

Statement of Accounts 2008-2009

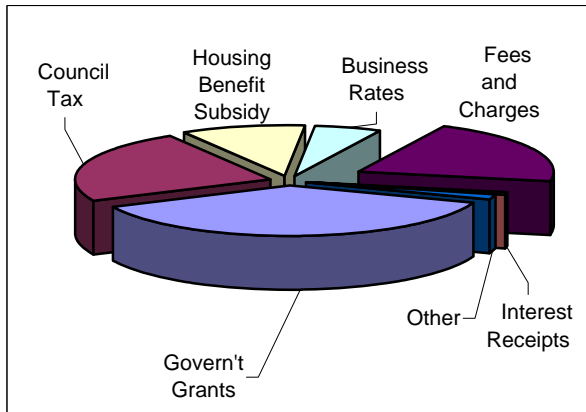


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SUMMARY FINANCIAL DATA

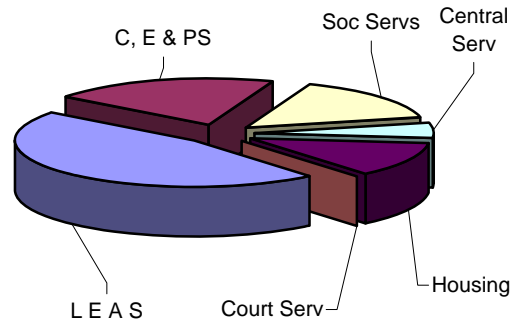


Sources of Income

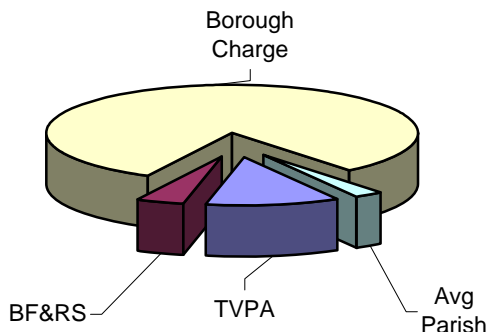
	£'m	
Government Grants	107.1	37.5%
Council Tax	66.9	23.4%
Housing Benefit Subsidy	28.7	10.0%
Business Rates	16.0	5.6%
Fees and Charges	60.1	21.0%
Interest Receipts	2.2	0.8%
Other Income	4.6	1.7%
Total	285.6	100.0%

Main Services Expenditure

	£'m	
Education Services	132.6	46.4%
Cultural, Environmental and Planning Services	58.5	20.5%
Social Services	44.4	15.6%
Central Services	15.2	5.3%
Housing Services	34.7	12.2%
Court Services	0.2	0.1%
Total	285.6	100.0%



This diagram shows the gross Council Tax levied at band D and amount raised before allowing for Government Grants and the contribution from the national non-domestic rate.



Council Tax Analysis

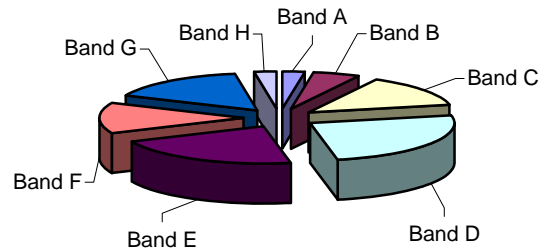
	2008-09 Charge Levied (£)	2008-09 Amount Raised (£000)
Thames Valley Police	144.76	9,327
Berkshire Fire & Rescue	52.54	3,385
Borough Charge	1017.88	66,661
Average Parish Precept	32.84	1,041
Total	1,248.02	80,414

SUMMARY FINANCIAL DATA

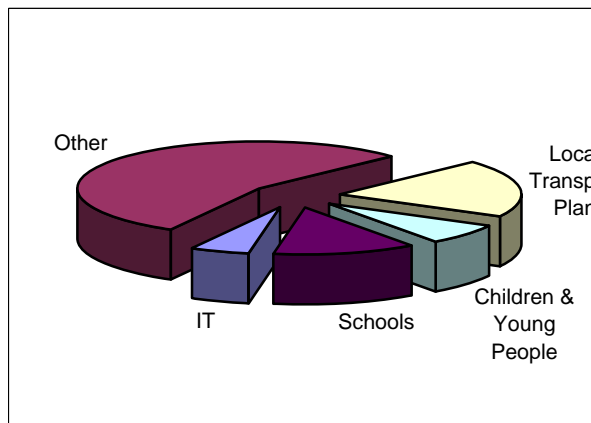
The following diagrams provide an analysis of the Council Tax.

Domestic Properties eligible for Council Tax

Charge Band	No.	
Band A	1,296	2.4%
Band B	2,851	5.3%
Band C	7,494	13.9%
Band D	13,711	25.3%
Band E	11,504	21.3%
Band F	7,185	13.3%
Band G	8,564	15.9%
Band H	1,384	2.6%
Total Properties	53,989	100.0%



The Council spent £21.47 million on capital projects in the year and the diagrams below show the proportions for each service and the sources from which this expenditure was financed.

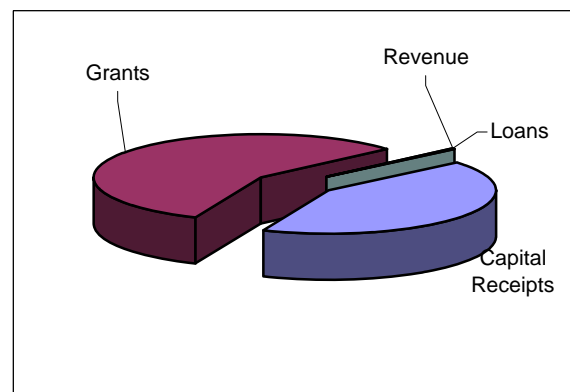


Capital Expenditure

	£'m	
IT	1.1	5.3%
Other	11.8	55.0%
Local Transport Plan	4.2	19.8%
Children & Young People	1.5	7.1%
Schools	2.8	12.9%
Total	21.5	100.0%

Sources of Capital Finance

	£'m	
Capital Receipts	9.1	42.4%
Grants	12.4	57.5%
Loans	-	0.0%
Revenue	0.0	0.0%
Total	21.5	100.0%



EXPLANATORY FOREWORD

INTRODUCTION

This foreword provides a brief explanation of the financial aspects of the Council's activities and draws attention to the main characteristics of the Council's financial position.

The Council's Financial Statements for the year are set out on pages 23 to 28. They consist of:

Income and Expenditure Account	- shows the net cost of the Royal Borough's services and their funding.
Statement of Movement on General Fund Balances	- shows how the Income and Expenditure Account impacts on Council Tax and General Fund Balances.
Statement of Total Recognised Gains and Losses	- contains gains and losses not included in the Income and Expenditure Account.
Balance Sheet	- setting out the financial position of the Council at 31st March 2009
Cash Flow Statement	- showing cash movements from transactions with third parties.

These accounts are supported by the Statement of Accounting Policies, which follows this foreword, and various notes to the accounts.

The Royal Borough is the Administering Authority for the Royal County of Berkshire Pension Fund and a summarised statement of these accounts is included on page 62.

Expenditure on services is classified into two main types, revenue expenditure and capital expenditure. Revenue expenditure is, broadly, day to day expenditure e.g. salaries, wages, rents etc. whilst capital expenditure creates or contributes to the acquisition of assets, e.g. land, buildings, vehicles etc. Current accounting policies require that the Council calculates an annual charge for the use of capital assets and these annual charges form part of the revenue expenditure of the Council.

CHANGES IN ACCOUNTING POLICIES

The structure of these accounts follows CIPFA's Statement of Recommended Accounting Practice. The concept of deferred charges has been made redundant and has been replaced by revenue expenditure funded from capital under statute. Expenditure that is not capital expenditure in accordance with UK GAAP but which statute allows to be funded from capital resources, is charged to the Income and Expenditure account. From 2008/9 LAA grant has been replaced by Area Based Grant (ABG). ABG is a general grant and included in the Income and Expenditure account. The Cash Flow statement is now shown using the indirect method as permitted under FRS1. This is derived by means of a reconciliation from surplus or deficit on the Income and Expenditure account. Amendments to disclosures relating to the Pension Fund in order to comply with the Pension SORP 2007. Details of changes are included in the policies and relevant notes.

Changes to the Standard Expenditure Analysis, arising from Best Value Accounting Code of Practice which allows inter authority comparison, are also incorporated.

EXPLANATORY FOREWORD

SUMMARY OF THE YEAR

General

The accounts for 2008/09 show that the Council's financial position remains sound with General Reserves of approximately £5.6 million, some 6% of its net revenue budget. Whilst this was down on the figure for 2007/8 by 0.2m, a £1.2m economic contingency reserve was also created. The reserve will be used by the Council to fund budget pressures resulting from the recession.

Some headline numbers from the accounts include revenue expenditure of £285.627m compared to £265.970m in 2007/9 and capital expenditure of £21.474m. Despite the impact of the recession income generated by services has risen by 4.7% to £181.1m. These accounts show that the Borough is well placed to respond to the inevitable pressures on council services that will be created by the economic recession. Whilst the search for further opportunities to deliver services more efficiently continues, so that the cost of future demand can be met, the healthy level of the General Fund balances and the creation of a specific economic contingency ensures resources are available to meet the short term impact of the recession.

Revenue Expenditure

The demand for support from children with special education needs placed out of Borough increased this year. Underspends in other Dedicated Schools Grant (DSG) funded areas were used to meet part of the associated costs of this increase. Overall, DSG ended the year with an overspend of £130k. This was funded by the DSG reserve, built up by unspent grant in prior years.

The full impact of demographic changes in the demand on Adult Social Care was not as high as expected and this resulted in an underspend of £589

Rent from the Council's commercial properties held up well during the year and some steps were taken to recover back rent to further increase income in this area by £180k

The table below summarises the Council's gross revenue expenditure and income detailed on pages 24 and 25.

	2006-07	2008-09
	£m	£m
Gross Service Expenditure	265.970	285.627
Service Income	(173.770)	(181.117)
Other Operating expenditure	3.250	112.095
	<u>95.450</u>	<u>216.605</u>
Less amounts to be debited by statute Funding	(12.546)	(124.895)
Income from Council Tax	(65.761)	(67.917)
Government Grants	(2.281)	(7.466)
Income and Appropriations	<u>(15.022)</u>	<u>(16.123)</u>
(Surplus)/Deficit for the Year	(0.160)	0.204

Gross expenditure and income represents the total value of transactions going out of and coming into the Royal Borough. Schools represent a large element of the value of transactions within the year which are covered by a central government grant known as Dedicated Schools Grant (DSG). DSG must be used in support of schools and central services as prescribed in regulations. Any DSG surplus or deficit must be added to or deducted from the Borough's DSG allocation in following years, and therefore has no impact on the Borough's final out-turn position in 2008-09.

EXPLANATORY FOREWORD

The following table compares the actual outturn with the revised budget for the year for the General Fund. This reflects the structure used for monitoring the budget during the year which focuses on the direct cost of services.

In contrast, the statement presented in the Income and Expenditure Account (page 24) is presented in the form required by the Chartered Institute of Public Finance Accounting Code of Practice. Whilst the presentation is different the amounts met from government grants and local tax payers remains the same.

