

## **2015/16 Statement of Accounts: Summary financial and accounting information**

### **1. Purpose of Report**

- 1.1. This brief report has been drafted to ensure that the attention of members of the Audit and Governance Committee are drawn to the key pieces of financial and accounting information contained in the 2015/16 Worcestershire County Council Statement of Accounts. This paper sets out in two parts:

Summary information for the County Council Statement of Accounts; and

Summary information for the Worcestershire County Council Pension Fund that is administered by the County Council.

- 1.2. This should be read alongside the Narrative Statement to the 2015/16 Statement of Accounts that provides more analysis on financial performance in 2015/16.

### **2. Summary information for the County Council Statement of Accounts**

- 2.4. The Capital adjustments include the effect of the transfer of school assets to academies, as well as the usual adjustments for Capital Grants, depreciation and the costs of financing the capital programme.

Earmarked Reserves

- 2.5. Earmarked reserves form part of the usable reserves available to the County Council. Specific earmarked reserves excluding Revenue Grants carried forward to pay for specific future commitments decreased by £3.6 million to £94.0 million.
- 2.6. Specifically the following movements occurred in the 2015/16 financial year:-

Schools balances have increased by £1.3 million to £18.1 million. These reserves are maintained at the discretion of school governing bodies.

Directorate reserves have decreased by £1.0 million to £8.7 million. This represents between year flexibility to carry forward funding for specific initiatives.





### **3. Summary information for the Worcestershire County Council Pension Fund that is administered by the County Council**

- 3.1. This section provides a brief summary of the key highlights of the 2015/16 County Council Statement of Accounts:

#### Movement in Net Assets

The Pension Fund's Net Assets decreased by 1.8% (£35 million) to £1.95 billion. This included the addition of £38.1 million of investment income (£40.8 million in 2014/15) along with £(73.6) million profit and losses on disposal of investments and changes on the market value of investments.

#### Movement in Net Surplus / Deficit