



# Shareholders Committee

Tue 21 Feb  
2023  
7.00 pm

Council Chamber,  
Redditch Town Hall,  
Walter Stranz Square  
Redditch  
B98 8AH

**REDDITCH** BOROUGH COUNCIL

*making  
a  
difference*

[www.redditchbc.gov.uk](http://www.redditchbc.gov.uk)

**If you have any queries on this Agenda please contact  
Jess Bayley-Hill**

**Town Hall, Walter Stranz Square, Redditch, B98 8AH  
Tel: (01527) 64252 (Ext. 3072)  
e.mail: [jess.bayley-hill@bromsgroveandredditch.gov.uk](mailto:jess.bayley-hill@bromsgroveandredditch.gov.uk)**

## **GUIDANCE ON FACE-TO-FACE MEETINGS**

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**Please note that this is a public meeting.**

**If you have any questions regarding the agenda or attached papers, please do not hesitate to contact the officer named above.**

### **GUIDANCE FOR ELECTED MEMBERS ATTENDING MEETINGS IN PERSON**

Members and Officers who still have access to lateral flow tests (LFTs) are encouraged to take a test on the day of the meeting. Meeting attendees who do not have access to LFTs are encouraged not to attend the meeting if they have common cold symptoms or any of the following common symptoms of Covid-19 on the day of the meeting; a high temperature, a new and continuous cough or a loss of smell and / or taste.

### **PUBLIC ATTENDANCE**

Members of the public will be able to access the meeting to observe some of the proceedings if they wish to do so. Seating will be placed in such a way as to achieve as much space as possible for social distancing to help protect meeting participants. It should be noted that members of the public who choose to attend in person do so at their own risk.

Members of the public who still have access to lateral flow tests (LFTs) are encouraged to take a test on the day of the meeting. Meeting attendees who do not have access to LFTs are encouraged not to attend the meeting if they have common cold symptoms or any of the following common symptoms of Covid-19 on the day of the meeting; a high temperature, a new and continuous cough or a loss of smell and / or taste.

### **Notes:**

**Although this is a public meeting, there are circumstances when Council might have to move into closed session to consider exempt or confidential information. For agenda items that are exempt, the public are excluded.**



# Shareholders Committee

Tuesday, 21st February, 2023

7.00 pm

Council Chamber Town Hall

## Agenda

### Membership:

Cllrs:	Alex Fogg (Chair)	Lucy Harrison
	Luke Court (Vice-Chair)	Bill Hartnett
	Joe Baker	

### 1. Apologies for Absence and Named Substitutes

### 2. Declarations of Interest

### 3. Exclusion of the Press and Public

Should it be necessary, in the opinion of the Chief Executive, during the course of the meeting to consider excluding the public from the meeting on the grounds that exempt information is likely to be divulged, it may be necessary to move the following resolution:

“That, under S.100 (A) (4) of the Local Government Act 1972, the public be excluded from the meeting for the following matter(s) on the grounds that it/they involve(s) the likely disclosure of exempt information as defined in the relevant paragraphs (to be specified) of Part 1 of Schedule 12 (A) of the said Act”.

These paragraphs are as follows:

Subject to the “public interest” test, information relating to:

- Para 1 – any individual;
- Para 2 – the identity of any individual;
- Para 3 – financial or business affairs;
- Para 4 – labour relations matters;
- Para 5 – legal professional privilege;
- Para 6 – a notice, order or direction;
- Para 7 – the prevention, investigation or prosecution of crime;  
and may need to be considered as ‘exempt’.

### 4. Minutes of the Previous Meeting (Pages 5 - 12)

# **Shareholders Committee**

Tuesday, 21st February, 2023

- 5. Update on Council Financial Support to Rubicon Leisure Ltd (Pages 13 - 32)**
- 6. Performance Monitoring Report (Pages 33 - 40)**
- 7. To consider any urgent business, details of which have been notified to the Head of Legal, Democratic and Property Services prior to the commencement of the meeting and which the Chair, by reason of special circumstances, considers to be of so urgent a nature that it cannot wait until the next meeting**



## Shareholders Committee

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Monday, 28th March, 2022

### MINUTES

#### Present:

Councillor David Thain (Chair), Councillor Alex Fogg (Vice-Chair) and Councillors Imran Altaf, Andrew Fry and Lucy Harrison

#### Also Present:

John Oxley (Interim Managing Director, Rubicon Leisure Limited)

#### Officers:

Clare Flanagan and Peter Carpenter

#### Democratic Services Officers:

Amanda Scarce

#### 29. APOLOGIES FOR ABSENCE AND NAMED SUBSTITUTES

There were no apologies or named substitutes.

