

APPENDIX 1 - SUMMARY OF MAIN CHANGES TO FINANCIAL STATEMENTS ARISING FROM AUDIT

Section of Accounts Changed	Audited Accounts £000s	Unaudited Accounts £000s	Change £000s	Comment/Explanation
Income & Expenditure Account (Page 13)				
Net Cost of Services	185,073	147,247	37,826	Reduce HRA Income by moving amounts paid by the Scottish Executive in respect the housing stock transfer from income to capital contributions: Increase net cost by £37,769,000. The provision for the costs of implementing single status for 2006-07 was updated to take account of the Council's revised offer to employees: Increase net cost by £468,000. Corrections to repairs and renewal fund contributions: Increase net cost by £230,000. Reversal of an accrual for private sector housing renewal expenditure: Decrease net cost by £200,000. Correction to leasing charges both lease payment and depreciation processed initially: Decrease net cost by £363,000.
Net (Gain)/Loss on Disposal of Fixed Assets	4,998	43,809	(38,811)	Removal of amounts paid by the Scottish Executive in respect the housing stock transfer from income to capital contributions. Removal of land valued at £1,040,000 that the Council has committed to purchase and transfer at nil cost to ACHA from the Council's fixed assets and treat as a contingent liability.
Surplus/(Deficit) for the year	385	(686)	1,071	Mainly due to the net impact of the above.
Changes were also made to the Income and Expenditure Account to attribute expenditure and income previously shown as Other Operating Income and Expenditure to individual services as required by BVACOP. This was simply a reallocation and did not affect the overall net cost of services or surplus/(deficit) for the year.				
Statement of Movement on the General Fund Balance (Pages 14-15)				
Surplus/(Deficit) for the year	385	(686)	1,071	See Income and Expenditure Account above.
Net Gain or Loss on Sale of Assets	4,903	43,704	(38,801)	Removal of amounts paid by the Scottish Executive in respect the housing stock transfer from income to capital contributions. Removal of land valued at £1,040,000 that the Council has committed to purchase and transfer at nil cost to

				ACHA from the Council's fixed assets and treat as a contingent liability.
Loans Fund Principal Repayments	(17,279)	(55,062)	37,783	Change in treatment of loans repaid as a result of housing stock transfer as a consequence of removing amounts paid by the Scottish Executive in respect the housing stock transfer from income to capital contributions.
Balance on General Fund Carried Forward	24,798	24,957	(159)	Mainly due to the net impact of the various changes to the Income and Expenditure Account. The housing stock transfer adjustments have no impact on the General Fund Balance.
Balance Sheet (Page 17)				
Surplus Assets held for Disposal	4,947	5,400	(453)	Mainly due to downward revaluation of Ardentiny Outdoor Centre.
Creditors	(31,033)	(32,160)	1,127	Removal of land valued at £1,040,000 that the Council has committed to purchase and transfer at nil cost to ACHA from the Council's fixed assets and treat as a contingent liability.
Provisions	(4,026)	(3,581)	(445)	The provision for the costs of implementing single status for 2006-07 was updated to take account of the Council's revised offer to employees.
Fixed Asset Restatement Account	38,261	37,674	587	Consequence of other changes identified above.
Capital Financing Account	36,988	37,059	(71)	Consequence of other changes identified above.
General Fund Balance	24,798	24,957	(159)	Consequence of other changes identified above.
Cash Flow Statement (Pages 18-19)				
Other Operating Cash Payments	94,938	132,737	(37,799)	Change in treatment of loans repaid as a result of housing stock transfer as a consequence of removing amounts paid by the Scottish Executive in respect the housing stock transfer from income to capital contributions.
Other Operating Cash Receipts	18,683	56,240	(37,557)	Reduce HRA Income by moving amounts paid by the Scottish Executive in respect the housing stock transfer from income to capital contributions.