

Income and Expenditure Account

Year ended 31st March 2006

| 2005/06 Net £'000 | | Note | Gross Exp £'000 | Gross Inc £'000 | Net Exp £'000 |
|-------------------------|--|----------|-----------------------|-----------------------|---------------------|
| 1,511 | Central Services to the public | | 16,332 | 14,630 | 1,702 |
| 34,454 | Cultural, environmental and planning services | | 60,457 | 21,994 | 38,463 |
| 79,348 | Education services | | 131,402 | 114,606 | 16,796 |
| 6,441 | Highways, roads and transport services | | 18,633 | 6,955 | 11,678 |
| (675) | Housing services | | 49,351 | 53,311 | (3,960) |
| 43,491 | Social Services | | 94,397 | 44,261 | 50,136 |
| (8,759) | Exceptional Item | | 0 | 0 | 0 |
| 138 | Court Costs | | 1,132 | 643 | 489 |
| 3,043 | Corporate and democratic core | | 3,356 | 45 | 3,311 |
| 3,018 | Non Distributed Costs | | 3,094 | 18 | 3,076 |
| 162,010 | Net cost of services | 1 | 378,154 | 256,463 | 121,691 |
| (12,074) | (Loss)/Gain on the Disposal of Fixed Assets | 15 | | | 407 |
| 8 | Parish council precepts | | | | 9 |
| (1,001) | Surpluses/deficits on trading undertakings | 16 | | | (729) |
| 5,064 | Interest Payable | | | | 5,244 |
| 83 | Contribution of housing cap. receipts to Govt.Pool | | | | 67 |
| (23) | Losses on the repurchase of borrowing | | | | (23) |
| (2,177) | Interest and investment income | | | | (3,689) |
| 23,257 | Pension Interest Cost | 45 | | | 24,842 |
| (18,779) | Expected Return on Pension Assets | | | | (23,327) |
| 180,516 | Net operating expenditure | | | | 123,678 |
| (40,291) | Demand on the Collection Fund | | | | (43,009) |
| 870 | Transfers (from)/to the Collection Fund in respect of surpluses/deficits | | | | (111) |
| (91,203) | General government grants | | | | (14,001) |
| (46,322) | Non - domestic rates redistribution | | | | (59,795) |
| (3,570) | Surplus/(Deficit) for Year | | | | (6,762) |

Statement of movement on the general fund

| 2005/06 £'000 | | 2006/07 £'000 |
|---|---|------------------|
| Amounts included in the Income and Expenditure Account but required by statute to be excluded when determining the Movement on the General Fund Balance for the year | | |
| 0 | Amortisation of intangible fixed assets | 0 |
| (10,409) | Depreciation and Impairment of fixed assets | (12,082) |
| 15,449 | Government Grants Deferred amortisation | 14,966 |
| (12,469) | Write down of deferred charges to be financed from capital resources | (14,586) |
| (12,074) | (Loss)/Gain on the Disposal of Fixed Assets | 407 |
| (9,157) | Net change for retirement benefits in accordance with FRS 17 | (18,582) |
| (28,660) | | (29,879) |
| Amounts not included in the Income and Expenditure Account but required to be included by statute when determining the Movement on the General Fund Balance for the year | | |
| 3,647 | Minimum revenue provision for capital financing | 3,926 |
| 1,256 | Capital expenditure financed from revenue | 876 |
| (83) | Transfer from Usable Capital Receipts equal to the contribution to Housing Pooled Capital Receipts | (67) |
| 12,769 | Employer's contributions payable to the Pension Fund and retirement benefits payable direct to pensioners | 14,770 |
| 17,589 | | 19,505 |
| Transfers to or from the General Fund Balance that are required to be taken into account when determining the Movement on the General Fund Balance for the year | | |
| (109) | Housing Revenue Account balance | 439 |
| 259 | Voluntary revenue provision for capital financing | 442 |
| (124) | Transfers to/from insurance reserve | (172) |
| 4,881 | Transfers from other earmarked reserves | 2,545 |
| 4,907 | | 3,254 |
| (6,164) | Net additional amount (Credited)/Debited to the General Fund balance | (7,120) |
| (2,594) | Net change (Credited)/Debited to the General Fund balance | (358) |
| (4,865) | Balance on General Fund brought forward | (7,841) |
| (382) | Prior year adjustment-Cheque book school | 0 |
| (7,841) | Balance on General Fund carried forward | (8,199) |

