

**ABERDEEN
CITY AND
SHIRE**

*Strategic Development
Planning Authority*

**STATEMENT OF ACCOUNTS
FOR THE PERIOD ENDED
31 MARCH 2014**

STATEMENT OF ACCOUNTS 2013/14

CONTENTS

	PAGE
Explanatory Foreword by the Treasurer	2 - 3
Statement of Responsibilities for the Statement of Accounts	4
Movement in Reserves Statement	5
Comprehensive Income and Expenditure Statement	6
Balance Sheet	7
Cash Flow Statement	8
Notes to the Accounts	9 – 15
Statement on the System of Internal Financial Control	16
Remuneration Report	17 – 19
Independent Auditor's Report	20 – 21
Glossary of Terms	22

EXPLANATORY FOREWORD BY THE TREASURER

Introduction

The Aberdeen City & Shire Strategic Development Planning Authority (SDPA), the Authority, is one of 4 City-Region planning authorities in Scotland. The primary role of the Authority is to prepare and maintain a strategic development plan for the area. The impact of the wider economic climate on the Authority's activities is considered to be minimal.

Aberdeenshire Council provides the accounting, treasury and financial management services to the Authority and the Head of Finance of Aberdeenshire Council is Treasurer to the Authority.

The purpose of the annual Statement of Accounts is to demonstrate proper stewardship of the Strategic Development Planning Authority's financial affairs.

The Code constitutes proper accounting practice under section 12 of the Local Government (Scotland) Act 2003.

This foreword provides an explanation of the Statement of Accounts.

Financial Statements

These Statements are produced in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom and under International Financial Reporting Standards. An explanation of the purpose of each statement has been included.

Movement in Reserves Statement

Reserves are classified as either Usable or Unusable. Usable reserves are available to meet the cost of running the service. Unusable reserves will generally hold unrealised gains or losses and can only be used once they are realised. This Statement will analyse the movement in Reserves between periods. The nature of the SDPA limits the range of Reserves it can operate.

Comprehensive Income and Expenditure Statement

The Comprehensive Income and Expenditure Statement summarises all of the resources that the Authority has generated, consumed or set aside in providing services during the year. As such, it is intended to show the true financial position of the Authority.

Balance Sheet

This Statement brings together all the assets and liabilities of the Authority, including reserves and current assets and liabilities employed in its operations. This statement presents the overall financial position of the Authority as at 31 March 2014.

Cash Flow Statement

The Cash Flow Statement provides the details of cash movements arising from transactions for the financial year.

Statement on the System of Internal Financial Control

This Statement acknowledges the responsibility for internal financial control and indicates the main features of the systems in use and the level of assurance that the system of internal financial control can provide.

Remuneration Report

This report presents information on the remuneration made in respect of senior officers and Board members of the Authority per Scottish Government circular No. 8/2011.

Financial Performance

The results of the Authority's activities for the year are presented below with a comparison against budget. This presentation differs slightly from that in the Comprehensive Income & Expenditure Statement and allows for an understanding of performance and activity costs to be better determined.

	2012/13 £000 Actual	2013/14 £000 Budget	2013/14 £000 Actual	Actual v Budget %
Requisitions	120	206	176	85%
Interest on Balances	1	-	-	0%
Total Income	121	206	176	
Employee Costs	73	93	95	102%
Property Costs	7	6	3	50%
Supplies and Services	9	87	63	72%
Transport Costs	2	2	1	50%
Administration Costs	16	18	8	44%
Total Operating Costs	107	206	170	
Net Income	14	0	6	

The costs of the Authority in 2013/14 were broadly in line with budget with the most significant underspend being under Supplies and Services; an amount of £30,000 was included in the budget for the examination of the Strategic Development Plan by the Scottish Government, which only actually cost £15,000. In addition to this Administration Costs were under budget due to the Strategic Development Plan approval being slightly later than expected so printing costs budgeted for in 2013/14 will now fall into 2014/15. The net underspend in 2013/14 is £6,000, which will be returned to the constituent partners.

