

**ETWALL LEISURE CENTRE**

**STATEMENT OF ACCOUNTS**

**2010/2011**

# CONTENTS

	Page
Foreword	2
Statement of Accounting Policies	4
Etwall Pool Revenue Account	5
Balance Sheet	6
Notes to Balance Sheet	7
Cash Flow Statement	8
Statement of Responsibilities for the Statement of Accounts	9
Certificate by Responsible Financial Officer	10

# FOREWORD

## 1. INTRODUCTION

The Statement of Accounts, which follows, 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 Joint Management Committee consists of representatives of South Derbyshire District Council, John Port School, Etwall, together with Derbyshire County Council.

From 1<sup>st</sup> April 2011, the day to day operational management of the Centre was transferred to Active Nation, a leisure trust/company. Accordingly, the staff were transferred across to this company as part of the out-sourcing agreement and contractual arrangements.

## 2. FUNDING ARRANGEMENTS

Prior to August 2009, the net revenue costs of the swimming pool and squash courts were shared in accordance with the (then) existing JMC agreement. Broadly, South Derbyshire District Council funded 60%, John Port School 26% and the County Council 14%.

From 1<sup>st</sup> August 2009, the arrangements for the new Leisure Centre were based on revenue expenditure to be funded 62% South Derbyshire District Council and 38% John Port School.

This excluded Derbyshire County Council, who had previously made a capital contribution of £260,000 towards the capital costs of the new Centre. Effectively, this was to “buy out” of the running costs of a new facility. The County Council in fact made a cash contribution of £34,231 in 2009/10 in addition to their contribution under the “old” agreement for running costs up until 31<sup>st</sup> July 2009.

However, this additional contribution was not accounted for in the revenue account until this year, i.e. 2010/11. A new Constitution and JMC agreement for the new facility is still to be agreed. The County Council made no further contributions in 2010/11.

### 3. FINANCIAL SUMMARY

In 2010/11 the net spending of the Joint Management Committee at £376,046 was £54,865 higher than the budgeted expenditure of £321,181. This is shown in more detail below.

The position was as follows:

	Original Budget	Actual	Variance
	£	£	£
Expenditure	810,961	838,381	27,420
Operating Income	(489,780)	(462,335)	27,445
Net Expenditure	<u>321,181</u>	<u>376,046</u>	<u>54,865</u>

Financed by:

	Original Budget	Actual	Variance
	£	£	£
South Derbyshire DC	163,674	185,049	21,375
John Port School	157,507	156,766	(741)
Derbyshire County Council	0	34,231	34,231
Net Expenditure	<u>321,181</u>	<u>376,046</u>	<u>54,865</u>

The main reasons for this increase was a reduction in operating income compared to that estimated, together with an upwards revaluation of business rates on the buildings and associated facilities.

### 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. FINANCE AND OPERATING LEASES

An operating lease is used to finance a vending machine. The amount paid under this lease in 2010/11 was £2,272 (2009/10 £2,022). The future cash payments required under this lease is estimated at £8,520.

	Vehicles, Plant and Equipment £
Lease Expiring in 2011/12	0
Lease Expiring between 2012/13 and 2015/16	8,520
Lease Expiring after 2015/16	<u>0</u>
TOTAL DUE	<u>8,520</u>

# STATEMENT OF ACCOUNTING POLICIES

## 1. 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 2008 – a Statement of Recommended Practice (SORP). This means that 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.

An exception to this principle relates to telephone charges, which are charged on the due date rather than being apportioned between financial years. This policy is applied consistently each year and therefore does not have a material effect on the year's accounts.

## 2. ALLOCATION OF EXPENDITURE AND CENTRAL SUPPORT SERVICES

The cost of management and administration have been allocated as follows:

<u>Cost</u>	<u>Basis of Allocation</u>
Central Departments	Number of employees on gross expenditure where appropriate
Central Personnel Costs	Number of staff employed
Leisure Services	Estimated time spent by staff reflected in service level recharges

## 3. LEASES

**Finance Leases:** The Council accounts for leases as finance leases when substantially all the risks and rewards relating to the leased property transfer to the Council. Rentals payable are apportioned between:

- A charge for the acquisition of the interest in the property (recognised as a liability in the Balance Sheet at the start of the lease, matched with a tangible fixed asset - the liability is written down as rent becomes payable).
- A finance charge (debited to Net Operating Expenditure in the Income and Expenditure Account as rent becomes payable).

