

**AMENDMENTS TO THE 2006/07 STATEMENT OF ACCOUNTS****1 SUMMARY OF THE COUNCIL'S FINANCIAL RESULTS (pages 14 - 15)****REVENUE OUTTURN**

As the table below shows, the Authority underspent its budget, as revised in July 2006, by **£2.165m**. This is largely accounted for by planned underspends and carry-forwards in accordance with the Council Policy and for Schools through statute.

At 31<sup>st</sup> March 2007 the borough's schools had accumulated a total underspending against their budget of **£7.368m**, of which £5.931m is in respect of mainstream school budgets (including £0.463m central spend of the Dedicated Schools Grant), and £1.437m relating to Standards Fund grants which are not required to be spent until 31 August, 2007. Under the terms of the Local Management of Schools scheme of delegation operated by the Authority, this overall underspending will be carried forward, in total, into the 2007/2008 financial year for the schools to use at their discretion.

In the case of the Authority's other Departments, the "Cash Ceiling" scheme of financial delegation operated by the Authority means that they may be able to carry forward into 2007/2008 their underspendings up to a limit that is the greater of 1% of their net budget or £50,000. However, the **total** value of any overspendings must be carried forward. The directorate carry-forwards requests are included in the revenue outturn report which was considered by the Executive on 12 September, 2007.

Detailed Outturn and variation reports were submitted to the Resource & Performance Scrutiny Panel on 23 July, 2007 for all services. These reports are available to members of the public and they may be obtained from the Head of Financial Management at Bury Town Hall or by telephoning 0161-253 5034.

Revenue expenditure during 2006/2007 was: -

	<b><u>Revised Estimate £000's</u></b>	<b><u>Actual £000's</u></b>	<b><u>Difference £000's</u></b>
Net cost of Bury services	117,432	<b>115,267</b>	<b>(2,165)</b>
Precepts :-			
Police	6,525	6,525	0
Fire	2,735	2,735	0
<b>TOTAL NET EXPENDITURE</b>	<b>126,692</b>	<b>124,527</b>	<b>(2,165)</b>
Financed from:-			
Revenue Support Grant	9,167	9,167	0
Business Rates Pool	47,489	47,489	0
Council Tax	72,434	72,434	0
Collection Fund	250	250	0
<b>( SURPLUS ) / DEFICIT</b>	<b>(2,648)</b>	<b>(4,813)</b>	<b>(2,165)</b>

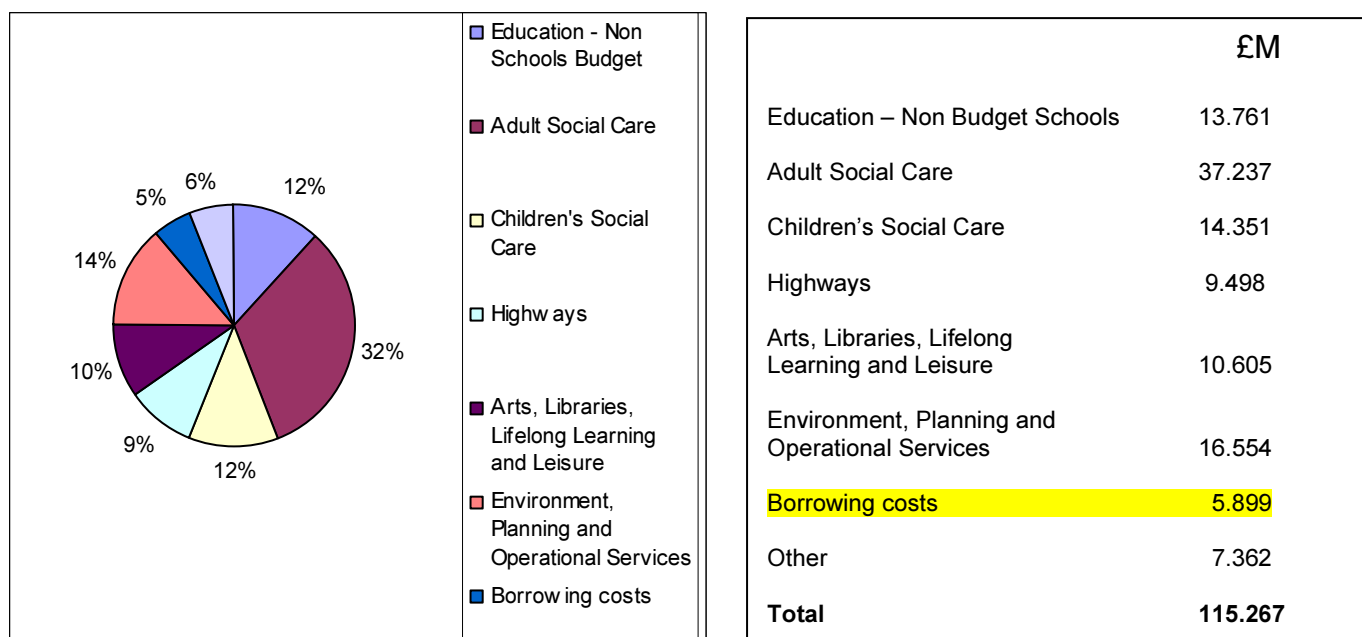
The **£2.648million** surplus shown at Revised Estimate includes contributions to general fund balances of £3.193m and is offset by £0.545m of specific carry forward requests.

The Corporate Revenue Outturn Report which was considered by the Executive on 12 September, 2007 details the overall performance of the Council in 2006/2007.

