



## Gibraltar Audit Office

# Report of the Principal Auditor on the Accounts of the Gibraltar Sports and Leisure Authority for the financial year ended 31 March 2008

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**GIBRALTAR SPORTS AND LEISURE AUTHORITY  
ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008**

**REPORT**

1. Recurrent Contribution: The contribution from the Government of Gibraltar during the financial year 2007-08 was £2,008,000, an increase of £266,000 (15.3%) compared with the approved budget of £1,742,000 and a year-on-year increase of £730,695 (57.2%) compared against the previous financial year's contribution of £1,277,305. The reasons provided to me by the Chief Executive of the Gibraltar Sports and Leisure Authority (GSLA) for the increase between the actual and approved budget contribution were:
  - The cost of new staff employed for the Kings Bastion Leisure Centre;
  - The cost of the annual salary pay review for all staff;
  - Increase in sundry costs of the swimming pool; and
  - An exceptional grant made to a sporting association.
2. Recurrent Account - Payments: The total recurrent expenditure of the GSLA during the financial year 2007-08 was £2,039,327 compared to an approved budget of £1,753,000 and a previous financial year's expenditure of £1,282,280, reflecting an increase against the approved budget of £286,327 (16.3%) and a year-on-year increase of £757,047 (59%). The main variances between the approved budget and the recurrent expenditure was attributed to:
  - a. Pay-related Costs – The expenditure in respect of pay-related costs for the financial year under review totalled £1,077,074, an increase of £172,074 (19%) compared against the approved budget of £905,000. The Chief Executive explained that the increase related to:
    - Unbudgeted salary costs of the new staff employed in January 2008 for the Kings Bastion Leisure Centre of approximately £66,000 and the cost of the annual salary pay review for 2007 in the region of £24,000;
    - The cost of the annual salary pay review for 2007 in respect of overtime amounting to around £4,000 and a difference of around £55,000 between the budget submission by the GSLA and the approved budget allocation;
    - The cost of the shift disturbance allowance paid to the new staff employed for the Kings Bastion Leisure Centre in addition to the cost of the annual salary pay review for 2007 totalling just over £8,000; and

- The cost of the Employer's share of social insurance and pension contributions in respect of the new staff employed for the Kings Bastion Leisure Centre and increased costs on Employer's pension contributions as a result of the annual salary pay review amounting to just under £17,000.
- b. Swimming Pool Expenses – The expenditure incurred during the financial year 2007-08 in the swimming pool expenses was £216,802 compared to an approved budget of £155,000, reflecting an increase of £61,802 (39.9%). The Chief Executive explained that the variance between the actual expenditure and the approved budget was as a result of the following:
- A reduction of £15,000 from the budget submission, which was based on the previous year's total expenditure; and
  - A year-on-year increase in costs of Salaries and Wages amounting to £13,335, Maintenance totalling £22,530, Electricity and Water in the amount of £7,624 and Purchase of Equipment amounting to £4,624.
- c. Grants to Sporting Societies – Expenditure under this item during the financial year under review was £170,089 increasing by £40,089 (30.8%) against the approved budget of £130,000. The Chief Executive informed me that the increase between the actual expenditure and the approved budget was mainly as a result of an unbudgeted and exceptional grant made at the end of the financial year to a sporting association of nearly £67,000, notwithstanding that a saving of around £27,000 had been made by the GSLA prior to this payment.
- d. International Competitions – The total spend on international competitions totalling £174,283 exceeded the approved budget of £150,000 by £24,283 (16.2%). The Chief Executive explained that the GSLA was aware early in the financial year that there would be an excess under this expenditure item due to increased costs in hosting the 2007 Straits' Games and a need to provide extra funding to the Island Games Association as a result of increased air transportation costs.



**Gibraltar Audit Office**

**GIBRALTAR SPORTS AND LEISURE AUTHORITY  
ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008**

**AUDIT CERTIFICATE**

I have audited the accounts of the Gibraltar Sports and Leisure Authority in accordance with Section 15(2) of the Gibraltar Sports and Leisure Authority Act 2002. I certify, as a result of my audit, that in my opinion the financial statements on pages 1 to 3 properly present the receipts and payments for the financial year under review and the assets and liabilities as at 31 March 2008.

2. In accordance with Section 15(3) of the Gibraltar Sports and Leisure Authority Act 2002, I report that:
- a) I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of the audit; and
  - b) in my opinion, proper books of account have been kept by the Authority, so far as appears from my examination of those books; and
  - c) the Authority has discharged its financial duties and obligations under the provisions of this Act.

