

Appendix A

SOMERSET WASTE PARTNERSHIP

Profit and Loss Account

(Period 1 April 2017 - 31 March 2018)

2016/17 £		WDA £	WCA £	Total £	2017/18 £	Notes
	INCOME					
27,007,900	Somerset County Council Contribution	27,211,900		27,211,900		1
3,250,758	Mendip District Council		3,337,570	3,337,570		
3,369,250	Sedgemoor District Council		3,478,809	3,478,809		
4,878,974	South Somerset District Council		4,988,964	4,988,964		
3,311,972	Taunton Deane Borough Council		3,421,569	3,421,569		
1,154,248	West Somerset District Council		1,174,402	1,174,402		
2,350,520	Recycling Credit Payments to Districts		2,403,414	2,403,414		
859,450	Other Income	372,463	414,161	786,624		2
148,344	Vehicle Sales and Rental		24,460	24,460		
113,730	Treasury Management	90,000	49,460	139,460		
	Drawdown from Recycle More reserve		50,678	50,678		
46,445,153		27,674,363	19,343,487		47,017,850	
	EXPENDITURE					
942,601	Staff	432,360	489,108	921,468		3
57,586	Admitted Body Pension Costs		59,510	59,510		
397,197	Admin & Support Costs (Client Group)	170,067	208,557	378,624		4
32,800	Projects	0	75,126	75,126		
8,636,565	Waste Collection - Recycled		8,822,832	8,822,832		
5,749,384	Waste Collection - Refuse		5,829,223	5,829,223		
2,355,539	Waste Collection - Garden		2,459,062	2,459,062		
592,110	Waste Collection - Other		569,408	569,408		
8,949,697	HWRC's	9,092,643		9,092,643		5
1,526,891	Composting	1,722,912		1,722,912		
1,338,864	Food Waste	1,384,385		1,384,385		
11,705,602	Landfill	11,049,004		11,049,004		
296,156	Hazardous Waste	280,929		280,929		
2,371,894	Recycling Credits	2,424,328		2,424,328		6
227,709	Depot Costs		215,437	215,437		
397,074	Container Purchases		398,208	398,208		7
171,573	Container Delivery		181,979	181,979		7
45,749,242		26,556,628	19,308,450		45,865,078	
695,911	OPERATING SURPLUS FOR THE YEAR	1,117,735	35,037		1,152,772	
	Balance unused of Recycle More reserve		370,606		370,606	
1,004,981	Total Surplus for the year				1,523,378	

Notes to the Income and Expenditure Statement

1. Partner contributions are set as part of the Annual Budget approved by the Board prior to the commencement of the financial year in question.
2. Other Income includes depots recharges to Kier, transfers between partners, commercial income for landfill disposal, income received at Recycling Centres and staff time recharged to other Local Authorities. There was one external grant of £7,942 received in 2017/18 from the Department of Business.
3. The Waste Partnership has made a commitment to show Managing Director's remuneration as senior officers' pay is shown as part of the individual accounts of the partner authorities. This is set out in the table below.
4. Under the Inter Authority Agreement, the Waste Partnership buys in a number of support services from the Administering Authority and the South West Audit Partnership where it would not be practical for it to provide the expertise within its staff. This is set out in the table below. Other costs on this line include rent, running costs at Monmouth House and officer's travel.
5. The expenditure shown on the Recycling Centres line includes the costs of providing the sites to the residents of Somerset, and also the disposal of the waste passing through these sites, be it to landfill or to recycling.
6. Recycling credits paid out by the County Council include some to third parties, such as furniture reuse groups. Therefore, this amount will always be slightly higher than the figure paid to District partners, because of these payments.
7. Container costs split by District are shown below.

Grant Income

Grant Income	2016/17 £	2017/18 £
Waste and Resources Action Programme (WRAP)	-	-
Department for Communities and Local Government (DCLG)	-	-
Department for Business - WEEE Collection	-	7,942
WEEE Fund Grant	-	-
Total	-	7,942

Managing Directors' Remuneration

Post Holder Information	Salary (inc fees and allowances) £	Compensation for loss of office £	Benefits in kind £	Total wages and benefits but not including pension contributions 2016/17 £	Employer's pension contributions £	Total wages and benefits including pension contributions 2016/17 £
Managing Director	86,559.35	-	-	86,559.35	11,685.43	98,244.78

