

Agreed Amendments to the Approved Accounts following Audit recommendations

NB Shaded areas represent the new additions to the original text / figures.

Annual Governance Statement (AGS)

Amendment:

Please see Appendix B of this report for the amendment to the AGS.

Explanatory Foreward

Amendment:

Requirement to disclose the accounting convention adopted; additional sentence

Reason:

Full compliance with the SORP disclosure requirement.

1.2 The accounts are prepared on a historical cost basis, except for certain categories of Fixed Assets which are revalued on a current cost basis (see 2.4 below)

Statement of Accounting Policies

Amendment:

2.8 accounting policy no longer needs to be disclosed; text below now deleted

Reason:

No explanation now necessary following SORP changes

2.8 — Deferred Charges

~~2.8.1 Outstanding deferred charges capitalised on the Balance Sheet as at 31/03/04, which could not be re-categorised as Intangible or other fixed assets, were all written off in the 2004/5 Income and Expenditure Account in accordance with current guidance, reflecting harmonisation with general accounting principles. Deferred charges, as previously defined, are now categorised as either Intangible Assets (e.g. computer software) or capitalised, where appropriate, as tangible fixed assets.~~

Statement of Recognised Gains and Losses

Amendment:

The total for 2009/10 should be in brackets

Reason:

The figure should be consistent with text – gain or (loss)

3,345,132

Total Recognised Gains (Losses) for the year

(3,632,425)

Note 3 Reserve Movements

Amendment:

There is an error in the amounts shown as movements in and out of the Specific Reserves, although the total is correct. The total movement in year from the Revaluation Reserve is also incorrect.

Reason:

Error in table

| | Capital Reserves | | | Revenue Reserves | | | Total |
|---|---|--|---|--|---|---|--------------------|
| | Revaluation Reserve | Capital Adjustment Account | Capital Receipts Reserve | See Note 6 Pension Reserve | General Fund | See note 27 Specific Reserves | |
| | <i>Purpose: Store of gains on revaluation of fixed assets</i> | <i>Store of capital resources set aside to meet past expenditure</i> | <i>Proceeds of fixed asset sales available to meet future capital expenditure</i> | <i>Balancing account to allow inclusion of Pensions liability in the Balance Sheet</i> | <i>Resources available to meet future running costs</i> | <i>Reserves to meet specific future liabilities and commitments</i> | |
| | £ | £ | £ | £ | £ | £ | £ |
| Balance at 1st April 2009 | (2,417,943) | (10,628,477) | (86,567) | 8,285,000 | (1,290,073) | (1,425,138) | (7,563,198) |
| (Gain) Loss attributable to actuarial assessments on pension assets | 0 | 0 | 0 | 3,446,000 | 0 | 0 | 3,446,000 |
| Contribution to Fund | 0 | 0 | (177,265) | 0 | 0 | (549,165) | (726,430) |
| Contribution from Fund | 0 | 0 | 177,265 | 523,000 | 3,419 | 175,231 | 878,915 |
| Capital Financing | 0 | (484,146) | 0 | 0 | 0 | 0 | (484,146) |
| Depreciation | 18,897 | 489,113 | 0 | 0 | 0 | 0 | 508,010 |
| Impairment | 158,170 | 232,471 | 0 | 0 | 0 | 0 | 390,641 |
| Net (surplus)/deficit for the year | 177,067 | 237,438 | 0 | 3,969,000 | 3,419 | (373,934) | 4,012,990 |

Note 6 Pension Costs

Amendment:

The accounts should disclose the surplus / deficit in the scheme for the current period and previous four accounting periods. The difference between the actuary's estimate of asset value and the year end actual needs to be shown in the Note; figures amended to show slightly smaller pension deficit, and addition to table

Reason:

Full compliance with the SORP disclosure requirement.

