

**BRIDGEND COUNTY BOROUGH COUNCIL**

**REPORT OF THE TREASURER**

**CATALOGUE SUPPLIES JOINT COMMITTEE**

**30 MARCH 2017**

**ANNUAL ACCOUNTING STATEMENT 2016-17**

**1. Purpose of the Report**

1.1 The purpose of this report is to present the final audited Annual Accounting Statement of Catalogue Supplies for the financial year 2016-17 to the Joint Committee and to gain approval for the re-imbusement of balances to the partner authorities on the basis of the constitution

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

2.1 None.

**3. Background**

3.1 The Catalogue Supplies Committee agreed to the closedown of the organisation at their meeting on the 18 December 2015 and the organisation ceased trading on the 31 March 2016. The organisation previously had a turnover that exceeded the £2.5 million threshold of smaller local government bodies under Regulation 14 of the Accounts and Audit (Wales) Regulations 2014 which required it to produce a Statement of Accounts.

3.2 During 2016-17 the turnover of Catalogue Supplies was below the threshold. Consequently, Catalogue Supplies were only required to complete an Annual Accounting Statement for 2016-17.

**4. Current Situation /Proposal**

4.1 The Annual Return for 2016-17 as certified by Internal Audit is attached at Appendix 1. This shows the net position of Catalogue Supplies as nil as it includes the distribution of residual balances to the partner authorities.

4.2 In 2016-17 Catalogue Supplies made a net loss of £119,718. This was as a result of two months running costs and only a small amount of income post closedown of the business.

4.3 For reporting consistency, the actual performance for the year is provided in a format which is normally reported to the Joint Committee.

4.4 The following table shows a summary of the final financial position for 2016-17.

**Table 1 – Catalogue Supplies Financial Position 2016-17**

<b>Actual 2015-16 £000</b>		<b>Actual 2016-17 £000</b>
	<b>Income</b>	
(1,084)	Catalogue Sales (net)	(77)
(46)	Other income	0
(4)	Financing Investment & Income	0
<b>(1,134)</b>	<b>Total Income</b>	<b>(77)</b>
	<b>Expenditure</b>	
1,172	Employees	93
98	Premises	43
134	Transport	0
121	Supplies & Services	72
47	Third Party Payments	0
53	Support Services	25
36	Increase/(Decrease) in Provisions-(Bad Debt)	(36)
<b>1,661</b>	<b>Total Expenditure</b>	<b>197</b>
<b>527</b>	<b>(Surplus)/Deficit for year</b>	<b>120</b>

4.5 No budget was set for 2016-17 because of the closedown of the business, so a brief description on the main elements is given below:

- The income relates to invoices raised in 2016-17 for goods ordered during 2015-16 but not received until 2016-17 and income received as a result of the sale of surplus stock and racking.
- The Employees costs are the salary for the months of April and May 2016 together with termination costs such as Loyalty Awards, small differences in Redundancy costs and Holiday pay.
- The Premises cost relates to the Catalogue Supplies portion of the County Supplies building which they occupied for two months.
- The Supplies and Services cost relate to £44,000 of items ordered during 2015-16 but not received until 2016-17 and the final payment of the consultants fees £15,000.
- The Support Cost are detailed below are the charges for the time incurred by Bridgend CBC staff in closure the business.

**Table 2 – Support Costs**

<b>2015-16</b> £		<b>2016-17</b> £
10,700	Accountancy	6,034
2,270	Procurement	8,358
20	Internal Audit	0
6,960	Legal	9,622
8,550	Human Resources	575
4,790	Property	0
2,010	Creditors	0
17,510	IT	0
<b>52,810</b>	<b>Total</b>	<b>24,589</b>

- 4.6 In addition to the Income and Expenditure Statement, a supplementary Balance Sheet is provided in Table 3 below. This supplementary information provides breakdown of the figures prior to them being re-distributed to the Partner Authorities on the basis agreed in the Constitution.

**Table 3 – Balance Sheet for Years Ended 31 March 2016 & 2017**

<b>31 March 2016</b> £000	<b>Description</b>	<b>31 March 2017</b> £000
10	Inventories	0
228	Short Term Debtors	0
1,128	Cash	673
<b>1,366</b>	<b>Current Assets</b>	<b>673</b>
0	(Cash Overdrawn)/Cash and Cash Equivalents	0
(595)	Short Term Creditors	(15)
<b>(595)</b>	<b>Current Liabilities</b>	<b>(15)</b>
<b>771</b>	<b>Net Assets</b>	<b>658</b>
	<b>Usable reserves</b>	
777	Accumulated Surplus	658
0	Earmarked Reserve	0
	<b>Unusable reserves</b>	
(6)	Short-term Accumulating Absences	0
<b>771</b>	<b>Total Reserves</b>	<b>658</b>

- 4.7 Further information to explain the balances are provided below:

- The Accumulated Surplus has been allocated to the Partner Authorities on the basis of Population which is the agreed method in the Constitution. The latest mid-year figures have been used which are the mid-year 2015 figures obtained from the Welsh Government website.
- The Short Term Creditors represent overpayments that have been made by Partner Authorities which now need to be repaid to them. Details of the individual

transactions have been provided to the Partners and the amounts repayable are detailed below. The Net Credits represent the balance of creditors due to each respective authority.

Authority	Population	%	Accumulated Surplus	Net Credits	Net Payment
RCT	237,411	38.35	£252,248.19	£ 5,926.65	£258,174.84
Bridgend	142,092	22.96	£151,020.03	£ 2,124.34	£153,144.37
Caerphilly	180,164	29.11	£191,471.83	£ 5,275.02	£196,746.85
Merthyr	59,324	9.58	£ 63,012.72	£ 1,868.72	£ 64,881.44
	618,991		£657,752.77	£15,194.73	£672,947.50

4.8 These balances have been distributed to the Partner Authorities and the Annual Return for 2016-17 has been produced to reflect this.

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

5.1 None.

## 6. **Equalities Impact Assessment**

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

## 7. **Financial Implications**

7.1 The Financial implications are included in the body of the report

## 8. **Recommendation:**

8.1 It is recommended that the Joint Committee approves the Annual Return 2016-17 for Catalogue Supplies Joint Committee and to submit it to the Wales Audit Office.

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

**21 March 2017**

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## **Background Papers**

None