

Audited Accounts (Financial Statements) for the year ended 31 March 2006

Summary

1. *This Report provides the General Assembly with audited accounts for 2005/06.*

Recommendations

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

Background

3. *The LGA's audited accounts are **attached**. These were approved by the Resources Panel on the 6th June and have been agreed by the auditors.*
4. *The audited accounts, which take account of the new FRS17 accounting provisions relating to pensions liabilities, show a surplus for the year of £433k. Once the pension adjustments for the current year and the prior year adjustment of £18,711k have been included, however, this creates a deficit of £17,565k. Appendix A on page 25 show the Association's income and expenditure account before the FRS 17 adjustment. This shows a surplus for the year after the conference reserve of £288k. This is after increased provision for inherited pension deficit of £100k, and the transfer to reserves of £200k surplus from the Social Services Conference. This will be drawn down as income to Conferences in 2006/07 to reflect the fact that the LGA only receives income from this conference every other year. This approach has been agreed by the Resources Panel.*
5. *The audited group balance sheet reports a deficit of £16,961k after the FRS17 adjustment has been made to the figures. Appendix A on page 26 shows the Association's balance sheet before the effect of the FRS 17 provisions. The surplus before the adjustment would have resulted in an improvement in the association's overall financial position, with the net value shown in the balance sheet increasing, in the course of the year from a net asset position of £0.60m to one of £1.1m. This includes the conference carry forward of £200k. The real increase in reserves is therefore £0.3m from £0.6m to £0.9m.*

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