GENERAL FUND	Original Budget	Latest Budget	Actual	Latest Variance
SERVICE EXPENDITURE	£'000	£'000	£'000	£'000
Learning and Care	43,515	48,620	47,986	(634)
Community Services	22,038	22,649	22,574	(75)
Corporate Services	14,416	14,902	14,898	(4)
Net Cost Of Services	79,969	86,171	85,458	(713)
LABGI receipts	0	-97	-97	0
Contribution to Earmarked Reserve	0	-490	-490	0
Contribution to Capital Reserve	0	297	307	10
Environment Agency	130	130	130	0
Corporate initiatives and other adjustments	-376	-331	0	331
General provision for bad debts	0	0	42	42
Economic Contingency Reserve	0	1,200	1,200	0
Debt Charges and Interest on Balances	5,414	5,414	4,026	-1,388
Net Budget Requirement	85,137	92,294	90,576	-1,718
Less - Special Expenses	-1,075	-1,075	-1,075	0
Transfer (from)/to balances	0	-1,922	-204	1,718
GROSS COUNCIL TAX REQUIREMENT	84,062	89,297	89,297	0

With effect from 1st April 2008, the area based grant is treated as general grant and is used to fund the overall gross council tax requirement. The latest approved budget has been adjusted by £5.235m to reflect this requirement

An underspend occurred on the General Fund of £1.718m against the latest approved budget. The most significant budget variations were:

Learning and Care

Adult Social Care

- Use of spot providers of external homecare to meet increased demand (+)£149k.
- Although there was an increase in demand for mental health placements this was more than offset by additional income(-)£96k.
- Lower than budgeted costs in Learning Disability care; mainly staff vacancies. (-)£226k.

EXPLANATORY FOREWORD

Child and Adolescent Mental Health Service

- The grant funded Child and Adolescent Mental Health Service has had difficulty recruiting suitable educational psychologists and the project has been slower to start than expected, resulting in an underspend. (-)£150k

Community Services

Development Control

- Underspend due to management of staff in line with service demand. (-)£140k.

Industrial and Commercial Estates

- Additional cost of NNDR for vacant properties and urgent repairs (+)£180k.

Car Parking

- Shortfall in off street income due to economic downturn and unfavourable weather conditions as demonstrated in reductions in tourist car parks in Windsor. Partially offset by increase in on street income. (+)£243k

Corporate Resources

Legal Services

- The slow down in housing market reduced Land Charge income during the year (+)£215k.
- This was partly offset by savings arising from the reorganisation of legal services. (-)£163k.

Non-Service related budgets

- Capital Financing centred on capital receipts in 2008/9 to retain flexibility and to avoid too much reliance on the capital fund. Contributions to the capital fund included £900k from revenue and £210k interest on S106 balances.

- Movements in Earmarked Reserves: The Corporate Development fund was increased by the inclusion of a £97k LABGI grant. A reserve for Economic Contingency was created with a £1.2m contribution from the general fund.

- Underspends in a number of grant funded areas prompted requests for funding in 2009/10. Members agreed to carry forward the funding and this will be an additional call of £675k on the General Fund in 2009/10.

EXPLANATORY FOREWORD

The table below shows the comparison of actual expenditure and income for 2008-2009 with the original budgets for the year.

	General Fund		
	Budget £m	Actual £m	Variance £m
Gross Expenditure on Services	274.9	285.6	10.7
Income Attributable to Services	(172.9)	(181.1)	(8.2)
Net Expenditure on Services	102.0	104.5	2.5
Other Operating Expenditure	(10.7)	(12.8)	(2.1)
General Grants supporting Revenue	(91.4)	(91.5)	(0.1)
Net deficit/(surplus) for Year	(0.0)	0.2	0.2
Balance Brought Forward	(5.2)	(5.8)	(0.6)
Balance Carried Forward	(5.2)	(5.6)	(0.3)

The net cost to the General Fund of the services provided by the Council in 2008-2009 was:

Services	£m	%
Education	25.6	24.5
Social Services	32.2	30.8
Highways	3.4	3.3
Other Highways, Transportation & Car Parking	6.5	6.2
Waste Collection & Disposal	6.5	6.2
Planning and Development	2.6	2.5
Environmental Services	8.1	7.8
Central Services to the Public	2.0	1.9
Cultural and Related Services	6.0	5.7
Housing Services	2.9	2.8
Recreational and Sport	2.1	2.0
Court Services	0.2	0.2
Other Central Services	6.4	6.1
TOTAL	104.5	100.0

Capital Expenditure

Capital expenditure still accounts for significant amounts of major maintenance items on schools (£5.27m). Other areas of significant expenditure include Local Transport Plan (£4.24m) and Children & Young People (£1.53m).

EXPLANATORY FOREWORD

The table below sets out the comparison between the latest budgeted Capital Programme and the actual expenditure for the year

	Last approved	
	Budget £'000	Actual £'000
Corporate Services		
Business Improvement	1,140	1,130
CSC	117	75
Other	511	527
	1,768	1,732
Community Services		
Local Transport Plan	4,296	4,242
Operations	466	452
Public Protection	702	761
Planning	57	53
Library & Information Service	535	558
Leisure Centres	455	453
Outdoor Facilities	1,520	1,497
Asset Management	344	335
Car Park Schemes	557	556
	8,932	8,907
Learning & Care		
Adult Social Care	25	17
Children & Young People - General	1,568	1,529
Children & Young People - Schools (Form)	3,770	2,773
Children & Young People - Schools (Other)	5,239	5,265
Housing	1,203	1,164
Learning & Care - General	72	87
	11,877	10,835
Total Capital Expenditure	22,577	21,474
Revenue Expenditure funded from Capital Resources under statute		-706
Capital Expenditure on Fixed Assets		20,768

Budgets on incomplete 2008-09 schemes are carried forward to the new year.

The Royal Borough borrows long term, to support its capital programme and short term, to maintain positive cash flow, through approved financial institutions.

At the end of the year total borrowing was £65 million.

Pension Fund

This Council is responsible for the management of the Berkshire Pension Fund. 2002/03 saw the requirement for every Council within the scheme to disclose its share of the surplus or deficit of assets compared with the liabilities of the whole Fund enshrined in accounting regulations (FRS17).

The Council's actuarial figures are reproduced in Notes 60 and 61 to the accounts.

The Pension Fund has clearly suffered from a loss in the value of its investments but the ability of the Council to take a long term view at present at least, minimises the impact on the Councils accounts.

EXPLANATORY FOREWORD

Treasury Management

The Borough operates a Treasury Management policy based on the Code of Practice issued by the Chartered Institute of Public Finance and Accountancy. Cash balances are managed in-house. The Royal Borough bank balances are reviewed daily and appropriate decisions made to ensure the council maintains a positive cash flow.

The overall equated return achieved on the Borough's investments for 2008-2009 was 4.93% which was 1.09% above the Local Authority 7 day rate benchmark.

FUTURE NEEDS

The council set its revenue and capital budget on 26 February 2009.

Funding of the approved revenue budget and capital programme is as follows:

Revenue	£m
Revenue Support Grant (RSG)	3.5
Business Rate Contributions	15.0
Area Based Grant	5.4
Collection Fund Surplus	0.0
Council Tax	67.2
Total	91.1

Capital	£m
Revenue	6.1
Capital receipts	2.8
Grants and contributions	34.8
Total	43.7

Anticipated General Reserve balances at 31 March 2009 £5.6m

CONCLUSION

These accounts represent a snapshot of the Council's financial affairs at the year end and it is our intention to make them as informative and useful as possible. An annual report will be published in the Council's publication "Around the Royal Borough".

I wish to record my thanks to all the Council's staff who have contributed throughout the year to the financial management of the Council and for the provision and publication of these accounts.

I also wish to extend my thanks to the staff from KPMG who are responsible for the external audit of the Council's financial affairs and who continue to provide much valuable advice and help throughout the year.

Detailed budgets for 2008/09 are available on the Council's website. If you have any queries or comments about this document, please contact Peter Brown, Chief Accountant on Maidenhead (01628) 796207 or myself, Andrew Brooker, Head of Finance on Maidenhead (01628) 796341.

Andrew Brooker CPFA
Head of Finance
02 June 2009

SERVICE REVIEW

The following section provides Service Directors with the opportunity to review the performance of service areas under their control. The performances outlined need to be viewed against a context of significant demand for increased levels of service, notably from Social Services, coupled with limited financial support from the Department of Communities and Local Government (DCLG) through the formula grant process.

LEARNING AND CARE DIRECTORATE

With the new Council structure coming into place operationally from late autumn 2008, this was the final year for the Learning & Care Directorate. Therefore during the latter part of the year responsibilities for budget management were transferred from the old to the new managers. The accounting structure remained unchanged during 2008/9, only being brought into line with the new Directorate structure in April 2009 with the new financial year.

Given this period of change the Directorate continued to focus on sound budget management and indeed succeeded in keeping expenditure well within its approved estimate. Against the Directorates direct cost approved estimate for 2008-09 of £48.9M, there was an underspend of £634k, a variance of 1.3%. However it is more appropriate to view this achievement in the context of a gross expenditure budget of £67.6M and an income budget of £18.7M.

The Directorate has oversight of the Dedicated Schools Grant (DSG) and the budgets this funds. This £73M budget is additional to the budgetary sums noted above. £64M of the DSG budget is pass ported to schools on a formulaic basis. The balance £9M is spent centrally by the Council on pupil related services. The year saw a steep escalation in the number of children with special educational needs requiring specialist residential placements and the budget for this was exceeded by over £1M. As a result savings were sought and achieved from other central budgets so that together with some windfall rate rebates, the net overspend on the central DSG was reduced to £156k. This sum is met by credit DSG balances brought forward from previous years.

The Council funded Children Services budget of £16.2M covers a variety of services including safeguarding, Youth & Community, and home to school transport. This budget reports a net £184k underspend for the year. Savings arose in particular for the Youth & Community budget however these result from a change in accounting policy in respect of income recognition and not from a reduction in service. Savings are also reported in the Child & Adolescent Mental Health services budget, however this reflects a slippage of the development programme for these services, and not a reduction. The support of the Reading based joint legal team was not required to the extent of previous years, and savings were also achieved by managing vacant posts across most services. Whereas home to school transport costs rose above budget and as result reduced the underspend on the Children's service budget to £184k.

The Adult Social care budget of £41.1M gross, £29.5M net, underspent by £589k. Of this sum £195k is offset by a reduction in Specific Government Grant income, and the concessionary fares budget contributed £165k towards this underspend. The balance of the underspend is £229k represents 0.6% of the gross budget. Concessionary Fares legislation changed in April 2008 as a national scheme commenced. The impact of this new scheme was hard to estimate both in of its long term take up and the time it will take for the scheme to settle into regular general use. The increase in the numbers and cost of people with a learning disability continue to rise, however the impact of community based services including a number of new supported living schemes such as Ronald Young House is holding down the demand for higher cost residential services. As a result the demographic growth allocation to this service was not required in full and a net underspend of £226k is reported.

SERVICE REVIEW

As note above, Specific Government Grant income is below budget, £195k in respect of adult services and £8k children's services. This represents a rephasing of some grant funded programmes where the grants have been given in respect of a number of years. This has resulted in lower than budgeted expenditure on Adult Services and an offsetting lower grant income in 2008/9, however there will be an equal offsetting increase in future years.