Statement of movement on the general fund

N.B. the general fund balances figure excludes schools balances. A summary of the schools balances position is shown below:-

| 2005/6 | | 2006/7 |
|----------------|--|----------------|
| £000 | | £000 |
| (4,727) | Balances attributable to schools budgets b/fwd | (4,503) |
| (158) | (Surplus)/Deficit in year | (438) |
| 382 | Prior Year Adjustment - Overstated Cheque Book School Figure | 0 |
| (4,503) | Balances attributable to schools budgets c/fwd | (4,941) |

Statement of Total Recognised Gains and Losses (STRGL)

| 2005/6 £000 | | 2006/7 £000 |
|----------------|--|-----------------|
| (3,570) | Surplus/(Deficit) for the year on the Income and Expenditure Account | (6,762) |
| 2,335 | Gains/losses on the Disposal of Fixed Assets | (3,586) |
| 15,181 | Surplus/(Deficit) for the year on the Revaluation of Fixed Assets | 39,568 |
| (110) | Surplus/(Deficit) for the year on the Revaluation of Long Term Investment | (48) |
| 7,227 | Actuarial gains/losses on pension fund assets and liabilities | 22,143 |
| (2,514) | Gains/losses on Capital Contributions Unapplied Reserve | (320) |
| 126 | Gains/losses on Capital Grants Unapplied Reserve | 2,029 |
| (1,163) | Gains/losses on Insurance Reserves | 203 |
| 1,140 | Gains/losses on the Collection Fund Balance | 553 |
| 18,652 | Total recognised gains for the year | 53,780 |
| | Reconciliation with the Movement in Net Worth | |
| 106,308 | Net Worth at Start of Year | 124,960 |
| 124,960 | Net Worth at End of Year | 178,740 |
| 18,652 | Net Worth Change in Year | (53,780) |
| | Note: the Net Worth at the start of 2005/6 needs to be restated due to the change in the Balance Sheet format: | |
| 219,772 | Net Worth shown at the start of 2005/6 in the 2005/6 Statement of Accounts | |
| 113,579 | Removal of Government Grants Deferred from Net Worth | |
| (115) | Removal of the Non Middlesbrough element of the Collection Fund Balance from Net Worth | |
| 106,308 | | |

Balance Sheet

| 31st March 06 £'000 | | Notes | 31st March 07 £'000 |
|------------------------|---|-------|------------------------|
| | FIXED ASSETS | | |
| | Intangible Fixed Assets | | |
| | Tangible Fixed Assets | | |
| | Operational Assets | 18 | |
| 314,954 | Other Land & Buildings | | 358,552 |
| 3,720 | Vehicles / Plant & Equipment | | 4,495 |
| 59,573 | Infrastructure Assets | | 63,375 |
| 8,240 | Community Assets | | 6,279 |
| | Non Operational Assets | | |
| 22,917 | Investment Properties | | 22,594 |
| 14,589 | Assets under construction | | 5,606 |
| 16,575 | Surplus Assets Held for Disposal | | 11,622 |
| 440,568 | Total Fixed Assets | | 472,523 |
| 1,356 | Long-term Investments | 29 | 1,308 |
| 1,499 | Long-term Debtors | 30 | 1,191 |
| 132 | Premium on Early Repayment of Debt | 38 | 88 |
| 443,555 | Total Long Term Assets | | 475,110 |
| | Current Assets | | |
| 1,476 | Stock & Work In Progress | 31 | 1,909 |
| 291 | Landfil Tax Allowance | 25 | 162 |
| 53,362 | Debtors & Payment In Advance | 32 | 37,735 |
| 38,200 | Short-term Investments | | 60,900 |
| 119 | Cash in hand | | 114 |
| 0 | Cash and Bank | | 13,477 |
| 537,003 | Total Assets | | 589,407 |
| | Current Liabilities | | |
| 0 | Short Term Loans | | 0 |
| 34,654 | Creditors & Income In Advance | 33 | 48,315 |
| 3,161 | Bank Overdraft | | 0 |
| 499,188 | Total Assets less Current Liabilities | | 541,092 |
| | Long Term Liabilities | 34 | |
| 97,090 | Long-term Borrowing | 36 | 99,184 |
| 4,552 | Provisions | 37 | 4,523 |
| 127,280 | Government Grants Deferred | 38 | 131,988 |
| 944 | Deferred Discounts on Early Repayment of Debt | 46 | 627 |
| 144,362 | Pensions Liability | | 126,030 |
| 124,960 | Total Assets less Liabilities | | 178,740 |

