

Report of the Liberty Leisure Business Director

Liberty Leisure End of Year Accounts 2023/24

1. Purpose of Report

To update the Advisory Shareholder Sub Committee of the end of year performance of Liberty Leisure.

2. Recommendation

The Advisory Shareholder Sub Committee is asked to NOTE the Liberty Leisure Limited accounts for financial year 2023/24.

3. Detail

The annual operating budget for Liberty Leisure Limited is derived from the company's annually updated Business Plan. Each year the Board of Directors and Broxtowe Borough Council are involved in the planning process through consultation opportunities to feedback on the business plan and the proposed revenue budget. The Business Plan and operating budget for 2023/24 was approved by the company's Board of Directors at meeting number 36 held on 17 January 2023.

With regard to the management of company finances, the Council oversees the day to day transactions and book keeping for Liberty Leisure Limited through the company's financial system. For independent advice and the preparation of the final accounts, Liberty Leisure Limited engage Haines Watts Accountants to be the company accountants.

Haines Watts produced the final accounts for the year ended 31 March 2024. The accounts have been sent to Directors as a separate document to this report and will be filed alongside this report.

The final accounts are legally obliged to show pension liabilities. These can change significantly each year with the company having no control over these changes. The pension liabilities do not affect the company's end of year cash balance and reserve.

4. Financial Implications

The comments from the Liberty Leisure Business Director and the Council's Head of Finance Services were as follows:

Management Fee

The management fee received from the Council was £519,000 plus VAT, which was £181,000 less than in the previous year.

Operating Income and Expenditure

The operating income for 2023/24 was £3.356m, which is an increase of £285k (9.3%) compared to the previous year.

Operating expenditure for 2023/24 is £3.907m, which is an increase of £41k (0.5%) compared to the previous year.

Some of the increase in income has been offset by an increase to the operating costs for the year. The increased expenditure is related to the inflationary pressure which have affected the overall salary costs with the annual pay award being around 7% greater than had been forecast along. There have also been inflationary increases in utilities and insurance among other rising costs.

Corporation Tax

With the company experiencing a trading deficit in the financial year, there was no corporation tax to be paid.

Annual Outturn

The company's annual accounts show an operating cash deficit of £44,856 for 2023-24.

Reserves

The company has an agreed reserve limit of £500k. The reserve policy and limit is reviewed each year by the Board of Directors and the Council. The company's opening reserves, as at 31 March 2023 were £486,889. The operating deficit of £44,856 was taken from these reserves, leaving an updated reserve of £442,033 as at 31 March 2024.

5. Legal Implications

The comments from the Monitoring Officer / Head of Legal Services were as follows:

There are no direct legal implications arising from this report

6. Human Resources Implications

Not applicable.

7. Union Comments

Not applicable.

8. Climate Change Implications

The climate change implications are contained within the report.

9. Data Protection Compliance Implications

This report does not contain any OFFICIAL(SENSITIVE) information and there are no Data Protection issues in relation to this report.

10. Equality Impact Assessment

Not applicable.

11. Background Papers

Nil.