Major Variances included:

<b>Area of Saving</b>	<b>£000's</b>
Environmental and Development Services	(87)
Adult Care Services	745
Passenger Transport	(207)
Housing	(250)
Education – Non Schools Budget	(286)
Children's Social Care	(1,682)
Chief Executive's	(180)
<b>Other Variances</b>	<b>(218)</b>
<b>Total</b>	<b>(2,165)</b>

The Council spent **£115.267m** (excluding precepts) in 2006/07 as follows



## **2 INCOME AND EXPENDITURE ACCOUNT (pages 43 - 44)**

<b>2005/2006</b>		<b>2006/2007</b>			
<b>Net Expenditure</b>		<b>Gross Expenditure</b>	<b>Income</b>	<b>Net Expenditure</b>	<b>Notes</b>
<b>£000's</b>		<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	
<b>Continuing Services</b>					
2,837	Central Services to the Public	29,488	(26,135)	3,353	
1,284	Non-Distributed Costs (FRS17 entry)	3,867	(34)	3,833	
285	Court Services	291	(49)	242	
25,443	Cultural, Environmental & Planning Services	50,773	(22,019)	28,754	

109,072	Education Services	162,652	(150,887)	11,765	
18,061	Highways, Roads & Transport Services	28,342	(8,563)	19,779	
62	Local Authority Housing (HRA)	23,296	(23,878)	(582)	
4,307	Other Housing Services	40,191	(36,046)	4,145	
50,100	Social Services – Adults	86,359	(34,690)	51,669	
4,447	Corporate & Democratic Core	5,429	(666)	4,763	
167	Other Operating Inc & Exp.	933	(505)	428	
<b>216,065</b>	<b>Net Cost Of Services</b>	<b>431,621</b>	<b>(303,472)</b>	<b>128,149</b>	
	(Gain)/Loss on Disposal of Fixed Assets	-	-	-	
(3,063)	(Surplus)/Deficits on Trading Operations			(1,387)	4
4,731	Interest Payable & other Similar Charges			5,349	
3,222	Contribution of Housing Capital Receipts to Government Pool			3,051	
(1,480)	Interest and Investment Income			(3,306)	5
	Investment Losses			-	
300	Pensions Interest Cost and Expected Return on Pensions Assets (FRS17)			(100)	8
0	Gains / Losses on early settlement of borrowing			-	
<b>219,775</b>	<b>Net Operating Expenditure</b>			<b>131,756</b>	
(59,932)	Demand On Collection Fund: Collection Fund Surplus Council Tax			(63,424)	
(84,589)	Government Grants (not attributable to specific services)			(11,654)	
(60,610)	Non-Domestic Rate distribution			(47,489)	
<b>14,644</b>	<b>Net (Surplus) or Deficit For The Year</b>			<b>9,189</b>	

### 3 STATEMENT OF MOVEMENT ON GENERAL FUND BALANCE (page 44)

14,644	Deficit for the year on the Income and Expenditure Account	9,189
(13,210)	Net additional amount to be debited or credited to the General Fund balance for the Year (see table below)	(17,077)
1,434	Decrease / (Increase) In General Fund Balance for the Year	(7,888)
(6,185)	Balance on General Fund B/Fwd	(5,271)
(519)	In Year Contribution	(157)
<b>(5,271)</b>	<b>Balance on General Fund C/Fwd</b>	<b>(13,316)</b>
(4,660)	General Fund balance attributed to school Budgets	(7,368)
(611)	Amount of General Fund balance generally available for new expenditure	(5,948)
<b>(5,271)</b>		<b>(13,316)</b>

#### **4 NOTE OF RECONCILING ITEMS FOR THE STATEMENT OF MOVEMENT ON GENERAL FUND BALANCE (page 45)**

		Note
(203) Amortisation of intangible fixed assets (reversal)	(415)	
(4,752) Depreciation and impairment of fixed assets (reversal)	(6,665)	
69 Government grants deferred amortisation	118	
(5,038) Deferred charges (w/d financed by capital resources (reversal)	(3,612)	
- Net gain or loss on sale of fixed assets	-	
(12,700) Net changes made for retirement benefits (FRS17 entry) (reversal)	(17,100)	8
<b>(22,624) Amounts included in the Income and Expenditure Account required by statute to be excluded when determining the Movement on the General Fund Balance for the year</b>	<b>(27,674)</b>	
3,432 Minimum revenue provision for capital financing	3,762	7
2,343 Capital expenditure financed from revenue	3	
(3,222) Transfer from Usable Capital Receipts equal to Housing Pooled Capital Receipts	(3,051)	
8,516 Pension Fund - Employer's contributions payable to PF and retirement benefits payable direct to pensioners (FRS17 entry)	9,721	8
<b>11,069 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</b>	<b>10,435</b>	
190 Transfer to/from other earmarked reserves -	150	3
(1,845) Transfer to/from HRA Balances	(227)	
- Voluntary Revenue provision for capital financing	239	7
<b>(1,655) Transfers to and 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</b>	<b>162</b>	
<b>(13,210) Net additional amount required to be credited to the General Fund Balance for the year</b>	<b>(17,077)</b>	

#### **5 STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES (page 45)**

2005/06 £000's	2006/07 £000's
14,644 Deficit for the year on the Income and Expenditure Account	9,189
59,912 (Surplus) / Deficit Arising on revaluation of fixed assets	(7,838)
29,616 Actuarial (gains) / losses on pension fund assets and liabilities	(32,679)
(9,295) Other (Gains) / Losses for the year	(7,132)
<b>94,877 Total Recognised (Gains) / Losses for the Year</b>	<b>(38,460)</b>

