

Alex Thompson
Director of Finance & Customer Services

2019/20 Draft Statement of Accounts

Audit & Governance Committee

30th July 2020

*Working for a **brighter future** together*



Changes to Deadlines

The Accounts and Audit (Coronavirus) (Amendment) Regulations 2020

These amendments extend the deadline for relevant authorities to publish their statement of accounts and supporting documents (together with any certificate or opinion of the local auditor) in relation to the financial year beginning on 1st April 2019, from 31st July to 30th November 2020.

Important Dates

July 30th	Committee receive presentation on draft SOA
August 3rd	Public Inspection (30 working days to 11 th Sept)
August - Oct	Mazars on site for main audit
August 28th	Revenue Outturn Form submitted to government
Sept 30th	Draft Whole of Government Accounts submitted
November 11th	Committee receive audited SOA for approval.
November 12th	Audited Statement of Accounts published

Approving the Accounts

- The Group Accounts require the approval of the Audit & Governance Committee at their meeting on 11th November 2020.
- Each entity within the group also has a set of accounts that require approval, either by the Committee or a Company Board.
- The Cheshire East Group accounts are audited by Mazars LLP.
- The companies accounts are audited by Grant Thornton UK LLP.

Cheshire East Group 2019/20

Cheshire East Borough Council

Wholly owned companies

Associate

CERF

Ansa
Ltd

Orbitas
Ltd

Engine
of the
North
Ltd

Transport
Service
Solutions
Ltd

Civicance
Ltd

Skills and
Growth
Co. Ltd

Tatton Park
Enterprise
Ltd

Not
consolidated

Cheshire &
Warrington
Local
Enterprise
Partnership

Not
consolidated

Cheshire East Group

Statement of Accounts 2019/20

Supporting Narrative

- Overview of financial and operational performance.
- Includes achievements, risks and lots of facts and figures.

Management Accounts headlines

- Group useable reserves decreased £5.8m to **£107.0m**
 - 90% of useable reserves have been earmarked
 - Council Revenue spending was **£283.4m**
 - Expenditure was funded In-Year Income and Useable Reserves but with no impact on the General Fund Balance
 - Wholly Owned Companies spending was **£57.8m**
 - Wholly Owned Companies achieved a surplus of **£0.5m**

Cheshire East Council make up 99.7% of the Group

Cheshire East Borough Council – Management Accounts

- **£283.4m of Net revenue spending** supported services, an increase of £12.5m (4.6%) from 2018/19.
- **£410.7m of Council Tax and Business Rates** were managed through the Collection Fund.
- **£124.0m of Capital Spending** was completed.

Cheshire East Group – 2019/20

Movement in reserves	Usable £m	Unusable £m	Total £m
Opening Balance	112.8	136.7	249.5
I & E Surplus/(Deficit)	(26.1)	206.9	180.8
I & E (Adjustments)	20.3	(20.3)	0
Change	(5.8)	186.6	180.8
Closing Balance	107.0	323.3	430.3

Increases: Revaluation Reserve; Decreases: pension liability, earmarked reserves

Cheshire East Group - 2019/20

Income & Expenditure	2018/19	2019/20
Cost of Services	322.2	354.9
Other Income & Expenditure	55.2	36.7
Taxation and Non-Specific Grant	(359.2)	(365.5)
(Surplus) or Deficit on Provision of Services	18.2	26.1
Revaluation of Assets	(12.6)	(25.3)
Pension Liability	86.9	(181.6)
Total I & E (Surplus) or Deficit	92.5	(180.8)

Cheshire East Group – 2019/20

Balance Sheet	2018/19	2019/20
Long Term Assets	1,000.6	1,082.7
Current Assets	82.1	109.2
Current Liabilities	(168.1)	(255.9)
Long Term Liabilities	(665.1)	(505.7)
Net Assets	249.5	430.3
Usable Reserves	112.8	107.0
Unusable Reserves	136.7	323.3
Total Reserves	249.5	430.3

Positive impact: Property & Plant; Investment Property; LT Investments; Pensions Liability;
Capital Receipts in Advance; Short Term Debtors

Negative impact: ST Borrowing; ST Investments

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Cheshire East Group

Cashflow	2018/19 £m	2019/20 £m
Opening Balance – cash & cash equivalents	5.1	17.1
Closing Balance	17.1	33.7
Net Increase / (decrease) in cash & cash equivalents	12.0	16.6

What to do now....

Members of the Committee should consider:

- Quality of the supporting narrative
- Relevance of the information provided
- Transparency of the accounts
- Engage with the Finance Team on any queries up to the Committee Date (11th November)

The Finance Team will:

- Work with Mazars to complete the audit.
- Promote the public engagement opportunities
- Provide further briefing sessions during October
- Finalise the accounts based on feedback