#### 30. DECLARATIONS OF INTEREST

There were no declarations of interest on this occasion.

#### 31. MINUTES

##### RESOLVED that

the minutes of the meetings of the Shareholders Committee held on 17<sup>th</sup> November and 14<sup>th</sup> December 2021 be approved as a true and correct record and signed by the Chair.

#### 32. EXCLUSION OF THE PRESS AND PUBLIC

Under S.100 (A) (4) of the Local Government Act 1972, the public be excluded from the meeting for the following matters on the grounds that they involve the likely disclosure of exempt information as defined in the relevant paragraphs 3 and 4 of Part 1 of Schedule 12 (A) of the said Act, as amended.

Chair

# Shareholders Committee Committee

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Monday, 28th March, 2022

**Minute No. 33 Quarter 3 Performance Monitoring Report**

**Minute No. 34 Financial Plan 2022/23**

**Minute No. 35 Update from the Interim Managing Director**

**Minute No. 36 Annual Audited Accounts**

## **33. RUBICON LEISURE LIMITED QUARTER 3 - PERFORMANCE MONITORING REPORT**

The Chair invited the Interim Managing Director of Rubicon Leisure Limited to present the performance monitoring report for the third quarter of 2021/22. It was reiterated that the 2020/21 year had been challenging due to lockdown and that the facilities had reopened during the course of the last financial year and the signs of recovery were beginning to show within the Quarter 3 report. Performance had been very strong and had exceeded expectations, and in almost all areas income had been in excess of the original targets set. This appeared to be continuing into Quarter 4 and the Interim Managing Director was expecting a significant improvement against that originally expected which would reduce the level of support needed from Redditch Borough Council. It was further noted that the figures for fitness and swimming lessons were higher than they had ever been before, and membership was in excess of other areas across the country. Good use was being made of the Area 7 outdoor gym equipment, which provided an enhanced fitness offer to members.

It was highlighted that Pitcheroak Golf Course had had its best year ever, despite not being opened for the full year. Breakfast and lunch services had also been reintroduced, which had helped support this. There had been concerns around the Palace Theatre and its ability to deliver all scheduled shows for the pantomime and the Interim Managing Director was pleased to report that the Team had been able to do so and that the sales levels were very close to those experienced previously. The Quarter 4 programme was also providing lots of encouragement in preparation for the 2022/23 financial year. He hoped that the positive report provided the Committee with confidence moving into the new year.

Following presentation of the report the Committee discussed a number of areas including:

# Shareholders Committee Committee

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Monday, 28th March, 2022

- The outlook was very optimistic, and the Committee gave its thanks to the whole team for its hard work in very difficult circumstances.
- The Committee were pleased to see that the forecasts had not been too low and that the results were very positive.
- Members were pleased to see that there was now a focus on Health and Safety training for staff.
- The consistence of the figures across all areas.

## **RESOLVED that**

**the Rubicon Leisure Limited Quarter 3 Performance Monitoring Report be noted.**

(During the consideration of this item, Members discussed matters that necessitated the disclosure of exempt information. It was therefore agreed to move to exclude the press and public prior to any debate on the grounds that information would be revealed which related to the financial and business affairs of any particular person (including the authority holding that information). However, there is nothing exempt in this record of the item.)

### **34. RUBICON LEISURE LIMITED - FINANCIAL PLAN 2022/23**

The Interim Managing Director of Rubicon Leisure Limited presented the Financial Plan for 2022/23, which built on the progress made in Quarters 3 and 4 of the previous year. He hoped this gave the Shareholders confidence in the future of the business and highlighted two areas in particular.