## 6 BALANCE SHEET (pages 46 and 47)

2006			2007		
£'000	£'000		£'000	£'000	Note
		<b>FIXED ASSETS</b>			
3,948	3,948	<i>Intangible Fixed Assets</i>		4,897	22
		<i>Tangible Fixed Assets</i>			
		Operational Assets:			
285,479		Council Dwellings	288,809		
204,403		Other Land & Buildings	202,381		
25,658		Infrastructure Assets	26,248		
1,485		Vehicles & Plant	1,352		
370		<b>Community Assets</b>	608		
		Non-Operational Assets:			
30,431		<b>Investment Properties</b>	45,471		
0		Assets under construction	570		
517		Surplus assets held for disposal	644		
<b>548,343</b>	<b>552,291</b>	<b>TOTAL FIXED ASSETS</b>		<b>566,083</b>	<b>21</b>
		<b>LONG TERM INVESTMENTS</b>			
10,214	10,214	Manchester Airport PLC	10,214	10,214	27
		<b>LONG TERM DEBTORS</b>			
10,220		Loan Accounts	9,707		28
128		Deferred Premiums on Early Repayment of Debt	107		28
29		Debt Managed for Probation Services	26		23
	<b>10,377</b>			<b>9,840</b>	
		<b>CURRENT ASSETS</b>			
1,107		Stocks & Work in Progress	1,268		
28,716		<b>Sundry Debtors &amp; Advance Payments</b>	36,445		28
6,600		Short Term Investments	35,350		
1,757		Cash in Hand	2,084		
	<b>38,180</b>			<b>75,148</b>	
		<b>LESS : CURRENT LIABILITIES</b>			
(2,260)		Short Term Loans Outstanding	(287)		29
(211)		Deposits & Clients' Funds	(158)		
(34,912)		<b>Sundry Creditors &amp; Advance Receipts</b>	(39,352)		
(1,298)		<b>Capital Grants Unapplied</b>	(5,627)		
(6,692)		<b>Bank Accounts</b>	(4,728)		
	<b>(45,373)</b>			<b>(50,152)</b>	
	<b>(7,193)</b>	<b>NET CURRENT LIABILITIES</b>		<b>24,996</b>	
	<b>565,689</b>	<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>616,030</b>	
		<b>LESS: LONG TERM LIABILITIES</b>			
(83,142)		External Loans Outstanding	(112,854)		29
(9,617)		Deferred Liabilities	(9,141)		30
(117,700)		Pension Liability	(92,400)		8
(3,798)		Government Grants	(7,137)		
		Deferred Account			36
(13,151)		Provisions	(17,699)		32
(279)		Deferred Discounts on early repayment of debt	(337)		
	<b>(227,687)</b>			<b>(239,568)</b>	
	<b>338,002</b>	<b>TOTAL NET ASSETS</b>		<b>376,462</b>	

<u>2006</u>			<u>2007</u>		
<u>£'000</u>	<u>£'000</u>		<u>£'000</u>	<u>£'000</u>	<u>Note</u>
		<b>FINANCED BY :</b>			
		<b>RESERVES AND OTHER BALANCES</b>			
(8,406)		Earmarked Reserves	(7,559)		33
(303,112)		Fixed Asset Restatement Account	(305,009)		34
(124,056)		Capital Financing Account	(126,776)		35
(503)		Capital Receipts Unapplied	0		37
(223)		Deferred Capital Receipts	(189)		31
117,700		Pension Reserve	92,400		8
		Balances			
(5,271)		General Fund	(13,316)		15
(1,855)		Housing Revenue Account	(1,678)		
(1,160)		Major Repairs Reserve	(3,522)		33
(372)		Competitive Services	(444)		33
(321)		Collection Fund Balance	(11)		
(10,423)		Other Balances	(10,358)		
	<u>338,002</u>	<b>TOTAL RESERVES AND BALANCES</b>		<u>376,462</u>	

## 7 CASH FLOW STATEMENT (pages 48 and 49)

<u>2005/2006</u>		<u>2006/2007</u>		
<u>£000's</u>		<u>£000's</u>	<u>£000's</u>	<u>£000's</u>
	<b>REVENUE ACTIVITIES</b>			
180,504	<b>Cash Outflows:</b> Cash Paid to and on behalf of Employees	183,469		
182,393	Other Operating Cash Payments	189,574		
16,757	Housing Benefit paid out	17,415		
35,265	NNDR payments to National Pool	38,067		
8,767	Precepts paid	9,260		
423,686			<b>437,785</b>	
(21,372)	<b>Cash Inflows:</b> Rents (after Rebates)	(22,234)		
(56,450)	Council Tax Receipts	(62,575)		
(60,457)	NNDR Receipts from National Pool	(47,489)		
(35,497)	Non-Domestic Rate Receipts	(38,300)		
(84,589)	Revenue Support Grant	(9,167)		
(26,188)	DWP Grants for Benefits	(27,733)		
(44,957)	Other Government Grants	(138,077)		
(101,673)	Cash Received for Goods and Services	(100,406)	<b>(445,981)</b>	
(431,183)				<b>(8,194)</b>
(7,497)	<b>NET CASH INFLOW FROM REVENUE ACTIVITIES</b>			
	<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			
2,947	<b>Cash Outflows:</b> Interest Paid		5,568	
(785)	<b>Cash Inflows:</b> Interest Received		(2,056)	
2,162				<b>3,512</b>
(5,335)				<b>(4,682)</b>
	<b>ACQUISITIONS AND DISPOSALS</b>			
(694)	Sale proceeds from Modesole		0	0
(694)				
	<b>DIVIDENDS FROM JOINT VENTURES AND ASSOCIATES</b>			
(1,250)	Airport Dividend Received		(1,250)	<b>(1,250)</b>
(1,250)				
	<b>CAPITAL ACTIVITIES</b>			
28,026	<b>Cash Outflows:</b> Purchase of Fixed Assets	20,920		

