

## Income and Expenditure Account

This account summarises the resources that have been generated and consumed in providing services and managing the Council during the last year. It includes all day-to-day expenses and related income on an accruals basis, as well as transactions measuring the value of fixed assets actually consumed and the real projected value of retirement benefits earned by employees in the year.

2005/06			2006/07		
Restated Net Expenditure £000		Note / Ref	Gross Expenditure £000	Income £000	Net Expenditure £000
	<b>CONTINUING SERVICES</b>				
340,661	Education Services	2	558,333	(500,345)	57,988
118,884	Social Services		191,291	(64,621)	126,670
37,077	Highways, Roads & Transport Services		52,760	(15,318)	37,442
42,112	Cultural, Environmental & Planning Services	3	63,329	(16,928)	46,401
1,214	Central Services to the Public		1,727	(545)	1,182
460	Courts Services		405	(16)	389
89	Housing Services		193	(65)	128
6,244	Corporate and Democratic Core		11,208	(4,944)	6,264
1,043	Non Distributed Cost		3,059	(105)	2,954
<b>547,784</b>	<b>NET COST OF SERVICES</b>		<b>882,305</b>	<b>(602,887)</b>	<b>279,418</b>
	<b>OTHER ITEMS</b>				
236	Flood defence levies				248
(462)	Net (surplus)/deficit on trading a/c's	4			(518)
18,833	Interest payable				19,806
(5,239)	Interest and investment income				(6,989)
2,100	Pensions – Interest cost & expected return on assets	5			(2,400)
(5,545)	Principal & Interest on transferred debt				(5,617)
<b>557,707</b>	<b>NET OPERATING EXPENDITURE</b>				<b>283,948</b>
(191,022)	Precepts on District Councils				(201,048)
(188,473)	Distribution from Non-Domestic Rates				(66,423)
(166,422)	Revenue Support Grant	2			(12,822)
(585)	Surplus on Collection Funds				(738)
(570)	Local Authority Business Growth Incentive Scheme				(2,232)
<b>10,635</b>	<b>DEFICIT FOR THE YEAR</b>	A			<b>685</b>

## Statement of Movement on the General County 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:

- Capital investment is accounted for as it is financed, rather than when the fixed assets are consumed.
- Retirement benefits are charged as amounts become payable to pension funds and pensioners, rather than as future benefits are earned.

The General County Fund Balance shows whether the Council has over or under spent 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 the future expenditure.

This reconciliation statement summarises the differences between the outturn on the Income and Expenditure Account and the General County Fund Balance.

2005/6 £000		Note / Ref	2006/7 £000
10,635	Deficit for the year on the Income and Expenditure Account	A	685
(11,228)	Net additional amount required by statute and non-statutory proper practices to be debited or credited to the General Fund Balance for the year	B	981
(593)	(Increase) / Decrease in General County Fund Balance for the year		1,666
(33,762)	General County Fund Balance brought forward		(34,355)
(34,355)	General County Fund Balance carried forward	C	(32,689)

Analysis of the movement on the General County Fund Balance for the year between the amount generally available to the authority and the net amount held by schools under locally management schemes.

2005/6 £000		Note /Ref	2006/7 £000
(20,130)	Amount of General County Fund Balance held by schools under local management schemes		(19,771)
(6,800)	Amount of General County Fund set aside for other earmarked sums		(4,439)
(7,425)	Amount of General County Fund generally available for new expenditure		(8,479)
(34,355)	Total General County Fund Balance	C	(32,689)

## Note of reconciling items for the Statement of Movement on General County Fund Balance

2005/6 £000		Note / Ref	2006/7 £000
	<b>Amounts included in the Income and Expenditure Account but required by statute to be excluded when determining the Movement on the General County Fund Balance for the year</b>		
(39)	Amortisation of intangible fixed assets	6	(167)
(16,209)	Depreciation and impairment of fixed assets	6	(18,579)
(8,314)	Deferred charges treated as revenue expenditure in accordance with the SORP, but which are classified as capital expenditure by statute	10	(4,429)
775	Government Grants Deferred amortisation	13	923
0	Net gain / (loss) on sale of fixed assets		0
(6,398)	Net charges made for retirement benefits in accordance with FRS 17		(7,170)
<b>(30,185)</b>			<b>(29,422)</b>
	<b>Amounts not included in the Income and Expenditure Account but required to be included by statute when determining the Movement on the General County Fund Balance for the year</b>		
11,798	Statutory provision for repayment of debt		13,399
1,187	Capital expenditure charged in-year to the General Fund Balance		206
<b>12,985</b>			<b>13,605</b>
	<b>Transfers to or from the General County Fund Balance that are required to be taken into account when determining the Movement on the General County Fund Balance for the year</b>		
<b>5,972</b>	Net transfer to earmarked reserves		<b>16,798</b>
<b>(11,228)</b>	Net additional amount required to be charged to the General County Fund Balance for the year	B	<b>981</b>

## Statement of Total Recognised Gains and Losses

This Statement brings together all the gains and losses of the Council for the year and shows the aggregate increase in its net worth. In addition to the surplus generated on the income and Expenditure Account, it includes gains and losses relating to the revaluation of fixed assets and re-measurement of the net liability to cover the cost of retirement benefits.

