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# **2020/21 Draft Statement of Accounts**

**Audit & Governance Committee**

30<sup>th</sup> September 2021

# Changes to Deadlines

## The Accounts and Audit (Amendment) Regulations 2021

- The Accounts and Audit (Amendment) Regulations 2021 extend the statutory audit deadlines for 2020/21 and 2021/22. The publication date for audited accounts has been extended from 31st July to 30th September 2021 for all local authority bodies.
- Due to the implementation of Unit4 ERP to replace Oracle in February 2021, the deadline for Cheshire East has been extended to 30<sup>th</sup> November 2021, in consultation with Mazars the external auditors for this year only.

# Important Dates

<b>Sept 30<sup>th</sup></b>	Committee receive presentation on draft SOA
<b>October 1<sup>st</sup></b>	Public Inspection (30 working days to 11 <sup>th</sup> Nov)
<b>September - November</b>	Mazars on site for main audit
<b>November 25<sup>th</sup></b>	Committee receive SOA for approval.
<b>November 30<sup>th</sup></b>	Audited Statement of Accounts published

# Approving the Accounts

- The Group Accounts require the approval of the Audit & Governance Committee at their meeting on 25<sup>th</sup> November 2021.
- 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 2020/21

## Cheshire East Borough Council

### *Wholly owned companies*

CERF

Ansa Ltd

Orbitas Ltd

Transport Service  
Solutions Ltd

Tatton Park  
Enterprise Ltd  
Not consolidated

Cheshire &  
Warrington Local  
Enterprise  
Partnership  
Not consolidated

*Associate*

# Cheshire East Group

## Statement of Accounts 2020/21

### Supporting Narrative

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

### Management Accounts headlines

- Group useable reserves increased by £55.8m to **£165.4m**
  - 92% of useable reserves have been earmarked
  - Council Revenue spending (including Covid-19 related) was **£357.2m**
  - Net underspend was £1.2m, increased General Fund Balance from £10.3m to £11.5m
  - Wholly Owned Companies spending was **£58.8m**
  - Wholly Owned Companies achieved a surplus of **£0.7m**

### Cheshire East Council make up 99% of the Group

# Cheshire East Borough Council – Management Accounts

- **£357.2m of Net revenue spending** supported services, an increase of £73.8m (26%) from 2019/20.
- **Included Covid Related expenditure:**
  - £15.3m Un-ringfenced emergency grant
  - £4.9m Compensation for loss of sales, fees & charges income
- **£355.9m of Council Tax and Business Rates** were managed through the Collection Fund.
- **£105.0m of Capital Spending** was completed.

# Cheshire East Group – 2020/21

Movement in reserves	Usable £m	Unusable £m	Total £m
<b>Opening Balance</b>	<b>109.6</b>	<b>326.0</b>	<b>435.6</b>
I & E Surplus/(Deficit)	(11.6)	(210.9)	(222.5)
I & E (Adjustments)	67.3	(67.3)	0.0
<b>Change</b>	<b>55.8</b>	<b>(278.3)</b>	<b>(222.5)</b>
<b>Closing Balance</b>	<b>165.4</b>	<b>47.7</b>	<b>213.1</b>

Increases: pension liability, earmarked reserves;



# Cheshire East Group - 2020/21

Income & Expenditure	2019/20	2020/21
Cost of Services	355.2	356.4
Other Income & Expenditure	36.7	46.5
Taxation and Non-Specific Grant	(365.5)	(391.4)
<b>(Surplus) or Deficit on Provision of Services</b>	<b>26.4</b>	<b>11.5</b>
Revaluation of Assets	(25.3)	(13.8)
Pension Liability	(181.6)	224.8
<b>Total I &amp; E (Surplus) or Deficit</b>	<b>(180.5)</b>	<b>222.5</b>

# Cheshire East Group – 2020/21

Balance Sheet	2019/20	2020/21
Long Term Assets	1,082.8	1,117.5
Current Assets	106.3	151.3
Current Liabilities	(253.0)	(330.7)
Long Term Liabilities	(500.5)	(725.0)
<b>Net Assets</b>	<b>435.6</b>	<b>213.1</b>
Usable Reserves	109.6	165.4
Unusable Reserves	326.0	47.7
<b>Total Reserves</b>	<b>435.6</b>	<b>213.1</b>

Positive impact: LT Investments; Short Term Debtors; Long term borrowing

Negative impact: Short term Creditors; Pensions Liability

# Cheshire East Group

<b>Cashflow</b>	<b>2019/20 £m</b>	<b>2020/21 £m</b>
<b>Opening Balance – cash &amp; cash equivalents</b>	<b>17.1</b>	<b>33.7</b>
<b>Closing Balance</b>	<b>33.7</b>	<b>31.7</b>
<b>Net Increase / (decrease) in cash &amp; cash equivalents</b>	<b>16.6</b>	<b>(2.0)</b>

# 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 (25<sup>th</sup> November)

## **The Finance Team will:**

- Work with Mazars to complete the audit.
- Promote the public engagement opportunities
- Finalise the accounts based on feedback