

2022-23 UNAUDITED ANNUAL ACCOUNTS

1. EXECUTIVE SUMMARY

- 1.1 This covering report gives an overview of the unaudited annual accounts for 2022-2023 and a summary of the significant movements from 2021-22.
- 1.2 The Comprehensive Income and Expenditure statement shows a deficit on the provision of services of £5.994m, a surplus on the revaluation of Long Term Assets of £21.104m and an actuarial gain on the pension fund assets/liability of £247.409m giving an accounting surplus of £262.519m.
- 1.3 The Balance Sheet shows that the net worth of the Council has increased by £262.520m from £497.663m as at 31 March 2022 to £760.183m as at 31 March 2023. The main reason for this increase is a swing in the pension scheme asset which increased from £4.634m in 2021-22 to £232.073m in 2022

£4.634m and this amount is recognised as a creditor on the balance sheet as money owing to the HSCP by the Council which creates a nil variance on the revenue monitoring position.

- 1.8 The Committee is asked to consider the Unaudited Annual Accounts for the year ended 31 March 2023.

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2. INTRODUCTION

- 2.1 This covering report gives an overview of the unaudited annual accounts for 2022-23 and a summary of the significant movements from 2021-22. It also gives information on the revenue outturn for 2022-23 and Council will be asked to approve the Unaudited Annual Accounts for 2022-23 for issue.

3. RECOMMENDATIONS

- 3.1 The Committee is asked to consider the Unaudited Annual Accounts for the year ended 31 March 2023.

4. DETAIL

Introduction

- 4.1 The annual accounts set out the financial statements of the Council and its group for the year ended 31 March 2023. Its main purpose is to demonstrate the stewardship of public funds entrusted to the Council. The requirements governing the format and content of

Annual Governance Statement
Remuneration Report
Statement of Comprehensive Income and Expenditure
Balance Sheet
Statement of Movement in Reserves
Cash Flow Statement
Notes to the Financial Statements
Council Tax and Non-Domestic Rate Income Accounts
Group Accounts

- 4.5 **Management Commentary:** this outlines the key messages regarding the objectives and strategy of the Council and its financial performance for the year. It also looks forward, outlining the future financial plans for the organisation and the challenges and risks which are faced by the Council.
- 4.6 **Statement of Responsibilities for the annual accounts:**
- 4.7 **Annual Governance Statement:** this statement states its view on the adequacy of its governance and internal control are operating effectively within Argyll and Bute Council

4.12

	£000	£000
Surplus/(Deficit) on Provision of Services		(5,994)
<i>Remove statutory adjustments that don't feature in budget outturn:</i>		
Depreciation	24,570	
Impairment of Assets charged to services	3,147	
Capital Funding		

Statement of Movement in Reserves:

- 4.14 This shows the movement on the different reserves held by the Council, analysed into usable reserves (resource backed reserves which can be used to fund expenditure) and unusable reserves (required purely for accounting purposes and are not backed by resources).
- 4.15 The total Council reserves have increased from £497.663m at 31 March 2022 to £760.183m at 31 March 2023, an increase of £262.520m.
- 4.16 The balance of unusable reserves has increased by £271.856m from £394.480m as at 31 March 2022 to £666.336m as at 31 March 2023. The main reason for this is an increase in the pension scheme asset which increased from £4.634m in 2021-22 to £232.073m in 2022-23 and an increase in the revaluation reserve of £17.307m which arises from revaluations of properties.
- 4.17 In respect of the General Fund Balance movement, there has been a decrease of £9.659m from a balance of £96.087m to £86.428m and the detail on the movement in the balance is summarised within the table below. The main decrease is in respect earmarked reserves utilised during the year of £33.893m which are offset by new earmarkings at the end of 2022-23 of £18.413m.
- 4.18 The General Fund balance at 31 March 2023 is £86.428m. The total earmarked balances amount to £79.466m. The Council has agreed to hold a contingency balance equivalent to 2% of the Council budget and this amounts to £5.691m. The remaining General Fund amounts to £1.271m.

£000