Acknowledgements

The production of the Statement of Accounts is very much a team effort involving staff from Aberdeenshire Council and the Strategic Development Planning Authority. I would like to take this opportunity to thank all those involved for their assistance and co-operation.

Alan Wood, MA (Hons), CPFA
Treasurer
24 September 2014

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Authority's Responsibilities

The Authority is required to:

- make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this case, that officer is the Treasurer to the Authority;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- approve the Statement of Accounts.

The Treasurer's Responsibilities

The Treasurer is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this statement of accounts, the Treasurer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent; and
- complied with the local authority Code.

The Treasurer has also:

- kept proper accounting records which were up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

I confirm that this Statement of Accounts gives a true and fair view of the financial position of the Authority at the accounting date and its income and expenditure for the year ended 31 March 2014.

Alan Wood, MA (Hons), CPFA
Treasurer
24 September 2014

MOVEMENT IN RESERVES STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

This Statement shows the movement in the year on reserves held by the Authority, analysed into 'usable' reserves and 'unusable' reserves. Usable reserves are those that can be applied to fund expenditure subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. Unusable reserves include reserves that hold unrealised gains and losses (for example the revaluation reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the line "Adjustments between accounting basis and funding basis under regulations". The Authority does not have any unusable reserves.

The 'Surplus or (Deficit) on the provision of services' line shows the true economic cost of providing the Authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. The 'Net Increase before transfers to other statutory reserves' line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Authority.

	General Fund £000	Total Usable Reserves £000	Unusable Reserves £000	Total SDPA Reserves £000
Balance at 31 March 2013	104	104	0	104
Surplus or (deficit) on provision of services	0	0	0	0
Other Comprehensive Expenditure and Income	0	0	0	0
Total Comprehensive Expenditure and Income	0	0	0	0
Adjustments between accounting basis & funding basis under regulations	0	0	0	0
Net Increase before Transfers to Other Statutory Reserves	0	0	0	0
Transfers to / from Other Statutory Reserves	0	0	0	0
Increase / (Decrease) in Year	0	0	0	0
Balance at 31 March 2014	104	104	0	104

BALANCE SHEET AS AT 31 MARCH 2014

The Balance Sheet shows the value as at the Balance Sheet date of assets and liabilities recognised by the Authority. The net assets of the Authority (assets less liabilities) are matched by the reserves held by the Authority.

Reserves are reported in two categories. The first category of reserves is usable reserves, i.e. those reserves that the Authority may use to provide services. The second category of reserves is unusable reserves, i.e. those that are not able to use to provide services. The Authority does not have any unusable reserves.

31 March 2013 £000		Note	31 March 2014 £000
-	Short Term Debtors	6	3
157	Cash and Cash Equivalents	7	116
157	Current Assets		119
(53)	Short Term Creditors	8	(15)
(53)	Current Liabilities		(15)
104	Net Assets		104
104	Usable Reserves		104
0	Unusable Reserves		0
104	Total Reserves		104

The unaudited accounts were authorised for issue on 26 June 2014 and the audited accounts were authorised for issue on 24 September 2014.

Alan Wood, MA (Hons), CPFA
Treasurer
24 September 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

2012/13 £000		2013/14 £000	Note
0	Net surplus or deficit on the provision of services	0	
<u>17</u>	Adjust net surplus or (deficit) on the provision of services for non cash movements	<u>(41)</u>	
<u>17</u>	Net cash flows from Operating Activities	<u>(41)</u>	10
17	Net increase or (decrease) in cash and cash equivalents	(41)	
<u>140</u>	Cash and cash equivalents at the beginning of the reporting period	<u>157</u>	
<u><u>157</u></u>	Cash and cash equivalents at the end of the reporting period	<u><u>116</u></u>	

NOTES TO THE ACCOUNTS

Note 1 Accounting Policies

General Principles

The Statement of Accounts summarises the SDPA's transactions for the 2013/14 financial year and its position at the year-end of 31 March 2014. The SDPA is required to prepare an annual Statement of Accounts by the Local Authority Accounts (Scotland) Regulations 1985, of which section 12 of the Local Government in Scotland Act 2003 require to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2013/14 and the Service Reporting Code of Practice 2013/14, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act.

