

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 feed back on the business plan and the proposed revenue budget. The Business Plan and operating budget for 2024-25 was approved by the company's Board of Directors at meeting number 36 held on 3rd February 2024.

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

Haines Watts produced the final accounts for the period April 2024 to the end of March 2025. 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. Pension liabilities 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 Broxtowe Borough Council was £246,000 + VAT. This is £273,000 less than 2023-24 and £123,000 less than was originally allocated for 2024-25 due to strong financial performance of the Company.

Operating Income (excludes management fee)

The operating income for 2024-25 is £2,592k, which is a decrease of £764k (22.8%) compared to 2023-24, the significant drop was expected following the loss of Kimberley Gym & Swim. 2024-25 income was £134k (5.4%) above target.

Operating Expenditures

The operating expenditure for 2024-25 is £2,811k, which is a decrease of £1,096k (28.1%) compared to 2023-24, the significant drop was expected following the loss of Kimberley Gym & Swim. 2024-25 expenditure was £111k (3.8%) below target.

Income has been very good this year with most areas achieving or exceeding their targets. There was a particularly high performance in gym memberships, swim lessons, pitch hire and sports hall use. There have been some significant savings on insurance, utilities and NNDR rebate which, along with budget management, contributed to the reduced expenditure.

Corporation Tax

Because the company ended the financial year with a small surplus, this is offset against previous year losses and there is no corporation tax to pay.

2024-25 Out Turn

The company's annual accounts show an operating cash surplus for 2024-25 of £794.

Reserves

The company have an agreed reserve limit of no more than £500k. The reserve policy and limit are reviewed each year by the Board of Directors and Broxtowe Borough Council. The company reserves as of 31 March 2024 was £442,033. The surplus of £794 is added to the reserve leaving an updated reserve of **£442,827** as of 31 March 2025.

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.