

Scotland Excel

To: Joint Committee

On: 17 June 2022

**Report By:
The Treasurer**

Scotland Excel Unaudited Annual Accounts 2021/22

1. Summary

- 1.1. The Annual Accounts for the year ended 31 March 2021 will be submitted to Audit Scotland in advance of the statutory deadline of 30 June 2022 and a copy is attached at Appendix 1 for consideration.
- 1.2. Scotland Excel's Core activities resulted in a small overspend of £3,217 in 2021/22 compared to a budgeted break-even position. Projects returned income of £326,488 over expenditure. This results in a combined underspend for the year of £323,271. This underspend is added to Usable Reserves, which are committed as outlined in Note 3 to the Accounts.
- 1.3. The Management Commentary (pages 1-9) within the accounts provides an overview of Scotland Excel's performance during 2021/22, along with risk information and its outlook for the future.

2. Recommendations

- 2.1. The Joint Committee is asked to:
 - (a) Note the Unaudited Annual Accounts for 2021/22; and
 - (b) Approve the Annual Governance Statement (pages 11-13).

3. Background

- 3.1. The Local Authority Accounts (Scotland) Regulations 2014 require Scotland Excel to prepare and publish a set of accounts, including an Annual Governance Statement, by 30 June each year.
- 3.2. The Unaudited Accounts are then required to be formally considered by the Joint Committee no later than 31 August and the Annual Governance Statement should be formally approved by this time.

- 3.3. In accordance with the Local Authority Accounts (Scotland) Regulations 2014, the Unaudited Annual Accounts will then be signed only by the Treasurer as proper officer.
- 3.4. The accounts are then subject to external audit by the appointed auditor, Audit Scotland, by 30 September. Under the Coronavirus Act (Scotland) 2020, this has been extended to 30 November this year. The 2021/22 Audited Annual Accounts are therefore scheduled to be presented to the Executive Sub-Committee on 18 November 2022 for approval and to then be signed by the Convener, the Chief Executive and the Treasurer, in accordance with the regulations.
- 3.5. The Comprehensive Income and Expenditure Statement on page 16 shows an accounting Deficit on the Provision of Services of £890,125.
- 3.6. The Expenditure and Funding Analysis on page 19 shows how this differs from the budgetary surplus of £327,271 due to accounting adjustments for pension costs, capital charges and the statutory employee leave accrual.
- 3.7. The Balance Sheet on page 18 shows a decrease in net worth of £2,905,875, which is largely driven by the movement in the pension liability. This is explained further in the Management Commentary within the accounts.
- 3.8. Note 3 on page 20 outlines committed and uncommitted balances on Core Operations (the Revenue Reserve) and Projects at 31 March 2022.