0	Purchase of Long Term Investments	0	
3,222	Payments to Housing Capital Receipts Pool	3,051	
31,248			<b>23,971</b>
(6,719)	<b>Cash Inflows:</b> Proceeds of Sale of Fixed Assets	(7,878)	
(10,504)	Capital Grants received	(12,927)	(20,805)
(17,223)			
14,025			<b>3,166</b>
<b>6,746</b>			<b>(2,766)</b>
<b>MANAGEMENT OF LIQUID RESOURCES</b>			
950	Net Increase / (Decrease) in Short Term Deposits		28,750
<b>7,696 NET CASH OUTFLOW BEFORE FINANCING</b>			<b>25,984</b>
<b>FINANCING</b>			
<b>Cash Outflows:</b> Repayments of amounts borrowed			
5,507	Long Term loans repaid	11,261	
27,800	Short Term loans repaid	26,150	
33,307			<b>37,411</b>
(976)	<b>Cash Inflows:</b> Net Receipts from Long Term Debtors	(536)	
(13,000)	New Long Term Loans	(39,000)	
(27,800)	New Short Term Loans	(26,150)	<b>(65,686)</b>
(41,776)			<b>(28,275)</b>
<b>(8,469)</b>			
<b>(773)</b>	<b>NET INCREASE IN CASH</b>		<b>(2,291)</b>

## 8 TRADING ACCOUNTS (pages 51 and 52)

<u>2005/2006</u>		<u>2006/2007</u>	
<u>Deficit/</u>		<u>Gross</u>	<u>Deficit/</u>
<u>(Surplus)</u>		<u>Expenditure</u>	<u>(Surplus)</u>
<u>£000's</u>		<u>£000's</u>	<u>£000's</u>
707	Civic Halls	1,691	634
(796)	Markets	1,625	(857)
(958)	Property & Estates	1,704	(1,182)
(728)	Industrial Units	1,054	(707)
34	Metro Design	91	50
40	Engineers	4,518	280
309	Building Maintenance	8,857	844
(102)	Architectural Practice	3,130	(250)
47	Refuse Collection	0	0
7	Winter Maintenance	0	0
140	Grounds Maintenance	3,180	127
170	Cleaning of Buildings	5,040	169
0	Education – Fair Funding	2,627	0
16	Emergency & Security Service	1,451	99
(443)	Transport Services	3,717	(594)
	Airport Dividend	0	(1,250)
<b>(1,557)</b>	<b>TOTAL</b>	<b>38,685</b>	<b>(1,387)</b>

## 9 INTEREST (page 53)

	<u>2005/2006</u> <u>£000's</u>	<u>2006/2007</u> <u>£000's</u>
Interest on Car Loans	103	83
Mortgage Interest repayment – HRA	17	14
Mortgage Interest repayment – HLA	4	36
Discount-early repayment of Debt	0	9
<b>Investment Interest</b>	603	<b>1,928</b>
Interest on Other Balances	48	(14)
Unpaid Account Interest	10	0
<b>Airport Dividend</b>	0	<b>1,250</b>
<b>TOTAL</b>	<b>785</b>	<b>3,306</b>

## 10 MINIMUM REVENUE PROVISION (page 54)

<u>2005/2006</u> <u>£000's</u>	<u>Provision for Repayment of External Loans</u>	<u>2006/2007</u> <u>£000's</u>
2,997	Minimum Revenue Provision for the General Fund	3,286
435	Other principal repayments	476
<b>3,432</b>	<b>TOTAL</b>	<b>3,762</b>
<b>0</b>	<b>Voluntary Revenue Provision</b>	<b>239</b>

## 11 GENERAL FUND MOVEMENTS (page 59)

The 2006/2007 surplus on the General Fund (excluding the use of balances and reserves) of **£7.888m** is split as follows: -

	<u>Standards</u> <u>Fund</u> <u>£000's</u>	<u>DSG</u> <u>Schools</u> <u>Budget</u> <u>£000's</u>	<u>General</u> <u>£000's</u>	<u>Total</u> <u>£000's</u>
<b>Balance at 31<sup>st</sup> March 2006</b>	(770)	(3,890)	(611)	(5,271)
<b>(Surplus)/Deficit for the Year</b>	(667)	(2,041)	<b>(5,180)</b>	<b>(7,888)</b>
In Year Contribution	-	-	(157)	(157)
<b>Balance at 31<sup>st</sup> March 2007</b>	<b>(1,437)</b>	<b>(5,931)</b>	<b>(5,948)</b>	<b>(13,316)</b>



## 12 DISCLOSURE OF AUDIT COSTS (page 60)

	<u>2005/2006</u> <u>(£000)</u>	<u>2006/2007</u> <u>(£000)</u>
Fees payable to the Audit Commission / KPMG with regard to external audit services carried out	256	270
Fees payable to the Audit Commission in respect of statutory inspection	17	19
Fees payable to the Audit Commission / KPMG for the certification of grant claims and returns	170	120
<b>TOTAL</b>	<b>443</b>	<b>409</b>

