

AMENDMENTS TO THE 2009/10 STATEMENT OF ACCOUNTS**INCOME AND EXPENDITURE ACCOUNT (PAGE 55)**

2008/2009	2009/2010			
Net Expenditure	Gross Expenditure	Income	Net Expenditure	Notes
£000's	£000's	£000's	£000's	
Continuing Services				
3,293	32,546	(28,789)	3,757	
213	300	(21)	279	
33,662	51,718	(20,440)	31,278	
36,968	205,961	(165,470)	40,491	
22,823	28,660	(7,789)	20,871	
15,253	35,889	(26,436)	9,453	
6,290	51,857	(47,254)	4,603	
51,085	76,594	(29,763)	46,831	
4,534	4,957	(211)	4,746	
6,666	6,096	(36)	6,060	
196	432	(117)	315	
180,983	495,010	(326,326)	168,684	
(2,175)			(239)	
(4,244)			(4,396)	4
6,200			6,468	
449			242	33
(4,988)			(2,379)	5
4,200			9,600	7
180,425			177,980	
(69,365)			(72,761)	
(15,871)			(21,266)	
(55,392)			(52,558)	
39,797			31,395	

STATEMENT OF MOVEMENT ON GENERAL FUND BALANCE (PAGE 56)

2008/2009	2009/2010
£000's	£000's
Deficit for the year on the Income and Expenditure Account	
39,797	31,395
Net additional amount to be debited or credited to the General Fund	
(38,010) balance for the Year (see table below)	(28,091)
1,787 Decrease / (Increase) In General Fund Balance for the Year	3,304
(14,994) Balance on General Fund B/Fwd	(13,346)
(139) In Year (Contribution) / Withdrawal	117
(13,346) Balance on General Fund C/Fwd	(9,925)

(6,591) General Fund balance attributed to school Budgets	(3,681)
Amount of General Fund balance generally available for new expenditure	
(6,755)	(6,244)
(13,346)	(9,925)

NOTE OF RECONCILING ITEMS FOR THE STATEMENT OF MOVEMENT ON THE GENERAL FUND BALANCE (PAGE 56)

2008/2009 £000's	2009/2010 £000's	Note
(668) Amortisation of intangible fixed assets (reversal)	(748)	18
(28,903) Depreciation and impairment of fixed assets (reversal)	(30,966)	
(3,681) Revenue Expenditure Funded from Capital Under Statute (reversal)	(3,203)	20
2,175 Net (gain) / loss on sale of fixed assets (reversal)	256	
Differences between amounts debited / credited to the I&E a/c and amounts payable / receivable to be recognised under statutory provisions relating to soft loans and premiums & discounts on the early repayment of debt		
379	(103)	
(9,800) Net changes made for retirement benefits (FRS17 entry) (reversal)	(8,400)	7
(16,385) Other	(3,615)	
Amount by which council tax income adjustment included in the I&E a/c is different from the amount taken to the General Fund in accordance with regulation		
7	(131)	
(56,876) 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	(46,910)	
4,595 Minimum revenue provision for capital financing	4,631	6
265 Capital expenditure financed from revenue	234	
(449) Transfer from Usable Capital Receipts equal to Housing Pooled Capital Receipts	(242)	33
11,367 Pension Fund - Employer's contributions payable to PF and retirement benefits payable direct to pensioners (FRS17 entry)	12,332	7
15,778 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	16,955	
3,276 Transfer to/(from) other earmarked reserves -	1,567	3
(617) Transfer to/(from) HRA Balances	(141)	
429 Voluntary Revenue provision for capital financing	438	6
3,088 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	1,864	
(38,010) Net additional amount required to be credited to the General Fund Balance for the year	(28,091)	

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES (PAGE 57)

2008/2009 £000's	2009/2010 £000's
39,797 Deficit for the year on the Income and Expenditure Account	31,395
(1,817) (Surplus) / Deficit Arising on revaluation of fixed assets	12,554

(379) (Surplus) / Deficit Arising on Revaluation of Available for Sale Financial Assets	103
56,167 Actuarial (gains) / losses on pension fund assets and liabilities	163,432
(7,327) Other (Gains) / Losses for the year	(5,717)
86,411 Total Recognised (Gains) / Losses for the Year	201,767

BALANCE SHEET AT 31ST MARCH 2010 (PAGE 58)