The accounting convention adopted in the Statement of Accounts is historical cost.

These financial statements are prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Accruals and Income and Expenditure

Income and Expenditure activities are accounted for in the year in which they take place, not simply when cash payments are made or received.

Where income and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet. Where the debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

Financial Liabilities

The SDPA's liabilities are shown as Creditors in the Balance Sheet and are for less than 12 months, they are initially measured at fair value and are subsequently carried at amortised cost, which equates to the actual cash value at 31 March 2014.

Requisitions and Contributions

Requisitions and contributions relating to revenue expenditure are accounted for on an accruals basis and recognised immediately in the Comprehensive Income & Expenditure Statement as income except where the grant or contribution has a condition(s) (as opposed to restriction) that the SDPA has not satisfied, in which case it is recognised as a Creditor.

Cash and Cash Equivalents

The Authority uses Aberdeenshire Council's bank account for financial transactions and the balance is invested in the Council's Loans Fund. This balance is repayable on demand and therefore treated as a cash equivalent and is included in the Balance Sheet at amortised cost, which equates to the actual cash value at 31 March 2014.

NOTES TO THE ACCOUNTS (continued)

Note 1 Accounting Policies (continued)

Employee Benefits

Benefits Payable During Employment

The SDPA does not directly employ staff but only reimburses the employing authority, Aberdeenshire Council, for staff costs paid including any pension related costs as they are incurred.

Overheads and Support Services

The costs of overheads and support services are charged to those that benefit from the supply or service in accordance with the costing principles of the CIPFA Service Reporting Code of Practice (SeRCOP). The total absorption costing principle is used with all overhead costs identified within the Authority accounts, with the exception of:

Corporate and Democratic Core – costs relating to the SDPA's status as a democratic organisation.

Events after Balance Sheet Date

Events after the Balance Sheet date are those events, both favourable and unfavourable that occurs between the end of the reporting period (the balance sheet date) and the date when the financial statements are authorised for issue.

There are two types of events:

- a) those that provide evidence of conditions that existed at the balance sheet date (adjusting events after the reporting period) and
- b) those that provide evidence of conditions that arose after the balance sheet date (non-adjusting events after the reporting period).

The accounts are adjusted to reflect adjusting events after the reporting period and are not adjusted to reflect non-adjusting events after the reporting period. Where a non-adjusting event would have a material effect, disclosure is made in the notes of the nature of the events and the estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

Reserves

The nature of SDPA operations precludes it from creating reserves other than a General Fund. This Fund or general reserve captures all assets and liabilities that are not assigned to a special purpose fund.

NOTES TO THE ACCOUNTS (continued)

Note 1 Accounting Policies (continued)

Value Added Tax

VAT is included in the Comprehensive Income and Expenditure Statement only to the extent that it is irrecoverable.

Note 2 Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 1, the Treasurer has had to make certain judgements about complex transactions or those involving uncertainty about future events.

The critical judgements made in the Statement of Accounts are:

- There is a degree of uncertainty about future levels of funding for local government and hence to funding for the SDPA. However, the Treasurer has determined that the level of uncertainty is not yet sufficient to provide an indication that the activities of the Authority might be affected by the need to reduce levels of service provision. On this basis the Statement of Accounts continue to be prepared on a going concern basis.

Note 3 Assumptions Made About The Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts does not contain any estimated figures that are based on assumptions made by the SDPA about the future or that are otherwise uncertain.