Post Holder Information	Salary (inc fees and allowances) £	Compensation for loss of office £	Benefits in kind £	Total wages and benefits but not including pension contributions 2017/18 £	Employer's pension contributions £	Total wages and benefits including pension contributions 2017/18 £
Managing Director	70,566.00	-	-	70,566.00	10,937.64	81,503.64

Support Services Costs

2016/17 £	Support Costs Breakdown	2017/18 £
20,674	Legal	22,230
6,686	Insurance	3,613
81,490	Finance	81,490
10,650	Internal Audit	10,650
69,681	Property Services	69,330
20,483	Other Services (including ICT),	8,352
235	Archiving of Records	275
209,899	Total	195,940

SOMERSET WASTE PARTNERSHIP

Balance Sheet as at 31 MARCH 2018
(Period 1 April 2017 - 31 March 2018)

2016/17 £		£	2017/18 £	Notes
	CURRENT ASSETS			
38,069	Inventories		49,695	1
1,524,689	Short Term Debtors & Payments in Advance		8,022,151	2
187,814	Cash and Cash Equivalents		(5,464,381)	
1,750,572			2,607,465	
	CURRENT LIABILITIES			
-	Cash and Cash Equivalents	-		
539,156	Short Term Creditors & Receipts in Advance	877,664		2
-	Provisions	-		3
539,156		877,664		
1,211,416	NET CURRENT ASSETS		1,729,801	
-	LONG TERM ASSETS		-	
-	LONG TERM LIABILITIES		-	
1,211,416	NET ASSETS		1,729,801	
	Usable Reserves			4
628,855	Somerset County Council Reserve	1,117,734		
123,131	Mendip District Council Reserve	136,114		
107,697	Sedgemoor District Council Reserve	122,038		
208,259	South Somerset District Council Reserve	210,856		
98,102	Taunton Deane Borough Council Reserve	94,177		
45,372	West Somerset District Council Reserve	48,882		
1,211,416			1,729,801	
-	Unusable Reserves		-	5
1,211,416	TOTAL RESERVES		1,729,801	

Notes to the Balance Sheet

1. The only inventory carried by the Waste Partnership is a stock of various bins for the collection service. The balance sheet figure represents the amount of stock not yet distributed to District partners. Partners are not charged for bins until they are ordered and delivered to a household within their area. Stock purchases and issues are set out in the table below.
2. A breakdown of creditors and debtors is shown in the tables below. There are no exceptional items to note, and these represents a typical creditor and debtor list at any point in the year.
3. At the end of the financial year, finance staff consider whether there is any financial risk to the Waste Partnership's figures, and whether a provision is necessary to acknowledge a risk. (A typical provision would be a bad debt provision, if payment of monies owing was considered doubtful). Finance officers are content that no provisions are necessary. The Partnership has only ever experienced a single bad debt in its history, for less than £100.
4. All reserves held by the Waste Partnership are "usable", which means that they are cash reserves and can be applied as the Board and partners see fit. The Use of Balances Appendix B makes a request of the Board members to utilise these balances.
5. "Unusable" reserves would be for accounting adjustments, (such as asset revaluation), and it is unlikely that the Waste Partnership would ever require such reserves.

Stock Account

	Bins & Containers	
	2016/17 £	2017/18 £
Balance outstanding at start of year	70,065	38,069
Purchases	337,495	374,973
Recognised as an expense in the year	(369,491)	(363,347)
Written off balances	-	-
Reversals of write-offs in previous years	-	-
Balance outstanding at year-end	38,069	49,695

Creditors and Debtors Analysis

Debtors and Payments In Advance	Debtor Accruals 2016/17 £	Debtor Accruals 2017/18
Central government bodies	-	
Other local authorities		
Mendip District Council	-	-
Sedgemoor District Council	19,375	-
South Somerset District Council	-	-
Taunton Deane Borough Council	-	-
West Somerset District Council	7,650	7,650
OLA	-	-
NHS bodies	-	-
Public corporations and trading funds	-	-
Other entities and individuals		
Kier	1,392,021	1,451,894
Viridor	94,005	6,550,969
Other	11,638	11,638
TOTAL	1,524,689	8,022,151

Creditors and Receipts In Advance	Creditor Accruals 2016/17 £	Creditor Accruals 2017/18
Central government bodies	-	
Other local authorities		
Mendip District Council	-	-
Sedgemoor District Council	19,000	24,800
South Somerset District Council	18,000	17,000
Taunton Deane Borough Council	-	-
West Somerset District Council	26,136	26,136
Other	-	-
NHS bodies		
Public corporations and trading funds		
Department for Business		13,158
Other entities and individuals		
Viridor	146,798	481,570
Kier	154,130	258,000
Wessex Water	58,000	48,000
Other	117,093	9,000
TOTAL	539,157	877,664

Note : The large figures for Kier and Viridor under Debtor Accruals above are payments in advance we made at the end of March 2018. We do this to get a cashflow discount on the contract price.