Gibraltar Audit Office  
13 March 2009

J C Posso  
Principal Auditor

## RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2008

### RECURRENT ACCOUNT

Notes

2006/07

#### RECEIPTS

Contribution from Government of Gibraltar	£2,008,000.00	£1,277,305.00
Other Receipts	£13,397.50	£6,265.00
Ice Rink Receipts	£18,562.26	-
	<u>£2,039,959.76</u>	<u>£1,283,570.00</u>

#### PAYMENTS

##### Personal Emoluments:

Salaries	£737,998.11	£573,132.28
Overtime	£204,131.84	£147,063.79
Allowances	£68,353.76	£52,160.95
	<u>£1,010,483.71</u>	<u>£772,357.02</u>

##### Employer's Contributions:

Social Insurance Contributions	£39,665.64	£31,260.22
Pension Scheme Contributions	£26,924.25	£15,585.80
	<u>£66,589.89</u>	<u>£46,846.02</u>

##### Other Recurrent Expenditure:

##### Office Expenses:

General Expenses	£8,015.16	£8,540.15
Telephone Service	£12,847.00	£11,246.62
Printing and Stationery	£5,249.46	£5,773.65
Electricity and Water	£8,602.79	£8,769.05
	<u>£34,714.41</u>	<u>£34,329.47</u>

##### Operational Expenses:

Sports Development Unit	1 £10,735.02	£11,373.47
Running Expenses	£16,961.19	£14,817.56
Vehicles, Plant and Equipment Expenses	£115.00	£535.09
Training Courses	£2,065.00	£1,969.65
Computer and Office Equipment Expenses	£2,066.39	£2,275.96
Electricity and Water	£91,497.95	£80,433.53
	<u>£123,440.55</u>	<u>£111,405.26</u>

##### Sports Facilities and Equipment:

Swimming Pool Expenses	2 £216,801.63	£172,520.42
Hockey Pitches	3 £9,725.69	£5,021.77
Europa Gymnasium	£12,000.00	£12,000.00
Other Facilities and Equipment	£9,914.60	£12,121.27
Contracted Services - Upkeep of Facilities	£124,552.06	£115,679.06
	<u>£372,993.98</u>	<u>£317,342.52</u>

##### Sports Grants:

Grants to Sporting Societies	£170,088.64	-
International Competitions	£174,283.11	-
Sports Development Projects	£86,732.22	-
	<u>£431,103.97</u>	<u>-</u>

(£2,039,326.51) (£1,282,280.29)

Net Receipts

£633.25 £1,289.71

**RECEIPTS AND PAYMENTS ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2008**

**CAPITAL ACCOUNT**

2006/07

**RECEIPTS**

Contribution from the Government of Gibraltar

-	£7,695.00
-	£7,695.00

**PAYMENTS**

Purchase of Motor Vehicle

-	(£7,695.00)
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Net Receipts/(Payments)

-	-
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## BALANCE SHEET AS AT 31 MARCH 2008

### ASSETS

2006/07

#### **Recurrent Account**

Imprest as at 31 March 2008

Advance to the Government of Gibraltar

£90.00	£90.00
£1,977.15	£1,343.90
£2,067.15	£1,433.90

#### **Capital Account**

-	-
£2,067.15	£1,433.90

### FINANCED BY

#### **Recurrent Account**

Account Balance on 1 April 2007

Net receipts during the year

Account Balance on 31 March 2008

£1,433.90	£144.19
£633.25	£1,289.71
£2,067.15	£1,433.90

#### **Capital Account**

Account Balance on 1 April 2007

Account Balance on 31 March 2008

General Fund Balance on 31 March 2008

-	-
-	-
£2,067.15	£1,433.90



J L Hernandez

Chief Executive

Gibraltar Sports and Leisure Authority

12<sup>th</sup> March 2009



## Notes to the Accounts for the year ended 31 March 2008

### **1. Sports Development Unit**

2006/07

General Expenses	£2,171.88	£1,776.01
Training Expenses	£8,096.64	£5,429.84
Sports Equipment Expenses	£456.00	£2,308.24
Clothing	-	£1,039.60
Office Equipment	£10.50	£819.78
	<u>£10,735.02</u>	<u>£11,373.47</u>

### **2. Swimming Pool Expenses**

Salaries and Wages	£113,928.37	£100,592.96
Maintenance Expenses	£58,257.78	£35,728.01
Electricity & Water	£32,419.81	£24,796.15
Cleaning Materials	£2,372.64	£2,504.15
Equipment	£8,074.12	£3,450.10
Training Expenses	£542.00	£1,863.63
General Expenses	£725.79	£3,093.93
Clothing	£481.12	£491.49
	<u>£216,801.63</u>	<u>£172,520.42</u>

### **3. Hockey Pitches**

Maintenance Expenses	£9,725.69	£2,775.44
Equipment	-	£2,246.33
	<u>£9,725.69</u>	<u>£5,021.77</u>