Note 4 Events after the Balance Sheet Date

The Statement of Accounts was authorised for issue by the Treasurer on 26 June 2014. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2014, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

Note 5 Financing and Investment Income and Expenditure

	2012/13	2013/14
	£000	£000
Interest receivable and similar income	(1)	-
	<hr/>	<hr/>
	(1)	-

NOTES TO THE ACCOUNTS (continued)

Note 6 Short Term Debtors

	2012/13 £000	2013/14 £000
Other Local Authorities	-	3
	<hr/>	<hr/>
	-	3

Note 7 Cash and Cash Equivalents

The balance of Cash and Cash Equivalents comprises:

	2012/13 £000	2013/14 £000
Temporary Investment in the Aberdeenshire Council Loans Fund	157	116
	<hr/>	<hr/>
	157	116

Note 8 Short Term Creditors

	2012/13 £000	2013/14 £000
Other Local Authorities	37	9
Other Entities and Individuals	7	6
Public Corporations and Trading Funds	9	-
	<hr/>	<hr/>
	53	15

Note 9 Reserves

Movements in the SDPA's usable reserves are detailed in the Movement in Reserves Statement. The Authority does not have any unusable reserves.

Note 10 Cash Flow - Operating Activities

The cash flows for operating activities includes the following item:

	2012/13 £000	2013/14 £000
Interest Received	1	-

Note 11 Cash Flow – Investing and Financing Activities

There were no investing or financing activities in 2013/14 (2012/13 £Nil).

NOTES TO THE ACCOUNTS (continued)

Note 12 External Audit Costs

The Board has incurred the following costs in relation to the audit of the Statement of Accounts.

	2012/13 £000	2013/14 £000
Fees payable in respect of external audit Services:		
Audit Fee	4	3

Note 13 Requisition Income

The SDPA credited the following requisitions to the Comprehensive Income and Expenditure Statement.

	2012/13 £000	2013/14 £000
Credited to Requisitions and Non Specific Grant Income		
Requisition from Aberdeen City Council	60	94
Requisition from Aberdeenshire Council	60	82
	<u>120</u>	<u>176</u>
Returned to/(Charged to) constituent authorities		
Aberdeen City Council	7	9
Aberdeenshire Council	7	(3)
	<u>14</u>	<u>6</u>
Net Requisitions	<u>106</u>	<u>170</u>

Note 14 Related Parties

The Authority is required to disclose material transactions with related parties which are bodies or individuals that have the potential to control or influence the Authority or to be controlled or influenced by the Authority. Disclosure of these transactions allows readers of the Statements to assess the extent to which the Authority might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Authority.

Members

Members have direct control over the Authority's financial and operational policies and decision making. No allowances or fees have been paid to Members in 2013/14 and there were no contracts awarded in which a Board Member had an interest.

NOTES TO THE ACCOUNTS (continued)

Note 14 Related Parties (continued)

Aberdeen City Council & Aberdeenshire Council

Aberdeen City Council & Aberdeenshire Council have a significant element of control over the general operations of the Authority. They provide a significant element of funding through two specific grants and the elected Members that they appoint to the managing Board of the Partnership can exert significant influence on its operations and decision making processes. The amounts relating to each Council are detailed below.

	Amounts received from		Amounts paid to		Amounts due to/(from) as at 31 March	
	2012/13	2013/14	2012/13	2013/14	2013	2014
	£000	£000	£000	£000	£000	£000
Aberdeenshire Council	53	85	79	97	7	(3)
Aberdeen City Council	53	85	5	2	30	9

Officers

The management of the Authority is disclosed in the remuneration report on pages 17-19 of this document. These officers have the responsibility for planning, directing or otherwise controlling the activities of the Authority. Their scope of control is determined by reference to the scheme of delegation and financial regulations adopted by the Board. The Board is satisfied that appropriate controls are in place to manage and monitor the activities of the key management personnel.

Note 15 Financial Instruments

The SDPA's financial instruments comprise debtors and creditors. All of these are for less than 12 months and are measured at fair value and subsequently carried at amortised cost which equates to the actual cash value at 31 March 2014.

There are no gains or losses recognised in the Comprehensive Income & Expenditure Statement in relation to financial instruments.

