

Group Account Amendments 30 July 2019

Since the accounts papers were issued for Audit Committee there has been a further change to the group accounts. Revised group accounts are attached.

This affects the Group Comprehensive Income and Expenditure Statement (page 200), Group Movement in Reserves Statement (page 201), Group Balance Sheet (page 202), Note 12 Long Term Investments (page 214) and Note 14 Group Reserves (page 215).

This change does not affect the Council or MAG accounts or the financial position of either.

The change relates to the calculation that has been done to reflect the external valuation of the airports land and buildings assets. This valuation is required to bring MAG's accounting policies in line with the Council's as required under the Local Authority Accounting Code. MAG is allowed to hold these assets at cost in their own accounts.

The calculation involved uplifting the group accounts for the difference between the valuations commissioned for 31 March 2018 and 31 March 2019 (for 2018/19). This calculation has been undertaken since the first valuations were commissioned in 2013/14.

It has been identified, during the audit, that the opening valuation in each years calculation should have been adjusted for movements during the year (e.g. depreciation, additional expenditure, disposals etc.) to do a like for like comparison as these would have been included in the end of year valuation.

It has been identified, as part of the audit that the adjustments made annually since 2013/14 were incorrect. The original adjustments were made by adjusting for the difference between closing fair value and the opening fair value, such adjustment did not adequately take account of movement as per MAG financial statement during each year (e.g. depreciation, additional expenditure, disposals etc.). The adjustment has therefore been recalculated from the year 2013/14 onwards to reverse such movements.

This has resulted in an increase in group reserves of £42.9m at 31 March 2018 and £37.2m at 31 March 2019. This is matched by an increase in the long term investment in the joint venture on the balance sheet.

There has been no change in the group deficit but the share of other comprehensive income of joint ventures has been adjusted by the change in the net worth of the balance sheet in year (£7.7m increase in 2016/17 and £5.7m reduction in 2017/18).

The amended reserves figures have been reflected in the Movement in Reserves Statement.