

Meeting: Transport for the North Audit and Governance Committee

Subject: Year End Statutory Accounts

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Meeting Date: Thursday 16 September 2021

1. Purpose of the Report:

- 1.1 To present to Audit & Governance Committee the Draft Unaudited Accounts of Transport for the North for consideration and recommendation to the TfN Board.
- 1.2 This is a follow on from the presentation given to Audit & Governance Committee on 15 July 2021.

2. Executive Summary:

- 2.1 The Draft Unaudited Accounts are attached as Item 8.1.
- 2.2 Transport for the North officers will provide explanation of these papers during the Audit & Governance Committee.

3. Background:

- 3.1 Unaudited draft accounts were presented to the committee on 15 July 2021.
- 3.2 At that meeting it was stated that the external audit was still ongoing and there was the possibility of final amendments to the draft accounts with specific reference to the disclosure of the disposal of the fares data tool to the Department of Transport.
- 3.3 The audit has now been finalised and there are two main changes (as referenced in Mazars' audit completion report) to the draft unaudited accounts as presented at the meeting of 15 July 2021:
 - The disclosure of the write-down of the fares data tool has been changed from an impairment to a loss on disposal. This update, as it is the sole "disposal" in the year (as opposed to impairment), results in this transaction being moved from within the Integrated and Smart Ticketing "cost of services" heading, to being the only item disclosed in the new line "other operating expenditure" within

the Comprehensive Statement of Income and Expenditure Statement. The update also requires amendment to various notes to the accounts and the creation of a new note (note 10) as we are now disclosing "Other Operating Expenditure". As the transaction was one of the more material transactions in the year, there are various changes to the narrative within the accounts. This does not change the overall result for the year.

- Within note 26, Rail North Local Contributions of £56k have been reclassified as Rail North Grant. This adjustment is isolated to the note and has no other effect in the accounts.

- 3.4 For ease of reference, both these changes (and the consequential changes required to the narrative) have been highlighted in the attached accounts.
- 3.5 In addition, there were a number of minor drafting changes that have been processed. These are captured as track changes within the attached document.
- 3.6 The draft accounts were published for public inspection for the 30-day period as specified. No questions or queries were received in relation to the accounts.

4. Recommendation:

- 4.1 That the committee considers the financial statements and recommends them to be considered for approval by the TfN Board.

5. Corporate Considerations:

5.1 *Financial and Resource Implications*

There are no financial implications within this report.

There are no direct resource implications as a result of the report.

5.2 *Legal Implications*

The legal implications have been considered and are included in the report.

5.3 *Risk Management and Key Issues*

There are no risks associated with the content of this report.

5.4 ***Environmental Implications***

A full impact assessment has not been carried out because it is not required for this report.

5.5 ***Equality and Diversity***

A full impact assessment has not been carried out because it is not required for this report.

5.6 ***Consultations***

A consultation has not been carried out because it is not necessary for this report.

6. Background Papers

6.1 There are no background documents.

7. Appendices:

7.1 Item 8.1 – Draft Unaudited Accounts 2020/21