
REPORT TO:	ETWALL LEISURE CENTRE JOINT MANAGEMENT COMMITTEE	AGENDA ITEM: 8.
DATE OF MEETING:	9th JULY 2007	CATEGORY: RECOMMENDED
REPORT FROM:	DIRECTOR OF CORPORATE SERVICES	OPEN
MEMBERS' CONTACT POINT:	KEVIN STACKHOUSE (595811)	
SUBJECT:	STATEMENT OF ACCOUNTS 2006/07	REF: u/ks/etwalljmc/final accountsreport0607
WARD (S) AFFECTED:	ETWALL, HATTON, HILTON, NORTH WEST, REPTON & WILLINGTON	

1.0 Recommendations

1.1 That the Statement of Accounts (subject to Audit) for 2006/2007 be approved.

2.0 Purpose of Report

2.1 To report the Leisure Centre's final accounts for 2006/07, including the formal financial statement presented for Audit.

3.0 Executive Summary

3.1 The Leisure Centre's final out-turn on the main account for 2006/07 (**summarised in Appendix 1**) shows a net variance of £21,743 below that estimated for the year. This was mainly due to lower energy costs, lower maintenance spending, together with an increase in income compared to that estimated.

3.2 In accordance with how costs and income are apportioned between the partners, this has affected contributions (compared to that estimated) for the year as follows:

- South Derbyshire District Council – a reduction of £15,329.
- John Port School – a reduction of £4,165.
- Derbyshire County Council – a reduction of £2,249.

3.3 The District Council takes the whole share of the additional income, whilst the reduction in costs is shared between all 3 partners.

3.4 In addition, the net income on the Squash Courts account is also better (£6,893) than estimated for the year, mainly due to lower maintenance spending. This surplus is all due to the District Council.

3.5 The draft Statement of Accounts is detailed in **Appendix 2**. These are due to be audited during August 2007, by the District Council's auditors, the Audit Commission. Their opinion and any issues arising from the audit will be reported to the next meeting of this Committee in October 2007.

**ETWALL LEISURE CENTRE JOINT MANAGEMENT COMMITTEE
DRAFT FINAL OUT-TURN 2006/07 (Subject to Audit)**

	Estimates £	Actual £	Variance £
Expenditure			
Employee Expenses	218,800	216,826	-1,974
Premises Expenses	24,890	16,692	-8,198
Premises - Recharge from School	84,800	76,127	-8,673
Transport Expenses	770	648	-122
Supplies & Services	47,630	47,647	17
Central, Departmental & Technical Support	15,580	15,930	350
Gross Expenditure	392,470	373,870	-18,600
Less - Income from Fees, Charges & Sales	-175,830	-178,973	-3,143
Net Expenditure	216,640	194,897	-21,743
Financed By			
South Derbyshire District Council	103,280	87,951	-15,329
John Port School	73,680	69,515	-4,165
Derbyshire County Council	39,680	37,431	-2,249
	216,640	194,897	-21,743

SQUASH COURTS

Expenditure			
Employee Expenses	1,880	2,063	183
Premises Expenses	10,450	3,601	-6,849
Supplies & Services	1,620	1,350	-270
Central, Departmental & Technical Support	4,100	4,192	92
Gross Expenditure	18,050	11,206	-6,844
Less - Income from Fees, Charges & Sales	-8,300	-8,349	-49
Net Income	9,750	2,857	-6,893

ETWALL LEISURE CENTRE

STATEMENT OF ACCOUNTS

2006/2007

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FOREWORD

1. INTRODUCTION

The Statement of Accounts, which follows shows the financial performance of the swimming and squash facilities provided by the Etwall Leisure Centre Joint Management Committee for the year 2006/07. The Joint Management Committee consists of representatives of South Derbyshire District Council and the John Port School, Etwall.

2. FUNDING ARRANGEMENTS

The original Joint Use agreement provided for revenue expenditure to be funded 60% by South Derbyshire District Council and 40% by Derbyshire County Council. However, the John Port School became Grant Maintained in 1993. Initially the school met the contribution previously made by the County Council. However, from 1995 the School reduced its contribution pending the Education Asset Board's (EAB) determination. The matter was then referred to the Secretary of State and revenue expenditure is now to be funded 60% by South Derbyshire District Council, 26% by the John Port School and 14% by the County Council.

3. FINANCIAL SUMMARY

In 2006/07 the net spending of the Joint Management Committee at £194,897 was £21,743 lower than the budgeted expenditure of £216,640. This is shown in more detail below.

The position was as follows:

	Original Budget £	Actual £	Variance £
Expenditure	392,470	373,870	(18,600)
Operating Income	(175,830)	(178,973)	(3,143)
Net Expenditure	<u>216,640</u>	<u>194,897</u>	<u>(21,743)</u>

Financed by:

South Derbyshire District Council	103,280	87,951	(15,329)
John Port School	73,680	69,515	(4,165)
Derbyshire County Council	<u>39,680</u>	<u>37,431</u>	<u>(2,249)</u>
	<u>216,640</u>	<u>194,897</u>	<u>(21,743)</u>

4. ASSETS

The ownership of the swimming pool and squash courts is vested in John Port School. The assets are therefore not included in the Joint Management Committee's accounts.