- The reduction in the amount of support that had been provided by the Council. Reference was also made to the generation of income and the increase in the cost of utilities. It was likely that additional support would be required. It was difficult to do any comparisons due to the exceptional circumstances that everyone had found themselves in, but it had been felt that the financial year 2019/20 figures were the most suitable for this purpose.
- In respect of Resources, the current review had been completed and this would lead to a reduction in staffing costs in the coming year.

The Chair thanked the Interim Managing Director for this report.

## **RESOLVED that**

**the Rubicon Leisure Limited Financial Plan 2022/23 be noted.**

# Shareholders Committee Committee

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Monday, 28th March, 2022

(During the consideration of this item, Members discussed matters that necessitated the disclosure of exempt information. It was therefore agreed to move to exclude the press and public prior to any debate on the grounds that information would be revealed which related to the financial and business affairs of any particular person (including the authority holding that information).)

**35. RUBICON LEISURE PROGRESS REPORT - VERBAL UPDATE FROM THE INTERIM MANAGING DIRECTOR**

The Interim Managing Director of Rubicon Leisure Limited provided a verbal update in respect of the progress report.

(During the consideration of this item, Members discussed matters that necessitated the disclosure of exempt information. It was therefore agreed to move to exclude the press and public prior to any debate on the grounds that information would be revealed which related to the financial and business affairs of any particular person (including the authority holding that information) and in relation to labour relations matters.)

**36. RUBICON LEISURE LIMITED - ANNUAL AUDITED ACCOUNTS (TO FOLLOW)**

The Interim Head of Finance and Customer Service provided Members with an update in respect of the Annual Audited Accounts.

(During the consideration of this item, Members discussed matters that necessitated the disclosure of exempt information. It was therefore agreed to move to exclude the press and public prior to any debate on the grounds that information would be revealed which related to the financial and business affairs of any particular person (including the authority holding that information) and in relation to labour relations matters.)

The Meeting commenced at 6.30 pm  
and closed at 7.02 pm



By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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## **Update on Council Financial Support to Rubicon**

**Author – Interim Director of Finance**

**Shareholders Committee – Tuesday 21<sup>st</sup> February**

This report contains exempt information as defined in Paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972, as amended

### **Introduction**

This information highlights financial information starting from the 2020/21 financial year.

Like the Borough Council, Rubicon's accounts were transferred over on to the TechOne system on the 8<sup>th</sup> February 2021. As such, Rubicon have experienced similar issues to that of the Borough Council in terms of financial information since that date.

As a Company, there is the requirement to supply Audited Accounts to Companies House by the 31<sup>st</sup> December each year.

Due to the issues with the Councils financial system, the accounts for the 2020/21 financial year were submitted on the 30<sup>th</sup> June 2022, no fault here on Rubicon. Indeed, closing the Rubicon accounts helped the Council understand more fully the accounting implications being experienced on a small scale before applying them to the Council main accounts later in 2022.

Rubicon have been awarded an extension to the closure deadline for their 2021/22 Accounts until the 31<sup>st</sup> March 2023. Again, this will be significantly in advance of the Accounts the Council is providing to their Auditors.

Generally, Information relating to Rubicon is taken to the Shareholders Committee. This is an update following a question from the Overview and Scrutiny Committee.

### **2020/21 Financial Year**

For the 2020/21 financial year as highlighted in the Borough Council's Outturn Report, which was submitted to the Executive on the 11 January 2022, due to the significant impact of C-19 on the Leisure and Culture sector (closure of facilities) the Council had awarded the following support to Rubicon from its C-19 Grant.

- £543k earlier in the financial year
- £120k as per the Outturn Report
- A further £135k was identified in the 2020/21 closure process (approved by Urgent decision by the Council on the 29<sup>th</sup> June 2022.

This resulted in a net reduction in Retained Earnings of £32,743 for the year. The Audited Accounts, as per the Companies House filing are attached as Appendix A.

The Council supported Rubicon with a base Management Fee of £627k in 2020/21 before any C-19 Grant payments.

### **2021/22 Financial year**

Members will be aware, via the Audit, Governance and Standards Committee that the issues with the cash receipting part of the TechOne financial implementation were not rectified until November 2022. This has meant that the same problems are being rectified in 2021/22 although this time it is for the full year and not just 7 weeks as was the case in 2020/21. This has included income for the Palace Theatre being coded to Council accounts instead of Rubicon Accounts. This is being rectified through the 2021/22 closure process. These accounts will be presented to the Board for approval before the 31<sup>st</sup> March 2023.

