

Appendix A

Income and Expenditure Account

2006/07 Net £'000		Note	Gross Exp £'000	2007/08 Gross Inc £'000	Net Exp £'000
1,657	Central Services to the public		16,641	14,781	1,860
39,660	Cultural, environmental and planning services		66,165	30,261	35,904
33,999	Children's and Education services		164,526	130,726	33,800
13,402	Highways, roads and transport services		19,984	5,684	14,300
(4,104)	Housing services		67,601	64,867	2,734
35,887	Adult Social Care		74,493	37,269	37,224
5	Court costs		768	563	205
3,311	Corporate and democratic core		3,428	50	3,378
1,613	Non Distributed Costs		2,413	0	2,413
125,430	Net cost of services	1	416,019	284,201	131,818
(407)	(Loss)/Gain on the Disposal of Fixed Assets	15			0
9	Parish council precepts				16
(243)	(Surpluses)/deficits on trading undertakings	16			8
5,244	Interest Payable				6,002
67	Cont. of housing cap receipts to Govt. Pool				21
(23)	Losses on the repurchase of borrowing				0
(3,689)	Interest and investment income				(4,667)
24,842	Pension Interest cost	43			26,742
(23,327)	Expected return on Pension Assets	43			(24,731)
127,903	Net operating expenditure				135,209
(43,009)	Demand on collection fund				(44,513)
(111)	Transfers (from)/to the Collection fund in respect of surpluses/deficits				26
(14,890)	General government grants				(10,523)
(59,795)	Non-domestic rates redistribution				(62,704)
10,098	(Surplus)/Deficit for Year				17,495

Statement of Movement on the General Fund Balance

2006/07 £'000		2007/08 £'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
(12,082)	Depreciation and Impairment of fixed assets	(12,788)
0	Depreciation on Revaluation	(639)
14,966	Government Grants Deferred amortisation	16,257
(14,588)	Write down of deferred charges to be financed from capital resources	(17,752)
407	(Loss)/Gain on the Disposal of Fixed Assets	0
(18,582)	Net change for retirement benefits in accordance with FRS17	(19,154)
(29,879)		(34,076)
	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.	
3,926	Minimum revenue provision for capital financing	3,898
735	Capital expenditure financed from revenue	543
	Transfer from Usable Capital Receipts equal to the contribution to Housing	
(67)	Pooled Capital Receipts	(21)
	Employer's contributions payable to the Pension Fund and retirement	
14,770	benefits payable direct to pensioners	15,593
19,364		20,013
	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	
0	Housing Revenue Account balance	0
442	Voluntary revenue provision for capital financing	610
203	Transfers to/from insurance reserve	(1,271)
(586)	Transfers from other earmarked reserves	(49)
59		(710)
(10,456)	Net additional amount (Credited) / Debited to General Fund balance	(14,773)
(358)	Net change (Credited)/Debited to the General Fund balance	2,722
(7,841)	Balance on General Fund brought forward	(8,199)
(8,199)	Balance on General Fund carried forward	(5,477)

NB. The general fund balances figure excludes school balances. A summary of the schools balances position is shown below:-

Statement of Movement on the General Fund Balance

2006/07		2007/08
£'000		£'000
(4,503)	Balances attributable to schools budgets b/fwd	(4,941)
(438)	(Surplus)/Deficit in year	(638)
(4,941)	Balances attributable to schools budget c/fwd	(5,579)

The statement of movement on general fund balance above reconciles the differences between the outturn on the Income and Expenditure Account and the General Fund Balance.

The Income and Expenditure Account shows the council's actual financial performance for the year, measured in terms of the resources consumed and generated over the last twelve months. However, the authority is required to raise council tax on a different accounting basis, the main differences being:

- a) Capital investment is accounted for as it is financed, rather than when the fixed assets are consumed.
- b) The payment of a share of housing capital receipts to the Government scores as a loss in the Income and Expenditure Account, but is met from the usable capital receipts balance rather than council tax.
- a) Retirement benefits are charged as amounts become payable to pension funds and pensioners, rather than as future benefits are earned.

The General Fund Balance compares the council's spending against the council tax that it raised for the year, taking into account the use of reserves built up in the past and contributions to reserves earmarked for future expenditure.

Statement of Total Recognised Gains and Losses (STRGL)

2006/07		2007/08
£'000		£'000
(10,098)	Surplus/(Deficit) for the year on the Income and Expenditure Account	(17,495)
(3,605)	Gains/(losses) on Capital Movements	24,733
39,568	Surplus/(Deficit) for the year on the Revaluation of Fixed Assets	48,736
(48)	Surplus/(Deficit) for the year on the Revaluation of Long Term Investment	(27)
22,143	Actuarial gains/(losses) on pension fund assets and liabilities	37,310
(553)	Gains/(losses) on the Collection Fund Balance	(19)
47,407	Total recognised gains for the year	93,238

Reconciliation with the Movement in Net Worth

117,383	Net Worth at Start of Year	164,790
164,790	Net Worth at End of Year	258,028
47,407	Net Worth Change in Year	93,238

Note: The 2006/07 Net Worth required restating to take account of the Changes in the Balance sheet format.

