

VJB13. Final Financial Statements as at 31 March 2020

The Board considered a report by the Treasurer presenting the Audited Accounts as at 31 March 2020.

The Audit of the Accounts was required to be completed and the final accounts approved by the Board for signature by the 30 September 2020. In considering the final accounts, the Board were required to have regard to the reports provided by the External Auditor and supporting papers.

The main financial statements comprised of:

- Comprehensive Income and Expenditure Account
- Movement in Reserves Statement
- Balance Sheet
- Cash Flow Statement

The deficit on the provision of services reported in the Comprehensive Income and Expenditure Account was (£457k). However, this included £385k of accounting adjustments which required to be reversed out in the Movement in Reserves Statement which resulted in a net decrease in reserves of £72k. This decrease in reserves reflected the utilisation of committed reserves approved by the Board in the 2019/20 Budget.

The useable surplus brought forward from the previous year was £471k. After applying the useable reserves deficit in the year of £72k, per above, the surplus carried forward to future years is £399k. This balance of £399k has been retained as a surplus attributable to the constituent authorities in usable reserves. From this surplus the Board approved the earmarking of £256k for specific projects as part of the 2020/21 budget setting process. The balance of un-earmarked reserves is therefore £143k.

The Board's reserves strategy stipulated that it should retain uncommitted reserves at a minimum level between 3% and 6% of net expenditure, which as at March 2020 would translate to a figure between £88k and £176k. The reserves position was therefore £55k in excess of the minimum reserve figure at 4.9%.

The Valuation Joint Board had a deficit, utilising £72k of earmarked reserves, which when added to the previous year's useable reserve balance of £471k, results in a net surplus of £399k now being held.

Decision

The Board noted the 2019/20 Statement of Accounts and agreed to their submission to the controller of Audit.