

Schedule of uncorrected misstatements 2013/14 Financial Statements

Error	Amount £	Reason for non correction
Property, Plant and Equipment – Leisure Facility Valuations	£800,000 (Approx)	<p>The Council undertook a revaluation of its Leisure Facilities using index information on building costs from public information from the internet. This resulted in a closing asset value of £30.2 million.</p> <p>Following a request from our auditors the Council asked for further specialist index information from the Council External Valuers. The valuations were then recalculated using these indices.</p> <p>The revised calculations have suggested that the original revaluation may have been understated to a maximum of £800,000.</p> <p>The Council has concluded that the amount is not material to the financial statements and no further adjustment is required, but will be subject to the action plan contained within the Audit Findings Report and the Letter of Representation.</p>
<p>Property, Plant and Equipment – Embedded Leased Vehicles, Gross Book Value</p> <p>Property, Plant and Equipment – Embedded Leased Vehicles, Depreciation</p> <p>Deferred Liabilities – Embedded Leases</p>	<p>£507,000</p> <p>-£487,000</p> <p>£20,000</p>	<p>The Council uses a number of vehicles through its contactor for Waste and Recycling Collection throughout the Borough.</p> <p>Following the implementation of the IFRS the Council deemed these vehicles to be embedded leases.</p> <p>In 2013/14 the Councils contractor replaced a number of vehicles used on the contract for some purchased in 2013/14. The council itself does not have easy access to the purchase prices of such vehicles and in preparing the financial statements used previously held valuations which were several years out of date.</p> <p>The Auditors subsequently asked the council to make efforts to obtain current prices for the newly acquired vehicles. Information was obtained from other local authorities in Kent who acquired similar vehicles in 2013/14.</p> <p>The resultant change in value increased the Gross Book Value of these vehicles by £507,000.</p>

		<p>Whilst this revaluation was being undertaken it was noted that some of the vehicles used for the contract for the first time had not been depreciated enough in line with their age. The resulting change increased depreciation by £487,000</p> <p>This net impact of these adjustments would be to increase both PPE: Net Book Value and Deferred Liabilities by £20,000.</p> <p>The Council has concluded that the net amount is not material to the financial statements and no further adjustment is required.</p>
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