



ESPO MANAGEMENT COMMITTEE – 27 SEPTEMBER 2016

**DRAFT STATEMENT OF ACCOUNTS AND ANNUAL GOVERNANCE
STATEMENT 2015/16**

JOINT REPORT OF THE DIRECTOR AND CONSORTIUM TREASURER

Purpose of Report

1. This report sets out the Statement of Accounts and Annual Governance Statement for the financial year 2015/16.

Background

2. Local Authority Accounting requires the organisation to approve the Statement of Accounts and Annual Governance Statement for the financial year 2015/16 and receive the Auditor's report by the end September 2016.
3. The Draft Statement of Accounts was distributed to members on 14 June 2016. The Draft Outturn and the Draft Annual Governance Statement was considered by the Management Committee at the meeting on 21st July 2016. There have been no further changes since that date.

**Draft Statement of Accounts and Annual Governance Statement
2013/14**

4. The Draft Statement of Accounts and Annual Governance Statement for 2015/16 are attached as Appendix 1.
5. Price Waterhouse Coopers (PWC) commenced final audit of the accounts on 13th June for two weeks. The draft audit opinion is considered elsewhere on the agenda.
6. The CIPFA Code of Practice on Local Authority Accounting requires the organisation to disclose information relating to the impact of an accounting change that will be required by any new standards that has been issued by 1 January 2016 but not yet adopted by the Code for the relevant year. The changes that have not yet been implemented are stated with the Accounts.

Key Points

7. Value of Land and Buildings:- The Grove Park premises were valued at £11m (2014/15 - £10.5m) in accordance with professional guidelines. The outstanding long term loan now stands at £7.0m (2014/15 £7.5m). Note 10 and 12 in the Statutory Accounts

8. Cash at Bank:- Total cash balances were £12.1m (2014/15 £9.8m) an increase of £2.3m mainly down to the new stock optimisation systems, improved debtor days, and increased surplus.. The total dividend declared but not yet paid stands at £2.4m (2014/15 £1.5m), a record distribution. Note 8 in the Statutory Accounts.
9. Net Assets:- Total net assets grew to £14.5m from £12.8m in the prior year. This is principally due to the surplus on provision of services of £3.3m. Page 8 in the Statutory Accounts
10. Post Balance Sheet Events:- Leicester City Council have formally left the Consortium and a new Consortium agreement is in place. Note 5 in the Statutory Accounts.

Resources Implications

11. None

Recommendation

12. The Management Committee is asked to approve the Draft Statement of Accounts for 2015/16 and the Annual Governance Statement.

Equality and Human Rights Implications

13. None.

Background Papers

14. None.

Officers to Contact

Mr C Tambini – Consortium Treasurer (Tel: 0116 305 7831)
Mr J Doherty – Director of ESPO (Tel: 0116 265 7930)

Appendices

Appendix 1 - Draft Annual Statement of Accounts
Appendix 2 - Annual Governance Statement