In 2021/22 for one year only, the Council supplemented the £627k management fee with an additional payment of £1,259k, as per the MTFP report published on the 16<sup>th</sup> February 2021. In this report it set out the additional support for Rubicon Leisure Limited. This was as a result of the projected net loss of income following the forced closure of the sites due to the Government legislation during the COVID-19 pandemic. That report also noted that the Shareholder Committee receives financial and performance reports to enable the Council to understand the Company financial position.

### **2022/23 Financial year**

In 2022/23, for one year only, the Council have supplemented the £653k management fee with an additional payment of £319k as per the MTFP report published on the 8<sup>th</sup> February 2022. This is the best and latest estimate (based on meetings with senior Rubicon management) of the impact of Covid- 19 on footfall and therefore the financial position of Rubicon (and therefore our management fee).

As set out above fixes have only just been implemented in November 2022 for the issues with cash receipting that has also affected the Council.

During 2022/23 to date:

- Rubicon have moved to the Stripe to transact payments, except the Palace Theatre. This will significant help reconciliation of incoming income.
- The company replaced its fitness equipment in January 2023

### **Appendices**

Appendix 1 – Audited Accounts 2020 -21

Appendix 2 – Exempt Appendix (This appendix contains exempt information as defined in Paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972, as amended.)

**RUBICON LEISURE LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

UHY Hacker Young (Birmingham) LLP,  
Statutory Auditor  
9-11 Vittoria Street,  
Birmingham, B1 3ND

RUBICON LEISURE LIMITED (REGISTERED NUMBER: 11654259)

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FOR THE YEAR ENDED 31 MARCH 2021**

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RUBICON LEISURE LIMITED

COMPANY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2021

**DIRECTORS:**

Mrs J Breakwell  
Mrs R Delmore  
Mrs S K Hanley  
G Langston  
G Revans

**REGISTERED OFFICE:**

Town Hall  
Walter Stranz Square  
Redditch  
United Kingdom  
B98 8AH

**REGISTERED NUMBER:**

11654259 (England and Wales)

**AUDITORS:**

UHY Hacker Young (Birmingham) LLP,  
Statutory Auditor  
9-11 Vittoria Street,  
Birmingham, B1 3ND

RUBICON LEISURE LIMITED (REGISTERED NUMBER: 11654259)

**BALANCE SHEET  
31 MARCH 2021**

	Notes	2021 £	£	2020 £	£
<b>FIXED ASSETS</b>					
Tangible assets	4		20,403		26,379
<b>CURRENT ASSETS</b>					
Stocks		16,558		19,306	
Debtors	5	577,759		470,666	
Cash at bank and in hand		<u>424,158</u>		<u>354,283</u>	
		1,018,475		844,255	
<b>CREDITORS</b>					
Amounts falling due within one year	6	<u>1,042,865</u>		<u>841,878</u>	
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			<u>(24,390)</u>		<u>2,377</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			(3,987)		28,756
<b>PROVISIONS FOR LIABILITIES</b>			<u>3,227,000</u>		<u>2,601,000</u>
<b>NET LIABILITIES</b>			<u>(3,230,987)</u>		<u>(2,572,244)</u>
<b>RESERVES</b>					
Pension Liability Reserve	8		(3,227,000)		(2,601,000)
Retained earnings	8		<u>(3,987)</u>		<u>28,756</u>
			<u>(3,230,987)</u>		<u>(2,572,244)</u>

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Profit and Loss Account has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 30 June 2022 and were signed on its behalf by:

Mrs S K Hanley - Director

The notes form part of these financial statements



RUBICON LEISURE LIMITED (REGISTERED NUMBER: 11654259)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**1. STATUTORY INFORMATION**

Rubicon Leisure Limited is a private limited company limited by guarantee, incorporated in England.

The registered office address of the Company is Town Hall, Walter Stranz Square, Redditch, United Kingdom, B98 8AH.

The principal activity of the Company is to provide leisure, sports, cultural and heritage services for the benefit of the Borough of Redditch and the wider area.

RUBICON LEISURE LIMITED (REGISTERED NUMBER: 11654259)

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2021**

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention except for the modification to a fair value basis for certain financial instruments.

