

Financial position to 30 June 2009

For consideration

Background/Introduction:

1. Below is the Executive's report of the financial position to 30 June 2009.

Discussion:

Income and Expenditure (Annex 1)

2. Majority of the retention income has been received in the first quarter. An adjustment has been made to reduce the retention income to reflect 3/12th of total income received so that income matches with the expenditure incurred to June 2009.

Expenditure in the first quarter is on track with the projected year end position budget.

Variance Analysis (Annex 2)

3. An explanation has been provided for any variance that is £5,000 adverse or favourable. All variances arise as a result of timing differences between projected year end forecast outcome as tabled at the July 2009 Council Meeting and actual spend to 30 June 2009.

Balance Sheet (Annex 3)

4. Tangible and Intangible Assets: There has been a 40% increase in the net book value of assets in the first quarter compared to that reported in the year ending 31 March 2009 accounts. This is indicative of the capital expenditure made as outlined in Annex 4.
5. Cash and other debtors: The total cash balance at 30 June 2009 was £5,419,694, majority of which is invested in fixed term deposits maturing within the next two years.
6. Creditors (amounts falling due within one year): The creditors balance includes the retention income adjustment discussed above in the income and expenditure account.
7. Reserves: The Council's reserves, as reported at 31 March 2009, were £1,912,870. These have increased by the profit made in the first quarter by £101,202; taking the Council's reserves closing position, as at 30 June 2009, to £2,014,072. This is only a timing increase in that the forecast outcome for the year is a loss of £289,465.

Capital Expenditure (Annex 4)

8. Majority of the capital expenditure in the first quarter relates to the investment made to refurbish 41 Harley Street and new or replacement IT equipment.

Cashflow for 2009-10 (Annex 5)

9. April-July shows the actual cash balance position at the end of each month as per balance sheet. August – March show estimated monthly cash balance positions.
10. The movement in net funds, for the period April 2009 to March 2010, is an increase of £500,173. This increase is regardless of the forecast loss and relatively high capital expenditure because of the estimated figure of £5m that has been included for the 2010-11 retention fee income that is collected in the last quarter of 2009-10.

Reserves position to 30 March 2010

11. The total reserves at 30 March 2010 are projected to be £1,343,405. This includes the projected loss for 2009-10.
12. The Executive has reviewed the GOC's Risk Register and the preferred level of reserves based on the reviewed Risk Register. A report on the process followed will be made to the Audit Committee meeting held in October 2009 and a recommendation on the preferred reserves level will be made to Council in November 2009.

Recommendation(s):

Council is invited to receive the attached papers for consideration.

Resource implications:

13. As identified in this paper and its annexes.

Equality and diversity implications:

Has an Equality and Diversity Impact Assessment been carried out?

14. Not applicable

Human Rights Act implications:

Has a Human Act Rights Impact Assessment been carried out?

15. Not applicable

Stakeholder engagement:

Has the Consultation Checklist been completed?

16. Not applicable