

## **FINAL ACCOUNTS 2015/16**

<u>Report of the:</u>	Treasurer to the Joint Management Committee
<u>Contact:</u>	Lee Duffy
<u>Annexes/Appendices</u> (attached):	Annexe 1: 2015/16 Accounts Annexe 2: Draft Financial Statements 2015/16
<u>Other available papers</u> (not attached):	Final Account Working Papers

### **REPORT SUMMARY**

**This item comprises a report on the Joint Management Committee's final accounts for the financial year 2015/16 and the financial statements as at 31 March 2016.**

### **RECOMMENDATIONS**

**That the final accounts for 2015/16 be received.**

*Notes*

## **1 Introduction**

- 1.1 The cost centre accounts for the year ended 31 March 2016 are attached at Annexe 1. The Annexe shows income and expenditure for the year compared to the original budget and latest forecast which was contained in the 2015/16 budget report.
- 1.2 The draft financial statements for 2015/16 are attached at Annexe 2.

## **2 Accounts for 2015/16**

- 2.1 A deficit of income over expenditure was generated resulting in £57,318 being transferred from the working balance.
- 2.2 Gross expenditure at £396,777 was approximately £39,207 less than budgeted for the following main reasons:-
  - 2.2.1 No expenditure was incurred during the year against a budget of £6,560 for Living Woodland expenses. However, any expenditure was budgeted to be fully funded from matching grant income, for 2015/16 no grant funding was received.

- 2.2.2 The budget for £4,000 for the Habitat Management plan was not required due to works only needing to be carried out every 5 years.
- 2.2.3 Building and Maintenance works was £3,282 less than budget.
- 2.2.4 Only £6,560 was spent of £12,300 budget on tree maintenance works. This is due to surveys being done every 3 years therefore it is difficult to predict the volume of work needed from one year to the next and it will largely as a result of environment factors.
- 2.2.5 Expenditure was incurred of £1,491 for the removal of asbestos for which there was no budget for. A provision has been allocated for 2016/17.
- 2.3 Income, excluding precepts, was £144,658 approximately £21,502 less than budget for the following reasons:
- 2.3.1 For service charges there was £16,098 less than predicted due to maintenance items had been less than projected at the start of the year, and these savings had to be set off against the original budget.
- 2.3.2 There was £3,830 less income than budgeted from memorial receipts.

### 3 Repairs and Renewals Fund

- 3.1 The balance on the fund was £16,320 at 31 March 2016 calculated as follows:-

	£
Balance b/f 1 April 2015	16,188
Interest on balance	131
Balance c/f 31 March 2016	<u>16,320</u>

### 4 Financial Implications

- 4.1 The working balance stood at £123,585 as at 31 March 2016 (£180,903 at 31 March 2015). The balance equates to approximately 31% of gross annual expenditure.
- 4.2 The summary income and expenditure account and balance sheet is attached at Annexe 2.
- 4.3 The main debtor is Epsom and Ewell Borough Council who hold the working balance and the renewals fund reserve. The Council credits interest on these sums on the average return on the Council's investments.

## **5 Internal Audit**

- 5.1 Nonsuch Park Joint Management does not require an internal Audit for 2015/16.

## **6 Issues arising from the previous Audit of the Accounts for the year ended 31 March 2015**

- 6.1 The external auditors carry out a review of the financial returns and identify areas where changes are required.
- 6.2 The external auditors, BDO LLP, completed the audit of the accounts for the year ended 31 March 2015. And, previously reported, no changes were required to the financial position for 2014/15 as reported in June 2015.
- 6.3 One recommendation was made; that the internal auditor should produce a letter stating whether any issues came to their attention whilst reviewing the accounts for Nonsuch Park Joint Management Committee.

## **7 Proposals**

- 7.1 It is proposed that the final accounts for 2015/16 be received, subject to any changes from external audit.

## **8 Conclusions**

- 8.1 The JMC's working balance has of £124,000 is above the minimum for the purpose (this would be approximately £11,000 at 9% of gross expenditure).
- 8.2 The risks of the current financial position were covered in the January 2016 budget report.
- 8.3 The surplus generated in 2015/16 is being committed to the highest priority property repairs.
- 8.4 Action being taken on achieving new tenancies will help to provide revenue to improve maintenance standards, particular for buildings and hard surfaces in the park.
- 8.5 Nonsuch Joint Management Committee asked officers at the last meeting to identify a reduction of £20,000 in the net budget for 2016/17. Officers from both London Borough of Sutton and Epsom and Ewell Borough Council have met and explored some potential areas for delivery of these savings. A report will be presented to this Committee in September requesting the approval of identified individual savings.