The Housing budget has been monitored closely throughout the year for signs of difficulties in the housing market arising from the economic downturn. The Council would need to act swiftly to deal with homelessness issues as they arise. Although demand led increases in expenditure have led to overspends on some homelessness related budgets, these have not proved significant as yet. One off savings on the budget for housing related support have enabled a neutral position for the housing budget to be maintained for the year.

Throughout the year the Directorate has expended significant energies in progressing the development of the new Holyport Manor School with its attendant residential respite unit and with the associated leisure development. This exciting project is proceeding according to plan and within budget.

COMMUNITY SERVICES DIRECTORATE

The Directorate of Environment faced a challenging financial year against a backdrop of the current economic climate in 2008/09. Nevertheless, the Strategic Director of Environment is pleased to report that the overall revenue outturn is £75k under on a controllable budget of £22.65m.

In line with our overall Strategy we have increased recycling and have now achieved a rate of over 37%. This has resulted in a reduction of 1,000 tonnes from 2007/08 of waste disposed, mainly due to the successful launch of the Green waste Subscribed Scheme and continuation of the composting initiative offering 5,000 free composters to residents.

A Carbon Management programme to reduce the Council's footprint has seen the first submission of the Salix bid, which when complete will result in £250k match funding to support the Council's sustainability projects.

The Windsor Parking Strategy was adopted by Cabinet and achieved a successful bid from SEERA for a Government Grant of £7m.

The operation of the Council's car parks and On Street Parking schemes are now fully implemented and operating successfully. This has provided additional spaces for residents by managing Town Centre spaces effectively and freeing up disabled parking bays. However, car parking income throughout the year has been affected by the economic climate.

The Council continues to focus on initiatives to improve cleanliness of the Borough's streets, which include zero tolerance on litter and 'Adopt a Street'. These and other initiatives have lead the Council to win 'Britain's Cleanest Town' award for Windsor & Eton and runner up for Bray in the village category. The Operations and Highways teams coped well with responding to the adverse weather conditions, which put a considerable strain on the revenue budget, particularly on winter gritting and consequential road maintenance.

The Local Transport Plan delivered 202 projects for improving roads, footways and lighting for the benefit of Residents. Major drainage works to protect the public from flooding were completed at Clare Rd and Highway Avenue/A4 Maidenhead. A successful Government grant of £5M was also secured for the Windsor & Eton Relief Road.

CORPORATE SERVICES DIRECTORATE

The directly managed cost original budget was £14.416m. During the year this was adjusted to remove £163k of specific grants that were transferred to Area Based Grant. This transfer and other minor variations during the year took the approved budget to £14.902m. At 31 March 2008 the actual spend was £14.898m; a net under-spend on the approved budget of £4k.

A significant event in the year was the Corporate Restructure, initiated by a new Chief Executive, who joined RBWM in May 2008. Services are already operating within a new Directorate Structure and this will form the basis for budget monitoring in 2009.

Land Charges income has declined this year due to the introduction of HIPS and the effects of the economic climate on the housing market. In recent months this has shown some signs of recovery but income was still well down for the year (by £215k).

The Corporate IT budget was affected by increased licensing and support costs for the Electronic Records System, greater Wide-Area Network running costs and additional BT exchanges. The introduction of virtual servers during 2008/9 is delivering significant energy savings.

There have been changes to the software used by the CSC and telephony system in the last year, which enables CSC staff to deal directly with a number of routine benefits enquiries. However, there were extra annual software maintenance and licensing costs. Significant increases in service demand, e.g. the successful implementation of the green waste scheme, along with high sickness levels, required greater use of agency staff than originally planned for, adding £45k to costs

Council Tax collection rate for 2008/9 was 97.7%. This is the same as last year, and although 0.3% lower than target, is an achievement given economic conditions. However, in closing the Collection Fund, the Head of Finance has reviewed the Council Tax provision for bad debt. By reviewing the levels of outstanding debt and the age profile the provision was increased by £422k to £1.929m. This is in line with best practice and, to an extent, reflects our current economic situation. Whilst the increase is part shared with the fire and police precepting authorities, the majority of the increase will be a first charge on council tax income when the Royal Borough considers the 2010/11 budget.

The collection rate for Business Rates was 97.1%. This is the same as last year although 0.9% lower than target.

The level of savings from Corporate Initiatives has not been as high in 2008/9 as in previous years. Activity has generated savings in Learning Disability and the Procurement Team have worked on projects with longer term objectives including a "Lean" approach to more efficient delivery of services and external income generation.

SERVICE REVIEW

C.I.P.F.A. Standard Classification of Services

The following is a service analysis in accordance with CIPFA's Best Value Accounting Code of Practice

2007-08		2008-09		
Net £'000	Service Expenditure Analysis	Gross £'000	Income £'000	Net £'000
	<u>Central Services</u>			
	Corporate & Democratic Core			
2,246	Democratic Representation and Management	2,585	-14	2,571
3,194	Corporate Management	3,466	-108	3,358
	Central Services to the Public			
389	Elections	339	-15	324
105	Emergency Planning	174	0	174
-112	Local Land Charges	464	-238	226
1,403	Local Tax Collection	7,126	-5,889	1,237
48	Registration of Births, Deaths and Marriages	382	-350	32
229	General Grants, Bequests and Donations	208	0	208
	Other Operating Income & Expenditure			
273	Trading Account Surpluses and Deficits	480	-178	302
7,775	Grand Total Central Services	15,224	-6,792	8,432
	<u>Housing Services</u>			
126	Housing Strategy	101	0	101
0	Enabling	0	0	0
0	Housing Advice	0	0	0
24	Housing Advances	15	0	15
339	Private Sector Housing Renewal	442	-44	398
0	Licensing of Private Sector Landlords	0	0	0
527	Homelessness	777	-108	669
391	Housing Benefits Payments	29,241	-28,711	530
-44	Housing Benefits Administration	1,687	-1,221	466
0	Welfare Services			0
765	Supporting People	2,441	-1,814	627
50	Other Council Property	45	0	45
2,178	Grand Total Housing Services	34,749	-31,898	2,851
	<u>Court Services</u>			
17	Other Court Services	16	0	16
135	Coroners Court Services	146	0	146
152	Grand Total Court Services	162	0	162
	<u>Cultural, Environmental Regulatory and Planning Services</u>			
	Cultural and Related Services			
518	Cultural and Heritage	509	-4	505
2,269	Recreation and Sport	8,611	-6,478	2,133
1,744	Open Spaces	2,050	-354	1,696
216	Tourism	727	-481	246
3,413	Library Service	3,728	-219	3,509
8,160	Total Cultural and Heritage Services	15,625	-7,536	8,089

SERVICE REVIEW

2007-08		2008-09		
Net £'000	Service Expenditure Analysis	Gross £'000	Income £'000	Net £'000
	Environmental and Regulatory Services			
127	Cemetery, Cremation and Mortuary Services	306	-177	129
2,357	Environmental Health	3,126	-874	2,252
434	Community Safety (Safety Services)	930	-178	752
607	Community safety (crime reduction)	722	-61	661
427	Flood Defence and Land Drainage	278	0	278
617	Trading Standards	650	-42	608
1,612	Street Cleansing (not chargeable to Highways)	1,660	-13	1,647
2,389	Waste Collection	2,573	-101	2,472
3,648	Waste Disposal	4,833	-794	4,039
0	Trade Waste	0	0	0
1,462	Recycling	1,824	-50	1,774
21	Waste Minimisation	21	0	21
13,701	Total Environmental Services	16,923	-2,290	14,633
	Planning & Development Services			
96	Building Control	872	-681	191
2,748	Development Control	3,069	-928	2,141
354	Planning Policy	1,484	-505	979
20	Environmental Initiatives	15	0	15
-1,087	Economic Development	3,100	-3,938	-838
76	Community Development	99	0	99
2,207	Total Planning & Development Services	8,639	-6,052	2,587
	Highways and Transport Services			
933	Transport Planning, Policy and Strategy	1,304	-304	1,000
3,442	Structural Maintenance	3,551	-106	3,445
1,801	Environment, Safety and Routine Maintenance	1,950	-107	1,843
1,055	Street Lighting (including energy costs)	1,043	-1	1,042
123	Winter Service	152	0	152
539	Traffic Management and Road Safety	902	-100	802
-1,260	Parking Services	5,788	-6,362	-574
2,120	Public Transport	2,607	-381	2,226
8,753	Total Highways and Transport Services	17,297	-7,361	9,936
32,821	Grand Total Cultural, Environmental and Planning Services	58,484	-23,239	35,245

SERVICE REVIEW

2007-08		2008-09		
Net £'000	Service Expenditure Analysis	Gross £'000	Income £'000	Net £'000
	Children's and Education Services			
150	Service Strategy	164	0	164
2,000	Children's Services Commissioning/Social Work	2,207	-71	2,136
3,694	Children Looked After	4,371	-206	4,165
1,529	Family Support Services	2,110	-31	2,079
354	Youth Justice	683	-300	383
34	Asylum Seekers	118	-86	32
848	Other Children's and Families' Services	1,032	-278	754
122	Nursery Schools	3,858	-3,704	154
1,983	Primary Schools	36,641	-34,375	2,266
3,877	Secondary Schools	56,500	-53,551	2,949
36	Special Schools	8,837	-8,595	242
7,621	Non School Funding	16,043	-5,722	10,321
22,248	Grand Total Children's and Education Services	132,564	-106,919	25,645
	Adult's Social Care			
154	Service Strategy	177	0	177
13,081	Older People	21,737	-6,072	15,665
2,884	Adults with Physical Disability	3,382	-521	2,861
8,875	Adults with Learning Disabilities	15,161	-4,459	10,702
1,991	Adults with Mental Health Needs	2,907	-395	2,512
32	Other Adult Services	1,074	-821	253
9	Supported Employment	6	-1	5
27,026	Grand Total Adult's Social Care	44,444	-12,269	32,175
	Summary			
7,775	Central Services	15,224	-6,792	8,432
2,178	Housing Services	34,749	-31,898	2,851
152	Court Services	162	0	162
32,821	Cultural, Environmental, Regulatory and Planning	58,484	-23,239	35,245
22,248	Children's and Education Services	132,564	-106,919	25,645
27,026	Adult Social Care	44,444	-12,269	32,175
92,200	Total	285,627	-181,117	104,510

The allocation of support recharges during 2007/08 gave rise to a number of changes in service provision cost. The most notable change was in respect of Corporate Management.

APPROVAL OF ACCOUNTS

Approval of the Statement of Accounts by full Council

Council have delegated the approval of the statement of accounts to the Audit and Performance Review Panel. The Panel met on 30 June 2009 at which the accounts were approved.

Signed

Date: 30 June 2009

**Councillor Duncan Mc Bride
Chairman of the Audit and Performance Review Panel**

AUDIT OPINION

Independent Auditor's Report to Royal Borough of Windsor and Maidenhead

This page will be added
on completion of Audit

KPMG LLP
Chartered Accountants
London

This page will be added
on completion of Audit

KPMG LLP
Chartered Accountants
London
— September 2009

STATEMENT OF ACCOUNTING POLICIES

The Accounts for 2008-2009 have been drawn up in accordance with the Code of Practice on Local Authority Accounting in Great Britain, which is recognised by statute as representing proper accounting practices for local government. The general principles adopted in compiling the accounts are contained within the Statement of Recommended Practice on Local Authority Accounting in Great Britain 2008 and unless specific departures are disclosed, comply with all relevant accounting standards. The Council complies with the Best Value Accounting Code of Practice in producing its Standard Expenditure Analysis.