Nature and Extent of Risks Arising from Financial Instruments:

The Authority has no material exposure to any of the following financial risks:

- Credit risk – the possibility that other parties might fail to pay amounts due.
- Liquidity risk – the possibility that the Authority might not have funds available to meet its commitments to make payments.
- Market risk – the possibility that financial loss might arise for the Authority as a result of changes in such measures as interest rates and stock market movements.

The Authority has reviewed all financial risks and does not believe that it is required to make any provision within the financial statements for any financial risk exposure.

NOTES TO THE ACCOUNTS (continued)

Note 16 Pension Scheme Accounted for as a Defined Contribution Scheme

The Authority's staff are on secondment from Aberdeenshire Council and as such are entitled to be members of the Superannuation Scheme which is administered by the Aberdeen City Council. This provides staff with defined benefits upon their retirement, and the Authority contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

It is neither appropriate nor possible for the Authority to identify a share of the underlying liabilities in the scheme attributable to its staff. For the purposes of the statement of accounts it is therefore accounted for as a defined contribution scheme.

In 2013/14, the Authority reimbursed Aberdeenshire Council with £14,333 (£11,013 in 2012/13) in respect of superannuation contributions representing 19.3% of pensionable pay (2012/13: 19.3%). The employing authority is responsible for all pension payments related to "added years" it has awarded, together with related increases. There are no awards in respect of staff seconded to SDPA.

Note 17 Accounting Standards that have been Issued but have not yet been Adopted

The adoption of the following accounting standards by the Code in 2014/15 will result in changes in accounting policy:

- IFRS 10 Consolidate Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interests in Other Entities
- IFRS 13 Fair Value Measurement
- IAS 27 Separate Financial Statements
- IAS 28 Investment in Associated and Joint Ventures
- IAS 32 Financial Instruments: Presentation

It is not anticipated that these changes will have a material effect for SDPA.

Note 18 New Accounting Standards effective in 2013/14

The following new standards, amendments and interpretations became effective in 2013/14 for the first time.

- IAS 1 Presentation of financial statements (Other Comprehensive Income) (amendment)
- IAS 12 Income Taxes (amendment)
- IAS 16 Property, Plant and Equipment (amendment)
- IAS 19 Post employment benefits (pensions) (amendment)
- IAS 32 Financial Instruments: Presentation (amendment)
- IAS 34 Interim Financial Reporting (amendment)

There is no impact on the financial statements as a result of the above.

STATEMENT ON THE SYSTEM OF INTERNAL FINANCIAL CONTROL

This statement is given in respect of the 2013/14 Financial Statements for The Aberdeen City and Shire Strategic Development Planning Authority (SDPA). I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated in connection with the resources deployed by the SDPA.

The system of internal financial control can provide only reasonable assurance that assets and other resources are safeguarded, that transactions are authorised and properly recorded and that material errors or irregularities are either prevented or would be detected within a timely period.

The system of internal financial control is based on a framework of financial regulations, regular financial and other management information, appropriate administrative procedures and processes which include segregation of duties, an appropriate management structure and a system of supervision, delegation and accountability. Development and maintenance of the system is undertaken by managers within the SDPA and partner Councils who advise or otherwise assist in the management of the Authority.

The internal financial control system includes:

- A comprehensive budgeting system;
- Production of regular financial statements which indicate financial performance against the budgets and appropriate forecasts;
- An annual financial report which indicates actual financial performance against budget; and
- Clearly defined standing orders.

The SDPA operates the corporate financial systems of Aberdeenshire Council. These systems are subject to review by both the Council's internal audit section and the Council's external auditor.

My review of the effectiveness of the system of internal financial controls is informed by the work of internal and external audit, as well as the work of managers within Aberdeenshire Council and the SDPA.

I am satisfied that the SDPA has a sound system of internal financial control in place and at this time there are no material weaknesses or failures identified that could have a material effect on the operations of the SDPA.

