

# BRIDGEND COUNTY BOROUGH COUNCIL

## REPORT OF THE TREASURER

### CATALOGUE SUPPLIES SERVICE JOINT COMMITTEE

THURSDAY 27 JUNE 2013

#### STATEMENT OF ACCOUNTS 2012/2013

##### 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 31 March 2013 to the Joint Committee.

##### 2. **Connection to Corporate Improvement Objectives/ Other Corporate Priorities**

- 2.1 None

##### 3. **Background**

- 3.1 The Accounts and Audit Regulations require that the Joint Committee approves the audited Statement of Accounts by 30 September. The format and content of the statement is governed by those regulations and for 2012/13 the accounts have been produced in line with the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) for 2012/13 which is in line with International Financial Reporting Standards.

##### 4. **Current Situation /Proposal**

- 4.1 The unaudited Statement of Accounts for the financial year ended 31 March 2013 has been completed and is attached as Appendix 1.
- 4.2 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 30 September 2013 and a Committee date will need to be set for this purpose.
- 4.3 The accounts show that in 2012/13 the Joint Supplies Service (JSS) made a net surplus of £158k as reported in the Comprehensive Income and Expenditure statement. This includes an adjustment in respect of holiday entitlements as required by accounting practise. The

accumulated usable reserves for the JSS is £833k at the 31 March 2013 compared to £668k in the preceding year.

- 4.4 For reporting consistency, the actual performance for the year is also provided in the format in which information is normally reported to the Joint Committee. This excludes any accrual in respect of the cost of holiday entitlements earned by employees but not taken at the year end. The financial position as at 31 March 2013 (excluding holiday accruals) showed a surplus in the year of £165k.
- 4.5 The following table provides a summary of the final financial position for the JSS for 2012/13 as compared to the budget set at the start of the financial year.

Actual 2011/12 £000	Income	Budget 2012/13 £000	Actual 2012/13 £000	Variance 2012/13 £000
(1,242)	Catalogue Sales (net)	(1,250)	(1,377)	(127)
(156)	Other income*	(135)	(125)	10
<b>(1,398)</b>	<b>Total Income</b>	<b>(1,385)</b>	<b>(1,502)</b>	<b>(117)</b>
	<b>Expenditure</b>			
882	Employees	910	903	(7)
84	Premises	87	100	13
100	Transport	109	104	(5)
137	Supplies & Services	154	176	22
9	Third Party Payments	9	17	8
34	Support Services	38	38	-
2	Finance Charges	1	1	-
-	Increase/(Decrease) in Provisions-(Bad Debt & Stock Obsolescence)		(2)	(2)
<b>1,248</b>	<b>Total Expenditure</b>	<b>1,308</b>	<b>1,337</b>	<b>29</b>
<b>(150)</b>	<b>(SURPLUS)/ DEFICIT FOR YEAR</b>	<b>(77)</b>	<b>(165)</b>	<b>(88)</b>

- 4.6 Explanations for the more significant variances from budget are given below:

The more significant variances are:-

- An over-recovery in Catalogue Sales income of £127k as a result of favourable levels of trading experienced in the year together with maintained product margins during the year.
- A net underspend of £7k on employees' budget as a consequence of delayed/deferred filling of vacancies during the period of service process and structure change.
- A net overspend of £13k on premises costs mainly due to increased day-to-day building maintenance costs.
- A net underspend of £5k on transport in respect of budget contingency provision and reduced travel expense expenditure.

- A net overspend of £22k on supplies and services costs as a consequence of financing the Phase 1 modernisation investment from within the overall service revenue budget and consequently not utilising the accumulated reserves as originally planned.
- A net overspend of £8k on third party payments as a consequence of financing the transport logistics consultancy review from within the overall revenue services budget.

\* Other income includes catalogue sponsorship of £87k, contract (retrospective) rebates of £29k, site recharge income of £7k and a one-off Inventory Data recharge of £2k.

## **5 Effect upon Policy Framework and Procedure Rules**

5.1 There are no implications.

## **6. Equalities Impact Assessment**

6.1 There is no impact on specific equality groups and disability duties.

## **7. Financial Implications**

7.1 These are reflected in the report and attached Statement of Accounts.

## **8. Recommendation**

8.1 The Joint Committee is recommended to note its unaudited Statement of Accounts for 2012/13.

8.2 That a Committee date is arranged for September to approve the audited accounts.

**NESS YOUNG, CPFA  
CORPORATE DIRECTOR RESOURCES, S151 OFFICER  
BRIDGEND COUNTY BOROUGH COUNCIL  
TREASURER TO THE CATALOGUE SUPPLIES SERVICE JOINT  
COMMITTEE**

**27 June 2013**

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**Background Papers:** Statement of Accounts 2012/13