ACCRUALS OF INCOME AND EXPENDITURE

Revenue transactions are recorded on a receipts and payments basis in the year in which they arise and converted to income and expenditure by the creation of debtors and creditors (using estimated figures where appropriate) at the end of the year.

The only exceptions to this policy are in respect of gas and electricity accounts, where it is considered that they do not constitute a significant liability, also for wages where the year end falls in the middle of a week. Provision has been made for doubtful debts, and known uncollectable debts have been written off.

AREA BASED GRANT

From 2008/9 Local Area Agreement Grant has been replaced by Area Based Grant (ABG). ABG is a non-ringfenced grant with no conditions imposed on use. ABG is a general grant and is included in the Income and Expenditure Account with other income from the collection fund and NDR distribution.

GROUP ACCOUNTS

The Council has reviewed its relationship with other organisations, the result of which showed that the Royal Borough of Windsor and Maidenhead either had no interest in the organisation, is unlikely to experience current or future benefit or loss from the organisation or the relationship was not material.

GOVERNMENT GRANTS AND DEVELOPERS CONTRIBUTIONS

Government Grants and developers' contributions are accounted for on an accruals basis and income has been credited, in the case of Government Grants, to the service where the expenditure to which they relate has been charged, or in the case of capital grants, to a government grants-deferred account. In the case of capital grants, amounts are released from the government grants-deferred account to the service over the useful life of the asset to match the depreciation charged on the asset to which it relates. Where assets are not depreciated, the amounts are transferred directly to the Capital Adjustment Account. Area Based Grant is credited to the Income and Expenditure Account.

INVESTMENTS

The Council's investment portfolio is managed internally, is invested in cash deposits and is shown at cost in the Balance Sheet, with interest accrued and accounted for in the Income and Expenditure account to 31st March 2008.

INTANGIBLE ASSETS

Recognition

An intangible item may be defined as an asset where the authority will gain future benefit from its ownership. Where an asset is created the costs are reflected in the accounts on an accruals basis.

STATEMENT OF ACCOUNTING POLICIES

The following broad categories of intangible assets apply to local authorities:

Software licences where the authority gains long term benefit from their purchase or its further development which is of a marketable nature.

Measurement

Costs are capitalised in the year of purchase. Whilst these are not subject to revaluation disposals and impairment of such assets are amortised in the year of review.

Amortisation

The costs are amortised to the revenue accounts over their useful lives which will be less than 20 years. Major software licence costs are typically amortised over a 10 year period.

Asset Disposal

In the unlikely event that an intangible asset is disposed of before the end of its useful life proceeds are taken to the capital receipts reserve and any gain or loss is carried through the income and expenditure account

LEASES

Rentals payable under operating leases are charged to revenue on an accruals basis. The Council currently has no Finance Leases.

OVERHEADS

All central administration expenses have been allocated over services, or to a Corporate Management and Democratic Representation Account. Allocation is based on time logged by staff

Type of Cost

Administrative Building Costs

Allocation Basis

- Apportioned by average occupancy head count for the year, (weighted by salary).

Computer Services

- Numbers of Computers/Printers and Time Usage

Members, Civic and Electoral Costs

- Number of Meetings and Members

PENSION

Pension costs are charged to the Council's accounts in respect of its employees are equal to the contributions paid to the funded pension scheme for those employees. Further costs may arise in respect of certain pensions paid to retired employees on an unfunded basis. These costs have been determined on the basis of contribution rates that are set to meet 100% of the liabilities of the Pension Fund. The impact of these costs is also reflected in the authority's service expenditure. An appropriation is made in the Statement of Movement on the General Fund Balance (SMGFB) so that there is no impact on the amount to be raised from local tax payers.

Pension Reserve

A Pension Reserve is maintained to receive the appropriation from the SMGFB. The balances on the reserve are a measure of the difference between the present value of the value of the fund's assets compared to the present value of the scheme's liabilities. Statutory arrangements mean that any net liability will be made good by increased contributions, as determined by the actuary.

PROVISIONS

The Council sets aside provisions for specific future expenses, which are likely or certain to be incurred, in accordance with the latest Financial Reporting Standard (FRS 12). Provisions are obligations that largely arise as a result of past activities and are reviewed annually in respect of status and value.

STATEMENT OF ACCOUNTING POLICIES

RESERVES

The Council maintains balances to meet certain categories of future expenditure. Reserves are carried to finance revenue or capital expenditure or for the purchase of vehicles and plant. Each reserve may be set aside for specific policy purposes. Transfers to and from the reserves are transacted through the Income and Expenditure account.

REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE

Legislation allows some expenditure to be funded from capital resources when it does not result in an asset on the Balance Sheet. The purpose is to avoid the expenditure being charged to the General Fund and impacting on Council Tax. Qualifying items would be grants or expenditure on property not owned by the Council. The expenditure is charged to the Income and Expenditure account and shown as a reconciling item in the Statement of Movement on the General Fund Balance. This is achieved by debiting the Capital Adjustment Account and crediting the General Fund Balance.

STOCKS AND WORK IN PROGRESS

Stocks and work in progress have been included in the Balance Sheet at the lower of cost or net realisable value.

TANGIBLE FIXED ASSETS

Recognition

All expenditure on the acquisition, creation or enhancement of fixed assets has been capitalised on an accruals basis.

All expenditure on fixed assets is capitalised provided that the fixed asset yields a benefit to the Authority and the services it provides, for a period greater than one year.

Fixed assets are classified in to the groupings required by the Code of Practice as follows:

- acquisition, reclamation, enhancement or laying out of land
- acquisition, construction, preparation, enhancement or replacement of roads, buildings and other structures
- acquisition, installation or replacement of movable or immovable plant, machinery, apparatus,

Measurement

Fixed assets are measured and included in the Balance Sheet as follows:

- Operational land and properties and other operational assets:
 - at the lower of net current replacement cost or net realisable value in existing use.
- Non-operational assets, including investment properties and assets that are surplus to requirements:
 - at the lower of net current replacement cost or net realisable value.
- Infrastructure assets and community assets:

Fixed assets are valued on the basis recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) and in accordance with the Statement of Asset Valuation Principles and Guidance Notes issued by the Royal Institution of Chartered Surveyors. Any adjustments necessary to the initial valuation of fixed assets have been made through the Revaluation Reserve. Subsequent revaluations of fixed assets are planned at five yearly intervals, although material changes to asset valuations are adjusted in the interim period, as they occur. Revaluations take place as at the 31st March for inclusion in the accounts for the year of account.

STATEMENT OF ACCOUNTING POLICIES

The current asset values used in the accounts are based upon a certificate issued by the Council's Chief Valuation officer. The Council does not have a de-minimus level for capital assets.

Impairment

Fixed asset revaluations reviews will also take account of material changes arising from impairment due to:

- a significant decline in its market value
- evidence of obsolescence or physical damage
- a significant adverse change in the authority's working environment
- a commitment by the authority to undertake a significant reorganisation

Impairment losses arising from asset use (e.g. physical damage or deterioration) are charged to the service account whereas general changes in market conditions are written off against the Revaluation Reserve. Impairment losses may be reversed if circumstances change.

In 2008/9 all operational and non-operational properties were impaired following a general review of property values at the year end.

Disposal

The Code of Practice requires income from the sale of fixed assets to be credited to a capital reserve, the Usable Capital Receipts Reserve, which can then only be used for new capital investment or set aside to reduce the Council's borrowing requirement. Where the value from a disposal varies from the value shown in the asset register, the difference is applied to the Income and Expenditure Account as a gain or loss.

Depreciation

Other than land, assets are depreciated on a straight line basis over their useful lives. All new assets are depreciated from the start of the year after which they were acquired. Operational assets, which are in the course of construction, are not depreciated until they are brought into use.

Charges to revenue

Charges for the use of capital are made to service revenue accounts and central support services accounts. These charges include the normal use of the asset (depreciation) and economic reduction in value due to user damage or market changes (impairment). Expenditure on repairs and maintenance of fixed assets is charged to the appropriate service revenue account.

External interest payable and the provision for depreciation are charged to the Income and Expenditure Account. This sum is reversed out in the Statement of Movement on the General Fund Balances (Amounts required to be excluded when determining the General Fund Balance for the year) so there is a neutral impact on the amounts of income required to be raised by way of local taxation.

The Council makes an annual provision from revenue to reduce its overall borrowing requirement (equal to at least 4% of its adjusted Capital Financing Requirement). This is contained in the Statement of Movement on General Fund Balances - Amounts required by statute to include when determining the General Fund Balance for the year. Gains or losses on revaluation are taken, via the Statement of Recognised Gains and Losses to Revaluation Reserve.

VALUE ADDED TAX

VAT is included in the income and expenditure accounts, whether of a capital or revenue nature, only to the extent that it is irrecoverable.

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Authority's Responsibilities

The Authority is required to :

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the Head of Finance.
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- approve the Statement of Accounts.

The Head of Finance's Responsibilities

The Head of Finance is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper practice as set out in the CIPFA / LASAAC *Code of Practice on Local Authority Accounting in the United Kingdom* [the Statement or Recommended Practice - SORP].

I certify that in preparing this Statement of Accounts, I have :-

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the local authority SORP, except as indicated in the body of this statement
- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

and certify that the Statement of Accounts set out on pages 19 to 61 presents fairly the financial position of the Royal Borough of Windsor and Maidenhead at the accounting date and its income and expenditure for the year ended 31st March 2009.

Signed

Dated:

02 June 2009

Andrew Brooker C.P.F.A
Head of Finance

STATEMENT OF ACCOUNTS

INCOME AND EXPENDITURE ACCOUNT

2007-08		2008-09		
Net £'000		Expenditure	Income	Net £'000
	SERVICE EXPENDITURE			
51,449	Learning and Care	181,025	121,174	59,851
10,107	Corporate Services	49,545	37,795	11,750
30,644	Community Services	55,057	22,148	32,909
92,200	Net Cost Of Services	285,627	181,117	104,510
	OTHER OPERATING EXPENDITURE			
0	Profit on disposal of fixed asset	Note 1		(928)
0	Income and recharges attributable to reserves	Note 2		(808)
0	Increase in bad debt provision	Note 3		42
0	Contribution of housing receipts to government pool	Note 4		18
117	Environment Agency levy	Note 5		130
986	Parish precepts	Note 6		1,041
2,788	Interest payable and similar charges	Note 7		3,058
2,419	Non service impairments	Note 8		111,550
(1,619)	Interest and investment income			(2,235)
(1,441)	Pensions interest cost and expected pension asset returns.	Note 9		227
0	Exceptional items	Note 10		0
95,450	Net Operating Expenditure			216,605
(65,761)	Income from the Collection fund	Note 11		(67,917)
(2,281)	Government grants (not attributable to specific services)	Note 12		(7,466)
(1,433)	Income from Business Growth Initiatives	Note 13		(97)
(13,589)	Distribution from non-domestic rate pool	Note 14		(16,026)
12,386	Deficit for the year on Income and Expenditure Account			125,099

ACCOUNTING STATEMENT

STATEMENT OF MOVEMENT ON THE GENERAL FUND BALANCE

2007-08 £'000		2008-09 £'000
12,386	Deficit for the year on Income and Expenditure Account	125,099
(12,546)	Net additional amount required by statute and non-statutory proper practices to be debited or credited to the General Fund Balance for the year Note 26	(124,895)
(160)	Movement in General Fund Balance for Year	204
(7,393)	General Fund Balance Brought Forward	(7,937)
(501)	Dedicated Schools Grant	(146)
(8,054)	General Fund Balance Carried Forward	(7,879)
The movement in General Fund Balance for the year is analysed as:		
(5,755)	Amount generally available to the Royal Borough	(5,551)
(1,798)	Amount held by schools under local management schemes	(2,182)
(501)	Dedicated Schools Grant	(146)
(8,054)		(7,879)

(Note: Statute requires Collection Fund amounts stated within the balance sheet under General Fund. They are not included above. The 2007/08 and 2008/9 balances are -£21k and -£411 respectively)

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.

