



ESPO FINANCE AND AUDIT SUBCOMMITTEE – 9 SEPTEMBER 2014

**DRAFT STATEMENT OF ACCOUNTS AND ANNUAL GOVERNANCE
STATEMENT 2013/14**

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 2013/14.

Background

2. Local Authority Accounting requires the organisation to approve the Statement of Accounts and Annual Governance Statement for the financial year 2013/14 and receive the Auditor's report by the end September 2014.
3. The Draft Statement of Accounts were distributed to members on 1st August 2014 in accordance with the minutes of the Management Committee meeting held on 26th June 2014. The Draft Annual Governance Statement was considered by the Management Committee at this meeting.

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

4. The Draft Statement of Accounts and Annual Governance Statement for 2013/14 are attached as Appendix 1.
5. ESPO's external auditor PriceWaterhouseCoopers (PWC) commenced final audit of the accounts on 4th August 2014 for two weeks. It is hoped that an oral update on audit progress can be submitted to members on 9th September 2014. PWC will be present at the Management Committee on 25 September to provide its formal opinion and respond to any issues Members wish to raise.
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 2014 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 £10m (2012/13 - £10m) in accordance with professional guidelines. The outstanding long term loan now stands at £8.0m (2012/13 £8.5m). See Note 10 and 12 in the Statutory Accounts.
8. Cash at Bank:- Total cash balances were £8.5m (2012/13 £9.2m) a decrease of £0.7m mainly down to the release of Phonics money owed to other Pro5 Members at the previous year end. The total dividend declared but not yet paid stands at £1.5m (2012/13 £1.5m). See Note 15 in the Statutory Accounts.
9. Net Assets:- Total net assets grew to £10.9m from £9.6m in the prior year. This is principally due to the surplus on provision of services of £1.3m. See Page 8 in the Statutory Accounts.
10. Post Balance Sheet Events:- Leicester City Council has formally left the Consortium and a new Consortium agreement is in place. See Note 5 in the Statutory Accounts.

Resources Implications

11. None.

Recommendation

12. The Subcommittee is asked to note that the Management Committee will be asked to consider and approve the Draft Statement of Accounts for 2013/14.

Equal Opportunities Implications

13. None

Background Papers

14. None

Officer to Contact

Mr C Tambini – Consortium Treasurer (Tel: 0116 305 7831)
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Appendices

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