5. DERBYSHIRE COUNTY COUNCIL LUMP SUM PAYMENT

During 1999/00 Derbyshire County Council made a Lump Sum payment of £260,000. The payment is in respect of a "buy-out" of the County Council's involvement in the management of Etwall Leisure Centre, in the event of a new Leisure Centre being constructed.

While the existing Leisure Centre is still in use the County Council will continue to pay their annual share of the running costs.

6. FINANCE AND OPERATING LEASES

An operating lease is used to finance a vending machine. The amount paid under this lease in 2006/2007 was £3,042. The future cash payments required under these leases are estimated at £7,605 expiring in September 2009.

STATEMENT OF ACCOUNTING POLICIES

1. REVENUE TRANSACTIONS

These are maintained on an income and expenditure/accruals basis in accordance with SSAP2. 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>
SDDC Central Departments	Estimated time spent by staff reflected in service level recharges
Central Personnel Costs	Number of staff employed

SQUASH COURTS - REVENUE ACCOUNT

2005/2006		2006/2007	
£	Expenditure	£	£
2,165	Employees	2,063	
3,867	Premises	3,601	
1,194	Supplies and Services	1,350	
4,432	Establishment	4,192	
<u>11,658</u>		<u>11,206</u>	11,206
	Income		
8,308	Admissions and Sales		8,349
<u>3,350</u>			<u>2,857</u>
	(Surplus)/Deficit		
	Financed by:		
<u>3,350</u>	South Derbyshire D C		<u>2,857</u>

The squash court is managed by the Etwall Pool Joint Management Committee on behalf of the Housing and Community Services Committee of South Derbyshire District Council, the (surplus)/deficit being the responsibility of the Housing and Community Services Committee.

BALANCE SHEET

2005/2006		Notes	2006/2007
	Fixed Assets		
£			£
-	Nil	1	-
	Current Assets		
699	Stocks		1,178
51,057	Debtors	2	40,866
200	Cash in Hand	3	200
260,000	Investment	4	260,000
	Current Liabilities		
(51,956)	Creditors	5	(42,244)
(260,000)	Long Term Liability	6	(260,000)
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NOTES

1. FIXED ASSETS

Ownership of the Swimming Pool and Squash Courts is vested in John Port School. These are therefore included in their accounts, together with any related financing transactions.

2. DEBTORS

	31 March 2006 £	31 March 2007 £
South Derbyshire District Council	-	-
Derbyshire County Council	33,743	29,198
John Port School	8,988	-
Other	<u>8,326</u>	<u>11,668</u>
	<u>51,057</u>	<u>40,866</u>

3. CASH:

Cash in hand comprises:	£
Till Float	150
General Float	<u>50</u>
	<u>200</u>

4. INVESTMENT

	31 March 2006 £	31 March 2007
Alliance & Leicester	<u>260,000</u>	<u>260,000</u>
	<u>260,000</u>	<u>260,000</u>

5. CREDITORS

	31 March 2006 £	31 March 2007 £
South Derbyshire District Council	44,152	19,818
John Port School	-	14,959
Pension Reserve	4,700	5,030
Other	<u>3,104</u>	<u>2,437</u>
	<u>51,956</u>	<u>42,244</u>

6. LONG TERM LIABILITIES

	31 March 2006 £	31 March 2007 £
Derbyshire County Council	<u>260,000</u>	<u>260,000</u>
	<u>260,000</u>	<u>260,000</u>

CASH FLOW STATEMENT 2006/2007

REVENUE ACTIVITIES

£

Expenditure

Payments made on behalf of the Committee

Employees	218,067
Premises	98,469
Transport	648
Supplies and Services	46,998
Establishment	<u>15,930</u>
	<u>380,112</u>

Income

Fees and Charges

(184,106)

Contributions:

- South Derbyshire District Council	(87,951)
- Derbyshire County Council	(37,431)
- John Port School	<u>(69,516)</u>
	(379,004)

REVENUE ACTIVITIES NET CASH FLOW AND (INCREASE)/
DECREASE IN CASH AND CASH EQUIVALENTS

1,108

RECONCILIATION OF SURPLUS TO NET CASHFLOW

(Surplus)/Deficit	1,108
Increase/(Decrease in Creditors)	(9,712)
(Increase)/Decrease in Debtors	10,191
(Increase)/Decrease in Stock	(479)
	<u>1,108</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 judgements 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
Etwell Leisure Centre for the year ended 31 March 2007.

R Jones

Treasurer to the
Joint Management Committee

25/6/07

Date