## 13 TANGIBLE ASSETS (page 42)

<u>Non-Operational Assets</u>	<u>Investment Properties</u> <u>£000's</u>	<u>Assets under construction</u> <u>£000's</u>	<u>Surplus Assets</u> <u>£000's</u>	<u>Total</u> <u>£000's</u>
<b>Certified Valuation at 31<sup>st</sup> March 2006</b>	30,431		517	30,948
Accumulated depreciation and impairment	0		0	0
<b>Net Book Value at 31<sup>st</sup> March 2006</b>	<b>30,431</b>	<b>0</b>	<b>517</b>	<b>30,948</b>
<b>Movement in 2006/07</b>				
<b>Additions</b>	<b>13,311</b>	570	172	<b>14,053</b>
<b>Disposals</b>	(818)	0	(625)	(1,443)
<b>Revaluations</b>	(1,417)	0	383	(1,034)
<b>Impairment</b>	(1,518)	0	0	(1,518)
<b>Reclassification</b>	5,482	0	197	5,679
<b>Depreciation – charge in year</b>	0	0	0	0
<b>Depreciation – other movements</b>	0	0	0	0
<b>Net Book Value at 31 March 2007</b>	<b>45,471</b>	<b>570</b>	<b>644</b>	<b>46,685</b>

In 2006/07 Bury MBCs share of land owned at Manchester Airport has been included in its accounts under Investment Properties. An impairment review was carried out in the year as required by FRS11.

## 14 CAPITAL EXPENDITURE AND FINANCING (pages 64 and 65)

	<u>2005/2006</u> <u>£000's</u>	<u>2006/2007</u> <u>£000's</u>
Opening Capital Financing Requirement	110,665	121,326
<b><u>Capital Investment</u></b>		
Operational Assets	26,898	20,920

Non-operational Assets	1,128	6,390
Intangible Assets	2,116	
Deferred Charges	5,038	4,977
	<b>35,180</b>	<b>32,287</b>
<b>Sources of Finance</b>		
Capital Receipts	(4,457)	(6,327)
Grants & Contributions	(10,281)	(8,546)
Sums set aside from Revenue including MRP	(9,781)	(6,680)
	<b>(24,519)</b>	<b>(21,553)</b>
<b>Closing Capital Financing Requirement</b>	<b>121,326</b>	<b>132,060</b>
<b>Explanation of movements in year</b>		
Increase in underlying need to borrow		
- supported by Government financial assistance	14,885	14,528
- unsupported by Government financial assistance	1,665	220
Expenditure unfinanced at year-end and MRP	(5,889)	(4,014)
Increase (decrease)in Capital Financing Requirement	<b>10,661</b>	<b>10,734</b>

Capital commitments as at 31<sup>st</sup> March 2007 totalled **£19.468 million**.

## **15 DEBTORS AND LOAN ACCOUNTS (page 68)**

<b>Long term debtors:</b>	<b>2006</b>	<b>2007</b>
	<b>£000's</b>	<b>£000's</b>
Car loans (employees)	1,011	799
Airport Terminal 1	8,382	8,138
Bury Metro Arts Association Ltd	32	32
Bury Music Centre	2	2
PWLB Premiums	128	107
Housing Loans	793	736
<b>TOTAL</b>	<b>10,348</b>	<b>9,814</b>
<b>Short term debtors:</b>		
<b>General Fund:</b>	25,156	<b>31,758</b>
Less provision for uncollectable sums	(2,682)	(2,724)
Advance payments	3,350	3,485
	<b>25,824</b>	<b>32,519</b>
<b>Collection Fund:</b>		
Council tax	4,005	4,528
Community charges	435	435
Business rates	1,332	2,142
Less provision for uncollectable sums	(2,880)	(3,179)
	<b>2,892</b>	<b>3,926</b>
<b>TOTAL</b>	<b>28,716</b>	<b>36,445</b>

## 16 FIXED ASSET RESTATEMENT ACCOUNT (page 72)

<u>2005/2006</u>		<u>2006/2007</u>
<u>£000's</u>		<u>£000's</u>
366,263	Balance at 1 <sup>st</sup> April	303,112
(3,239)	Disposal of fixed assets gross value	(5,955)
0	Disposal of fixed assets accumulated depreciation written back	14
(59,927)	<b>Restatement of Value</b>	<b>7,825</b>
15	Other	13
<b>303,112</b>	<b>Balance at 31<sup>st</sup> March</b>	<b>305,009</b>

## 17 CAPITAL FINANCING ACCOUNT (page 73)

<u>2005/2006</u>		<u>2006/2007</u>
<u>£000's</u>		<u>£000's</u>
4,457	<b>Total capital receipts applied</b>	<b>6,327</b>
2,343	Revenue resources set aside :- Capital expenditure financed from revenue	3
(1,454)	<b>Reconciling amount for provisions for loan repayment</b>	<b>(2,961)</b>
<b>889</b>	<b>Total revenue resources set aside</b>	<b>(2,958)</b>
(1,998)	Movements on CFA capital grants:- Set up Capital Contributions Deferred Account	<b>0</b>
8,412	Grants applied to capital spend	5,088
(4,672)	Amounts credited to the services revenue accounts in 2006/07	(4,788)
<b>1,742</b>	<b>Movement on CFA</b>	<b>300</b>
<b>3,475</b>	<b>Movement on MRR</b>	<b>2,396</b>
489	Other movements on CFA:- Use of Provisions and other contributions	267
(5,038)	Capital spend not creating a Bury MBC asset	(3,612)
<b>(4,549)</b>	<b>Other movements on the capital financing account</b>	<b>(3,345)</b>
<b>6,014</b>	<b>Total movement on Account</b>	<b>2,720</b>
118,042	Balance brought forward at 1 April	124,056
<b>124,056</b>	<b>Balance carried forward at 31 March</b>	<b>126,776</b>

## 18 CONTINGENT LIABILITIES (page 75)

### Manchester Airport PLC

The Balance Sheet items Investments and Long Term Debtors refer to debt outstanding held by the Authority in respect of Manchester Airport. The Airport has agreed to reimburse this Authority for all costs due on these loans which have maturity dates up to 2027. No provision has been made for any potential loss from this arrangement.