| 2005-06 £ | 2006-07 £ | 2007-08 £ | 2008-09 £ | | 2009-10 £ |
|--------------------|--------------------|--------------------|--------------------|---------------------------------|---------------------|
| (32,227,000) | (32,645,633) | (34,296,003) | (29,220,000) | Estimated Liabilities in scheme | (41,043,000) |
| 23,875,000 | 25,627,000 | 25,065,000 | 20,935,000 | Estimated Assets in scheme | 28,789,000 |
| (8,352,000) | (7,018,633) | (9,231,003) | (8,285,000) | Net Asset (Liability) | (12,254,000) |
| 74% | 79% | 73% | 72% | % Funded | 69% |

Analysis of Value of Scheme Assets

| | £ |
|---|-------------------|
| Opening Balance 1st April 2009 | 20,935,000 |
| Expected return on assets | 1,296,000 |
| Actuarial gains on assets | 6,328,000 |
| Employer Contributions | 900,000 |
| Member Contributions | 373,000 |
| Benefits / transfers paid | (1,043,000) |
| Settlements | 0 |
| Closing Balance 31st March 2010 | 28,789,000 |

| | 2005-06 | | 2006-07 | | 2007-08 | | 2008-09 | | 2009-10 | |
|--|-----------|------|----------|-----|-------------|------|-------------|------|------------------|-------------|
| | £ | % | £ | % | £ | % | £ | % | £ | % |
| Gain (Loss) | | | | | | | | | | |
| Difference between expected and actual return on assets | 3,383,000 | 14.2 | (77,000) | 0.3 | (2,534,000) | 10.1 | (6,166,000) | 29.2 | 6,328,000 | 22.0 |
| Difference between actuarial assumptions about liabilities | (851,000) | 2.6 | (0) | 0 | 1,836,000 | 5.4 | 7,622,000 | 26.1 | (9,774,000) | 23.8 |

| | | | | | | | | | | |
|---|-------------|-----|-----------|-----|-------------|-----|-----------|-----|-------------|-----|
| and actual experience | | | | | | | | | | |
| Changes in demographic and financial assumptions used to estimate liabilities | (2,623,000) | 8.1 | 1,718,000 | 5.3 | (1,153,000) | 3.4 | 8,003 | 0 | 0 | 0 |
| Gain (Loss) recognised in pensions' reserve | (91,000) | 0.3 | 1,641,000 | 5 | (1,851,000) | 5.4 | 1,464,003 | 4.9 | (3,446,000) | 8.4 |

Analysis of Pension Fund Assets

| | Fair Value of Assets as at 31/03/10 £,000 | % | Expected Rate of Return – Beginning of Year (%) | Expected Rate of Return – End of Year (%) |
|--------------|---|------------|---|---|
| Equities | 19,578 | 68 | 7.5 | 7.5 |
| Govt Bonds | 4,203 | 14.6 | 4.0 | 4.5 |
| Other Bonds | 1,669 | 5.8 | 6.0 | 5.2 |
| Property | 1,468 | 5.1 | 6.5 | 6.5 |
| Cash | 1,669 | 5.8 | 0.5 | 0.5 |
| Other | 202 | 0.7 | 7.5 | 7.5 |
| Total | 28,789 | 100 | | |

Balance Sheet Extract

| | | | |
|---------------------|---|--------|------------------|
| (8,285,000) | Liability related to defined benefit pension scheme | 6 | (12,254,000) |
| 7,582,894 | Total Assets less Liabilities | | 3,950,469 |
| Financed by: | | | |
| 2,417,943 | Revaluation Reserve | 3 & 23 | 2,863,329 |
| 10,628,477 | Capital Adjustment Account | 3 & 24 | 10,149,558 |
| 86,567 | Capital Receipts Reserve | 3 & 26 | 86,567 |
| (8,285,000) | Pensions' Reserve | 3 & 6 | (12,254,000) |
| 1,290,073 | General Fund | 3 | 1,286,654 |
| 1,425,138 | Specific Funds | 3 & 27 | 1,799,072 |
| 19,696 | Restricted Funds | 28 | 19,289 |
| 7,582,894 | Total Net Worth | | 3,950,469 |

Note 9 Contingent Liabilities

Amendment:

Removal of a contingent liability following repayment of the loan by the Vivat Trust.

