

Statement of Accounts 2012/13

Changes post Audit and Accounts Committee 26th June 2013**Comprehensive Income and Expenditure Statement (CI&ES)**

| | Net Expenditure 26 June 2013 £000 | Changes £000 | Revised Net Expenditure £000 |
|---|--|-----------------|------------------------------------|
| Central Services to the Public | 7,426 | 5,767 | 13,193 |
| Cultural Related Services | 16,692 | | 16,692 |
| Environmental & Regulatory Services | 22,067 | | 22,067 |
| Planning Services | 13,337 | | 13,337 |
| Education and Children's Services | 85,206 | (553) | 84,653 |
| Highways and Transport Services | 22,081 | | 22,081 |
| Local Authority Housing (HRA) | (6,734) | (2,981) | (9,715) |
| HRA Self-Financing | 0 | | 0 |
| Other Housing Services | 19,605 | | 19,605 |
| Adult Social Care | 67,323 | | 67,323 |
| Corporate and Democratic core | 7,924 | | 7,924 |
| Non-Distributed Costs | 1,366 | (5,767) | (4,401) |
| Net Cost of Services | 256,293 | (3,534) | 252,759 |
| Other Operating Expenditure | 28,939 | (24,156) | 4,783 |
| Financing and Investment Income and Expenditure | 28,478 | | 28,478 |
| Taxation and Non-Specific Grant Income | (250,171) | | (250,171) |
| (Surplus) / Deficit on Provision of Services | 63,539 | (27,690) | 35,849 |
| (Surplus) / Deficit on Revaluation of Property, Plant and Equipment Assets | (48,672) | 33,252 | (15,420) |
| Actuarial (gains)/losses on pension assets/liabilities | 62,302 | | 62,302 |
| Restatement of Fixed Assets | 1,086 | | 1,086 |
| Deficit For the Year | 78,255 | 5,562 | 83,817 |

The changes to the Comprehensive Income and Expenditure Statement (CI&ES) are in relation to:-

Correction of Internal Coding

Corrections to the internal apportionment of overheads and entries required for Pensions under IAS 19 require equal and opposite adjustments between gross

income and gross expenditure of £71.047m. This reduces both gross income and expenditure but has no net impact on the Net Cost of Services.

Revaluation Loss

A revaluation loss of £5.767m had been incorrectly recognised within 'Non Distributed Costs'. This has now been moved to 'Central Services to the Public'.

Revaluation and Disposal

The draft Statement of Accounts included the revaluation and subsequent disposal of St Benedict School. These entries should not have been included as St Benedict is a Voluntary Aided School and therefore the majority of the site is not classed as a Council asset under the Council's accounting policy for schools. The corrections required reduce the revaluation surplus by £24.709m, losses on disposal of non-current assets by £24.156m (within Other Operating Expenditure) and depreciation charged to Education and Children's Services within Net Cost of Services by £0.553m.

Asset Register

The draft Statement of Accounts included figures for Council Dwellings which had been manually calculated outside of the Council's Asset Management system, due to challenges experienced in implementing the new system. Updating the Council Dwelling calculations as part of the audit process identified a number of corrections. These corrections required a net reduction to the amount charged to Net Cost of Services in the CI&ES of £2.981m due to a reduced impairment charge. A further reduction in revaluation gains of £8.543m was also required as a greater value of revaluation losses could be matched to previous upward revaluations (within the Revaluation Reserve on the Balance Sheet) rather than being shown in the CI&ES.

This issue also affects the Council's balance sheet.

Balance Sheet

| | 26 June 2013 Audit and Accounts £000's | Changes £000's | Final 202/13 Statement £000's |
|--------------------------------------|---|-------------------|-------------------------------------|
| Long Term Assets | | | |
| Property, Plant and Equipment | 1,135,898 | (5,562) | 1,130,336 |
| Heritage Assets | 74,841 | | 74,841 |
| Investment Property | 931 | | 931 |
| Intangible Assets | 2,304 | | 2,304 |
| Long Term Investments | 332 | | 332 |
| Long Term Debtors | 9,201 | | 9,201 |
| Total long term assets | 1,223,507 | (5,562) | 1,217,945 |
| Current Assets | | | |
| Short Term Investments | 1,201 | | 1,201 |
| Assets Held for Sale | 2,099 | | 2,099 |
| Inventories | 569 | | 569 |
| Short Term Debtors | 42,347 | | 42,347 |
| Cash and Cash Equivalents | 25,547 | | 25,547 |
| Total Current Assets | 71,763 | 0 | 71,763 |
| Current Liabilities | | | |
| Bank Overdrafts | (3,904) | | (3,904) |
| Short Term Borrowing | (28,000) | | (28,000) |
| Short Term Finance Lease Liabilities | (2,920) | | (2,920) |
| Short Term Creditors | (63,113) | (1,499) | (64,612) |
| Provisions | (2,904) | 1,499 | (1,405) |
| Total Current Liabilities | (100,841) | 0 | (100,841) |
| Long Term Liabilities | | | |
| Long Term Finance Lease Liabilities | (77,739) | | (77,739) |
| Provisions | (559) | | (559) |
| Long Term Borrowing | (297,459) | | (297,459) |
| Other Long Term Liabilities | (371,098) | | (371,098) |
| Capital Grants Receipts in Advance | (8,563) | | (8,563) |
| Total long term Liabilities | (755,418) | 0 | (755,418) |
| NET ASSETS | 439,011 | (5,562) | 433,449 |
| Represented by: | | | |
| Usable Reserves | (127,586) | | (127,586) |
| Unusable Reserves | (311,425) | 5,562 | (305,863) |

| | | | |
|-----------------------|------------------|--------------|------------------|
| TOTAL RESERVES | (439,011) | 5,560 | (433,449) |
|-----------------------|------------------|--------------|------------------|

Provisions

The draft accounts included provision of £1.499m for the likely repayment of housing benefit subsidy following audit of the claims. Confirmation of the amount repayable has been received from the Department for Work Pensions and so this amount is required to be transferred to short term creditors.

Asset Register

The complications encountered with Council's asset management software, as discussed above, caused the value of fixed assets to be overstated by £5.562m. This has been corrected with an equal reduction in unusable reserves.

Other Adjustments

Cash Flow Statement

Several adjustments were made within the various Cashflow Statement notes. However, these adjustments do not change the Council's overall cashflow position.

Prior Period Adjustments

The Council included a prior period adjustment in the 2012/13 draft Statement of Accounts in relation to un-presented cheques. Discussions with external audit during the audit process identified that this adjustment was not required and has therefore been removed. This issue affects the 2011/12 comparator figures.