

**CHANGES MADE TO THE 2003/04 STATEMENT OF ACCOUNTS SINCE PRESENTED
ON 21ST JULY 2004**

Page	Item changed	Reason for change
7	Para 2.1, actuals column	Figures from an earlier draft had not been updated fully, column did not add correctly. Total is unchanged
8	Para 4.1, Non domestic rates gross arrears from 7.7 to 7.5, totals change accordingly	Differences in reconciliations noted during audit review. Presentational effect only in this table, not an accounting adjustment.
11	Para 2.9, Valuation of investments	Disclosure changed to report that pension fund investments are shown at market value, not the lower of cost or market value
12	Paras 4.2 and 4.9, Related Party Transactions	The Government is now explicitly recognised as a related party due to influence it can exert through the level of funding provided.
12	Former para 4.3, Related Party Transactions	Disclosures have now been received from all Councillors, therefore no need to show numbers outstanding. Previous paragraph now deleted.
13	Consolidated Revenue Account statement	<p>This statement consolidates the changes made elsewhere, that are listed in sections below. The main changes are:</p> <ul style="list-style-type: none"> ▪ Figures in 02/03 for HRA and Transfers to/from AMRA have changed equally by £20.156m as a result of the Housing dwellings revaluation. No other changes in 02/03. ▪ Education net outturn has increased by £7k due to write-off of balances. ▪ Social Services net outturn has reduced by £32k due to changes in asset charges. ▪ HRA net outturn has reduced by £56.846m as a result of the Housing dwellings revaluation. ▪ Cultural, Environmental & Planning net outturn has reduced by £73k due to changes in asset charges ▪ Central Services net outturn has reduced by £187k due to write-off of balances and changes in asset charges. ▪ Transfers to/from AMRA has increased by £56.935m. This is mainly the HRA adjustment of £58.846m, the remaining £89k to do with asset charges. ▪ Contributions to earmarked reserves has increased by £1.007m - £1.014m increase to the Modernisation, Service and Operational Improvement Reserve, as set out in the main report and £0.007m offset for the Education adjustment above. ▪ The MRP/Depreciation adjustment line has moved from above the Net Operating

		Expenditure line to below it, in accordance with CIPFA guidance. The value has reduced by £0.811m, £0.807m in respect of Government debt repayment (see main report) and £0.004m for changes in asset charges.
14	Note 2.2, Pooled Funds	The note has been changed to state that the Mental Health Services agreement is not a Pooled Fund.
15	Note 3, Reconciliation of HRA to CRA	The figures have been restated to reflect the changes in capital charges shown on page 13 and as mentioned above, arising from the change in Housing valuation
16	Note 6, table	Comparative figures for 2002/03 have been included.
16	Note 7.1, Central Services	The note has been updated to show the outturn after changes from write-off of balances and changes in capital charges
20	Note 17, Asset Management Revenue Account	<ul style="list-style-type: none"> ▪ In 02/03 the Capital Charges - HRA line has reduced by £20.156m as a result of the change in Housing revaluation ▪ In 03/04 the Capital Charges - General Fund line has reduced by £105k for changes in asset charges ▪ In 03/04 the Capital Charges - HRA line has reduced by £58.846m as a result of the change in Housing revaluation ▪ The Provision for depreciation - General Fund line has changed by £16k for changes to asset charges
21	Note 17.2, Asset Management Revenue Account	New note added to indicate that the 02/03 figures have been restated. Similar notes are not required in the Accounts for changes between pre-audit and post-audit figures for 03/04.
21	Note 18, Minimum Revenue Provision table	<p>The account has changed for a number of items -</p> <ul style="list-style-type: none"> ▪ Non-housing amount has reduced by £20k for current year impact of adjusting for the Government repayment of debt ▪ General Fund depreciation has changed by £16k, for changes in asset charges. This has a net effect of £4k when combined with the above item. ▪ Section added to show the reconciliation to the CRA. The value has reduced by £811k, £807k in respect of Government debt repayment (see main report) and £4k for changes in asset charges.
21	Note 18.2 table, Minimum Revenue Provision	<ul style="list-style-type: none"> ▪ The Asset Management Revenue Account lines and the HRA AMRA lines have been adjusted equally for the changes in HRA capital charges in 02/03 and 03/04 - see above sections. ▪ The MRP balancing adjustment line in 03/04 has been reduced by £4k for the changes in asset charges.
21	Note 18.3, Minimum Revenue Provision	New note added to indicate that the 02/03 figures have been restated. Similar notes are not required in the Accounts for changes between pre-audit and post-audit figures for 03/04.