1st April	
2007	
£'000	
178,740	Net Worth prior to format Change
4,507	Reclassification of Reserves as Provisions removed from net worth
3,017	Capital Contributions unapplied Reserve removed from net worth
6,271	Capital Grants unapplied Reserve removed from net worth
154	Direct Revenue Reserve removed from net worth
164,790	

Balance Sheet

31 March 2007 £'000		Notes	31 March 2008 £'000
	FIXED ASSETS		
0	Intangible Fixed Assets	27	30
	Tangible Fixed Assets		
	Operational Assets	18	
358,552	Other Land & Buildings		394,289
4,495	Vehicles/Plant & Equipment		4,473
63,375	Infrastructure Assets		66,648
6,279	Community Assets		27,489
	Non Operational Assets	18	
22,594	Investment Properties		23,594
5,606	Assets under construction		7,178
11,622	Surplus Assets Held for Disposal		19,873
472,523	Total Fixed Assets		543,574
1,308	Long-term investments	29	1,281
1,192	Long-term Debtors	30	1,218
475,023	Total Long Term Assets		546,073
	Current Assets		
1,909	Stock & Work in Progress	31	2,176
162	Landfill Tax Allowance		235
37,735	Debtors & Payment in Advance	32	36,779
60,900	Short-term investments		49,746
113	Cash in hand		169
9,877	Cash at Bank		7,772
585,719	Total Assets		642,950
	Current liabilities		
0	Short Term Loans		0
44,715	Creditors & Income in Advance	33	41,724
0	Bank Overdraft		0
541,004	Total Assets less Current Liabilities		601,226
	Long Term liabilities		
99,723	Long term borrowing	34	100,593
0	Other Long Term Borrowing		322
9,030	Provisions	36	7,706
131,988	Government Grants Deferred	37	134,353
9,444	Unapplied Capital Resources		7,943
126,030	Pensions Liability	43	92,281
164,790	Total Assets less Liabilities		258,028

Balance Sheet

31 March 2007 £'000		Notes	31 March 2008 £'000
	Financed by:		
0	Revaluation Reserve	40	43,137
0	Available For Sale Reserve		0
243,881	Capital Adjustment Account	39	269,758
0	Financial Instruments Adjustment Account		0
19,216	Usable Capital Receipts Reserve	41	13,779
75	Deferred Capital Receipts	42	75
(126,030)	Pensions Reserve	43	(92,281)
8,199	General Fund Balance		5,478
19,449	Earmarked Reserves	38	18,082
164,790	Total Net Worth		258,028

Note: The effects of the 2007 SORP and changes to accounting treatments of certain items has resulted in changes to the 2006/2007 Balance Sheet. An explanation of these changes can be found in Note 17.

Cash Flow Statement

2006/07 £'000		Notes	2007/08 £'000
	Revenue Activities		
	Cash Outflows	47	
162,725	Cash paid to and on behalf of employees		172,518
148,000	Other operating cash payments		173,993
47,371	Housing Benefit Paid Out		50,315
8,139	Precepts Paid		8,502
32,663	NNDR paid to National Pool		34,603
398,898	Total Revenue Cash Outflows		439,931
	Cash Inflows	47	
(5,106)	Rents (after rebates)		(4,237)
(37,141)	Council Tax Income		(39,258)
(59,795)	NNDR receipts from National Pool		(62,704)
(32,582)	Non-domestic rate receipts		(33,574)
(14,890)	Revenue Support Grant		(10,523)
(47,232)	DWP grants for benefits		(50,171)
(149,166)	Other government grants	51	(151,487)
(84,511)	Cash received for goods and services		(77,960)
(2,127)	Other operating cash receipts		(4,008)
(432,550)	Total Revenue Cash Inflows		(433,922)
(33,652)	Net Cash Flow Revenue Activities	47	6,009
	Returns on Investments & Servicing of Finance		
	Cash Outflows		6,031
5,180	Interest Paid		
0	Interest element of finance lease rental payments		
5,180			6,031
	Cash inflows		
(3,927)	Interest received		(4,975)
1,253	Net Cash Outflow from Return on Investments & Servicing of Finance		1,056
	Capital Activities		
	Cash Outflows		
17,650	Purchase of fixed assets		23,099
0	Purchase of long-term investments		0
14,588	Other Capital Cash Payments		6,669
32,238			29,768
	Cash Inflows		
(10,282)	Sale of fixed assets		(1,075)
(21,112)	Capital grants received	52	(22,370)
(2,177)	Other capital cash receipts		(844)
0	Disposal of subsidiary undertakings		0
(33,571)			(24,289)
(1,333)	Net Cash Inflow from Capital Activities		5,479
(33,732)	Net Cash Inflows/Outflows before Financing		12,544

Cash Flow Statement

2006/07 £'000		Notes	2007/08 £'000
	Management of Liquid Resources		
22,700	Net increase/(decrease) in short term deposits	49	(10,400)
0	Net increase/(decrease) in other liquid resources		
	Financing		
	Cash Outflows		
0	Repayments of amounts borrowed		0
0	Capital element of finance lease rental payments		0
	Cash Inflows		
(2,000)	New loans raised		(95)
0	New Short term loans		0
(13,032)	Net Increase / Decrease in Cash	48	2,049

