



ESPO FINANCE AND AUDIT SUBCOMMITTEE – 3 SEPTEMBER 2013

**DRAFT STATEMENT OF ACCOUNTS AND ANNUAL GOVERNANCE
STATEMENT 2012/13**

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 2012/13.

Background

2. The Statement of Accounts for 2012/13 is prepared under the IFRS based code of practice on local authority accounting, consistent with the prior year. There have been no major changes in financial regulations that will affect ESPO this year. The following changes have not yet been implemented:
 - IAS 19 Employee Benefits (amended). This is applicable to accounting periods starting on or after 1 January 2013. The key change affecting local government pension scheme employers relates to the expected return on assets.
 - IAS 1 Presentation of Financial Statements (amended). The changes are presentational only and will not impact on any of the reported amounts in the Comprehensive Income and Expenditure Statement.

**Draft Statement of Accounts and Annual Governance Statement
2012/13**

3. The Draft Statement of Accounts and Annual Governance Statement for 2012/13 are attached as Appendix 1.
4. The Draft Statement of Accounts were distributed to members on 1st August 2013 in accordance with the minutes of the Management Committee meeting held on 27th June 2013. The Draft Annual Governance Statement was considered by the Management Committee at this meeting.
5. PriceWaterhouseCoopers (PWC) commenced final audit of the accounts on 5th August 2013 for two weeks. It is hoped that an oral update on audit progress can be submitted to members on 3rd September 2013.
6. Formal approval of the accounts is required from the Management Committee before the end of September 2013.

Key Points

- Value of Land and Buildings:- The Grove Park premises were re-valued at £10m (2011/12 - £10m) in accordance with professional guidelines. The outstanding long term loan now stands at £8.5m (2010/11 £9.0m).
- Cash at Bank:- Total cash balances were £9.22m (2011/12 £7.23m) an increase of 27.5%. The total dividend declared but not yet paid stands at £1.53m (2011/12 £3.49m).
- Net Assets:- Total net assets grew to £9.6m from £8.5m in the prior year. This is principally due to the surplus on provision of services of £1.1m.
- Post Balance Sheet Events:- None

Resources Implications

7. None

Recommendation

8. The Subcommittee is asked to note that the Management Committee will be asked to approve the Draft Statement of Accounts for 2012/13.

Equal Opportunities Implications

9. None

Background Papers

10. None

Officer to Contact

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

Appendices

Draft Annual Statement of Accounts
Annual Governance Statement