<u>2008/09</u>			<u>2009/10</u>			
<u>£'000</u>	<u>£'000</u>		<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>Note</u>
		FIXED ASSETS				
5,572	5,572	<i>Intangible Fixed Assets</i>		5,424		18
		<i>Tangible Fixed Assets</i>				
		Operational Assets:				
292,997		Council Dwellings	273,065			
354,890		Other Land & Buildings	361,668			
29,847		Infrastructure Assets	30,526			
3,035		Vehicles & Plant	2,892			
637		Community Assets	638			
		Non-Operational Assets:				
49,284		Investment Properties	44,198			
16,938		Assets under construction	8,593			
405		Surplus assets held for disposal	405			
748,033	753,605	TOTAL FIXED ASSETS	721,985	727,409		17
		LONG TERM INVESTMENTS				
10,214		Manchester Airport PLC		10,214		23
5,029		Royal Bank of Scotland		5,004		23
0	15,243	Bury MBC Townside Fields Ltd		1,420	16,638	23
		LONG TERM DEBTORS				
9,006		Loan Accounts		9,855		25
24		Debt Managed for Probation Services		22	9,877	19
	9,030					
		CURRENT ASSETS				
1,090		Stocks & Work in Progress	1,203			
33,134		Sundry Debtors & Advance Payments	34,289			24
27,545		Short Term Investments	25,486			40
2,342		Cash in Hand	1,701	62,679		
	64,111					
		LESS : CURRENT LIABILITIES				
(4,377)		Short Term Loans Outstanding	(2,278)			25
(193)		Deposits & Clients' Funds	(254)			
(42,736)		Sundry Creditors & Advance Receipts	(33,738)			
(4,850)		Capital Grants Unapplied	(10,603)			34
(1,531)		Bank Accounts	(5,397)	(52,270)		
	(53,687)					
	10,424	NET CURRENT ASSETS			10,409	
	788,302	TOTAL ASSETS LESS CURRENT LIABILITIES			764,333	
		LESS: LONG TERM LIABILITIES				
(119,018)		External Loans Outstanding		(130,594)		25
(8,058)		Deferred Liabilities		(8,686)		26
(114,200)		Pension Liability		(273,700)		7

(29,697)		Government Grants	(32,544)		32
		Deferred Account			
(39,084)		Provisions	(42,331)		28
(310,057)			(487,855)		
478,245	TOTAL NET ASSETS		276,478		
2008/09			2009/10		
£'000	£'000	£'000	£'000	£'000	Note
FINANCED BY :					
RESERVES AND OTHER BALANCES					
3,771		Earmarked Reserves	(14,564)		29
(189,760)		Revaluation Reserve	(177,200)		30
(379,064)		Capital Adjustment Account	(353,507)		31
(431)		Financial Instruments Adjustment Reserve	(328)		35
(63)		Collection Fund Adjustment Account	68		
40		Capital Receipts Unapplied	(307)		33
(114)		Deferred Capital Receipts	(84)		27
0		Equal Pay Back Pay Reserve	18,288		
114,200		Pension Reserve	273,700		7
		Balances			
(13,346)		General Fund	(9,925)		12
(922)		Housing Revenue Account			
			(781)		
(973)		Major Repairs Reserve	(891)		29
(1,114)		Competitive Services / Commuted Sums	(629)		29
(79)		Collection Fund Balance	210		
(10,390)		Other Balances	(10,528)		
478,245	TOTAL RESERVES AND BALANCES		276,478		

CASH FLOW STATEMENT (PAGE 60)

2008/ 2009 £000's		2009/2010 £000's	£000's	£000's	£000's
REVENUE ACTIVITIES					
186,027	Cash Outflows: Cash Paid to and on behalf of Employees		192,667		
210,266	Other Operating Cash Payments		214,761		
20,578	Housing Benefit paid out		27,397		
416,871				434,825	
(24,122)	Cash Inflows: Rents (after Rebates)		(24,889)		
(59,184)	Council Tax Receipts (excl major preceptors share of receipts)		(61,436)		
(55,392)	NNDR Receipts from National Pool		(52,558)		
(7,711)	Revenue Support Grant		(12,131)		
(32,189)	DWP Grants for Benefits		(40,669)		
(150,664)	Other Government Grants		(155,455)		
(87,486)	Cash Received for Goods and Services		(91,004)		
(416,748)				(438,142)	
123	NET CASH OUTFLOW FROM REVENUE ACTIVITIES				(3,317)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
4,398	Cash Outflows: Interest Paid			4,416	
(4,788)	Cash Inflows: Interest Received			(2,379)	
(390)					2,037
(267)					(1,280)