Reason:

Amendment.

Note 9 Contingent Liabilities

No provision for contingent liabilities has been made in the 2009/10 accounts in accordance with the Code of Accounting Practice, however the Authority considers that it has made sufficient financial arrangements to cover our estimate of potential liabilities which may arise. ~~A loan guarantee of £70,000 to the Architectural Heritage Fund was agreed by the Authority to support the Vivat Trust in urgent roof repairs to North Lees Hall and this remains outstanding, with the Authority having been served notice of repayment on demand, in order to safeguard the AHF's position under the guarantee, although it is a condition of the proposed lease for sale of the Hall to the Trust that the loan is repaid and the current situation has been agreed between the AHF, the Trust and the Authority, such that the Authority is not expecting to have to make any payment.~~

Note 13 Movement of Fixed Assets

Amendment:

The Gross Book Value of disposals needs to be disclosed; the current figure is the net book value so the gross book value and accumulated depreciation figure should be re-presented in the table.

Reason:

Full compliance with the SORP disclosure requirement.

| | Intangible Assets | Operational: Land & Buildings | Operational: Vehicles, plant, equipment | Operational: Community | Non- Operational | Total |
|---|------------------------------|--|--|-----------------------------------|-----------------------------|--------------------|
| | £ | £ | £ | £ | £ | £ |
| Gross Book Value at 1 st April 2009 | 317,961 | 11,451,130 | 1,471,592 | 1,252,256 | 3,835,225 | 18,328,164 |
| Additions | 36,232 | 13,585 | 474,996 | 30,200 | 0 | 555,013 |
| Disposals | (0) | (164,234) | (2,203) | (78,000) | (0) | (244,437) |
| Revaluations | 0 | 538,763 | 0 | 0 | 83,690 | 622,453 |
| Gross Book Value at 31st March 2010 | 354,193 | 11,839,244 | 1,944,385 | 1,204,456 | 3,918,915 | 19,261,193 |
| Accumulated depreciation b/f | (87,721) | (545,982) | (398,710) | (5,757) | (11,594) | (1,049,764) |
| Accumulated impairment b/f | (0) | (613,143) | (0) | (0) | (2,225) | (615,368) |

| | | | | | | |
|--|---|-------|-----|---|---|--------------|
| Accumulated depreciation relating to disposed assets | 0 | 2,737 | 220 | 0 | 0 | 2,957 |
|--|---|-------|-----|---|---|--------------|

Note 23 Revaluation Reserve

Amendment:

The note should separate out the depreciation and impairment elements separately; Note 23 amended

Reason:

Correct description of components of figure in the note.

| 2008-09 | | 2009-10 |
|------------------|--|------------------|
| £ | | £ |
| 136,975 | Balance at 1 April 2009 | 2,417,943 |
| (10,629) | Depreciation | (18,897) |
| 0 | Impairment | (158,170) |
| (10,629) | Depreciation | (176,934) |
| 2,291,597 | Revaluations | 614,453 |
| 0 | Disposals – Net Book Value written off | 0 |
| 2,417,943 | Balance at 31 March 2010 | 2,855,462 |

Revaluation: Operational Asset, Land & Buildings

Amendment:

A transcription error occurred between the asset valuation certificate and the fixed asset register – one toilet block undervalued in the accounts by £8,000; accounts amended to reflect increased Balance Sheet value of the operational assets total, less in-year depreciation of £133 to a figure of £10,207,176 from previous figure of £10,199,309. The Revaluation Reserve on the bottom half of the Balance Sheet shows a corresponding increase from £2,855,462 to £2,863,329. The depreciation figure of £133 results in amended Income & Expenditure totals and recurs in small changes in the depreciation figures in supporting statements and notes; these changes are not highlighted for such a small sum.

