

Annual Accounts 2017/18 – Summary of Main Movements

The Unaudited Accounting Statements presented to Scrutiny & Audit Committee on the 21 August have been amended for a number of audit adjustments that were raised during the course of Audit Scotland's audit. It should be noted that the adjustments had no impact on the General Fund balance.

The main movements on the accounting statements are as follows:-

Comprehensive Income & Expenditure Statement (CI&ES)

Depreciation/Impairment – A number of entries totalling £0.780 million were required for depreciation & impairment of Council Assets that are currently held in the Balance Sheet. This also resulted in an entry of £5.606 million for the loss on disposal of assets (Forfar Academy and Wardykes Primary School).

Waste Recycling – An accounting entry of £0.311 million was required for the new waste management contract (MVV) and this has now been reflected in the statements.

Pensions Accounting – A new actuarial report was requested from the Actuary due to the national issue that was raised in respect of the actuarial valuations of local government pension schemes at March 2018. This concerned the valuation of Pension Scheme Assets in advance of 31 March by the actuaries and material movements thereafter in the figure reflected in the unaudited accounting statements. The revised report required an accounting entry of £7.236 million to this statement and this is now reflected in the audited statement.

The adjusting entries totalled £14.491 million and this has resulted in the **Total Comprehensive (Income)/Expenditure** reducing from £133.817 million to £119.326 million.

Balance Sheet

Depreciation/Impairment – As per above a number of entries totalling £7.566 million were required for depreciation, impairment and demolition of Council Assets that are currently held in the Balance Sheet.

Waste Recycling – An accounting entry of £43.593 million was required to create the leasing entry for the new waste management contract in the Balance Sheet under long term assets and long term liabilities.

Pensions Accounting – A new actuarial report was requested from the Actuary due to the national issue that was raised in respect of the actuarial valuations of local government pension schemes at March 2018. This concerned the valuation of Pension Scheme Assets in advance of 31 March by the actuaries and material movements thereafter in the figure reflected in the unaudited accounting statements. The revised report required an accounting entry of £7.236 million to the Pension liability increasing this to £71.507 million.

The adjusting entries have resulted in the **Balance Sheet Net Assets/Total Reserves** reducing from £522.988 million to £508.497 million.

Uncommitted General Fund

The uncommitted General Fund Balance per the unaudited accounts was £2.357 million. This has been revised to £2.604 million due to the removal of earmarked monies of £0.247 million no longer required.

Uncommitted Housing Revenue Account

The uncommitted Housing Revenue Account of £4.285 million per the unaudited accounts has not changed.