<u>DIVIDENDS FROM JOINT VENTURES AND ASSOCIATES</u>			
(1,300)	Airport Dividend Received		(1,000) (1,000)
<u>CAPITAL ACTIVITIES</u>			
33,806	Cash Outflows: Purchase of Fixed Assets	32,774	
5,029	Purchase of Long Term Investments	1,395	
449	Payments to Housing Capital	242	
	Receipts Pool		
39,284			34,411
(5,459)	Cash Inflows: Proceeds of Sale of Fixed Assets	(655)	
(13,886)	Capital Grants received	(18,206)	(18,861)
(19,345)			15,550
19,939			13,270
18,372			
<u>MANAGEMENT OF LIQUID RESOURCES</u>			
(9,693)	Net Increase / (Decrease) in Short Term Deposits		(2,059)
1,468	Net Increase / (Decrease) in Council Tax Liquid Resources		1,925
10,147	NET CASH OUTFLOW BEFORE FINANCING		13,136
<u>FINANCING</u>			
	Cash Outflows: Repayments of amounts borrowed		
25,000	Long Term loans repaid	3,876	
23,800	Short Term loans repaid	348	
48,800			4,224
(319)	Cash Inflows: Net Receipts from Long Term Debtors	847	
(34,000)	New Long Term Loans	(13,700)	
(23,628)	New Short Term Loans	0	(12,853)
(57,947)			(8,629)
(9,147)			
1,000	NET DECREASE IN CASH		4,507

NOTES TO THE CORE FINANCIAL STATEMENTS

PRIOR YEAR ADJUSTMENTS / EXCEPTIONAL ITEMS / POST BALANCE SHEET EVENTS (PAGE 62)

Exceptional items are ones that are material in terms of the authority's overall expenditure and are not expected to recur frequently or regularly. Prior year adjustments represent those material adjustments applicable to prior years arising from changes in accounting policies or the correction of fundamental errors. There were no exceptional items made to the accounts. Prior year adjustments have been made to the accounts due to changes in policy introduced in 2009 relating to accounting for council tax and national non-domestic rates. See page 53 for more information.

There is a post balance sheet event relating to FRS17 Retirement Benefits. The Chancellor of the Exchequer announced in his Emergency Budget on 22 June 2010 that the consumer prices index rather than the retail prices index will be the basis for future public sector pension increases. In accordance with paragraph 21 of Financial Reporting Standard 21 (Events after the balance sheet date), this change is deemed to be a non-adjusting post balance sheet event. It is estimated that this change will reduce the value of an average employer's FRS17 liabilities in the Greater Manchester Pension Fund by around 6-8%.

PROVISIONS (PAGE 82)

	<u>31st March</u> <u>2009</u> <u>£000's</u>	<u>Income</u> <u>£000's</u>	<u>Expenditure</u> <u>£000's</u>	<u>31st March</u> <u>2010</u> <u>£000's</u>
Liability insurance	(19,973)	(2,972)	1,679	(21,266)
Property insurance	(720)	(113)	70	(763)
Children's Services	(839)	(173)	173	(839)
Development Services	(286)	(12)	0	(298)
Equal Pay Back Pay	(16,385)	(3,615)	1,713	(18,287)
Other	(881)	(50)	53	(878)
TOTALS	(39,084)	(6,935)	3,688	(42,331)

RECONCILIATION OF CASHFLOW TO INCOME AND EXPENDITURE ACCOUNT
(PAGE 99)

<u>2008/2009</u> <u>£000's</u>	<u>2009/10</u> <u>£000's</u>	<u>£000's</u>
39,797 DEFICIT FOR THE YEAR ON I & E ACCOUNT		31,395
Non Cash Movements in I & E Account:		
(28,903) Provision for Depreciation & Impairment of Fixed Assets	(30,966)	
659 Other Provisions	(3,247)	
4,595 Minimum Revenue Provision	4,631	
(17,764) Contributions from / (to) Revenue Reserves	(14,070)	
5,856 Other General Fund Reconciling Items	1,775	
1,705 Other non-cash Movements	(2,828)	
(33,852)		(44,705)
Movements in Current Assets and Liabilities:		
(56) Increase / (Decrease) in Stock	113	
(7,344) Increase / (Decrease) in Revenue Debtors	3,732	
(112) (Increase) / Decrease in Revenue Creditors & Advance Receipts	7,185	
(7,512)		11,030
Items shown elsewhere in the Cash Flow Statement:		
(4,398) Interest Paid	(4,416)	
4,788 Interest Received	2,379	
1,300 Dividend Income	1,000	
1,690		(1,037)
123 NET CASH INFLOW FROM REVENUE ACTIVITIES		(3,317)

