

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

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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 £	£
FIXED ASSETS					
Tangible assets	4		20,403		26,379
CURRENT ASSETS					
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	
CREDITORS					
Amounts falling due within one year	6	<u>1,042,865</u>		<u>841,878</u>	
NET CURRENT (LIABILITIES)/ASSETS			<u>(24,390)</u>		<u>2,377</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			(3,987)		28,756
PROVISIONS FOR LIABILITIES			<u>3,227,000</u>		<u>2,601,000</u>
NET LIABILITIES			<u>(3,230,987)</u>		<u>(2,572,244)</u>
RESERVES					
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

**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.

**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.

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.

**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.

**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.

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.

**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) .

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 2021

29,880

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>

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>

**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.

**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.