

**BRIDGEND COUNTY BOROUGH COUNCIL**

**REPORT OF THE TREASURER**

**CATALOGUE SUPPLIES SERVICE JOINT COMMITTEE**

**THURSDAY 25 JUNE 2015**

**STATEMENT OF ACCOUNTS 2014-15**

**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 2015 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) Regulations 2014 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 September. The format and content of the statement is governed by those regulations and for 2014-15 the accounts have been produced in line with the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) for 2014 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 2015 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 2015, and will be presented to the next Committee meeting on 24 September 2015 for approval.

- 4.3 The accounts show that in 2014-15 Catalogue Supplies made a net surplus of £300,000 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 £1.304million at the 31 March 2015 compared to £1.008million 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 2015 (excluding holiday accruals) showed a surplus in the year of £295, 000.
- 4.5 The following table provides a summary of the financial position for the Catalogue Supplies service for 2014-15 as compared to the budget set at the start of the financial year.

<b>Actual 2013-14 £000</b>	<b>Income</b>	<b>Budget 2014-15 £000</b>	<b>Actual 2014-15 £000</b>	<b>Variance 2014-15 £000</b>
(1,272)	Catalogue Sales (net)	(1,253)	(1,417)	(164)
(121)	Other income *	(110)	(129)	(19)
(1)	Financing Investment & Income	-	(4)	(4)
<b>(1,394)</b>	<b>Total Income</b>	<b>(1,363)</b>	<b>(1,550)</b>	<b>(187)</b>
	<b>Expenditure</b>			
792	Employees	821	783	(38)
99	Premises	113	92	(21)
126	Transport	112	148	36
140	Supplies & Services	146	131	(15)
9	Third Party Payments	25	57	32
53	Support Services	51	45	(6)
(1)	Increase/(Decrease) in Provisions-(Bad Debt)		(1)	(1)
<b>1,218</b>	<b>Total Expenditure</b>	<b>1,268</b>	<b>1,255</b>	<b>(13)</b>
<b>(176)</b>	<b>(SURPLUS)/ DEFICIT FOR YEAR</b>	<b>(95)</b>	<b>(295)</b>	<b>(200)</b>

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

The more significant variances are:-

- Additional Catalogue Sales income of £164,000 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 £19, 000 as a result of increased catalogue sponsorships.
- A net underspend of £38,000 on employees' budget due to decreased staff costs as a result of vacancy management.
- A net underspend of £21,000 on premises costs due to the extension of shared building costs with other departments located at County Borough Supplies.
- A net overspend of £36,000 on transport due to increased usage of the service by Cardiff and Vale of Glamorgan educational sectors.
- A net underspend of £15,000 on supplies and services costs as a consequence of a general reduction in running costs including a reduction in the cost of producing the catalogue.
- A net overspend of £32,000 on third party payments as a result of one-off migration costs of the website & development work.
- A net underspend of £6,000 on support services as a consequence of a general reduction on the base budgets on which the recharge is based.

\* Other income includes catalogue sponsorship of £89,000, contract (retrospective) rebates of £32,000, site recharge income of £7,000.

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

5.1 There is no effect upon the Policy Framework and Procedure Rules.

## **6. Equalities Impact Assessment**

6.1 There are no equality implications.

## **7. Financial Implications**

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

## **8. Recommendation**

8.1 The Joint Committee is recommended to approve its unaudited Statement of Accounts for 2014-15.

**NESS YOUNG, CPFA  
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BRIDGEND COUNTY BOROUGH COUNCIL  
TREASURER TO THE CATALOGUE SUPPLIES SERVICE JOINT  
COMMITTEE**

**25 June 2015**

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**Background Papers:** Statement of Accounts 2014-15