## 19 SUMMARY INTRODUCTION TO DETAIL ON MOVEMENT ON RESERVES (page 76)

Reserve	Balance 1 April, 2006	Net Movement In Year	Balance 31 March, 2007	Purpose of Reserve	Further Detail of Movements
	£000	£000	£000		
Fixed Asset Restatement Account	303,112	1,897	305,009	Store of gains on revaluation of fixed assets	See Note 34 to Core Financial Statement, p. 72
Capital Financing Account	124,056	2,720	126,776	Store of capital resources set aside to meet past expenditure	See Note 35 to Core Financial Statement, p. 72
Useable Capital Receipts	503	(503)	0	Proceeds of fixed assets sales available to meet future capital investment	See Note 37 to Core Financial Statement, p. 74
Pensions Reserve	(117,700)	25,300	(92,400)	Balancing account to allow inclusion of Pensions Liability in the Balance Sheet	See Note 8 to Core Financial Statement, p. 54
Housing Revenue Account	1,855	(177)	1,678	Resources available to meet future running costs for council houses	See HRA Statement and Notes, p. 81 – 86
Major Repairs Reserve	1,160	2,362	3,522	Resources available to meet capital investment in council housing	See HRA Statement and Notes, p. 81 – 86
General Fund	5,271	8,045	13,316	Resources available to meet future running costs for non-housing services	See Statement of Movement on General Fund Balance, p. 44

Earmarked Reserves	8,406	(847)	7,559	Resources set aside for a particular purpose	See Note 33 to Core Financial Statement, p.70
Other Reserves	11,339	(337)	11,002		
<b>Total</b>	<b>338,002</b>	<b>38,460</b>	<b>376,462</b>		

## **20 RECONCILIATION OF CASHFLOW TO INCOME AND EXPENDITURE ACCOUNT (page 77)**

<u>2005/2006</u> £000's		<u>2006/2007</u> £000's	<u>£000's</u>
<b>1,434</b>	<b>DEFICIT FOR THE YEAR ON I &amp; E ACCOUNT</b>		<b>9,189</b>
	<b>Non Cash Movements in I &amp; E Account:</b>		
(9,627)	Provision for Depreciation	(6,665)	
3,259	Other Provisions	4,548	
(2,997)	Minimum Revenue Provision	(3,762)	
1,486	Contributions from / (to) Revenue Reserves	(9,145)	
0	Other General Fund Reconciling Items	(2,956)	
(686)	Other non-cash Movements	(962)	<b>(18,942)</b>
<b>(8,565)</b>			
	<b>Movements in Current Assets and Liabilities:</b>		
(288)	Increase / (Decrease) in Stock	161	
(63)	Increase / (Decrease) in Revenue Debtors	6,609	
203	(Increase) / Decrease in Revenue Creditors & Advance Receipts	(2,949)	
<b>(148)</b>			<b>3,821</b>
	<b>Items shown elsewhere in the Cash Flow Statement:</b>		
(2,947)	Interest Paid	(5,568)	
785	Interest Received	2,056	
1,250	Dividend Income	1,250	
694	Investment Income	0	
<b>(218)</b>			<b>(2,262)</b>
<b>(7,497)</b>	<b>NET CASH INFLOW FROM REVENUE ACTIVITIES</b>		<b>(8,194)</b>

## **21 ANALYSIS OF NET DEBT (page 78)**

	<u>31<sup>st</sup> March</u> <u>2006</u> £000's	<u>Receipts</u> £000's	<u>Payments</u> £000's	<u>Other</u> <u>Movements</u> £000's	<u>31<sup>st</sup> March</u> <u>2007</u> £000's
Cash Overdrawn	(6,692)	10,805	(8,841)	0	(4,728)
Cash in Hand	1,757	327	0	0	2,084
Debt Due Beyond One Year	(83,142)	(39,000)	11,261	(1,973)	(112,854)
Debt Due Within One Year	(2,260)	0	0	1,973	(287)
Long Term Debtors	10,376	(536)	0	0	9,840
Current Asset Investments	6,600	28,750	0	0	35,350
<b>TOTALS</b>	<b>(73,361)</b>	<b>346</b>	<b>2,420</b>	<b>0</b>	<b>(70,595)</b>

## 22 RECONCILIATION OF NET DEBT (page 78)

<u>2005/2006</u> <u>£000's</u>	<u>2006/2007</u> <u>£000's</u>
773 (Increase)/ Decrease in Cash Overdrawn in the Year to 31 <sup>st</sup> March	2,291
(8,469) (Increase)/Decrease in Debt	(28,275)
950 Increase/(Decrease) in Investments	28,750
<b>(6,746) Change in Net Debt</b>	<b>2,766</b>
(66,615) Net Debt at 1 <sup>st</sup> April	(73,361)
(73,361) Net Debt at 31 <sup>st</sup> March	<b>(70,595)</b>
<b>(6,746) Movement in Net Debt</b>	<b>2,766</b>

