



ESPO FINANCE SUBCOMMITTEE – 22 August 2012

AGENDA ITEM NO. 6

DRAFT STATEMENT OF ACCOUNTS 2011/12

**JOINT REPORT OF THE INTERIM DIRECTOR AND CONSORTIUM
TREASURER**

Purpose of Report

1. To present the draft statement of accounts for the financial year 2011/12.

Background

2. The Statement of Accounts for 2011/12 is prepared under the IFRS based code of practice on local authority accounting, consistent with the prior year. The major changes in regulations that would affect ESPO this year involve some additional disclosure requirements relating to severance packages. The major changes in local authority accounting relating to heritage assets and IFRS 7 financial instruments are not relevant to ESPO.

Draft Statement of Accounts 2011/12

3. The Draft Statement of Accounts for 2011/12 are attached as Appendix an appendix to this report.
4. These were distributed to members on 9th July 2012 in accordance with the minutes of the Management Committee meeting held on 25th June 2012.
5. PriceWaterhouseCoopers (PWC) commenced final audit of the accounts on 6th August 2012 for one week. Should it be possible to do so, it is intended for an oral update on audit progress to be provided to members at the meeting.
6. Formal approval of the statement of accounts is required by the Management Committee before the end of September 2012.

Key Points

7. **Value of Land and Buildings:-** The Grove Park premises were re-valued at £10m (2010/11 - £9.5m) in accordance with professional guidelines. The outstanding long term loan now stands at £9.0m (2010/11 £9.5m).

8. **Cash at Bank:-** Total cash balances were £7.23m (2010/11 £4.98m) an increase of 44.9%. The total dividend declared but not yet paid stands at £3.49m (2010/11 £1.76m).
9. **Net Assets:-** Total net assets grew to £8.5m from £6.8m in the prior year. This is principally due to the surplus on provision of services of £1.1m, which is after dividends and interest and in addition the value of the land and buildings has increased by £0.6m.
10. **Post Balance Sheet Events:-** The key post balance sheet events being the resolution of the outstanding legal claim and the settlement of the bonus are reflected in the notes to the statement of accounts. Both issues were resolved in line with the provisions set aside.

Resources Implications

11. None

Recommendation

12. The Subcommittee is asked to note that the Management Committee will be asked to approve the Draft Statement of Accounts at its meeting in September 2012.

Equal Opportunities Implications

13. None

Background Papers

14. None

Officer to Contact

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Mr B Roberts – Treasurer to the Consortium (Tel: 0116 305 7831)

Appendices

Draft Annual Statement of Accounts