

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT OF THE TREASURER

CATALOGUE SUPPLIES SERVICE JOINT COMMITTEE

13 JULY 2016

STATEMENT OF ACCOUNTS 2015-16

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 2016 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 2014 require that the Joint Committee's accounts be signed and dated by the Finance Officer responsible for the accounts by 30 June and certified that they present a true and fair view. The section 151 officer has signed the accounts which as presented to the Joint Committee. These are then subject to audit after which the Joint Committee are then required to approve the accounts by the 30 September. The format and content of the statement is governed by those regulations and the accounts have been produced in line with the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) for 2015-16 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 2016 has been completed and is attached at Appendix 1.
- 4.2 The accounts have been placed on public deposit and will then be subject to audit by Wales Audit Office.
- 4.3 The accounts show that in 2015-16 Catalogue Supplies made a net loss of £604,000 as reported in the Comprehensive Income and Expenditure Statement. This includes an adjustment of £8,000 in respect of holiday entitlements as required by accounting practise which is not shown in the table in 4.5 below. The accumulated usable reserve for the Catalogue Supplies service is £738,000 at 31 March 2016 compared to £1.306 million 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 2016 (excluding holiday accruals) showed a deficit in the year of £596,000.

4.5 The following table provides a summary of the financial position for the Catalogue Supplies service for 2015-16 as compared to the budget set at the start of the financial year.

Actual 2014-15 £000	Income	Budget 2015-16 £000	Actual 2015-16 £000	Variance 2015-16 £000
(1,417)	Catalogue Sales (net)	(1,246)	(1,084)	162
(129)	Other income*	(100)	(46)	54
(4)	Financing Investment & Income	-	(4)	(4)
(1,394)	Total Income	(1,346)	(1,134)	212
	Expenditure			
783	Employees	797	1205	408
92	Premises	110	98	(12)
148	Transport	136	134	(2)
131	Supplies & Services	129	157	28
457	Third Party Payments	25	47	22
45	Support Services	54	53	(1)
(1)	Increase/(Decrease) in Provisions-(Bad Debt)		36	36
1,255	Total Expenditure	1,251	1,750	479
(295)	(SURPLUS)/ DEFICIT FOR YEAR	(95)	596	691

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

The more significant variances are:-

- Lower Sales income than predicted as a result of the cessation in trading of the Service.
- An increase in the Employee costs includes the provision for redundancy costs of £421,000.
- An overspend on Supplies and Services costs includes £43,000 of costs relating to the proposed relocation of the business. The plans to relocate the Service were abandoned when the Joint Committee agreed to close the Service.

- An underspend on the premises costs is as a result of the reduced spend on maintenance because of the proposed closure of the building.
- An increase in the Bad Debt provision to provide for the non-collection of outstanding amounts receivable from organisations who are not partners of the Service.

* Other income includes catalogue sponsorship of £1,000, contract (retrospective) rebates of £37,000, 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 the unaudited Statement of Accounts for 2015-16.

**RANDAL HEMINGWAY
HEAD OF FINANCE, S151 OFFICER
BRIDGEND COUNTY BOROUGH COUNCIL
TREASURER TO THE CATALOGUE SUPPLIES SERVICE JOINT
COMMITTEE**

01 July 2016

Contact Officer: Adele Ahearn Tel No (01656) 643358
Accountant (Financial Control)
adele.ahearn@bridgend.gov.uk

Background Papers: Statement of Accounts 2015-16