Fixed assets recognised under finance leases are accounted for using the policies applied generally to Tangible Fixed Assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life.

**Operating Leases:** Leases that do not meet the definition of finance leases are accounted for as operating leases. Rentals payable are charged to the relevant service revenue account on a straight-line basis over the term of the lease, generally meaning that rentals are charged when they become payable.

## ETWALL LEISURE CENTRE - REVENUE ACCOUNT

2009/2010		2010/11	
£	Expenditure	£	£
420,263	Employees	483,021	
143,862	Premises	219,858	
2,710	Transport	2,865	
80,484	Supplies and Services	86,841	
47,099	Establishment	43,524	
<u>2,022</u>	Leasing	<u>2,272</u>	
696,440			838,381
	<b>Income</b>		
355,309	Admissions and Sales	462,335	
<u>355,309</u>		<u>462,335</u>	<u>462,335</u>
<u>341,131</u>			<u>376,046</u>
	<b>Financed by:</b>		
202,241	South Derbyshire D C		185,049
121,848	John Port School		156,766
17,042	Derbyshire County Council		34,231
<u>341,131</u>			<u>376,046</u>

1. There are no employees with remunerations in excess of £40,000.
2. For the year ended 31 March 2011, the Joint Committee's cost of pension under FRS17 was 17.1% of employees' superannuable pay. However, as adjustments are made to South Derbyshire District Council's consolidated accounts so as to have a neutral impact on Council Tax, the same principal has been applied to the Etwall Leisure Centre Accounts. Therefore adjustments have been made to reflect the costs at the contribution level of 19.9% of pensionable pay.

# BALANCE SHEET

2009/2010		Notes	2010/2011
	<b>Fixed Assets</b>		
£			£
-	Nil	1	-
	<b>Current Assets</b>		
2,110	Stocks		1,471
121,667	Debtors	2	241,936
300	Cash in Hand	3	300
	<b>Current Liabilities</b>		
(124,077)	Creditors	4	(243,707)
<hr/>			<hr/>
-			-
<hr/>			<hr/>

# NOTES

## 1. FIXED ASSETS

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

## 2. DEBTORS

	31 March 2010 £	31 March 2011 £
John Port School	24,951	94,165
South Derbyshire District Council	94,832	146,514
Other	<u>1,884</u>	<u>1,257</u>
	<u>121,667</u>	<u>241,936</u>

## 3. CASH:

Cash in hand comprises:	£
Petty Cash Advance	100
Till Float	<u>200</u>
	<u>300</u>

## 4. CREDITORS

	31 March 2010 £	31 March 2011 £
Derbyshire County Council	16,202	0
Pension Reserve	29,580	28,174
Other	<u>78,295</u>	<u>215,533</u>
	<u>124,077</u>	<u>243,707</u>



## CASH FLOW STATEMENT 2010/2011

REVENUE ACTIVITIES	£
<b>Expenditure</b>	
Payments made on behalf of the Committee	
Employees	485,032
Premises	113,459
Transport	2,866
Supplies and Services	81,186
Establishment	43,524
Leasing	<u>2,840</u>
	<u>728,907</u>
<b>Income</b>	
Fees and Charges	(473,488)
Contributions:	
- South Derbyshire District Council	(185,049)
- Derbyshire County Council	(34,232)
- John Port School	<u>(156,766)</u>
	(849,535)
REVENUE ACTIVITIES NET CASH FLOW AND (INCREASE)/ DECREASE IN CASH AND CASH EQUIVALENTS	<u>(120,628)</u>
<b>RECONCILIATION OF SURPLUS TO NET CASHFLOW</b>	
(Surplus)/Deficit	(120,628)
Increase/(Decrease in Creditors)	(119,630)
(Increase)/Decrease in Debtors	120,269
(Increase)/Decrease in Stock	(639)
	<u>(120,628)</u>

# **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 secure that one of its officers has the responsibility of the administration of those affairs. In this instance that officer is the Treasurer to the Joint Management Committee.
- ii) to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.

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

The Treasurer is responsible for the preparation of the JMC's statement of accounts which, in terms of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in Great Britain ("the Code of Practice"), 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 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.

**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 2011.

.....  
Treasurer to the  
Joint Management Committee

.....  
Date