2005/6 £000		Note / Ref	2006/7 £000
10,635	(Surplus) / Deficit for the year on the Income and Expenditure Account	A	685
(54,008)	Surplus arising on revaluation of fixed assets	6	(39,272)
4,602	Actuarial (gains) / losses on the pension fund assets and liabilities	5	(64,170)
10,740	Other gains / losses required to be included in the STRGL		(643)
(28,031)	Total recognised (gains) / losses for the year		(103,400)

## Balance Sheet as at 31 March 2007

31 March 2006 £000		Note	31 March 2007 £000	
798	<b>FIXED ASSETS</b> <b>Intangible Assets</b>	6-12		631
596,899	<b>Tangible Assets</b> Land and buildings		632,784	
3,609	Vehicles, plant & equipment		3,910	
155,856	Infrastructure		171,139	
9,966	Community assets		11,231	
766,330				819,064
3,301	<b>Non-Operational Assets</b> Investment properties		3,101	
5,704	Assets under construction		18,751	
3,016	Surplus assets, held for disposal		3,131	
12,021				24,983
40,000	Long term investments	22		65,000
59,138	Long term debtors	23		56,510
5,913	Net deferred premiums / discounts on early repayment of debt	24		3,874
<b>884,200</b>	<b>Total Long Term Assets</b>			<b>970,062</b>
	<b>CURRENT ASSETS</b>			
3,738	Intangible current assets		3,892	
777	Stocks and work in progress	25	998	
38,006	Debtors	23	38,315	
4,248	Other current assets		8,153	
106,995	Short term investments	22	76,615	
153,764				127,973
	<b>CURRENT LIABILITIES</b>			
(650)	Borrowing repayable on demand or within 12 months	28	(650)	
(74,111)	Creditors	27	(78,587)	
(1,549)	Cash overdrawn	26	(5,462)	
(12,304)	Receipts in advance		(12,258)	
(88,614)				(96,957)
65,150	<b>Net Current Assets</b>			31,016
<b>949,350</b>				<b>1,001,078</b>
	<b>LONG TERM LIABILITIES</b>			
(361,729)	Long term borrowing	28	(361,144)	
(387)	Deferred liabilities	32	(336)	
(12,532)	Provisions	29	(7,236)	
(52,195)	Grants and contributions deferred	13	(60,820)	
(209,700)	Defined benefit pension scheme	5	(152,700)	
(7,660)	Capital contributions unapplied	30	(10,575)	
(2,358)	Capital receipts unapplied	31	(2,078)	
(646,561)				(594,889)
<b>302,789</b>	<b>Net Assets</b>			<b>406,189</b>

31 March 2006 £000		Note	31 March 2007 £000	
	<b>FINANCED BY</b>			
297,208	Fixed asset restatement account	31		310,365
161,743	Capital financing account	31		179,160
(209,700)	Pension reserve	31		(152,700)
142	Other capital reserves			142
19,041	Revenue reserves	31		36,533
26,930	County fund: Earmarked sums	31	24,210	
7,425	Uncommitted balance	31	8,479	32,689
<b>302,789</b>				<b>406,189</b>

The net worth of the authority as at 31<sup>st</sup> March 2006 has been amended from £359.089m to £302.789m to comply with SORP 2006. Capital Contributions Unapplied and Capital Receipts Unapplied have now moved to Long Term Liabilities in the top half of the balance sheet.

## Cash Flow Statement

2005/06 £000		Note	2006/07		
			£000	£000	£000
	<b>Revenue Activities</b>				
	Cash outflows:				
439,926	Cash paid to and on behalf of employees		459,853		
290,096	Other operating costs		338,535		
730,022				798,388	
	Cash inflows:				
(191,022)	Precepts on district councils		(201,048)		
(188,473)	Non-domestic rate income		(66,423)		
(165,299)	Revenue support grant		(12,822)		
(115,347)	Other government grants	38	(424,068)		
(101,848)	Cash received for goods and services		(126,333)		
(3,825)	Other revenue cash income		(4,091)		
(765,814)				(834,785)	
<b>(35,792)</b>	<b>Revenue activities cash inflow</b>	39			<b>(36,397)</b>
	<b>Return on Investments and Servicing of Finance</b>				
	Cash outflows:				
19,641	Interest paid		21,606		
(479)	Premiums paid/discounts received		(1,918)		
131	Lease rentals		134		
19,293				19,822	
	Cash inflows:				
(9,721)	Interest received			(9,571)	
9,572					10,251
	<b>Capital Activities</b>				
	Cash outflows:				
81,486	Purchase of fixed assets		71,263		
8,889	Other capital cash payments		5,878		
90,375				77,141	
	Cash inflows:				
(3,813)	Sale of fixed assets		(4,640)		
(19,909)	Capital grants received		(29,735)		
(6,893)	Other capital contributions		(7,912)		
(30,615)				(42,287)	
59,760					34,854
<b>33,540</b>	<b>Net cash (inflow)/ outflow before Financing</b>				<b>8,708</b>
	<b>Management of Liquid Resources</b>				
<b>40,991</b>	Net change in investments	40			<b>(5,380)</b>
	<b>Financing</b>				
	Cash outflows:				
36,024	Repayments of amounts borrowed			100,185	
	Cash inflows:				
(108,142)	New loans raised			(99,600)	
<b>(72,118)</b>					<b>585</b>
<b>2,413</b>	<b>(Increase)/Decrease in Cash</b>	40			<b>3,913</b>

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