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**ETWALL LEISURE CENTRE**

**STATEMENT OF ACCOUNTS**

**2013/2014**

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# CONTENTS

	Page
Foreword – Introduction, Funding Arrangements and Financial Summary	2
Etwall Leisure Centre Revenue Account	4
Statement of Financial Position – Balance Sheet	5
Notes to Statement of Financial Position	6
Statement of Responsibilities for the Statement of Accounts	7
Certificate by Responsible Financial Officer	8
Governance Statement	9

# FOREWORD

## 1. INTRODUCTION

The Statement of Accounts shows the financial performance of the Etwall Leisure Centre. The Leisure Centre was opened in July 2009 at a cost of £7m and replaced the previous swimming pool and squash facilities. The Leisure Centre encompasses a multi-functional sports hall, gym and swimming pool, together with facilities for general health and fitness activities. It is based on the John Port school site in the Parish of Etwall.

The Leisure Centre is governed and managed by a Joint Management Committee (JMC). The Committee consists of representatives of South Derbyshire District Council (SDDC) John Port School (JPS) together with Derbyshire County Council (DCC).

Since April 2011, the day to day operational management of the Centre has been the responsibility of Active Nation, a leisure trust. This arrangement covers a period of seven years to 2018, with an option to extend by a further 3 years.

The contractual arrangement in place requires the JMC to make an annual payment to the Trust for running and maintaining facilities. The income generated through the Centre is retained by the Trust, although over the life of the contract, additional income generated will be reflected in a reduced subsidy payable from the JMC to the Trust.

## 2. FUNDING ARRANGEMENTS

The net revenue expenditure of the Centre is funded 62% by SDDC and 38% by JPS. DCC no longer contribute towards the subsidy as they had previously made a contribution of £260,000 towards the capital costs of the new Centre. However, they do make an annual contribution to running costs which reflects the school usage of the swimming pool. This contribution (and any others received) effectively reduces the overall contribution of SDDC and JPS.

The JMC are still responsible for some maintenance costs and set-aside an amount of £25,000 each year into a "sinking fund" for the future replacement of plant and equipment.

The Partnership with Active Nation also allows each party to work together and generate additional investment (including additional funding from all parties) to continuously develop the Facility.

In May 2013, a new 3g Artificial Grass Pitch was installed at the Centre for multi-use purposes. The Partnership is now looking to secure external funding to enhance the gym and general health facilities

### 3. FINANCIAL SUMMARY

In 2013/14, the net spending of the JMC was £134,064, which was lower than 2012/13 by £6,443.

The position is summarised in the following table.

<b>Income and Expenditure</b>	2012/13	2013/14
	£	£
Expenditure	180,200	166,064
Less Income	<b>39,693</b>	<b>32,000</b>
<b>Net Expenditure</b>	<b><u>140,507</u></b>	<b><u>134,064</u></b>
<b>Financing</b>	2012/13	2013/14
	£	£
South Derbyshire DC	70,851	83,120
John Port School	35,425	50,944
Derbyshire County Council	34,231	0
<b>Total Financing</b>	<b><u>140,507</u></b>	<b><u>134,064</u></b>

### 4. ASSETS

The ownership of the Leisure Centre is vested in John Port School. The assets are therefore not included in the Joint Management Committee's accounts.

### 5. LEASES

An operating lease for the vending machine has been terminated during 2013/14. The amount paid to terminate the lease was £6,755 (2012/2013 £3,513). There are no future payments required under the lease agreement.

### 6. REVENUE TRANSACTIONS

These are maintained on an income and expenditure/accruals basis in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2013/14 (*the Code*). Consequently, sums due to or from the Joint Committee during the year are included whether or not the cash has actually been received or paid in the year.

## ETWALL LEISURE CENTRE - REVENUE ACCOUNT

2012/13		2013/14	
£	Expenditure	£	£
0	Employees	0	
5,677	Premises	23,180	
0	Transport	0	
25,189	Supplies and Services	27,442	
118,383	Contractor Payment	85,101	
27,440	Establishment	23,586	
<u>3,513</u>	Leasing	<u>6,755</u>	
180,200			166,064
	<b>Income</b>		
39,693	Admissions and Grants	32,000	
<hr style="width: 100px; margin-left: 0;"/>		<hr style="width: 100px; margin-left: 0;"/>	<u>32,000</u>
140,507			134,064
	<b>Financed by:</b>		
70,851	South Derbyshire D C		83,120
36,425	John Port School		50,944
34,231	Derbyshire County Council		0
<hr style="width: 100px; margin-left: 0;"/>			<hr style="width: 100px; margin-left: 0;"/>
140,507			<u>134,064</u>

## BALANCE SHEET

		Notes	2013/2014
<b>2012/2013</b>			
	<b>Fixed Assets</b>		
£			£
-	None	1	-
	<b>Current Assets</b>		
-	Stocks	4	-
123,411	Debtors	2	146,224
	Cash in Hand	4	-
	<b>Current Liabilities</b>		
(3,570)	Creditors	3	(1,383)
(28,174)	Pension Fund Deficit	3	(28,174)
(91,667)	Sinking Fund Provision	3	(116,667)
_____	Net Assets		_____
0			0
_____			_____

### **Structure of the Accounts**

*Income and Expenditure of the JMC is recorded directly in the accounts of SDDC who act as the “accountable body” for audit purposes. Costs and any external income are incurred and recorded by SDDC, with funding contributions paid over by JPS and DCC to reimburse SDDC.*

*The balance sheet was reformatted in 2012/13 to reflect that the JMC has no fixed assets or long term liabilities. It’s creditors reflect the provisions made for the “sinking fund” together with an amount set-aside to cover any costs associated with a pensions deficit for staff transferred from the direct employment of the JMC to Active Nation under TUPE in 2011. These provisions are reflected in the Balance Sheet of SDDC.*

*Debtors and any residual creditors are amounts owed between the funding partners and reflect timing differences as at the 31<sup>st</sup> March between costs incurred and contributions paid over. Effectively, the net assets of the JMC are nil.*

## NOTES

### 1. Fixed Assets

Ownership of the Leisure Centre is vested in John Port School. This is therefore included in their accounts, together with any related financing transactions.