These financial statements summarise the Company's transactions for the 2020/21 financial period and its position at the period end of 31 March 2021.

The financial statements are prepared in sterling which is the functional currency of the Company.

Monetary amounts in these financial statements are rounded to the nearest £ unless otherwise stated.

Rubicon Leisure Limited meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are set out below:

**Revenue and Expenditure Recognition**

**Income from trading activities**

Revenue in respect of services provided is recognised when (or as) performance obligations are satisfied by transferring promised services to the customer, and is measured at the amount of the transaction price allocated to that performance obligation. Where income is received for a specific performance obligation that is to be satisfied in the following year, that income is deferred.

**Income from investments**

Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.

**Government Grants Policy**

Government Grants are recognised within the Profit & Loss Account on an accruals basis. £21,000 has been recognised by Rubicon Leisure Limited from the Government's Coronavirus Job Retention Scheme relating to the furlough of employees in the period ended 31st March 2021. All conditions of the grant are considered to be fulfilled.

**Expenditure**

Supplies are recorded as expenditure when they are consumed - where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.

Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.

RUBICON LEISURE LIMITED (REGISTERED NUMBER: 11654259)

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2021**

**Cash and Cash Equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

**Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors**

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e., in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Company's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

**Charges to Revenue for Non-Current Assets**

Expenditure includes the following amounts to record the cost of holding fixed assets during the period:

- \* Depreciation
- \* Revaluations and impairments.
- \* Amortisation of intangible fixed assets.

**Employee Benefits**

**Benefits Payable During Employment**

Short-term employee benefits are those due to be settled wholly within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, for current employees and are recognised as an expense in the year in which employees render service to the Company. An accrual is made for the cost of holiday entitlements (or any form of leave e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit.

**Termination Benefits**

Termination benefits are amounts payable as a result of a decision by the Company to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to employee costs at the earlier of when the Company can no longer withdraw the offer of those benefits or when the Company recognises costs for a restructuring.

RUBICON LEISURE LIMITED (REGISTERED NUMBER: 11654259)

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2021**

**Post Employment Benefits**

Employees of the Company are members of the Local Government Pensions Scheme, administered by Worcestershire County Council known as the Worcestershire Pension Fund (WPF). The scheme provide defined benefits to members (retirement lump sums and pensions), earned as employees working for the Company.

The liabilities of the WPF attributable to the Company are included in the Balance Sheet on an actuarial basis using the projected unit method - i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc., and projections of projected earnings for current employees.

Liabilities are discounted to their value at current prices, using a discount rate based on the indicative rate of return on a basket of high quality corporate bonds, government gilts and other factors.

The assets of WPF attributable to the Company are included in the Balance Sheet at their fair value:

- quoted securities - current bid price
- unquoted securities - professional estimate
- unitised securities - current bid price
- property - market value.

The change in the net pensions liability is analysed into the following components:

Service cost comprising:

- \* current service cost - the increase in liabilities as a result of years of service earned this year.
- \* past service cost - the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years.
- \* net interest on the net defined benefit liability , i.e. net interest expense for the Company - the change during the period in the net defined benefit liability that arises from the passage of time - this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability at the beginning of the period - taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments.

RUBICON LEISURE LIMITED (REGISTERED NUMBER: 11654259)

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2021**

Remeasurements comprising:

- \* the return on plan assets - excluding amounts included in net interest on the net defined benefit liability.
- \* actuarial gains and losses - changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions.
- \* Contributions paid to the WPF - cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

**Events After the Reporting Period**

Events after the balance sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts are authorised for issue. Two types of events can be identified:

- \* Those that provide evidence of conditions that existed at the end of the reporting period - the Statement of Accounts is adjusted to reflect such events.
- \* Those that are indicative of conditions that arose after the reporting period - the Statement of Accounts are not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

**Financial instruments**

The Company only has financial assets and liabilities of a kind that qualify as basic financial instruments and are not considered to be of a financial nature. Such financial instruments, except for investments classified at fair value through the Profit and Loss Account, are initially recognised at transaction value and subsequently measured at their settlement value.

**Trade and other debtors/creditors**

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financial restriction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at market rate of interest for a similar debt instrument.