Reason:

Correction

| 2008-09 | Notes | 2009-10 |
|----------------|--------------|----------------|
| £ | | £ |

| | | | | |
|-------------------|-------------------------------|--------|------------|-------------------|
| | Fixed Assets: | | | |
| 230,240 | Intangible Assets | 13 | | 198,424 |
| | Operational Assets: | | | |
| 10,292,005 | Land and Buildings | 13 | 10,207,176 | |
| 1,072,882 | Vehicles, plant, equipment | 13 | 1,355,846 | |
| 1,246,499 | Community Assets | 13 | 1,195,038 | 12,758,060 |
| 3,821,406 | Non-Operational Assets | 13 | | 3,743,883 |
| 16,663,032 | | | | 16,700,367 |
| 2,046 | Debtors due after one year | 19 | | 1,748 |
| 16,665,078 | Total Long Term Assets | | | 16,702,115 |
| | Financed by: | | | |
| 2,417,943 | Revaluation Reserve | 3 & 23 | | 2,863,329 |
| 10,628,477 | Capital Adjustment Account | 3 & 24 | | 10,149,558 |
| 86,567 | Capital Receipts Reserve | 3 & 26 | | 86,567 |
| (8,285,000) | Pensions' Reserve | 3 & 6 | | (12,254,000) |
| 1,290,073 | General Fund | 3 | | 1,286,654 |
| 1,425,138 | Specific Funds | 3 & 27 | | 1,799,072 |
| 19,696 | Restricted Funds | 28 | | 19,289 |
| 7,582,894 | Total Net Worth | | | 3,950,469 |

Note 29 Reconciliation of Cashflow Statement to Revenue Expenditure

Amendment:

Inclusion of European funding in "govt. grants analysis"

Reason:

Transparency

Analysis of Govt. Grants shown within the Cashflow Statement

Development Agencies

2009-10

£

79,620

| | |
|--|------------------|
| Dept. of Environment, Food & Rural Affairs | 494,595 |
| Dept. of Communities & Local Government | 139,698 |
| Forestry Commission | 12,788 |
| English Heritage | 50,647 |
| Environment Agency | 158,866 |
| Natural England | 376,120 |
| Life funding (European Grant Aid) | 1,792,514 |
| Total Cashflow | 3,104,848 |

Note 31 Post-Balance Sheet Events

Amendment:

The notes should confirm that events after the balance sheet date have been considered up to the authorisation of the accounts; Note 31 replaced with the text below; also the addition of a change in pension liabilities announced on 22nd June.

Reason:

Full compliance with the SORP disclosure requirement.

Events which have occurred since the Balance Sheet date (31/03/10) and up to the date of authorisation of the accounts by the Chief Finance Officer have been considered. These events are of two kinds:- either “adjusting events” (events arising relating to conditions which existed at the Balance Sheet date which materially affect the amounts included in the accounts) or “non-adjusting events” (events arising relating to conditions which arose after the Balance Sheet which are material, and for which disclosure is required for the purposes of fair presentation).

In his budget statement on 22 June, the Chancellor announced that the government would start to increase public service pensions in line with the consumer price index (CPI) rather than the retail price index (RPI), which has been the practice in the past. As a result, future pension increases under the Derbyshire County Council Pension Fund are expected to be slightly lower, on average, than would have been the case if this change had not been made. This change is estimated to reduce the FRS17/IAS19 benefit obligations by between 5% and 8% for most employers. The precise financial effect will be taken into account in the FRS17/IAS19 figures for the financial year ending 31 March 2011.

Other than the above, it is concluded that there are no post-balance sheet events of either kind which require disclosure or inclusion in the Statement of Accounts.

Addendum to Note 6

See also Note 31 for the Chancellor’s announcement of a change in the indexing of pension payments for the future.