## 23 MOVEMENT IN CASH (page 79)

	<u>31<sup>st</sup> March</u> <u>2006</u> <u>£000's</u>	<u>31<sup>st</sup> March</u> <u>2007</u> <u>£000's</u>	<u>Movement</u> <u>£000's</u>
Bank Overdraft	(6,692)	(4,728)	(1,964)
Cash in Hand and at Bank	1,757	2,084	(327)
<b>TOTALS</b>	<b>(4,935)</b>	<b>(2,643)</b>	<b>(2,291)</b>

## 24 NOTE 9 TO THE HOUSING REVENUE ACCOUNT – RENT ARREARS (page 86)

The rent arrears as at 1 April, 2006 totalled £1,665,731 and at 31 March, 2007 they totalled £1,720,775. 51.48% of the arrears at 31 March 2007 related to current tenants (48.64% at 31<sup>st</sup> March 2006) and 48.52% related to former tenants (51.36% at 31<sup>st</sup> March 2006). The figures stated represent gross arrears and are not shown net of advances as in previous years.

## 25 GROUP INCOME AND EXPENDITURE ACCOUNT (page 92)

<u>2005/2006</u>		<u>2006/2007</u>		<u>Notes</u>
<u>Net Expenditure</u> <u>£000's</u>		<u>Gross Expenditure</u> <u>£000's</u>	<u>Income</u> <u>£000's</u>	<u>Net Expenditure</u> <u>£000's</u>
2,837	Central Services to the Public	29,488	(26,124)	3,365
1,284	Non-Distributed Costs	3,867	(34)	3,833
285	Court Services	291	(49)	242
25,641	Cultural Environmental & Planning Services	50,773	(21,902)	28,871
109,076	Education Services	162,652	(150,885)	11,767
18,071	Highways Roads & Transport Services	28,335	(8,559)	19,776
(2,081)	Local Authority Housing (HRA)	(3,394)	(10,199)	(13,593)
	Other Housing Services	40,191	(37,042)	3,148
50,101	Social Services – Adults	86,318	(34,690)	51,629
4,959	Corporate & Democratic	5,365	3,520	8,885

167	Other Operating Income & Exp.	933	(505)	428
<b>210,339</b>	<b>NET COST OF SERVICES</b>	<b>404,819</b>	<b>(286,469)</b>	<b>118,351</b>
-	Gain or loss on disposal of fixed assets			
2,157	Surplus or deficit of trading undertakings			7,414
3,222	Amounts payable into the Housing Capital Receipts Pool			3,051
4,731	Interest payable			5,349
(1,618)	Interest and Investment Income			(3,521)
294	Pensions interest cost and expected return on pensions assets			(126)
26	Taxation of group entities			42
-	Extraordinary items			0
<b>219,151</b>	<b>NET EXPENDITURE</b>			<b>130,560</b>
(59,682)	Demands or precepts on the Collection Fund			(63,424)
(250)	Transfer to/from the Collection Fund in respect of previous year's deficit/surplus			
(84,589)	Government grants			(11,654)
(60,610)	Distribution from non-domestic rate pool			(47,489)
<b>14,020</b>	<b>NET (SURPLUS)/DEFICIT FOR THE YEAR</b>			<b>7,993</b>

## **26 GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES** **(page 93)**

<b>2005/06</b> <b>£000's</b>		<b>2006/07</b> <b>£000's</b>
14,020	Net (surplus) or deficit for the year on the Income and Expenditure Account	7,993
59,912	(Surplus) / deficit arising on revaluation of fixed assets	(7,838)
30,596	Actuarial (gains) / losses on pension fund assets and liabilities	(33,184)
(9,295)	Any other (gains)/losses for the year	(7,132)
<b>95,230</b>	<b>Total Recognised Gains for the Year</b>	<b>(40,161)</b>

## **27 GROUP BALANCE SHEET (page 94)**

<b>GROUP BALANCE SHEET</b>					
<b>31 MARCH 2006</b>			<b>31 MARCH 2007</b>		
<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>Note</b>
		<b>FIXED ASSETS</b>			
		<b>Intangible Assets</b>			
		Goodwill			
3,948		Other Intangible assets	4,897		
	<b>3,948</b>	<b>Operational Assets</b>		<b>4,897</b>	
285,479		Council Dwellings	288,809		
204,403		Other Land & Buildings	202,381		
1,497		Vehicles & Plant	1,362		
25,658		Infrastructure Assets	26,248		
370		Community Assets	608		