RUBICON LEISURE LIMITED (REGISTERED NUMBER: 11654259)

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2021**

**Impairment of financial assets**

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found an impairment loss is recognised within profit or loss.

For financial assets that are measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

**Grants and Contributions**

Revenue and capital grants and contributions receivable are recognised in the Statement of Financial Activities when there is reasonable assurance that:

- \* the Company will comply with the conditions attached to the grant, and
- \* the grants or contributions will be received.

**Inventories**

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using the weighted average costing formula.

**Operating Leases**

Rentals paid under operating leases are charged as an expense. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g., there is a rent-free period at the commencement of the lease).

Leasehold land and buildings transferred to the company from Redditch Borough Council the ultimate beneficial owner, at little or no consideration are classified as operating leases as the lease term of 30 years is significantly less than the useful economic life of the assets transferred as the leases do not transfer:

- \* substantially all the risks and rewards incidental to ownership;
- \* ownership of the land and buildings to the company by the end of the lease term

**Materiality**

Materiality is an expression of the relative significance or importance of a particular matter in the context of the financial statements as a whole. A matter is material if its omission would reasonably influence the reader of the accounts. Notes are only included where items are considered to be material by value or nature.

RUBICON LEISURE LIMITED (REGISTERED NUMBER: 11654259)

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2021**

**Property, Plant and Equipment**

Individual fixed assets costing more than £1,000 are capitalised at cost. Fixed assets are stated at historical cost, less accumulated depreciation and any provision for impairment.

Depreciation is provided on all tangible fixed assets including fixtures and fittings at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as a percentage of value of each class of asset as advised by a suitably qualified officer.

**Provisions**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Company may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

**Value Added Tax**

VAT payable is included as an expense only to the extent that it is not recoverable from HM Revenue and Customs. VAT receivable is excluded from income.

**Current and deferred taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax is provided on the timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expenses.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Going Concern**

The directors believe that the company's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support from Redditch Borough Council will be adequate to meet the company's needs for a period of at least 12 months from the date of approval of these financial statements.

**3. EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 104 (2020 - 129) .

RUBICON LEISURE LIMITED (REGISTERED NUMBER: 11654259)

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2021

## 4. TANGIBLE FIXED ASSETS

Fixtures  
and  
fittings  
£**COST**At 1 April 2020  
and 31 March 202129,880**DEPRECIATION**

At 1 April 2020

3,501

Charge for year

5,976

At 31 March 2021

9,477**NET BOOK VALUE**

At 31 March 2021

20,403

At 31 March 2020

26,379

## 5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade debtors	65,665	64,909
Amounts owed by group undertakings	266,389	316,340
Other debtors	<u>245,705</u>	<u>89,417</u>
	<u>577,759</u>	<u>470,666</u>

## 6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	2,071	25
Taxation and social security	252,806	126,297
Other creditors	<u>787,988</u>	<u>715,556</u>
	<u>1,042,865</u>	<u>841,878</u>



RUBICON LEISURE LIMITED (REGISTERED NUMBER: 11654259)

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2021

## 7. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021	2020
	£	£
Within one year	9	9
Between one and five years	36	36
In more than five years	198	208
	<u>243</u>	<u>253</u>

## 8. RESERVES

	Retained earnings	Pension Liability Reserve	Totals
	£	£	£
At 1 April 2020	28,756	(2,601,000)	(2,572,244)
Deficit for the year	(206,743)		(206,743)
Transfer pension liability	174,000	(626,000)	(452,000)
At 31 March 2021	<u>(3,987)</u>	<u>(3,227,000)</u>	<u>(3,230,987)</u>

RUBICON LEISURE LIMITED (REGISTERED NUMBER: 11654259)

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2021**

**9. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006**

The Report of the Auditors was qualified on the following basis:

**Basis for opinion**

It was not possible to substantiate the following balance sheet balances at 31 March 2021: receipts in progress and accrued expenditure because of:

- inadequate supporting documentation;
- the implementation of a new accounting system;
- a high turnover of finance staff.