SOMERSET WASTE PARTNERSHIP

Movement in Reserves Statement (MIRS)
(Period 1 April 2017 - 31 March 2018)

	Balance at 31 March 2016 £	Prior year balances repaid £	Current year balances £	Balance at 31 March 2017 £	Prior year balances repaid £	Current year balances £	Balance at 31 March 2018 £
Somerset County Council Reserves	917,656	(917,656)	628,855	628,855	(628,855)	1,117,734	1,117,734
Mendip District Council Reserves	95,884	12,083	15,164	123,131	(2,207)	15,190	136,114
Sedgemoor District Council Reserves	46,312	52,032	9,353	107,697	2,824	11,517	122,038
South Somerset District Council Reserves	117,150	44,513	46,596	208,259	(27,503)	30,100	210,856
Taunton Deane Borough Council Reserves	75,706	21,914	482	98,102	11,581	(15,506)	94,177
West Somerset Council Reserves	45,506	4,405	(4,539)	45,372	9,773	(6,263)	48,882
Total Earmarked Reserves	1,298,214	(782,709)	695,911	1,211,416	(634,387)	1,152,772	1,729,801

Notes to Movement in Reserves Statement

1. This statement ties up the balances at the end of each financial year on the Balance Sheet, the surplus and deficits in each year from the Income and Expenditure Statement, and the decisions made by the Board to apply such balances. (A positive figure denotes where cash is held or when funds have come into the Partnership, such as an in year surplus. A negative number denotes where a balance is in deficit or where money leaves the Partnership, such as an in year deficit).
2. Columns headed "Current year balances" show the surplus or deficit for a given financial year attributable to each partner.
3. Columns headed "Prior year balances repaid" show where the Board has agreed a recommendation either to repay a partner, or to request it makes good a shortfall, or when it has released funds back to the Partnership to spend on specific projects.
4. West Somerset is not allowed to take balances out of the Partnership under the Board's previous agreement for other partners to support its roll out of Sort It Plus.

Cash Flow Statement

2016/17 £			2017/18 £	Notes
695,911	Net surplus or (deficit) on the provision of services		1,152,772	
-	Adjustments to net surplus or deficit on the provision of services for non-cash movements			
(572,971)	Add increase / less (-) decrease in creditors / RIA / Provisions	338,508		
(1,390,632)	Less (-) increase / add decrease in debtors / PIA	(6,497,462)		
31,996	Less (-) increase / add decrease in stocks and Work-in-progress	(11,626)		
(782,709)	Less (-) transfers from / add transfer to Earmarked Reserves	(634,387)		
			(6,804,967)	
(2,018,405)	Net increase or decrease in cash and cash equivalents		(5,652,195)	
2,206,219	Cash and cash equivalents at the beginning of the reporting period		187,814	
187,814	Cash and cash equivalents at the end of the reporting period		(5,464,381)	1,2

Notes to Cash Flow Statement

- For the purposes of the Statement of Accounts, the contribution from Somerset County Council is shown as a cash inflow into the Somerset Waste Partnership. However, in its' capacity as the Administering Authority, Somerset County does not operate a separate bank account for the Somerset Waste Partnership, and income and expenditure for the Partnership goes through the main Somerset County bank account. Therefore, the Somerset County Council contribution is actually a budgetary allocation, which we treat as a notional cashflow in the accounts.
- The cash at the end of the reporting period is lower for three reasons. Firstly, this figure is before any decisions that the Board may make in terms of Use of Balances (see Appendix B). Secondly, the debtors figure is much higher as the outstanding money owed to the Partnership has increased significantly. Thirdly, this is dependent on when we have made payments to contractors, i.e. 31st March or 1st April (as above). The negative cashflow position as at 31st March 2018 denotes that the Partnership had taken more from the County Council bank account than it had put in at the end of the financial year.