30,948	<b>548,355</b>	<b>Other Non-Operational Assets</b>	<b>46,685</b>	<b>566,093</b>
	<b>552,303</b>	<b>TOTAL FIXED ASSETS</b>		<b>570,990</b>
		<b>LONG TERM INVESTMENTS</b>		
10,214	<b>10,214</b>	Manchester Airport PLC	10,214	<b>10,214</b>
		<b>LONG TERM DEBTORS</b>		
10,220		Loan Accounts	9,707	
128		Deferred Premiums on Early Repayment of Debt	107	
29	<b>10,376</b>	Debt Managed on Behalf of Other Local Authorities	26	<b>9,840</b>
		<b>CURRENT ASSETS</b>		
1,107		Stocks & Work in Progress	1,268	
6,600		Short Term Investments	35,350	
25,957		<b>Sundry Debtors &amp; Advance Payments</b>	<b>33,710</b>	
5,373	<b>39,037</b>	<b>Cash in Hand</b>	<b>6,824</b>	<b>77,151</b>
		<b>LESS: CURRENT LIABILITIES</b>		
(2,260)		Short Term Loans Outstanding	(287)	
(211)		Deposits & Clients' Funds	(158)	
(35,146)		<b>Sundry Creditors &amp; Advance Receipts</b>	<b>(39,353)</b>	
(1,298)		<b>Capital Grants Unapplied</b>	<b>(5,627)</b>	
(6,692)	<b>(45,609)</b>	<b>Cash Overdrawn</b>	<b>(4,728)</b>	<b>(50,151)</b>
	<b>566,322</b>	<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>618,044</b>
		<b>LESS: LONG TERM LIABILITIES</b>		
		Loans Outstanding:		
(83,141)		External	(112,854)	
(9,617)		Deferred Liabilities	(9,141)	
(3,798)		Government Grants - Deferred	(7,137)	
(279)		Deferred discounts on the early repayment of debt	(337)	
(118,688)		Pension Liability	(93,067)	
(13,151)	<b>(228,674)</b>	Provisions	(17,699)	<b>(240,235)</b>
	<b>337,649</b>	<b>TOTAL NET ASSETS</b>		<b>377,809</b>
		<b>FINANCED BY :</b>		
		<b>RESERVES AND OTHER BALANCES</b>		
303,112		<b>Fixed Asset Restatement Account</b>	<b>305,009</b>	
124,056		<b>Capital Financing Account</b>	<b>126,776</b>	
503		Useable Capital Receipts Reserve	0	
(117,700)		Pensions Reserve	(92,400)	
1,160		Major Repairs Reserve	3,522	
26,518		Fund Balances and Reserves	34,902	
	<b>337,649</b>	<b>TOTAL GROUP BALANCES AND RESERVES</b>		<b>377,809</b>



**28 GROUP CASH FLOW STATEMENT (page 95)**

<u>2005/2006</u>	<b>Group Cash Flow Statement</b>	<u>2006/07</u>	
<u>£000's</u>		<u>£000's</u>	<u>£000's</u>
	<b>Net Cash Inflow from Revenue Activities</b>		
(11,013)	<b>Net Cash (Inflow) / Outflow</b>		<b>(8,801)</b>
	<b>Dividends from Joint Ventures and Associates</b>		
(1,250)			(1,250)
	<b>Returns on Investments and Servicing of Finance</b>		
	Cash Outflows		
2,947	Interest paid	5,568	
0	Finance lease interest paid	0	<b>5,568</b>
<b>2,947</b>			
	Cash Inflows		
(924)	<b>Interest received</b>	<b>(2,272)</b>	
0	Dividends received from investments	0	<b>(2,272)</b>
<b>(924)</b>			
<b>26</b>	<b>Taxation</b>		<b>27</b>
	<b>Capital Expenditure and Financial Investment</b>		
	Cash Outflows		
28,039	Purchase of fixed assets	20,920	
0	Purchase of long-term investments	0	
3,222	Other capital cash payments	3,051	<b>23,971</b>
<b>31,261</b>			
	Cash Inflows		
(6,719)	Sale of fixed assets	(7,878)	
(10,504)	Capital grants received	(12,927)	
0	Other capital cash receipts	0	<b>(20,805)</b>
<b>(17,223)</b>			
<b>(694)</b>	<b>Acquisitions and Disposals</b>	0	<b>0</b>
<b>3,130</b>	<b>Net Cash Inflow before Financing</b>		<b>(3,563)</b>
	<b>Management of Liquid Resources</b>		
<b>950</b>	Net increase/decrease in short term deposits		<b>28,750</b>
	<b>Financing</b>		
	Cash Outflows		
33,307	Repayment of amounts borrowed	37,411	
0	Capital element of finance lease rental payments	0	<b>37,411</b>
<b>33,307</b>			
	Cash Inflows		
(976)	Net Receipts from Long Term Debtors	(536)	
(40,800)	Long term loans raised	(65,150)	<b>(65,686)</b>
<b>(41,776)</b>			
<b>(4,389)</b>	<b>Net Increase in Cash</b>		<b>(3,087)</b>

**29 RECONCILIATION OF DEFICIT IN GROUP INCOME AND EXPENDITURE  
ACCOUNT TO THE REVENUE ACTIVITIES CASH FLOW (page 97)**

<u>2005/2006</u>	GROUP RECONCILIATION OF REVENUE CASH FLOW	<u>2006/2007</u>	
<u>£000's</u>		<u>£000's</u>	<u>£000's</u>
1,434	<b>DEFICIT FOR THE YEAR ON REVENUE ACCOUNT</b>		9,189
(505)	Six Town Housing Surplus		(996)
	<b>Non Cash Movements in Revenue Account:</b>		
(9,627)	Provision for Depreciation	(6,667)	
3,259	Other Provisions	4,548	
(2,997)	Minimum Revenue Provision	(3,762)	
1,486	Contributions from / (to) Revenue Reserves	(9,145)	
(703)	Other non-cash Movements	(4,128)	
<b>(8,582)</b>			<b>(19,154)</b>
	<b>Movements in Current Assets and Liabilities:</b>		
(288)	Increase / (Decrease) in Stock	161	
548	Increase / (Decrease) in Revenue Debtors	6,741	
(3,402)	(Increase) / Decrease in Revenue Creditors & Advance Receipts	(2,480)	
<b>(3,142)</b>			<b>4,422</b>
	<b>Items shown elsewhere in the Cash Flow Statement:</b>		
(2,947)	Interest Paid	(5,568)	
785	Interest Received	2,056	
1,250	Dividend Income	1,250	
694	Investment Income	0	
<b>(218)</b>			<b>(2,262)</b>
<b>(11,013)</b>	<b>NET CASH INFLOW FROM REVENUE ACTIVITIES</b>		<b>(8,801)</b>