I am also satisfied that these statements of account give a true and fair view, in accordance with applicable law and the Code, of the state of the affairs of Aberdeen City and Shire Strategic Development Planning Authority as at 31 March 2014 and of its income and expenditure for the year then ended.

The Authority's financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010).

Alan Wood, MA (Hons), CPFA
Treasurer
24 September 2014

REMUNERATION REPORT

Introduction

The remuneration report has been prepared in accordance with the Local Authority Accounts (Scotland) Regulations 1985 (as amended by the Local Authority (Scotland) Amendment Regulations 2011). These Regulations require various disclosures about the remuneration and pension benefits of senior Councillors and senior employees in respect of earnings etc paid by the Authority. SDPA does not make payment to any member of the Authority, whether elected Member or otherwise appointed, by way of salary, enhanced pension benefits or reimbursement of expenses.

The Treasurer and Clerk to the Authority do not receive remuneration from the SDPA. The duties of the posts are covered by the post holder's substantive posts in their respective Councils.

The information disclosed in the tables below is subject to independent audit.

Arrangements for Remuneration

The remuneration of all employees of SDPA is set by reference to national arrangements agreed by the Scottish Joint Negotiating Committee (SJNC) for Local Authority Services.

SDPA does not pay bonuses or performance related pay. Officers receive business mileage and subsistence allowances in accordance with amounts either agreed nationally by SJNC or as approved locally by Aberdeenshire Council and adopted by SDPA. Officers are eligible to join the Local Government Pension Scheme (LGPS).

Remuneration

The term remuneration means gross salary, fees and bonuses, allowances and expenses, and compensation for loss of employment. It excludes pension contributions paid by the Employer. Pension contributions made to a person's pension are disclosed as part of the pension benefits disclosure below.

Remuneration of Senior Employees

	Total Remuneration for Year						Total
	Gross salary, fees & allowances	Bonuses	Taxable Expenses	Non-cash expenses & benefits-in-kind	Compensation for loss of office	Total 2013/14	Total 2012/13
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
David Jennings	53	0	0	0	0	53	53
Totals	53	0	0	0	0	53	53

Exit Packages

There is a new requirement to disclose details of all staff Exit Packages agreed in the year. An Exit Package is the value of all termination benefits which include redundancy costs, pension contributions in respect of added years and any ex gratia and other departure costs. The SDPA has not agreed any Exit Packages in 2013/14 (2012/13 – £Nil).

Notes

The term senior employee means:

1. Any employee who has responsibility for the management of the SDPA to the extent that the person has the power to direct or control the major activities of the Authority (including activities involving the expenditure of money), during the year to which the Report relates, whether solely or collectively with other persons;
2. Who holds a post that is politically restricted by reason of section 2(1) (a), (b) or (c) of Local Government and Housing Act 1989 (4); or
3. Whose annual remuneration, including any remuneration from a local authority subsidiary body, is £150,000 or more.

Remuneration of Employees receiving more than £50,000

There is one SDPA employee receiving more than £50,000 remuneration for the year, falling into the £50,000 - £54,999 band. As he is a senior employee he is subject to the fuller disclosure requirements in the table above.

Pension Benefits

The term pension benefits covers in-year pension contributions for the employee by the Council and the named person's accrued pension benefits at the reporting date.

Pension Benefits of Senior Employees

	In-year pension contributions		Accrued annual pension benefits		Accrued pension Lump Sum	
	For year to 31 March 2014	For year to 31 March 2013	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
	£000's	£000's	£000's	£000's	£000's	£000's
David Jennings	10	10	11	10	20	20
Totals	10	10	11	10	20	20

Notes:

All employees working for SDPA are eligible to become members of the Local Government Pension Scheme (LGPS).

