

3 July 2007

Audited Accounts (Financial Statements) for the year ended 31 March 2007

Summary

1. *This Report provides the General Assembly with audited accounts for 2006/07.*

Recommendations

2. *That the General Assembly receives the accounts.*

Background

3. *The LGA's audited accounts are **attached**. These were approved by the Resources Panel on the 5th June and have been agreed by the auditors.*
4. *During the year, the integration of support services into the Association has led to an apparent distortion of comparatives between the 2006 and 2007 results.*
5. *The audited group accounts, before FRS17 accounting provisions relating to pensions liabilities, show a surplus for the year of £154k. Of this, £45k surplus relates to the Association and £109k arises on consolidation with LGA (Properties) Ltd. This includes a transfer from reserves of £200k reflecting the fact that the LGA only receives income from the Social Services conference every other year. This is consistent with an approach agreed by the Resources panel for the 2006 accounts.*
6. *The FRS17 provisions result in a loss of £558k in year, resulting in an overall retained deficit for the year of £404k (£558k - £154k) and an actuarial gain on pension fund balances of £3,941k.*
7. *The audited group balance sheet reports a deficit in reserves after FRS17 adjustments of £13,624k (from £16,961k in 2006). Whilst the pension deficits are assumed to be made good over time by actuarial adjustments to employers pension contributions, the Group's accumulated surplus has risen over the year from £992k to £1,146k (see note 10 to the accounts).*

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