22	Note 18.4, Minimum Revenue Provision	Previously Note 18.3. Note updated for the additional £807k in respect of Government debt repayment (see main report).
23	Main HRA statement	The lines for Cost of capital line and Asset Management Revenue Account balance have been reduced equally for the changes in capital charges as a result of the Housing revaluation (£56.846m 03/04, £20.156m in 02/03) No net effect on HRA balances.
24	Note 2, Asset revaluations	Note 2.1 shows the revised Housing asset valuations. New note 2.2 added to indicate that the 02/03 figures have been reduced by £335m. Similar notes are not required in the Accounts for changes between pre-audit and post-audit figures for 03/04, though the change in final balance for 03/04 is £1.96 billion - see main report. Note 2.3 was previously Note 2.2
26	Note 6.1, HRA cost of capital charges	The note has been extended, to show that the rate required to be applied in 03/04 (3.5%) is different from that required in 02/03 (6%)
26	Note 6.1, HRA cost of capital charges	New note added to indicate that the 02/03 figures have been reduced by £20.156m for change in the dwellings valuation. Similar notes are not required in the Accounts for changes between pre-audit and post-audit figures for 03/04, though the change in capital charges for 03/04 is £58.846m - see main report.
26	Note 8.2, Asset Management Revenue Account	New note added to indicate that the 02/03 figures have been reduced by £20.156m for change in the dwellings valuation. Similar notes are not required in the Accounts for changes between pre-audit and post-audit figures for 03/04, though the change for 03/04 is £58.846m - see main report.
29	Consolidated Balance Sheet statement	<p>This statement consolidates the changes made elsewhere, that are listed in sections below. The main changes are:</p> <ul style="list-style-type: none"> ▪ Figures in 02/03 for Council dwellings and Fixed Asset Restatement Reserve are changed equally by £335.931m for the dwellings revaluation. No other accounts affected in 02/03, though many of the supporting notes also reflect the change. ▪ Council dwellings are reduced by £1.96 billion for the dwellings revaluation (accumulating changes of £335.931m in 02/03 and £1,624.069m in 03/04). ▪ Other land and buildings reduced by £1.285m, made up of £1.306m for assets now correctly written off, less £21k adjustments in depreciation for this correction and other revaluations. ▪ Long term debtors included as a new line, to separate out from other debtors ▪ Stocks and work in progress reduced by £117k, for historic balances now written off ▪ Debtors have increased. This is a combination of

		<p>showing NNDR debtors now as gross in each of debtors and creditors rather than just net in debtors, offset from now showing long term debtors separately</p> <ul style="list-style-type: none"> ▪ Provisions for bad debts are increased by £24k due to corrections to the Collection Fund ▪ Creditors have increased from showing NNDR debtors now as gross in debtors and creditors rather than just net in debtors. ▪ Cash and bank (overdraft) has increased by £244k, for adjustments to correct accounting for Education balances, pension fund and collection fund ▪ Fixed Asset Restatement Reserve has reduced by £335.931m in 02/03 for dwellings revaluations. It has reduced by £1,961.402m in 03/04, for an accumulated £1,960m for dwellings revaluations, the remainder of £1.402m being adjustments concerning other land and buildings, and to correct a misposting re the Capital Finance Reserve ▪ Earmarked reserves have increase by £1.007m - £1.014m increase to the Modernisation, Service and Operational Improvement Reserve, as set out in the main report and £0.007m offset to correct accounting for Education balances. ▪
30	Note 1, Fixed assets	<p>A number of amendments have been made to this section -</p> <ul style="list-style-type: none"> ▪ The opening balance for dwellings has been restated by £335.931m for the revised valuation ▪ The revaluation in dwellings in 03/04 has been reduced by £1,624.158m for the revised valuation ▪ Other land and buildings restatements have been corrected to show the value of assets sold, not the value received. Revaluations, and depreciation on revaluations, have been corrected for clerical errors in updating valuations. Disposals have been corrected for the value of assets sold that had not been removed for the accounting system ▪ New note 1.2 added to indicate that the 02/03 dwellings figures have been reduced by £335.931m for change in the dwellings valuation. Similar notes are not required in the Accounts for changes between pre-audit and post-audit figures for 03/04. ▪ New note 1.4, to disclose the valuers responsible for the asset valuations in the Accounts, which is a requirement of the CIPFA Accounting Code of Practice. ▪ New note 1.5, to disclose how the valuations of assets have built up of the last five years ▪ New note 1.7, to disclose the nature of the assets