The LGPS provides defined benefits on retirement. The pension is based on the member's pensionable service (how long he or she has been a member of the LGPS) and his or her pay. For elected members, pay is based on a "career average" – the aggregate of each year's pay (adjusted for inflation) is divided by the total number of years and part years they have been a member of the LGPS. For officers, pay is based on their final year's salary. For most people, for service up to 31 March 2009, the annual pension is calculated by dividing their pay by 80 (60 for service after 31 March 2009) and multiplying this by their total membership. Pensions payable are increased annually in line with changes in The Pensions (Increase) Act 1971 and Section 59 of the Social Security Pension Act 1975.

The lump sum, which is automatically paid when the person retires for service up to 31 March 2009, is normally three times his or her annual pension and is tax-free. There is no automatic lump sum for service after 31 March 2009. Members may opt to give up (commute) pension for lump sum up to the limit set by the Finance Act 2004.

A Scheme member's contribution depends on his or her full-time equivalent pay. From 1 April 2009, a five tier contribution system was introduced with contribution from members being based on how much pay falls into each tier. The tiers and rates for 2013-2014 have increased from the 2012-2013 rates. The tiers and rates are now as follows - up to and including £19,800 5.5%; above £19,800 and up to £24,200 7.25%; above £24,200 and up to £33,200 8.5%; above £33,200 and up to £44,200 9.5%; and above £44,200 12%.

The value of the accrued benefits in the above tables has been calculated on the basis of the age at which the person will first become entitled to receive a full pension on retirement without reduction on account of its payment at that age; without exercising any option to commute pension entitlement into a lump sum; and without any adjustment for the effects of future inflation. The normal retirement age for members of the LGPS is 65.

The pension figures shown relate to the benefits that the person has accrued as consequence of their total local government service, and not just their current appointment. The above explanatory notes provide general information on the Local Government Pension Scheme and do not override the provisions of the Scheme.

Councillor Ramsay Milne
Chairman
Strategic Development Planning
Authority

Alan Wood, MA (Hons), CPFA
Treasurer

24 September 2014

Independent auditor's report to the members of the Aberdeen City and Shire Strategic Development Planning Authority and the Accounts Commission for Scotland

We certify that we have audited the financial statements of the Aberdeen City and Shire Strategic Development Planning Authority (SDPA) for the year ended 31 March 2014 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Movement in Reserves Statement, Comprehensive Income and Expenditure Statement, Balance Sheet, and Cash-Flow Statement, and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2013/14 (the 2013/14 Code).

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 125 of the Code of Audit Practice approved by the Accounts Commission for Scotland, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Respective responsibilities of the Responsible Financial Officer and auditor

As explained more fully in the Statement of Responsibilities, the Responsible Financial Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the body's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Responsible Financial Officer; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report and accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view in accordance with applicable law and the 2013/14 Code of the state of the affairs of the body as at 31 March 2014 and of the income and expenditure the body for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2013/14 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973 and the Local Government in Scotland Act 2003.

Opinion on other prescribed matters

In our opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 1985; and
- the information given in the Explanatory Foreword for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We are required to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit; or
- the Statement on the System of Internal Financial Control does not comply with the 2013/14 Code; or
- there has been a failure to achieve a prescribed financial objective.

We have nothing to report in respect of these matters.

James Boyle, CA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Edinburgh, UK
24 September 2014

GLOSSARY OF TERMS

EXPENDITURE

Administration Costs:

Includes telephone, printing, stationery, advertising, postage, and training expenses.

Corporate Democratic Core (CDC):

These are costs associated with democratic representation and costs relating to the corporate management of the SDPA.

INCOME

Requisitions:

Funding received from the constituent authorities.

OTHER

SeRCOP

Service Reporting Code of Practice

CIPFA

The Chartered Institute of Public Finance and Accountancy

LASAAC

Local Authority (Scotland) Accounts Advisory Committee

IFRS

International Financial Reporting Standard

The Code

The Code of Practice on Local Authority Accounting in the United Kingdom

FAIR VALUE

Fair Value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. For land and buildings, fair value is the amount that would be paid for the asset in its existing use.

ECONOMIC COST

The total cost of performing an activity or following a decision or course of action.