

Annual Accounts 2019/20 – Summary of Main Movements

The Unaudited Accounting Statements presented to Scrutiny & Audit Committee on the 25 August 2020 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 have had a no impact on the General Fund Reserve. In the main these adjustments are classification changes affecting the Balance Sheet.

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

Comprehensive Income & Expenditure Statement (CI&ES)

Employee Slippage – transfer of Service's employee slippage to corporate slippage target held within Other Services was originally transferred from actual expenditure but this should have been a budget adjustment.

Balance Sheet

Non Current Assets, Council Dwellings

- A revised social housing discount percentage was confirmed by our external valuer which resulted in an increase of £5.509m in the value of Council Dwellings
- It was also highlighted that a small number of dwellings had been missed from the original valuation which resulted in an increase of £1.719m in the asset value.
- Additional beacon valuations requested from our external valuer resulted in an additional increase in Council Dwelling value of £0.748m.
- Housing Revenue Account garages had not been included in the original request for valuations to our external valuer and these have now been received and have again increased the value on the balance sheet by £1.206m.

The adjustments mentioned above have resulted in an increased on the audited balance sheet of £9.182m.

Non Current Assets, Property, Plant & Equipment (PPE)

- A gross book value on a disposal had been picked up as £1 (one pound) in error and should have been £0.100m, resulting in a reduction in the PPE asset value on the balance sheet of £0.100m.
- Revaluations and disposals of investment properties included within the PPE line on the draft balance sheet, £0.136m was transferred to Investment Properties.
- Assets held for sale of £0.110m were included as operational PPE assets in the draft balance sheet, the £0.110m value was transferred to Assets Held for Sale.

Debtors and Creditors – two balance sheet ledger codes had been incorrectly included as creditors rather than debtors, which meant that both debtors and creditors were understated by £1.168m.

Financial Instruments

- Accrued interest receivable of £0.223m included as a short term debtor was moved to short term investments.
- Accrued interest payable of £1m was included as creditor and was moved to short term borrowing.

The adjusting entries have resulted in the **Balance Sheet Net Assets/Total Reserves** increasing from £533.276 million to £542.358 million.

Uncommitted General Fund

The uncommitted General Fund Balance of £1.330m at 31 March 2020 has not been impacted by any of the adjustments made in the audited version of the accounts.

Uncommitted Housing Revenue Account

The uncommitted Housing Revenue Account of £3.096 million at 31 March 2020 per the unaudited accounts has not changed.