

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT OF THE TREASURER

CATALOGUE SUPPLIES SERVICE JOINT COMMITTEE

FRIDAY 14 JULY 2011

STATEMENT OF ACCOUNTS 2010/2011

1. Purpose of the Report

- 1.1 The purpose of this report is to present the unaudited Statement of Accounts for the financial year ended 31st March 2011 to the Joint Committee.

2. Background

- 2.1 The Accounts and Audit Regulations require that the Joint Committee approves the audited Statement of Accounts by 30th September. The format and content of the statement is governed by those regulations and for 2010/11 the accounts have been produced in line with a new Code of Practice on Local Authority Accounting in the United Kingdom for 2010 which is in line with International Financial Reporting Standards.

3. Current Situation /Proposal

- 3.1 The unaudited Statement of Accounts for the financial year ended 31st March 2011 has been completed and is attached as Appendix 1.
- 3.2 The accounts will now be placed on public deposit and be subject to audit by KPMG, the auditors appointed for the Joint Committee by the Wales Audit Office. Once audited, the accounts will need to be approved by the Joint Committee by the 30th September 2011 and a Committee date will need to be set for this purpose.
- 3.3 The accounts show that in 2010/11 Catalogue Supplies made a net deficit of £3k. This is the net position after incurring the approved modernisation costs of £39k which are required to be shown in the Income & Expenditure Account, but have been funded from earmarked reserves. Were it not for this one-off item the trading results for the year would have shown a £36k surplus. The accumulated usable reserves for the Catalogue Supplies service is £516k at the 31st March 2011.

3.4 The following table provides a summary of the final financial position for the Catalogue Supplies service for 2010/11 as compared to the budget set at the start of the financial year.

Actual 2009/10 £000	Income	Revised Budget 2010/11 £000	Actual 2010/11 £000	Variance 2010/11 £000
(1,143)	Catalogue Sales (net)	(1,226)	(1121)	105
(192)	Other income	(190)	(187)	3
(1,335)	Total Income	(1,416)	(1,308)	108
	Expenditure			
925	Employees	977	903	(74)
96	Premises	82	87	5
68	Transport	119	107	(12)
197	Supplies & Services	161	169	8
3	Third Party Payments	9	5	(4)
34	Support Services	36	37	1
1	Finance Charges	-	-	
3	Increase in Bad Debt Provision	2	3	1
1,327	Total Expenditure	1,386	1311	(75)
(8)	(SURPLUS)/ DEFICIT FOR YEAR	(30)	3	33

3.5 The main reasons for the deficit in 2010/11 are:

- An under-recovery in Catalogue Sales income of £105k due to anticipated growth in sales not being achieved together with higher purchase prices during the year resulting in a consequential reduction to overall sales margins.
- A net under-spend of £74k on employee's expenditure as a result of staff vacancies, no turnover/resources growth, and multiple maternities during the year.
- A net under-spend of £12k on transport costs in respect of external hire, fuel costs and car allowances. The transport budget has been reprofiled to include *carrier* expenditure which had previously been included within supplies and services, printing & stationery (carriage). A budget of £30k relating to *carrier costs* was previously held within Supplies & Services.
- A net overspend of £8k on supplies and services costs. Supplies & Services expenditure includes £39k which it was agreed would be funded from earmarked reserves and not the planned Revenue Budget.
- Other income includes a £29k rebate not included in the Service Business Plan.

4. Effect upon Policy Framework and Procedure Rules

4.1 There is none.

5. Equalities Impact Assessment

- 5.1 There is no impact on specific equality groups and disability duties.
6. **Financial Implications**
- 6.1 These are reflected in the report and attached Statement of Accounts.
7. **Recommendation:**
- 7.1 The Joint Committee is recommended to note its unaudited Statement of Accounts for 2010/11.
- 7.2 That a Committee date is arranged for September to approve the audited accounts.

**DAVID MACGREGOR, CPFA
ASSISTANT CHIEF EXECUTIVE, S151 OFFICER
BRIDGEND COUNTY BOROUGH COUNCIL
TREASURER TO THE CATALOGUE SUPPLIES SERVICE JOINT
COMMITTEE**

14th JULY 2011

Contact Officer: Frances Mantle Tel No (01656) 643286
Principal Accountant
F.Mantle@bridgend.gov.uk

Background Papers: Statement of Accounts 2010/11