

Appendix 2

Amendments to draft Accounts

Amendments made are shown below; where applicable the highlights show the revised figure.

1. The depreciation policy wording in respect of buildings' asset life should reflect the policy adopted in practice.

3.19.2 Depreciation: Depreciation is provided for on all Property, Plant & Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain Community Assets) and assets which are not yet available for use (i.e. assets under construction). Depreciation is calculated on a reducing balance basis as follows:-

<i>Type of Fixed Asset</i>	<i>Depreciation Period</i>
Land & Community assets	Nil
Furniture & Equipment	over the life of the asset – 5-10 years ; computer hardware 3 years
Vehicles	over the life of the asset - 6-20 years
Car Parks	over the life of the asset - 15-20 years
Buildings	over the life of the asset - 60 years, unless the valuer indicates a shorter asset life
Intangible Assets	over the life of the asset – 5 years
Surplus Assets	Surplus assets are usually Buildings, so they share the same 60 year asset life, unless the valuer indicates a shorter asset life.
Infrastructure Assets	over the life of the asset - 60 years, unless a shorter asset life is warranted as a result of applying a component accounting approach

2. Note 30 Leases included an amount of £570,000 of non-contractual costs which should not be included.

Equipment

The Authority continues to acquire its ICT services (namely networking servers including processing power, memory (RAM) and storage capacity) by leasing equipment from an external provider, with the current IaaS Core Services contract running until January 2022. The rental forecast has been extended to include subsequent years outside the current contract as the intention is to renew an equipment lease contract for 2022/23 onwards

The future minimum lease payments due under non-cancellable leases in future years are:

	31 March 2020	31 March 2019
	£	£
Not later than one year	185,149	173,667
Later than one year and not later than five years	438,708	545,721
Later than five years	86,326	86,855
Total	710,183	806,243

3. Note 25, The disclosure note for audit fees, included additional costs of £1,500 which related to the 2018/19 year rather than the 2019/20 year it was paid, so the note needs amending to correct this.

Note 25 External Audit Cost

Fees paid to Mazars LLP for audit services were as follows:-

	2018-19	2019-20
	£	£
External audit services as appointed auditor	11,708	10,208
	10	1,708
Fees in respect of statutory inspection	0	0
Fees payable for certification of grant claims and returns	0	0
Fees payable in respect of any other services provided by the appointed auditor	0	0
Total	11,708	10,208
	10	1,708

4. The Statement of Accounts should be updated to reflect the valuation uncertainties arising from Covid-19 and the valuer's notification that there is material uncertainty over the valuation of buildings at the Balance Sheet date.

Additional Text to Note 2:-

The Land & Buildings figure (within the Property, Plant & Equipment heading on the Balance Sheet) is determined by the accounting policies outlined in paragraph 3.19.3 and 3.19.4, and as such, any revaluations of assets within this category may be subject to variations arising from the nature of the valuation process. In particular, the Authority's Valuer has issued a notification that, due to Covid-19, there is material uncertainty over the valuation of Land and Buildings at Balance Sheet date. The Authority's valuation of its Land and Buildings assets is therefore reported on the basis of 'material valuation uncertainty' as indicated in Global Valuation Technical and Performance Standards and Practice Guidance Applications VPS 3 and VPGA 10 of the Royal Institute of Chartered Surveyors (RICS) Red Book Global Standards, containing mandatory rules, best practice guidance and related commentary for all members undertaking asset valuations. Consequently, less certainty and a higher degree of caution should be attached to the Authority's Land and Buildings valuation than would normally be the case. The carrying amount as at 31/03/2020 was £19,552,981. There are no other significant estimations or assumptions which require disclosure.