Balance Sheet

| 31st March 06 £'000 | | Notes | 31st March 07 £'000 |
|------------------------|---------------------------------|-------|------------------------|
| | Financed by: | | |
| 16,501 | Fixed Asset Restatement Account | 40 | 42,518 |
| 201,958 | Capital Financing Account | 41 | 201,363 |
| 14,333 | Usable Capital Receipts Reserve | 42 | 19,216 |
| 75 | Deferred Capital Receipts | 43 | 75 |
| (144,362) | Pensions Reserve | 46 | (126,030) |
| 140 | Major Repairs Reserve - HRA | | 0 |
| 7,841 | General Fund Balance | | 8,199 |
| 2,076 | Housing Revenue Account Balance | | 0 |
| 26,398 | Earmarked Reserves | 39 | 33,399 |
| 124,960 | Total Net Worth | | 178,740 |

Cashflow Statement

| 31st March 06 £'000 | | Notes | 31st March 07 £'000 |
|------------------------|--|-----------|------------------------|
| | Revenue Activities | | |
| | <i>Cash Outflows</i> | 51 | |
| 159,657 | Cash paid to and on behalf of employees | | 162,725 |
| 155,172 | Other operating cash payments | | 147,662 |
| 46,700 | Housing Benefit Paid Out | | 47,371 |
| 7,509 | Precepts Paid | | 8,139 |
| 31,097 | NNDR paid to National Pool | | 32,663 |
| 400,135 | | | 398,560 |
| | <i>Cash Inflows</i> | 51 | |
| (5,145) | Rents (after rebates) | | (5,106) |
| (35,257) | Council Tax Income | | (37,141) |
| (46,322) | NNDR receipts from National Pool | | (59,795) |
| (30,065) | Non-domestic rate receipts | | (32,582) |
| (91,203) | Revenue Support Grant | | (14,001) |
| (45,770) | DWP grants for benefits | | (47,232) |
| (78,018) | Other government grants | | (153,655) |
| (78,483) | Cash received for goods and services | | (84,173) |
| (1,583) | Other operating cash receipts | | (2,127) |
| (411,846) | | | (435,812) |
| (11,711) | Net Cash Flow Revenue Activities | 51 | (37,252) |
| | Returns on Investments and Servicing of Finance | | |
| | <i>Cash Outflows</i> | | |
| 5,038 | Interest Paid | | 5,180 |
| 0 | Interest element of finance lease rental payments | | 0 |
| 5,038 | | | 5,180 |
| | <i>Cash Inflows</i> | | |
| (2,447) | Interest received | | (3,927) |
| 2,591 | | | 1,253 |
| | Capital Activities | | |
| | <i>Cash Outflows</i> | | |
| 35,937 | Purchase of fixed assets | | 17,650 |
| 12,403 | Purchase of long-term investments | | 14,588 |
| | Other Capital Cash Payments | | |
| (48,340) | | | (32,238) |

Cashflow Statement

| 31st March 06 £'000 | | Notes | 31st March 07 £'000 |
|------------------------|---|-----------|------------------------|
| | <i>Cash Inflows</i> | | |
| (16,088) | Sale of fixed assets | 54 | (10,282) |
| (24,016) | Capital grants received | | (21,113) |
| (2,454) | Other capital cash receipts | | (2,177) |
| 0 | Disposal of subsidiary undertakings | | 0 |
| (42,558) | | | (33,572) |
| 5,782 | | | (1,334) |
| (3,338) | Net Cash Inflows/Outflows before Financing | | (37,333) |
| | Management of Liquid Resources | | |
| 4,600 | Net increase/(decrease) in short term deposits | 51 | 22,700 |
| 0 | Net increase/(decrease) in other liquid resources | | 0 |
| | Financing | | |
| | <i>Cash Outflows</i> | | |
| 0 | Repayments of amounts borrowed | | 0 |
| 0 | Capital element of finance lease rental payments | | 0 |
| | <i>Cash Inflows</i> | | |
| (6,000) | New loans raised | | (2,000) |
| 0 | New Short term loans | | 0 |
| (4,738) | Net Increase/Decrease in Cash | 50 | (16,633) |