		the Council holds
32	Note 4, Long term debtors	New note as a result of separating long term debtors from other debtors.
33	Note 6, Provision for bad debts	Council Tax provision increased by £24k, for correction of accounting treatments
36	Note 14, Analysis of net assets	Revised analysis of the Consolidated Balance Sheet following all the changes detailed in this Appendix.
36	Note 15, Statement of Total Movement in Reserves	<ul style="list-style-type: none"> ▪ 02/03 column, revaluation of fixed assets reduced by £335.931m for changes in dwellings valuation ▪ 03/04 opening capital reserves restated for the movements in 02/03. ▪ Movement in revenue reserves increased by £1.007m, for the increase in earmarked reserves. ▪ Capital reserves revaluations reduced by £1,627.621m, of which £1,624.158m is for dwellings revaluations, and £3.463m in respect of other land and buildings sold or revalued. ▪ Surplus on assets disposed increased £2.15m for adjustments to how the accounting for assets sold has been carried out ▪ Financing of fixed assets increased for adjustments re the Government repayment of debt ▪ New footnote added, to report that the opening balances have been restated for the dwellings movements in 02/03.
37	Note 15 Capital reserves	Movements summarised in Statement of Total Movement in Reserves
37	Note 15 Revenue reserves	Movements summarised in Statement of Total Movement in Reserves
37	Note 15.1, Fixed Asset Restatement Reserve	Movements summarised in Statement of Total Movement in Reserves. New note 15.1.1 added on Council dwelling restatements
38	Note 15.2, Capital Financing Reserve	<p>Movements summarised in Statement of Total Movement in Reserves. Only the lines for the Excess of depreciation over MRP have changed -</p> <ul style="list-style-type: none"> ▪ 2003/04 in respect of changes to capital charges in the year, the impact of the adjustment for the Government repayment for debt in respect of 03/04 only, and a correction of a misposting to the Fixed asset Restatement Reserve ▪ Adjustment for previous years, re the release of £0.807m in respect of the Government repayment for debt
39	Note 15.3, Provision for Credit Liabilities	Adjustment for previous years, re the release of £0.807m in respect of the Government repayment for debt
40	Note 15.6, Earmarked Reserves	<p>Total increased by £1.007m -</p> <ul style="list-style-type: none"> ▪ Funds held by schools, £7k, adjusted for the accounting treatment of residual balances held by the Council following the transfer of CLPE out of Council control. ▪ Capital Expenditure Reserve renamed

		<p>Modernisation, Service and Operational Improvement Reserve - see main report. Note 15.6.1 added to report the change.</p> <ul style="list-style-type: none"> Modernisation, Service and Operational Improvement Reserve increased by £1.014m - see main report
42	Section 2, Trust funds	Rounding errors of £1 corrected between Walworth Common Estate and Borough Market Trustees
47	Collection Fund statement	<ul style="list-style-type: none"> Income from Council tax increased by £61k, for correction of accounting treatment Rounding error on Precepts and Demands sub-total corrected, £1k Provisions for uncollectable amounts now sub-analysed for amounts used for write-offs, and addition for new debts in the year. Revised total includes the offsets from the above two items. No net movement on the Collection Fund.
49	Cashflow Statement	<p>Cashflow statement reflects many of the changes set out above. Items such as dwellings revelations, or the cost of capital charges to the HRA as a result of the revaluation, do not affect cashflow. The lines affected by other changes to the Accounts are:</p> <ul style="list-style-type: none"> Other operating costs Payments into the NNDR pool Contribution from the Collection Fund Sales and charges from services Interest received. <p>In addition, a new section has been added, Management of liquid resources. Note 4 page 51 is a new note, explaining "liquid resources" and the reconciliation to cash as previously presented.</p>
52	Pension Fund statement	<p>Adjustments made -</p> <ul style="list-style-type: none"> Corrections to Contributions receivable, from employers £33k, from employees £13k, total £46k. Correction to Investment Income, £86k Correction to Change in Market Value of Investments, £206k Correction to Interest and dividends accrued, £292k Correction to cash at Council, £46k.
54	Note 5.1, Contributions receivable	Corrections totalling £46k per above. 02/03 comparatives added.
55	Note 5.2, Benefits payable	02/03 comparatives added.
55	Note 6.2, Related Parties	The four fund managers are now listed separately as related parties rather than jointly.
55	Note 7.3, other information	New note. Sets out the Valuer and valuation basis of property assets held for pension fund purposes.