We were unable to satisfy ourselves by alternative means concerning these balances at 31 March 2021, which are included in the balance sheet for receipts in progress at £65,665 and accrued expenditure at £57,000. Consequently, we were unable to determine whether any adjustments to these balances was necessary.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key audit matters**

Except in the matter described in the basis for qualified opinion section, we have determined that there are no key audit matters to be communicated in our report.

Malcolm Winston (Senior Statutory Auditor)  
for and on behalf of UHY Hacker Young (Birmingham) LLP,

**10. CAPITAL COMMITMENTS**

Capital Commitments in relation to S106 have been approved by directors with a value of £257,273.

**11. RELATED PARTY DISCLOSURES**

Rebecca Delmore is a Trustee of Woodfield Academy, however due to COVID no transactions occurred between Woodfield Academy and Rubicon Leisure Limited in the financial year 2020/21. The outstanding balance at the period end was £Nil.

**12. POST BALANCE SHEET EVENTS**

All sites were reopened from mid-April 2021 in accordance with the Government lockdown requirements. All services have been operated in accordance with Covid 19 requirements and this has reduced capacity and therefore income.

G Revans joined the board of directors on the 5th July 2021.

RUBICON LEISURE LIMITED (REGISTERED NUMBER: 11654259)

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2021**

**13. ULTIMATE CONTROLLING PARTY**

The immediate and ultimate controlling party of the company is Redditch Borough Council by virtue of its 100% controlling interest in the company.

The smallest and largest entity to prepare consolidated financial statements that include this company is Redditch Borough Council, copies of which are available from Redditch Borough Council, Walter Stranz Square, Redditch, B98 8AH

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.

By virtue of paragraph(s) 3, 4 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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REDDITCH BOROUGH COUNCIL**SHAREHOLDERS COMMITTEE****21st February 2023****RUBICON LEISURE QUARTER 3 PERFORMANCE MONITORING REPORT 2022-23**

<b>Relevant Portfolio Holder</b>	Councillor Jo Beecham
<b>Relevant Head of Service</b>	Claire Felton, Head of Legal, Democratic and Property Services
<b>Ward(s) Affected</b>	N/A
<b>Ward Councillor(s) Consulted</b>	N/A
This report contains exempt information as defined in Paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972, as amended	

**1. SUMMARY OF PROPOSALS**

To update Shareholders on the operational performance of Rubicon Leisure Limited for the period September – December 2021.

**2. RECOMMENDATIONS**

**The Committee is asked to RESOLVE that**

**the report be noted.**

**3. KEY ISSUES**

- 3.1 The third quarter report is attached at Appendix 1 and details the work that has been undertaken by the company during this period.

**4. Financial Implications**

- 4.1 There are no specific financial implications detailed in this report.

**5. Legal Implications**

- 5.1 The Council must retain control over the company to ensure that the Company continues to benefit from the Teckal exemption. This allows the Council to contract with it for the delivery of leisure services without conducting an open procurement exercise.
- 5.2 The contractual documentation in place between the Council and the Company contains the necessary mechanisms, checks and balances to incentivise good performance and to ensure compliance with the Teckal exemption.

**REDDITCH BOROUGH COUNCIL****SHAREHOLDERS COMMITTEE****21st February 2023**

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**6. Customer / Equalities and Diversity Implications**

- 6.1 As can be seen in the performance monitoring report, Rubicon Leisure Limited aims to attract customers back to the leisure and culture facilities following the end of the Covid-19 pandemic. Using the measures dashboard, the Council will ensure that the community and local partners are supported by the leisure and cultural offer, and that Rubicon Leisure continues to deliver on the Council's Strategic Objectives.

**7. RISK MANAGEMENT**

- 7.1 Rubicon Leisure maintains risk registers in relation to both service delivery and Health and Safety compliance. These are regularly monitored, and any updates reported to the Board at each meeting.

**8. APPENDICES**

- 8.1 Appendix 1 - Quarter 3 Performance Monitoring Report (2022-23)

**9. BACKGROUND PAPERS**

- 9.1 Service Specification as reported to Executive and Council in September 2018.

**AUTHOR OF REPORT**

Name: Claire Felton, Head of Legal, Democratic and Property Services  
Email: [c.felton@bromsgroveandredditch.gov.uk](mailto:c.felton@bromsgroveandredditch.gov.uk)  
Tel: (01527) 881400



By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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