NOTES TO THE HOUSING REVENUE ACCOUNT
HOUSING STOCK (PAGE 104)

<u>2008/2009</u> <u>£000's</u>		<u>2009/2010</u> <u>£000's</u>
293,629	Total Balance Sheet value as at 1 st April 2009	291,565
1,430	Dwellings	1,432
295,059	Shops, Offices and Garage Colonies	292,997
	Total Operational Assets	
16,174	Additions	7,563

2	Certificated Revaluation – Shops and Offices	55
(12,765)	Housing Stock Revaluations	(22,228)
(4,861)	Depreciation	(4,954)
(612)	Sale of Council Houses	(368)
0	Sale of other Council Housing assets	0
292,997	Balance Sheet Value as at 31st March 2010	273,065
291,565	Dwellings	271,616
1,432	Shops, Offices and Garage Colonies	1,449
292,997	Total Operational Assets	273,065

THE GROUP ACCOUNTS

GROUP INCOME AND EXPENDITURE ACCOUNT 2009/2010 (PAGE 114)

<u>2008/2009</u>		<u>2009/2010</u>			
<u>Net Expenditure</u>		<u>Gross Expenditure</u>	<u>Income</u>	<u>Net Expenditure</u>	<u>Notes</u>
<u>£000's</u>		<u>£000's</u>	<u>£000's</u>	<u>£000's</u>	
3,293	Central Services to the Public	32,546	(28,789)	3,757	
6,666	Non-Distributed Costs	6,096	(36)	6,060	
213	Court Services	300	(21)	279	
33,380	Cultural Environmental & Planning Services	51,718	(20,440)	31,278	
36,127	Children's and Education Services	205,705	(165,464)	40,241	
22,823	Highways Roads & Transport Services	28,660	(7,789)	20,871	
4,625	Local Authority Housing (HRA)	8,799	(9,460)	(661)	
7,378	Other Housing Services	51,857	(47,848)	4,009	
50,939	Adult Social Care	76,533	(29,750)	46,783	
13,083	Corporate & Democratic	5,061	7,455	12,516	
196	Other Operating Income & Exp.	432	(117)	315	
178,723	NET COST OF SERVICES	467,707	(302,259)	165,448	
(2,175)	Gain or loss on disposal of fixed assets			(239)	
(897)	Surplus or deficit of trading undertakings			(1,651)	
449	Amounts payable into the Housing Capital Receipts Pool			242	
6,200	Interest payable			6,468	
(5,156)	Interest and Investment Income			(2,400)	
4,211	Pensions interest cost and expected return on pensions assets			9,708	
36	Taxation of group entities			4	
181,391	NET EXPENDITURE			177,580	
(69,365)	Demands or precepts on the Collection Fund			(72,760)	
(15,871)	Government grants			(21,266)	
(55,392)	Distribution from non-domestic rate pool			(52,558)	
40,763	NET (SURPLUS)/DEFICIT FOR THE YEAR			30,996	

RECONCILIATION OF THE SINGLE ENTITY SURPLUS OR DEFICIT FOR THE YEAR TO THE GROUP SURPLUS OR DEFICIT (PAGE 115)

2008/2009 £000's		2009/2010 £000's
39,797	(Surplus) / deficit for the year on the Authority Income and Expenditure Account	31,395
0	Adjustments for transactions with other group entities	0
39,797	Surplus / Deficit in the Group Income and Expenditure Account attributable to the Authority	31,395
	(Surplus) / deficit in the Group Income and Expenditure Account attributable to group entities (adjusted for intra-group transactions):	
966	➤ Subsidiaries	
	➤ Associates	(399)
	➤ Joint Venture	
40,763	Surplus / Deficit for the year on Group Income and Expenditure Account	30,996

GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES (PAGE 115)

2008/2009 £000's		2009/2010 £000's
40,763	Net (surplus) or deficit for the year on the Income and Expenditure Account	30,996
(1,817)	(Surplus) / deficit arising on revaluation of fixed assets	12,554
56,670	Actuarial (gains) / losses on pension fund assets and liabilities	170,584
(7,706)	Any other (gains)/losses for the year	(5,597)
87,910	Total Recognised (Gains) / Losses for the Year	208,537