2007-08 £'000		2008-09 £'000
(12,386)	Surplus/ (Deficit) on the Income and Expenditure for the year	(125,099)
3,624	Surplus/ (Deficit) arising from revaluation of fixed assets	(4,370)
(244)	Actuarial gains/ (losses) on pension fund assets and liabilities	(40,247)
Other gains/ (losses):		
(290)	-Collection Fund Deficit	(390)
63	-Schools reserves	(508)
1,194	- LATS gain from reduced provision for future trading losses	(52)
(8,039)	Total recognised gains and (losses) for the year	(170,666)

There were no prior period adjustments and consequently no impact on reserves

ACCOUNTING STATEMENT

BALANCE SHEET

This statement shows the balances and reserves at the Council's disposal, its long term indebtedness and the fixed and current assets employed in its operations, together with summarised information on the fixed assets held. It includes the assets and liabilities of all the authority except trust funds and those pertaining to the Berkshire Pension Fund.

31st March 2008	Notes	31st March 2009
£000's		£000's
5,830	Intangible assets	5,601
	Tangible fixed assets	
	Operational Assets	
327,246	- Land and buildings	232,352
2,158	- Vehicles, plant and equipment	2,371
55,330	- Infrastructure assets	54,924
2,211	- Community assets	2,211
	Non-operational assets	
59,648	- Investment properties	43,753
11,851	- Assets under construction	10,647
5,800	- Surplus assets, held for disposal	1,900
470,074	Total fixed assets	353,759
	30 - 35	
70	Long-term investments	0
264	Long-term debtors	206
470,408	Total long-term assets	353,965
	Current assets	
208	Stocks and work in progress	159
225	Landfill allowance assets	0
31,697	Debtors (net of provisions)	23,439
29,851	Investments	41,607
1,143	Cash & bank balances	1,251
533,532	Total assets	420,421
	Current liabilities	
(14,067)	Short term borrowing (less than 12 months)	(7,692)
(173)	Landfill allowance liabilities	0
(36,671)	Creditors	(39,575)
(6,049)	Cash overdrawn	(12,687)
476,572	Total assets less current liabilities	360,467
	Long Term liabilities	
(57,424)	Long term borrowing (over 12 months)	(57,299)
(24,889)	Government Grants - deferred	(35,483)
(327)	Provisions	(553)
(250)	Deferred Capital Receipts	(250)
(45,168)	Defined benefit pension scheme liability	(89,034)
348,514	Total assets less liabilities	177,848
	Financed by:	
(367,659)	Capital Adjustment Account	(246,669)
(3,679)	Revaluation Reserve	(40)
45,168	Pensions reserve	89,034
(5,922)	Usable capital receipts	(1,850)
(8,389)	Earmarked reserves	(10,855)
(2,299)	Schools Revenue reserve	(2,328)
(5,734)	Fund balances and reserves	(5,140)
(348,514)	Total Net Worth	(177,848)

ACCOUNTING STATEMENT

CASH FLOW STATEMENT

This statement summarises the inflows and outflows of cash arising from transactions with third parties for revenue and capital purposes.

2007-08 £'000	Notes	2008-09 £'000
9,390	Net Cash Inflow from Revenue Activities	10,272
Returns on Investments and Servicing of Finance		
<i>Cash outflows</i>		
(784)	Interest Paid	(3,058)
<i>Cash inflows</i>		
2,356	Interest Received	2,235
1,572	Net Cash Inflow/(Outflow) from Servicing of Finance	(823)
Capital Activities		
<i>Cash outflows</i>		
(16,083)	Purchase of Fixed Assets	(20,276)
(16,083)	Total Payments	(20,276)
<i>Cash inflows</i>		
(4,291)	Sale of Fixed Assets	4,479
	Proceed from Long Term Investments matured in year	83
8,038	Capital Grants received	14,553
1,374	Other Capital Cash Receipts	3,438
5,121	Total Receipts	22,553
(10,962)	Net Cash Inflow/(Outflow) from Capital Activities	2,277
0	Net Cash Inflow/(Outflow) Before Financing	11,726
Management of Liquid Resources		
6,310	Net Increase/(Decrease) in Liquid Resources	(11,756)
Financing		
<i>Cash outflows</i>		
(125)	Repayments of amounts borrowed	(6,500)
<i>Cash inflows</i>		
8,000	New loans raised	
2,017	New loans raised-Short Term	
9,892	Net Cash Inflow/(Outflow) from Financing	(6,500)
16,202	Net Increase (Decrease) in Cash	(6,530)

NOTES TO THE ACCOUNTING STATEMENTS

INCOME AND EXPENDITURE ACCOUNT

The Income and Expenditure account reports the net cost for the year of **all** the functions for which the Royal Borough is responsible, and demonstrates how that cost has been financed. The first section provides accounting information on the operation of the services net of government grants and fees and charges to give net service costs. The second section comprises the income and expenditure relating to the authority as a whole - giving the net operating expenditure. The third section shows the income from local taxation and government grants to produce the net deficit or surplus for the year.

1 Profit on disposal of fixed asset

During the year, the property at Moorbridge Rd. Maidenhead was sold. The proceeds amounted to £4.829m and the sale resulted in a profit of £928k.

2 Income and recharges attributable to reserves

Reserve transactions need to be taken via the Statement of Movement on General Fund balance. The following have been added to the Income and Expenditure account to comply with this requirement:

	£'000
Reserve to support community wellbeing	16
Equipment maintenance funds	-14
Ex Berkshire CC liabilities	-16
Insurance reserve	-253
Capital receipts	-216
Application of LPSA grant	-157
Application of LAA pump priming grant	-168
	<u>-808</u>

3 Increase in bad debt provision

The general provision for bad debt was increased by £42k. This has been charged to the income and expenditure account. The provision for bad debt in the Learning and Care directorate was reduced by £103k resulting in a £62k reduction in the sundry debt provision.

4 Contribution of housing capital receipts to government pool

Following the sale of the Borough's housing stock in May 1995, a levy on the proceeds of any receipts received subsequently was imposed on the Council by the Department for Communities & Local Government (formerly the O.D.P.M). In 2008-09, £18,155 was required to be made in this year.

5 Environment Agency Levy

The Environment Agency is responsible for all aspects of environmental protection. A key component of its work is Flood Defence and this work is funded by means of a levy, set by The Thames Regional Flood Defence Committee on each Local Authority in the region.

6 Parish Precepts

An element of the Council Tax collected by the Borough is on behalf of Parish and Town Councils. This sum relates to the transfer of those funds to the relevant Council.

NOTES TO THE ACCOUNTING STATEMENTS

INCOME AND EXPENDITURE ACCOUNT

7 Interest payable and similar charges

This represents the interest paid on amounts borrowed together with interest paid to other services of the Royal Borough. It also includes gains and losses or amortised costs associated with early settlement of borrowing, as they occur.

	2007-08 £'000	2008-09 £'000
Interest payable on borrowing	2490	2,751
Interest paid to services	279	307
Brokers fees on LOBO	19	0
	<u>2,788</u>	<u>3,058</u>

8 Non Service Impairments

Non Service Impairments are charges to the Income and Expenditure account following the decline in the property market as reflected in the Balance Sheet. This ensures the value of fixed assets is not overstated.

9 Pensions Interest and Assets returns and Transfers to Pensions Reserves

The Council's accounts have been prepared in full recognition of the impact of FRS 17. Consequently, the full current cost of providing employees pensions has been made to the revenue accounts. However, these costs will be recovered over a number of years to avoid wild fluctuations in Council Tax levels. In acknowledgement of this, the cost over an above annual employers' costs are transferred to a pensions reserve.

In 2008-09, the additional charge, included in the service accounts was £3.392m. The transfer to pensions reserve being £3.619m and net return on assets £-0.227m.

10 Exceptional Items

There were no exceptional items for 2007/08 or 2008/09.

11 Income from the Collection Fund

This is the total amount collected from Council Tax during the year to cover the Borough's own cost of services along with Parishes (note 6 above) and unparished areas as notified in the Council Tax Leaflet. The Borough's share of any previous years' Collection Fund surplus or deficit is also included.

	2007-08 £'000	2008-09 £'000
Borough precept	(65,534)	(67,702)
Prior year Collection Fund surplus	(227)	(215)
	<u>(65,761)</u>	<u>(67,917)</u>

12 Government grants

The Revenue Support Grant is the general grant from central government that funds the local authority's revenue expenditure. From 2008/09 Local Area Agreement Grants were replaced by Area Based Grants. The Area Based Grant (£5.235m) is a non-ringfenced general grant, to which no conditions on use are imposed as part of the grant determination ensuring full local control over how funding can be used.

NOTES TO THE ACCOUNTING STATEMENTS

INCOME AND EXPENDITURE ACCOUNT

13 LABGI Grant

During 2008/9, the Council received LABGI (Local Authority Business Growth Initiative) totalling £97k as a reward for exceeding the Business Rate growth target.

14 Distribution from the non-domestic rates pool

The Borough acts as agent to central government for the collection of National Non-Domestic Rates. The yield from the tax is pooled at national level. The proceeds of the pool are redistributed on a per capita basis by reference to the authority's population.

15 Berkshire County Council Residual Functions.

There are a number of functions which relate back to activities of the late County Council. Reading Borough Council is the Designated Authority charged with administering these functions until they are in a position to be wound up or transferred to the six successor authorities. The Council took responsibility for the former debt portfolio in February 2005.

16 Discretionary Expenditure

From 1st October 2000, new discretionary powers came into being, giving authorities freedom to spend unrestricted sums on the promotion of economic, social and/or environmental well being (discretionary expenditure). No expenditure was incurred under this power in 2008-09.

17 Cost of Publicity

Section 5 of the Local Government Act 1986 requires the Authority to disclose the total amount spent on publicity during the year.

	2007-08 £000's	2008-09 £000's
Recruitment advertising	374	412
Other advertising	421	381
Other publicity	28	37
Total	823	830

NOTES TO THE ACCOUNTING STATEMENTS

INCOME AND EXPENDITURE ACCOUNT

18 Building Control Account

The Council has adopted the Local Government Association's Model Scheme as the basis of its Scheme of Charges under the Building (Local Authority) Regulations 1998. The statement below shows the total cost of operating the building regulations function, divided between chargeable and non-chargeable activities during 2008-09.