### 2. Debtors

	31 March 2013 £	31 March 2014 £
John Port School	49,180	50,944
Other	74,231	95,280
	<u>123,411</u>	<u>146,224</u>

### 3. Current Liabilities

	31 March 2013 £	31 March 2014 £
Pension Reserve	28,174	28,174
Sinking Fund	91,667	116,667
Other	3,570	1,383
	<u>123,411</u>	<u>146,224</u>

### 4 Stock and Cash in Hand

The JMC carry no stock or cash facility as these are directly managed by the Contractor.

# STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

## **The Joint Management Committee's responsibilities**

The Joint Management Committee is required:

- i) To make arrangements for the proper administration of its financial affairs and to appoint an officer who has the responsibility of the administration of those affairs. This is undertaken by the District Council's Director of Finance and Corporate Services who acts as the Treasurer to the Joint Management Committee.
- ii) To manage its affairs to secure economic, efficient and effective use of resources and safeguard any assets.

## **The Treasurer to the Joint Management Committee's responsibilities**

The Treasurer is responsible for the preparation of the JMC's statement of accounts in accordance with proper accounting practice and is required to present fairly the financial position of the JMC at the accounting date and its income and expenditure for the year.

In preparing this statement of accounts, the Treasurer has:

- i) Selected suitable accounting policies and then applied them consistently
- ii) Made judgments and estimates that were reasonable and prudent
- iii) Complied with the Accounting Code of Practice.

The Treasurer has also:

- i) Kept proper accounting records which were up to date
- ii) Taken reasonable steps for the prevention and detection of fraud and other irregularities.



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**CERTIFICATION BY RESPONSIBLE FINANCIAL OFFICER**

I certify that this Statement of Accounts presents fairly the financial position of Etwall Leisure Centre for the year ended 31 March 2014.

.....  
Treasurer to the  
Joint Management Committee

.....  
Date

## ETWALL LEISURE CENTRE JOINT MANAGEMENT COMMITTEE

### ANNUAL GOVERNANCE STATEMENT 2013/14

We acknowledge as the members of the Etwall Leisure Centre Management Committee our responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements. We confirm, to the best of our knowledge and belief, with respect to the body's accounting statements for the year ended 31 March 2014, we have complied with the principles set out in the following table.

	<b>Principle</b>	<b>Met</b>	<b>Evidence</b>
1	We have approved the accounting statements that have been prepared in accordance with the requirements of the Accounts and Audit Regulations and proper practices.	Yes	Statement of accounts considered and reviewed and statement from the Treasurer that they conform to accounting practice.
2	We have maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	Yes	This requirement is met through the District Council's internal control arrangements. These have been approved by the District Council's Audit Committee, along with the Council's Local Code of Corporate Governance. These were approved by the Audit sub-Committee on 18 <sup>th</sup> June 2014. No major issues arose and reports were assessed and delivered through the Council's Monitoring Officer.
3	We have taken all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and codes of practice which could have a significant financial effect on the ability of the body to conduct its business or on its finances.	Yes	Nothing has been reported during the year or identified in any internal or external audit.
4	We have provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	Yes	The Accounts were available for public inspection during July 2014. An opportunity to raise any objections direct with the Council's Auditors, was available up to 25 <sup>th</sup> September 2014. No objections were raised.
5	We have carried out an assessment of the risks facing the body and taken appropriate steps to manage those risks including the introduction of internal controls and/or external insurance cover where required.	Yes	As 2 above. Insurance cover is in place where appropriate.

6	We have maintained throughout the year an adequate and effective system of internal audit of the body's accounting records and control systems and carried out a review of its effectiveness.	Yes	<p>An internal audit review was undertaken during 2013/14. This audit focused on reviewing the performance of the Leisure Centre, the information that was reported to South Derbyshire District Council and the Joint Management Committee, together with the management sum that is paid to Active Nation.</p> <p>The Auditor was able to offer reasonable assurance as most of the areas reviewed were found to be adequately controlled. Generally risks were well managed, but some systems required the introduction or improvement of internal controls to ensure the achievement of objectives. Some recommendations were made, the implementation of which are being monitored by the Audit Committee.</p> <p>The Auditor commented that:  <i>"Management and the Audit Committee should note that there are no adverse implications for the Council's Annual Governance Statement arising from this work."</i></p>
7	We have taken appropriate action on all matters raised in reports from internal and external audit	Yes	As above.
8	We have considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on the body and where appropriate have included them in the accounting statements.	Yes	None to report.

Signed on behalf of ETWALL LEISURE CENTRE JOINT MANAGEMENT COMMITTEE

The Chair: -----

Date -----

Print Name: -----

The Secretary to the Committee: -----

Date -----

Print Name: -----