

# BRIDGEND COUNTY BOROUGH COUNCIL

## REPORT OF THE TREASURER

### CATALOGUE SUPPLIES SERVICE JOINT COMMITTEE

THURSDAY 26 JUNE 2014

#### STATEMENT OF ACCOUNTS 2013-14

##### 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 2014 to the Joint Committee.

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

- 2.1 None

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

- 3.1 The Accounts and Audit (Wales) Regulation 2005 (as amended) require that the Joint Committee must sign and date the accounts by 30<sup>th</sup> June and certify that they present a true and fair view. The Joint Committee will then be required to re-approve the accounts as soon as reasonably practicable after the receipt of the auditor's final findings. The audited accounts must be published by no later than the 30<sup>th</sup> September. The format and content of the statement is governed by those regulations and for 2013-14 the accounts have been produced in line with the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) for 2013 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 2014 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 2014, and will be presented to the next Committee meeting on 25<sup>th</sup> September 2014 for approval.

- 4.3 The accounts show that in 2013-14 Catalogue Supplies made a net surplus of £176,000 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 reserve for the Catalogue Supplies service is £1.008millionat the 31 March 2014 compared to £833,000 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 2014 (excluding holiday accruals) showed a surplus in the year of £176,000. For 2013-14 this is the same as the surplus figure reported in the Comprehensive Income and Expenditure Account which although included an adjustment in respect of holiday entitlements the movement had a net effect in the year on the surplus.
- 4.5 The following table provides a summary of the financial position for the Catalogue Supplies service for 2013-14 as compared to the budget set at the start of the financial year.

<b>Actual 2012-13 £000</b>	<b>Income</b>	<b>Budget 2013-14 £000</b>	<b>Actual 2013-14 £000</b>	<b>Variance 2013-14 £000</b>
(1,377)	Catalogue Sales (net)	(1,200)	(1,272)	(72)
(125)	Other income*	(105)	(121)	(16)
	Financing Investment & Income	-	(1)	(1)
<b>(1,502)</b>	<b>Total Income</b>	<b>(1,305)</b>	<b>(1,394)</b>	<b>(89)</b>
	<b>Expenditure</b>			
903	Employees	813	792	(21)
100	Premises	94	99	5
104	Transport	110	126	16
176	Supplies & Services	145	140	(5)
17	Third Party Payments	9	9	-
38	Support Services	39	53	14
1	Finance Charges	0	0	-
(2)	Increase/(Decrease) in Provisions-(Bad Debt & Stock Obsolescence)		(1)	(1)
<b>1,337</b>	<b>Total Expenditure</b>	<b>1,210</b>	<b>1,218</b>	<b>8</b>
<b>(165)</b>	<b>(SURPLUS)/ DEFICIT FOR YEAR</b>	<b>(95)</b>	<b>(176)</b>	<b>(81)</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 £72,000 as a result of favourable levels of trading experienced in the year together with maintained product margins during the year.
- An over-recovery in Other Income of £16,000 as a result of increased catalogue sponsorships.
- A net underspend of £21,000 on employees' budget as a consequence of three vacant posts and reduced working contract hours of two staff.
- A net overspend of £5,000 on premises costs mainly due to increased day-to-day building maintenance costs.
- A net overspend of £16,000 on transport in respect of External fleet hire costs.
- A net underspend of £5,000 on supplies and services costs as a consequence of a general reduction in running costs.
- A net overspend of £14,000 on support services as a consequence of increased central finance recharges.

\* Other income includes catalogue sponsorship of £86,000, contract (retrospective) rebates of £27,000 and, site recharge income of £8,000.

**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 2013-14.

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BRIDGEND COUNTY BOROUGH COUNCIL  
TREASURER TO THE CATALOGUE SUPPLIES SERVICE JOINT  
COMMITTEE**

**26 June 2014**

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**Background Papers:** Statement of Accounts 2013-14