GROUP BALANCE SHEET AS AT 31 MARCH 2010 (PAGE 116)

GROUP BALANCE SHEET						
31 March 2009			31 March 2010			
£'000	£'000		£'000	£'000		Note
		<u>FIXED ASSETS</u>				
		Intangible Assets				
		Goodwill				
5,572	5,572	Other Intangible assets	5,424	5,424		
		Operational Assets				
292,997		Council Dwellings	273,065			
354,890		Other Land & Buildings	362,793			
3,041		Vehicles & Plant	2,896			
29,847		Infrastructure Assets	30,526			
637		Community Assets	638			
66,627	748,039	Other Non-Operational Assets	53,196	723,114		
	753,611	TOTAL FIXED ASSETS		728,538		
		<u>LONG TERM INVESTMENTS</u>				
10,214		Manchester Airport PLC	10,214			
5,029	15,243	Royal Bank of Scotland	5,004	15,218		
		<u>LONG TERM DEBTORS</u>				
9,006		Loan Accounts	9,855			
24	9,030	Debt Managed on Behalf of Other Local Authorities	22	9,877		

		CURRENT ASSETS			
1,090		Stocks & Work in Progress	1,250		
27,545		Short Term Investments	25,486		
32,666		Sundry Debtors & Advance Payments	32,496		
5,775	67,076	Cash in Hand	5,644		64,876
		LESS: CURRENT LIABILITIES			
(4,377)		Short Term Loans Outstanding	(2,278)		
(193)		Deposits & Clients' Funds	(254)		
(44,327)		Sundry Creditors & Advance Receipts	(33,985)		
(4,850)		Capital Grants Unapplied	(10,603)		
(1,531)	(55,278)	Cash Overdrawn	(5,397)		(52,517)
	789,682	TOTAL ASSETS LESS CURRENT LIABILITIES			765,992
		LESS: LONG TERM LIABILITIES			
		Loans Outstanding:			
(119,018)		External	(130,594)		
(8,058)		Deferred Liabilities	(8,686)		
(29,697)		Government Grants – Deferred	(32,544)		
(114,844)		Pension Liability	(281,394)		
(39,084)	(310,701)	Provisions	(42,331)		(495,549)
	478,981	TOTAL NET ASSETS			270,443

31 March 2009		GROUP BALANCE SHEET		31 March 2010		
£'000	£'000			£'000	£'000	Note
		FINANCED BY :				
		RESERVES AND OTHER BALANCES				
379,064		Capital Adjustment Account	353,507			
431		Financial Instruments Adjustment A/c	328			
189,760		Revaluation Reserve	177,200			
(114,200)		Pensions Reserve	(273,700)			
973		Major Repairs Reserve	891			
22,953		Fund Balances and Reserves	12,217			
	478,981	TOTAL GROUP BALANCES AND RESERVES			270,443	

RECONCILIATION OF THE DEFICIT IN THE GROUP INCOME AND EXPENDITURE ACCOUNT TO THE REVENUE ACTIVITIES NET CASH FLOW (PAGE 119)

2008/2009	GROUP RECONCILIATION OF REVENUE CASH FLOW		2009/2010
£000's			£000's
39,797	DEFICIT FOR THE YEAR ON REVENUE ACCOUNT		31,395
1,087	Six Town Housing Surplus		(508)
0	Bury MBC Townside Fields Loss		105
Non Cash Movements in Revenue Account:			
(28,903)	Provision for Depreciation	(30,968)	
659	Other Provisions	(3,247)	
4,595	Minimum Revenue Provision	4,631	
(17,764)	Contributions from / (to) Revenue Reserves	(14,070)	

6,055	Other non-cash Movements	(514)	
(35,358)			(44,168)
	Movements in Current Assets and Liabilities:		
(56)	Increase / (Decrease) in Stock	160	
(1,711)	Increase / (Decrease) in Revenue Debtors	(170)	
(3,198)	(Increase) / Decrease in Revenue Creditors & Advance Receipts	10,342	
(4,965)			10,332
	Items shown elsewhere in the Cash Flow Statement:		
(4,398)	Interest Paid	(4,416)	
4,956	Interest Received	2,400	
1,300	Dividend Income	1,000	
1,858			(1,016)
	NET CASH INFLOW FROM REVENUE ACTIVITIES		
2,419			(3,860)