

ETWALL LEISURE CENTRE

STATEMENT OF ACCOUNTS

2009/2010

CONTENTS

	Page
Foreword	2
Statement of Accounting Policies	4
Etwall Pool Revenue Account	5
Squash Courts Revenue Account	6
Balance Sheet	7
Notes to Balance Sheet	8
Cash Flow Statement	10
Statement of Responsibilities for the Statement of Accounts	11
Certificate by Responsible Financial Officer	12

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 2009/10. 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 was funded 60% by South Derbyshire District Council, 26% by the John Port School and 14% by the County Council, until the new Leisure Centre opened. From 1st August 2010, the arrangements for the new Etwall Leisure Centre are based on revenue expenditure to be funded 62% South Derbyshire District Council and 38% John Port School.

3. FINANCIAL SUMMARY

In 2009/10 the net spending of the Joint Management Committee at £335,403 was £12,252 higher than the budgeted expenditure of £323,151. This is shown in more detail below.

The position was as follows:

	Original Budget	Actual	Variance
	£	£	£
Expenditure	700,570	688,239	(12,331)
Operating Income	<u>(377,419)</u>	<u>(352,836)</u>	<u>24,583</u>
Net Expenditure	<u>323,151</u>	<u>335,403</u>	<u>12,252</u>

Financed by:

South Derbyshire District Council	179,083	196,513	17,430
John Port School	128,349	121,848	(6,501)
Derbyshire County Council	<u>15,719</u>	<u>17,042</u>	<u>1,323</u>
	<u>323,151</u>	<u>335,403</u>	<u>12,252</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, when the new Leisure Centre opens in August 2009. The £260,000 was used towards the capital costs of the new Leisure Centre.

Derbyshire County Council continued to pay their share of the running costs up to 31 July 2009.

6. FINANCE AND OPERATING LEASES

An operating lease is used to finance a vending machine. The amount paid under this lease in 2009/2010 was £2,022 (2008/9 £3,042). The future cash payments required under this lease is estimated at £10,792.

	Vehicles, Plant and Equipment £
Lease Expiring in 2010/11	0
Lease Expiring between 2011/12 and 2014/15	10,792
Lease Expiring after 2014/15	<u>0</u>
TOTAL DUE	<u>10,792</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

2008/2009		2009/2010	
£	Expenditure	£	£
227,810	Employees	419,428	
85,692	Premises	140,188	
993	Transport	2,710	
46,694	Supplies and Services	80,187	
29,472	Establishment	43,704	
<u>0</u>	Leasing	<u>2,022</u>	
390,661			688,239
	Income		
173,209	Admissions and Sales	352,836	
<u>173,209</u>		<u>352,836</u>	<u>352,836</u>
<u>217,452</u>			<u>335,403</u>
	Financed by:		
105,284	South Derbyshire D C		196,513
72,909	John Port School		121,848
39,259	Derbyshire County Council		17,042
<u>217,452</u>			<u>335,403</u>

1. There are no employees with remunerations in excess of £40,000.
2. For the year ended 31 March 2010, the Joint Committee's cost of pension under FRS17 was 11.8% 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.

SQUASH COURTS - REVENUE ACCOUNT

2008/2009		2009/2010	
£	Expenditure	£	£
2,200	Employees	835	
5,362	Premises	3,674	
1,129	Supplies and Services	297	
7,368	Establishment	3,395	
16,059			8,201
	Income		
9,211	Admissions and Sales		2,473
<u>6,848</u>			<u>5,728</u>
	(Surplus)/Deficit Financed by:		
<u>6,848</u>	South Derbyshire D C		<u>5,728</u>

Up to 1st August 2009, the squash court was 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. From 1st August 2009, the Squash Courts are included in the main Accounts.

BALANCE SHEET

2008/2009		Notes	2009/2010
	Fixed Assets		
£			£
-	Nil	1	-
	Current Assets		
730	Stocks		2,110
35,613	Debtors	2	121,667
200	Cash in Hand	3	300
260,000	Investment	4	-
	Current Liabilities		
(36,543)	Creditors	5	(124,077)
(260,000)	Long Term Liability	6	-
_____			_____
-			-
_____			_____

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 2009 £	31 March 2010 £
Derbyshire County Council	34,231	0
John Port School	0	24,951
South Derbyshire District Council	0	94,832
Other	<u>1,382</u>	<u>1,884</u>
	<u>35,613</u>	<u>121,667</u>

3. CASH:

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

4. INVESTMENT

	31 March 2009 £	31 March 2010 £
Alliance & Leicester	<u>260,000</u>	<u>0</u>
	<u>260,000</u>	<u>0</u>

5. CREDITORS

	31 March 2009 £	31 March 2010 £
Derbyshire County Council	0	16,202
John Port School	9,260	0
South Derbyshire District Council	10,940	0
Pension Reserve	12,480	29,580
Other	<u>3,863</u>	<u>78,295</u>
	<u>36,543</u>	<u>124,077</u>

6. LONG TERM LIABILITIES

	31 March 2009 £	31 March 2010 £
Derbyshire County Council	<u>260,000</u>	<u>0</u>
	<u>260,000</u>	<u>0</u>

CASH FLOW STATEMENT 2009/2010

REVENUE ACTIVITIES	£
Expenditure	
Payments made on behalf of the Committee	
Employees	419,022
Premises	101,750
Transport	2,710
Supplies and Services	63,397
Establishment	43,704
Leasing	<u>2,590</u>
	<u>633,173</u>
Income	
Fees and Charges	(366,247)
Contributions:	
- South Derbyshire District Council	(196,513)
- Derbyshire County Council	(17,042)
- John Port School	<u>(121,848)</u>
	(355,403)
REVENUE ACTIVITIES NET CASH FLOW AND (INCREASE)/ DECREASE IN CASH AND CASH EQUIVALENTS	<u>(68,477)</u>
RECONCILIATION OF SURPLUS TO NET CASHFLOW	
(Surplus)/Deficit	(68,477)
Increase/(Decrease in Creditors)	(172,466)
(Increase)/Decrease in Debtors	173,846
(Increase)/Decrease in Stock	(1,380)
	<u>(68,477)</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 Etwall Leisure Centre for the year ended 31 March 2010.

.....
Treasurer to the
Joint Management Committee

.....
Date