Building Regulations Charging Account	Charge-able £000's	Non Charge-able £000's	Total Building Control £000's
Expenditure			
Employees	497	145	642
Premises	0	0	0
Transport	14	4	18
Supplies and Services	54	9	63
Central and support charges	126	24	150
Total Expenditure	691	182	873
Income			
Building Regulation charges	682	0	682
Total Income	682	0	682
Deficit/ (Surplus) for Year	9	182	191
Comparatives for 2007-08			
Expenditure	708	154	862
Income	766	0	766
Deficit/ (Surplus) for Year	(58)	154	96

19 Agency Services

A number of activities are performed by the Council on behalf of some or all of the other unitary authorities in Berkshire. This Council's contributions to the costs of providing these services are included in the Income and Expenditure Account but the total costs for each activity (before constituent authorities' contributions) are shown below:-

Service	2007-08 £000's	2008-09 £000's
Strategic Planning	424	481
Adoption	312	323
Education - Sensory Impairment	1,193	1253
Total Amount Reimbursable	1,929	2,057

NOTES TO THE ACCOUNTING STATEMENTS

INCOME AND EXPENDITURE ACCOUNT

20 Pooled Budgets

During 2008-09, the Council were involved in the following pooled budget arrangements, under Section 75 of the National Health Service Act 2006:

Rapid Response and Rehabilitation Service

The Council were hosts of this pooled budget arrangement, with Berkshire East Primary Care Trust (formerly Windsor, Ascot and Maidenhead Primary Care Trust) as its partnering organisation.

The aims of this Intermediate care service are to (i) Prevent inappropriate hospital admissions (ii) Facilitate safe and timely discharge from Hospital and (iii) Prevent premature admission to long term care.

POOLED BUDGET INCOME AND EXPENDITURE ACCOUNT

	2007-08 £'000	2008-09 £'000
<u>Funding</u>		
Royal Borough of Windsor and Maidenhead	1,084	1,502
Berkshire East Primary Care Trust	429	439
Other income	60	46
	<u>1,573</u>	<u>1,987</u>
<u>Expenditure</u>	1,573	1,987

Integrated community equipment

The Council were partners of this pooled budget arrangement, hosted by Slough Borough Council and involving Berkshire unitary authorities, Primary Care Trusts and Royal Berkshire Ambulance NHS Trust. The service was to provide an integrated joint Occupational equipment store.

The Council contributed £232,326 to the funding pool.

21 Disclosure of Members' Allowances

The total amount of Members' Allowances paid in the year was £551,472 (£330,349 in 2007-2008).

22 Officers' Remuneration

The number of officers whose remuneration exceeds £50,000 in 2008-09 is analysed below:

Remuneration Band	No. of Employees	
	2007-08	2008-09
£50,000-£59,999	45	64
£60,000-£69,999	30	17
£70,000-£79,999	6	13
£80,000-£89,999	2	5
£90,000-£99,999	2	2
£100,000-£109,999	1	1
£110,000-£119,999	0	1
£120,000-£129,999	2	1
£130,000 -£135,999	1	1

NOTES TO THE ACCOUNTING STATEMENTS

INCOME AND EXPENDITURE ACCOUNT

23 Related Party Transactions

The Council is required to disclose material transactions with related parties, bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. Disclosure of these transactions allows readers to assess the extent to which the Council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Council.

Central Government has effective control over the general operations of the Council. It is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. Housing Benefits). Details of transactions with government departments are set out in a note to the Cash Flow Statement and are not repeated here.

Members and Chief Officers of the Council have direct control over the Council's financial and operating policies. All Councillors and Chief Officers holding office during the financial year are asked to complete a disclosure statement in respect of themselves, their spouse/partner, close family or member of their household detailing any material transactions with related parties not currently noted in the Register of Interests. Members are also required to declare any interest arising from meetings they attend on behalf of the council.

During the year, transactions with related parties excluding Governmental Departments and Public Bodies arose as follows:-

	2008-2009	
	Expenditure £000's	Income £000's
Other		
Ascot Project	1	0
Maidenhead & District Housing Association	1,690	166
Old Windsor Day Centre	23	0
Age Concern, Dedworth Windsor	29	0

NOTES TO THE ACCOUNTING STATEMENTS

INCOME AND EXPENDITURE ACCOUNT

24 External Audit Fees

During 2008/9, the Council incurred the following fees relating to external audit and inspection:

	2007/08 £000's	2008-09 £000's
Fees payable to KPMG with regard to external audit services carried out by the appointed auditor	195	200
Fees payable to Audit Commission in respect of statutory inspection	24	25
Fees payable to KPMG for the certification of grant claims and returns	73	75
Fees payable in respect of other services provided by the appointed auditor (KPMG)	30	5
Total	322	305

25 Revenue Expenditure funded from Capital under Statute

Legislation allows for some items of expenditure to be treated as capital where it does not result in the creation of a fixed asset. An example of this is where grants are awarded to third parties for capital expenditure. These have traditionally been accounted for as deferred charges and written out through the Income and Expenditure Account. Under SORP 2008 these costs are charged directly to revenue and reversed out in the Statement of the Movement on the General Fund Balance to the Capital Adjustment Account. The change is that this type of capital expenditure will not be transferred to the balance sheet before being written off, it will be transferred directly to revenue.

Expenditure - Improvement Grants	557	565
Expenditure - Grants to Housing Associations		
Expenditure - Land compensation		
Expenditure - Other	156	141
Total	713	706
Amounts Written Off	-713	-706
Balance Carried Forward	0	0

NOTES TO THE ACCOUNTING STATEMENTS

STATEMENT OF MOVEMENT ON THE GENERAL FUND BALANCE

The income and expenditure account discloses the income receivable and expenditure incurred in operating the Council for the year. However, there are items of 'income' and 'expenditure' that are required to be charged to or deducted from the General Fund which must be taken account of in determining the authority's budget and in turn its Council Tax demand. These are determined by statute and proper practice.

While the Income and Expenditure account demonstrates the Council's financial result for the year, the movement on General Fund Balance is an important aspect of the Council's stewardship.

26 Net additional amount required by statute and non-statutory proper practices to be debited or credited to the General Fund Balance for the year

2007-08			2008-09
£'000			£'000
(18,106)	Depreciation and impairment of fixed assets		(128,812)
1,190	Amortisation of Government Grants Deferred		1,756
(713)	Amounts treated as revenue expenditure but classified as capital by statute		(706)
0	Net Loss or Gain on sale of Fixed Assets		928
(520)	Amount by which the cost of future pensions are different from contributions due under pension scheme regulations		(3,619)
(18,149)	Amounts included in the Income and Expenditure Account but required by statute to be excluded when determining the Movement on the General Fund Balance	Note 27	(130,453)
2,177	Minimum Revenue Provision for capital financing		2,305
19	Capital expenditure charged to the General Fund Balance		0
2,196	Amounts not included in the Income and Expenditure Account but required by statute when determining the Movement on the General Fund Balance	Note 28	2,305
3,407	Contributions to/(from) Earmarked Reserves		3,253
3,407	Transfers to or from General Fund Balance that are required to be taken into account when determining the Movement on the General Fund Balance for the year	Note 29	3,253
(12,546)	Net Additional amount required to be credited to the General Fund Balance for the year		(124,895)

STATEMENT OF MOVEMENT ON THE GENERAL FUND BALANCE

27 Amounts included in the Income and Expenditure Account but required by statute to be excluded when determining the Council Tax and General Fund Balance levels for the year

Depreciation and impairment of fixed assets:

The economic reduction in the value of an asset, either through normal use (depreciation) or following an action by the user (impairment) is reflected in the service accounts of the Royal Borough.

Amortisation of Government Grants Deferred

Government grants are amortised over the life of the assets created.

Capital expenditure charged to Income and Expenditure

Representing expenditure which may be capitalised under statute. This expenditure does not create tangible fixed assets in the Council's Balance Sheet and is written off in the year in which it is incurred.

Net Loss or Gain on sale of Fixed Assets

Provisions for future pensions fund liabilities.

Local authorities are required to show the potential impact of future pensions, i.e. over and above the employer's annual contribution, in the Income and Expenditure account.

The Council's accounts have been prepared in full recognition of the impact of FRS 17. Consequently the full current cost of providing employees' pension has been made to the revenue accounts. However, these costs will be recovered over a number of years to avoid wild fluctuations in Council Tax levels. In acknowledgement of this, the cost over and above annual employers' costs are transferred to a pensions reserve.

28 Amounts not included in the Income and Expenditure Account but required by statute to be included when determining the Movement on the General Fund Balance

Minimum Revenue Provision for capital financing:

The Royal Borough is required to provide for repayment of debt. This is achieved through the Minimum Revenue Provision (MRP) which is calculated at 4% of the Capital Financing Requirement at the beginning of the year. The change in Capital Financing Requirement during the year is represented by:-

Capital expenditure charged to General Fund Balances

Income and Expenditure represents the cost of providing the Royal Borough's day to day services. However, statute also allows local authorities to charge capital expenditure direct to the General Fund.

Capital receipts transferred in respect of Housing Pooled receipts

Local authorities are required to pay a proportion of capital receipts generated from Council House sales or the repayment of mortgages raised on council housing to a central government pool.

NOTES TO THE ACCOUNTING STATEMENTS

STATEMENT OF MOVEMENT ON THE GENERAL FUND BALANCE

29 Transfers to or from General Fund Balance that are required to be taken into account when determining the Movement on the General Fund Balance for the year

The Royal Borough may set aside additional provisions to repay debt if it so wished. There were no such provisions this year

Distribution of Berkshire County Council Funds

The Royal Borough shares a number of services (Joint Arrangements) with the ex-Berkshire Authorities. From time to time any surpluses (or deficits) are also shared. There were no distributions this year

Contributions to/(from) Earmarked Reserves

During 2008/09, the movements were as follows:

	£000
Contributions to Earmarked Reserves:	
LABGI Grant Contribution to Capital Reserves	97
Contribution from general fund to capital fund	900
Interest on Developers Contributions	210
Contribution to Economic Contingency Fund	1,200
Increase in school balances 2008-09	536
Non service reserve movements	484
Contributions from Earmarked Reserves:	
Contribution from Insurance Fund to cover liabilities	(156)
Contribution of housing receipts to government pool	(18)
	<u>3,253</u>

NOTES TO THE ACCOUNTING STATEMENTS

BALANCE SHEET

30 Movement of Fixed Assets - Operational / Intangible / Non Operational

Operational Fixed Assets						
	Land & Buildings	Vehicles, Plant & Equipment	Infra-structure	Community Assets	Total Operational	Intangible Assets
	£'000	£'000	£'000	£'000	£'000	£'000
Gross Book Value as at 1st April 2008	376,875	14,101	127,249	2,211	520,436	5,830
Cumulative Depreciation/Restatement and Impairments as at 1st April 2008	-49,629	-11,943	-71,919	0	-133,491	0
Net Book Value as at 1st April 2008	327,246	2,158	55,330	2,211	386,945	5,830
Additions	2,431	838	4,395	0	7,664	1,520
Disposals					0	
Impairments	-98,516	0	0	0	-98,516	
Revaluations / Restatements	10,875	10	47	0	10,932	346
Amortisation/ Depreciation	-9,684	-635	-4,848		-15,167	-2,095
Net Book Value as at 31st March 2009	232,352	2,371	54,924	2,211	291,858	5,601

Intangible assets consist of software licences for IT systems including Paris (Social Services) and Trent (HR information). The cost is written off over the useful life of the systems (5-10 years)

Other assets are depreciated over their useful life, i.e. property 20 to 60 years depending on type; vehicles and other assets 3 to 10 years and infrastructure up to 25 years.

