnings and accumulated losses.

Aspire's level of reserves is set based on an analysis of:

- Existing funds
- The risks associated with Aspire's income streams and related notice periods
- Aspire's committed expenditure
- Planned activity for future years
- Future income streams and expected expenditure levels

The level of reserves are reviewed quarterly and the reserves policy reviewed annually.

At 31 March 2023 the balance of unrestricted reserves is £1.8m.

14. Pension commitments

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £1,407,999 (2022: £1,413,112).

15. Commitments under operating leases

At 31 March 2023 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

Group	2023 £	2022 £
Not later than 1 year	27,525	-
	<u>27,525</u>	<u>-</u>

ASPIRE COMMUNITY BENEFIT SOCIETY LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

16. Related party transactions

Group

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the society. The total compensation paid to key management personnel for services provided to the group was £301,750 (2022: £233,764).

Company

Leeds City Council have nominated 3 local councillors to represent their interests on the Aspire Community Benefit Society Board. Leeds City Council are the main customer to the subsidiary company Aspire Services (Leeds) Ltd and contract a number of service level agreements with Aspire Community Benefit Society. The elected councillors to the Board represent less than 20% of the voting rights of the society, and so it is considered that full related party disclosure is not needed.

The directors and their families are able to access these services on the same basis as the rest of the community and do not receive any special treatment. The services that are provided are always based on the needs of the client and are bespoke to that individual.

