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2021/22 Draft Statement of Accounts

Audit & Governance Committee

28th July 2022

Changes to Deadlines

The Accounts and Audit (Amendment) Regulations 2022

- The Accounts and Audit (Amendment) Regulations 2022 extend the statutory audit deadlines for 2021/22. The publication date for audited accounts has been extended from 31st July to 30th November 2022 for all local authority bodies.

Important Dates

| | |
|-------------------------------------|--------------------------------------------------------------|
| July 28th | Committee receive presentation on draft SOA |
| August 1st | Public Inspection (30 working days to 10 th Sept) |
| September – November | Mazars on site for main audit |
| November 24th | Committee receive audit findings and SOA. |
| November 30th | Audited Statement of Accounts published |

Approving the Accounts

- The Group Accounts require the approval of the Audit & Governance Committee. Recommendations will be made at the Committee meeting on 24th November 2022.
- 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 2021/22

Cheshire East Borough Council

Wholly owned companies

CERF

Ansa Ltd

Orbitas Ltd

Transport
Service
Solutions Ltd
(ceased trading
31st March
2022)

Tatton Park
Enterprise Ltd
Not consolidated due
to materiality

Cheshire &
Warrington Local
Enterprise
Partnership
Not consolidated

Associate

Cheshire East Group

Statement of Accounts 2021/22

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 £1.6m to **£166.9m**
 - 92% of useable reserves have been earmarked
 - Revenue spending (including Covid-19 related) was **£303.7m**
 - Net underspend was **£1.1m**
 - General Fund Balance increased from £11.5m to £12.6m
 - Wholly Owned Companies spending was **£54.8m**
 - Wholly Owned Companies achieved a surplus of **£0.047m**

Cheshire East Council make up 99% of the Group

Cheshire East Borough Council – Management Accounts

- **£303.7m of Net revenue spending** supported services, a decrease of £53.5m (15%) from 2020/21.
- **Included Covid Related expenditure:**
 - £7.3m Un-ringfenced emergency grant
 - £0.872m for loss of sales, fees & charges income
- **£286.0m of Council Tax and Business Rates** were managed through the Collection Fund.
- **£84.5m of Capital Spending** was completed.

Cheshire East Group – 2021/22

| Movement in reserves (£m) | Usable | Unusable | Total |
|---------------------------|--------------|--------------|--------------|
| Opening Balance | 165.3 | 49.4 | 214.8 |
| I & E Surplus/(Deficit) | (50.0) | 226.9 | 176.9 |
| I & E (Adjustments) | 51.6 | (51.6) | 0.0 |
| Change | 1.6 | 175.3 | 176.9 |
| Closing Balance | 166.9 | 224.8 | 391.7 |

Increases: pension liability, earmarked reserves;

Cheshire East Group - 2021/22

| Income & Expenditure (£m) | 2020/21 | 2021/22 |
|------------------------------------------------------|--------------|----------------|
| Cost of Services | 358.7 | 393.8 |
| Other Income & Expenditure | 44.3 | 47.8 |
| Taxation and Non-Specific Grant | (391.2) | (391.6) |
| (Surplus) or Deficit on Provision of Services | 11.8 | 50.0 |
| Revaluation of Assets | (4.2) | (24.2) |
| Pension Liability | 207.8 | (202.7) |
| Total I & E (Surplus) or Deficit | 215.4 | (176.9) |

Cheshire East Group – 2021/22

| Balance Sheet (£m) | 2020/21 | 2021/22 |
|-----------------------|--------------|--------------|
| Long Term Assets | 1,107.0 | 1,134.5 |
| Current Assets | 151.1 | 131.5 |
| Current Liabilities | (330.6) | (323.6) |
| Long Term Liabilities | (712.8) | (550.7) |
| Net Assets | 214.7 | 391.7 |
| Usable Reserves | 165.3 | 166.9 |
| Unusable Reserves | 49.4 | 224.8 |
| Total Reserves | 214.7 | 391.7 |

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

Negative impact: Short term Creditors; Pensions Liability

Cheshire East Group

| Cashflow (£m) | 2020/21 | 2021/22 |
|------------------------------------------------------|---------|---------|
| Opening Balance – cash & cash equivalents | 33.7 | 31.7 |
| Closing Balance | 31.7 | 40.8 |
| Net Increase / (decrease) in cash & cash equivalents | (2.0) | 9.1 |

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 (24th November)

The Finance Team will:

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