A general impairment charge has been made to all operational and non - operational fixed assets. This is to reflect the fall in property values due to the current economic climate.

	Investment Properties	Assets under Construction	Surplus assets held for disposal	Total
	£'000	£'000	£'000	£'000
Gross Book Value as at 1st April 2008	62,066	11,851	5,800	79,717
Restatement and Impairments as at 1st April 2008				0
Net Book Value as at 1st April 2008	59,648	11,851	5,800	77,299
Additions		9,386		9,386
Disposals	0		-3,900	-3,900
Impairments	-16,909			-16,909
Revaluations / Restatements	1,014	-10,590	0	-9,576
Net Book Value as at 31st March 2009	43,753	10,647	1,900	56,300

NOTES TO THE ACCOUNTING STATEMENTS

BALANCE SHEET

31 Capital Expenditure and Financing

The capital expenditure of £21,473,757 reconciles to the Additions shown above as follows:

	2007-08	2008-09
	£'000	£'000
<i>Capital Investment</i>		
Additions to fixed assets	15,355	18,570
Items adding no value to an asset	1,439	2,198
Revenue Expenditure funded from Capital Resources under statute	713	706
Total Expenditure	17,507	21,474
<i>Sources of finance</i>		
Capital Receipts	0	9,098
Grants and contributions	10,715	12,349
Long term borrowing	5,368	0
Short term borrowing	0	27
Capital Fund	1,424	0
	17,507	21,474

The Capital Financing Requirement at the end of the year is:

Opening Capital Finance Requirement at the 01 April	57,618
Add - New investment	21,474
Less - Use of capital receipts	-9,098
- Use of grants and contributions	-12,349
- Use of Debenture	-70
- Minimum Revenue Provision set aside to repay debt	-2,304
Closing Capital Financing Requirement at the 31 March	55,271

NOTES TO THE ACCOUNTING STATEMENTS

BALANCE SHEET

32 Asset Holdings at Year End

Major Assets held at the 31st March are shown below.

Service	2007-08	2008-09
Operational Buildings (Number)		
Nursery Schools	4	4
Primary Schools	45	45
Secondary Schools	13	13
Special Schools	1	1
Referral Units	2	2
Libraries	14	14
Leisure Centres and Pools	3	3
Children's Homes & Day Centres	1	1
Homes & Day Centres for the Elderly	1	1
Other Homes & Day Centres	2	2
Off-street Coach & Car Parks	29	29
Gypsy sites	2	2
Administrative Buildings & Depots	8	8
Cemeteries	4	4
Community Assets		
Parks and Recreation Grounds (Hectares)	182	182
Community Centres (Number)	11	10
Infrastructure Assets		
Shopping Parades (Number)	9	9
Roads and Highways (Kilometres)	681	682
Investment Properties (Number)		
Industrial & Commercial Sites	5	5

33 Capital Commitments for Future Years

The estimated commitments for capital expenditure in future years from substantial schemes that had started and/or a legal contract had been entered into by 31st March 2009

	£'000
Lowbrook Additional Classroom	248
IT Client Record Base	203
Low Cost Housing (S106)	836
Castle Hill - King St & Marlow Rd. Dev. Ph 2	179
Holyport Manor School	24,475
Hilltop First Expansion - PCP	1,100
Highway Drainage Schemes	430
Highways Surfacing Contract	1,520
Replacement Street Lighting	620
Thames Bridge Maidenhead	1,050
Braywick Pavilion	262
Total	30,923

NOTES TO THE ACCOUNTING STATEMENTS

BALANCE SHEET

34 Leases

Lessee (paid) leases

The following significant amounts were paid to lessors in respect of operating leases during the last year:

	Land and buildings	Vehicles, Plant & Equip't	Other Leases	Total
	£'000	£'000	£'000	£'000
Berkshire House (2 floors)	62			62
St. Marys House	58			58
Other Operating Leases (Qty. 327)	1,276	855		2,131
Total	1,396	855	0	2,251

The Royal Borough had no finance leases (payable) at the end of the year

At the end of the year, the Council was committed to make the following operating lease payments:-

Period	Land and buildings	Vehicles, Plant & Equip't	Other Leases	Rental Charge
	£'000	£'000	£'000	£'000
Next year	482	267	322	1,071
Second to fifth year	1024	271	647	1,942
Over five years	2138	0	58	2,196

Lessor (received) leases

The following significant amounts were received from lessors in respect of operating leases during the last year:

	Land and buildings	Vehicles, Plant & Equip't	Other Leases	Total
	£'000	£'000	£'000	£'000
Nicholsons Walk Maidenhead	357			357
King Edward Court Windsor	1,500			1,500
Other Operating Leases (Qty. 85)	2,383			2,383
Total	4,240	0	0	4,240

These property assets are held in the balance sheet as investment properties at gross value
Depreciation is not charged on these assets

The Royal Borough had no finance leases (receivable) at the end of the year

NOTES TO THE ACCOUNTING STATEMENTS

BALANCE SHEET

35 Fixed Asset Valuations

The freehold and leasehold properties which comprise the Authority's property portfolio have been valued by David Oram, BSc, FRICS, ACI.Arb. the Director of Environmental Services. Valuations are made on the lower of depreciated replacement cost or market value, in accordance with the Statements of Asset Valuation Practice and Guidance Notes issued by the Royal Institute of Chartered Surveyors. Vehicles, plant and equipment and infrastructure assets are held at historic cost.

	Intangible Assets £'000	Land & Buildings £'000	Vehicles, Plant & Equipment £'000	Infra- structure £'000	Community Assets £'000	Investment Properties £'000	Total £'000
Historic Cost	5,601		2,371	54,924	2,211		65,107
Current Value							
Current Year		17,858				-209	17,649
Previous Year		6,045				23,572	29,617
Two Years Ago		266,298				1,900	268,198
Three Years Ago		38,155				35,466	73,621
Four Years Ago		16,087				279	16,366
Total:-	5,601	344,443	2,371	54,924	2,211	61,008	470,558
Variations since date of valuation (see below)		-112,091				-4,708	-116,799
Net Book Value as at 31st March 2009	5,601	232,352	2,371	54,924	2,211	56,300	353,759

The assets are revalued over a period of up to five years. Between the valuation dates individual properties may be disposed of or improved. This gives rise to a variation between the original valuations and current net book values. An adjustment is included to reconcile this statement to the movement of fixed assets. - Note 30

The valuation of the Council's assets is carried out within a five year rolling programme and the asset register is updated accordingly. Between valuations the assets are depreciated on a straight line basis on useful asset lives. These are determined by the nature of the asset and its intended use. Consequently, building asset lives are between 20 and 60 years whilst those for vehicles, plant and equipment are between 3 and 10 years

36 Long-Term Investments

The debenture stock certificate which the Council held in the Association of District Councils for part of their office building in London was redeemed during 2008/9. There was a small surplus which has been included in the balance sheet as a capital receipt.

NOTES TO THE ACCOUNTING STATEMENTS

BALANCE SHEET

37 Long-Term Debtors

Long-Term Debtors, net of provision for bad and doubtful debts, comprise the following:

	2007-08	2008-09
	£'000	£'000
Employees Car Loans	60	49
Housing Mortgage Advances	94	71
Other Loans and Advances	110	86
Total	264	206

Whilst some loan debtors are marginally below market rates, the variation from fair value is immaterial.

38 Stocks and Work in Progress

	2007-08	2008-09
	£'000	£'000
Stocks	50	51
Work in Progress - Rechargeable Works	158	108
Total	208	159

39 Landfill Allocation Trading Scheme

This scheme commenced on 1 April 2005 and involves the allocation of specified tradable landfill allowances to each Waste Disposal Authority by the Department of Environment, Food and Rural Affairs (DEFRA). 2008/09 is the final year of the scheme reflected in declining a market this year.

40 Debtors

The following analysis of debtors is net of provisions for bad and doubtful debts.

	2007-08	2008-09
	£'000	£'000
Government Departments	13,551	4,512
Housing Benefit Overpayment	230	487
Other Local and Public Authorities	1,948	2,655
Non Domestic Ratepayers	3,114	1,843
Council Tax	4,469	6,088
Housing Associations	287	0
Payments in Advance	2,437	3,210
Sundry Debtors	5,661	4,644
Total	31,697	23,439

The balance of Debtors has been reduced by the following bad debt provisions.

	2007-08	2008-09
	£'000	£'000
Non Domestic Ratepayers	2,149	2,595
Council Tax	1,506	1,929
Housing Benefit Overpayment	1,341	1,585
Sundry Debtors	1,198	1,137
Total	6,194	7,246

NOTES TO THE ACCOUNTING STATEMENTS

BALANCE SHEET

41 Investments

At 31st March 2009 the Council's investment portfolio was as set out below.

	2007-08	2008-09
	£'000	£'000
Bank Deposits	24,851	36,062
Other Local Authorities	5,000	5,545
Total	29,851	41,607

These investments cannot be traded, the valuation in the balance sheet can be taken as fair value.

42 Short Term Borrowing

	2007-08	2008-09
	£'000	£'000
PWLB Loans repayable within one year	125	125
Temporary Loans	340	340
Pensions Fund Loans	13,602	7,227
	14,067	7,692

Due to the transitory nature of short term borrowing the balance sheet values as stated above can be regarded as a reasonable approximation of fair value

43 Creditors

Creditors at the year end can be analysed as follows:

	2007-08	2008-09
	£'000	£'000
Government Departments	5,341	2,815
Other Local and Public Authorities	1,684	1,141
Housing Associations	258	123
Receipts in Advance-Non Domestic Rates	621	1,212
-Council Tax	1,842	2,078
-Capital Grants and Contributions	2,520	9,927
-Developers Contributions	12,761	10,972
-Earmarked revenue grants	1,116	792
-Other	1,185	1,661
Deposits	820	317
Sundry Creditors	8,523	8,537
Total	36,671	39,575

NOTES TO THE ACCOUNTING STATEMENTS

BALANCE SHEET

44 Analysis of Long term borrowing

	2007-08 £'000	2008-09 £'000
By Lender:		
- PWLB (Public Works Loans Board)	44,424	44,299
- LOBO	13,000	13,000
Total loans	57,424	57,299
By maturity:		
between one and two years	125	0
between two and five years	8,250	8,250
between five and ten years		
in ten years or more	49,049	49,049
Total loans	57,424	57,299

Accounting practice requires the council to state the fair value of long term borrowing. A fair value has been determined by PWLB on the council's loans as £51.7m. This reflects the cost of early settlement.

45 Deferred Government Grants

The grants and contributions recorded here are used in the capital financing process and amortised to the appropriate account over the life of the asset.

	2007-08 £'000	2008-09 £'000
Balance Brought Forward	15,364	24,889
Grants & Contributions Applied	10,715	12,349
Amortised during the year	-1,190	-1,755
Balance Carried Forward	24,889	35,483

46 Provisions

The following amounts have been set aside to cover potential liabilities as at 31st March 2009.

	Balance at 31st March 2008 £'000	Receipts in Year £'000	Payments /Transfers in Year £'000	Balance at 31st March 2009 £'000
DSO Staff Gratuity Fund	48			48
Provision for Education Liabilities (Non DSG)	279	0	-147	132
Planning and Compulsory Purchase Act 2004	0	373		373
Total	327	373	-147	553

In accordance with latest Financial Reporting Standards (FRS 12) all provisions were reviewed at the year end to ensure that they were still required and also that the correct accounting treatment was being applied. Provision has been increased in respect of Education liabilities arising from the former Berkshire County Council.

