

NOTES TO THE ANNUAL ACCOUNTS

STATEMENT 8

29. TRADING OPERATIONS

The Local Government in Scotland Act 2003 introduced a specific performance requirement for each significant trading operation to breakeven over a three year rolling basis.

Economic Development Properties have been identified as a significant trading operation. The Service involves the maintenance and letting of industrial units, office accommodation and shops. The portfolio contains around 500 individual rental units and the policy objective is to ensure an adequate supply of property to meet the requirements of business needs in West Lothian. Summarised details of the account are as follows: -

	2023/24 £'000	2022/23 £'000
Turnover	4,889	4,919
Expenditure	2,940	3,378
Surplus for year	1,949	1,541
Budget Surplus for year	1,996	1,545

Included in turnover is internal income of £0.157 million (£0.152 million 2022/23).

The requirement to charge notional interest was removed in the 2006 SORP. However, for the purposes of assessing whether the trading operation has met the statutory requirement to breakeven over a three year rolling period, interest still requires to be included in expenditure for this assessment. A share of General Fund loan interest has been made based on the net book value of Economic Development Properties fixed assets to the total net book value of General Fund fixed assets. The results are summarised below: -

	Surplus / (Deficit) £'000	Loan Interest £'000	Net Surplus / (Deficit) £'000
2021/22	2,282	399	1,883
2022/23	1,541	416	1,125
2023/24	1,949	681	1,268
Surplus over three year period	5,772	1,496	4,276

In the three years to 31 March 2024 the trading account achieved a statutory aggregate surplus of £4.276 million, therefore meeting the statutory financial requirement to breakeven over the three year period.