NOTES TO THE ACCOUNTING STATEMENTS

BALANCE SHEET

47 Deferred Capital Receipts

The Capital Receipts shown here represent the Council's element of the sale proceeds of houses disposed to the Housing Association. The sum is amortised over the duration of the agreement to the Capital Receipts (Unapplied) Account.

48 Capital Adjustment Account

The Capital Adjustment Account (CAA) represents the balance of capital resources set aside to finance capital expenditure (i.e. capital receipts, MRP) awaiting consumption of resources (i.e. depreciation & impairment).

A general impairment charge has been made to all operational and non - operational fixed assets. This is to reflect the fall in property values due to the current economic climate. Impairments that are not set off against the Revaluation Reserve are allocated to the Capital Adjustment Account. There is no impact on Council Tax

	£'000
Balance Brought Forward	367,659
Applied to write down capital and deferred charges	-706
Restatements & Disposals during the year	-4,631
Depreciation	-17,261
Impairments	-111,550
MRP	2,305
Capital Financing:	
- Usable Capital Receipts	9,098
- Direct Revenue Contributions	0
- Application of Earmarked Reserves	0
Amortisation of grants and contributions	1,755
Balance Carried Forward	246,669

49 Revaluation Reserve

The Revaluation Reserve records unrealised revaluation gains arising (since 1 April 2007) from holding fixed assets. This reserve is matched by fixed assets within the Balance Sheet. It is not a reserve available to the authority.

Impairments per asset are set off against upwards revaluations from previous years held in the Revaluation Reserve. The balance is allocated to the Capital Adjustment Account.

	2007-08 £'000	2008-09 £'000
Balance Brought Forward	0	3,679
Revaluation Gains	3,679	497
Impairments	0	-2,901
Disposal of Fixed Assets	0	-1,235
Balance Carried Forward	3,679	40

50. Usable Capital Receipts

These comprise the usable part of capital receipts from the sale of assets.

	£'000
Balance Brought Forward	5,922
Received	5,026
Applied	-9,098
Balance Carried Forward	1,850

NOTES TO THE ACCOUNTING STATEMENTS

BALANCE SHEET

51. Reserves

The Council keeps a number of reserves in the Balance Sheet. Some are required to be held for statutory reasons, some are needed to comply with proper accounting practice, and others have been set up to earmark resources for future spending plans. Earmarked reserves includes provisions created by the Royal Borough created to cover that part of risk that is considered prudent.

	Balance at 31st March 2008 £'000	Net Movement in Year £'000	Balance at 31st March 2009 £'000	Further Details to be found
Capital Adjustment Account	367,659	-120,990	246,669	Note 48
Revaluation Reserve	3,679	-3,639	40	Note 49
Pensions Reserve	-45,168	-43,866	-89,034	Note 61
Usable Capital Receipts	5,922	-4,072	1,850	Note 50
Schools Revenue Reserves	2,299	29	2,328	Note 52
General Fund	5,734	-594	5,140	Note 53
Earmarked Reserves				
Insurance Reserve	2,562	98	2,660	Note 51b
Capital Reserves	1,822	1,110	2,932	
Economic Contingency Fund	0	1,200	1,200	
Other Earmarked Reserves	4,005	58	4,063	Note 51a
Total Earmarked Reserves			10,855	
Total Reserves	348,514	-170,666	177,848	

The Capital Adjustment Account is credited with amounts set aside to finance capital expenditure.

The Revaluation Reserve holds the amounts by which asset values have increased when revalued. Impairments reduce the value of the reserve before being charged to the Income and Expenditure account.

The Pensions Reserve is a balancing account to allow inclusion of Pensions Liability in the Balance Sheet.

The Schools Revenue Reserve represents the accumulated schools surpluses net of loan advances and also includes DSG grant carried forward to 2009/10.

The economic contingency fund was created this year in response to the difficulties the council may face in the prevailing economic conditions.

NOTES TO THE ACCOUNTING STATEMENTS

BALANCE SHEET

51a. Analysis of Other Reserves

	Balance at 31st March 2008 £'000	Receipts /Transfers in Year £'000	Payments /Transfers In Year £'000	Balance at 31st March 2009 £'000
Reserve to Support Community Well-being	216	88	-105	199
Future Trading LATS Losses	52	786	-838	0
Equipment Maintenance Funds	121	14	0	135
Nature Reserve Maintenance Fund	129	10	-10	129
Schools deficits	250	0	0	250
Ex Berkshire CC liabilities	460	16	0	476
Corporate Development Fund	2,356	97	0	2,453
Reserve for LSC liabilities	416	0	0	416
Windsor Arts Centre Maintenance Fund	3	2	-2	3
Grave Maintenance Fund	2	0	0	2
Total Other Reserves	4,005	1,013	-955	4,063

The Equipment Maintenance Funds are reserves being built up for the future replacement of major items of equipment or synthetic pitches.

The Nature Reserve Maintenance Fund relates to funds set aside for the future upkeep of the Arthur Jacob Nature Reserve.

Ex Berkshire CC liabilities - There are a number of liabilities arising from the dissolution of Berkshire CC which are funded as they arise according to each authorities population base. The figure shown above represents this councils liability.

The Corporate Development Fund is a reserve consisting of LABGI (Local Authority Business Growth Initiative) grant and a revenue contribution. The fund will be utilised to pump prime savings generating initiatives and general infrastructure support around the Borough. Each scheme is subject to Members approval.

51b. Insurance Reserves

The Council maintains an Internal Insurance provision to cover uninsured risks which may arise.

The liabilities covered include employer liability, council property, vehicles and supply teachers.

	2007-08 £'000	2008-09 £'000
Balance Brought Forward	3,059	3,656
Contribution to Internal Insurance Provision	896	815
(Increase)/Decrease in Outstanding Claims	32	(43)
Claims paid from Fund	(499)	(473)
Contributions to/(from) Insurance Fund	200	(202)
Increase/(Decrease) in outstanding claims	(32)	43
Total	3,656	3,796

The Fund Balance is in line with that recommended by the Actuarial review in September 2008, however claims of around £1,136k are outstanding which reduces the fund balance to that shown on the balance sheet.

NOTES TO THE ACCOUNTING STATEMENTS

BALANCE SHEET

52 School Revenue Balances

	2007-08	2008-09
	£'000	£'000
Schools Delegated Budget	1,798	2,182
Dedicated Schools Grant Reserve (DSG)	501	146
	<u>2,299</u>	<u>2,328</u>

53. General Fund Balances

The General Fund balance is the total of the following funds :

	2007-08	2008-09
	£'000	£'000
Amount generally available to the Royal Borough	5,755	5,551
Collection Fund	(21)	(411)
Total	<u>5,734</u>	<u>5,140</u>

54 Contingent Assets

At the end of 2008/9 the Council has outstanding claims for VAT that it believes is owed by HM Revenue and Customs. The claims have been made as a result of changes in legislation or different interpretations of existing legislation. The car parking claim is dependant on the outcome of a legal case involving other local authorities. , which is being reheard in a VAT tribunal. An estimate of the likely VAT recoverable has been made below.

	2008-09
	£'000
Claim in respect of the VAT liability of car parking income	4,802
Output tax overpaid on supplies of sporting services	586
Output tax overpaid in respect of sports courses	313
Output tax overpaid in respect of excess parking charges	164
VAT on Library AV Hire Charges (joint claim with other Berkshire authorities)	86
Output tax overpaid on library income	19
Total	<u>5,970</u>
Probable payment resulting from claims	930

NOTES TO THE ACCOUNTING STATEMENTS

OTHER

55 Amounts owing to and from Related Parties

At the end of the year, there were no significant items owed to or owed by the itemised related parties. Similarly, the provision for bad and doubtful debt did not include a sum in respect of third parties.

56 Trust and Other Funds

The trusts and other funds administered by the Council are summarised below:

	Balance at 31st March 2008 £'000	Receipts in Year £'000	Payments /Transfers in Year £'000	Balance at 31st March 2009 £'000
Flexible Home Improvements Ltd. (FHIL)	0	2,982	312	2,670
Kidwells Park Trust	379	36	16	399
RBWM Flood Relief Fund	247	9	2	254
Mayor's Benevolent Fund	31	6	9	28
Working Boys Club	0	614	1	613
Other Trust Funds	1	0	0	1
Trusts Total	658	3,647	340	3,965

Flexible Home Improvements Ltd. (FHIL)

This company was incorporated in March 2008 for the purpose of making loans to homeowners thus improving private sector housing. The company is initially funded by a grant from the Regional Housing Board and transfers amounts for subsequent loan to local authorities in Berkshire, Buckinghamshire, Oxfordshire and Surrey. This council was one of these authorities and made loans of £89k and at the year end had received £50k from FHIL. The balance is in debtors on the balance sheet.

Kidwells Park Trust

This Trust was established by J.M.Pearce who donated the land on which Kidwells Park and some surrounding buildings now stand. The funds in the Trust, resulting from the sale of the College of Art in Marlow Road, Maidenhead to Berkshire County Council, are temporarily invested pending agreement with the Charity Commissioners on their use for the provision of arts facilities in Maidenhead.

Royal Borough of Windsor and Maidenhead Flood Relief Fund

Following approval from the Charity Commissioners, this Fund is the combination of funds established in 1949 to provide essential relief measures in time of flood.

Mayor's Benevolent Fund

This Fund was established in February 1975 for general charitable purposes for the benefit of residents or persons working within the Royal Borough.

Working Boys Club

This Trust received £614k on sale of 22 Cookham Rd, Maidenhead and this will be invested in a fund to protect its value and ensure a revenue stream to finance the activities of the charity. The objectives of the charity are to provide facilities for youth in the borough with a preference for clubs and associations.

OTHER

57 Contingent Liabilities

There were no contingent liabilities at the close of the balance sheet. All known liabilities are reflected in the Royal Borough's accounts.

58 Authorisation of Statement of Accounts.

The statement of accounts was approved on 30 June 2009 by the Audit and Performance Review panel.

59 Post Balance Sheet Events.

There were no post balance sheet events.

60 Pensions

a) Teachers

Teachers employed by the Council are members of the Teachers' Pension Scheme, administered by the Teachers Pensions' Agency. It provides teachers with defined benefits upon their retirement, and the Council contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

In 2008-09, the Council paid £5.675m to the Pensions Agency in respect of teachers' retirement benefits, which represented 14.1% of teachers' pensionable pay for the year. In addition, the Council is responsible for all pension payments relating to added years it has awarded, together with the related increases. In 2008-09, these amounted to £36,976 representing 0.09% of pensionable pay.

b) Other Staff

As part of the terms and conditions of employment of its other employees, this Council offers retirement benefits. Although these benefits are not actually paid until employees retire, the authority has a commitment to disclose the impact this may have in the future.

The Local Government Pensions scheme, administered locally by the Royal Berkshire Pensions Fund - is a funded defined benefit final salary scheme, meaning that the authority and employees pay contributions into a fund, which is calculated at a level intended to balance the pensions liabilities with investment assets.

In 2008-09, the Council paid £7.289m to the Royal County of Berkshire Pension Fund, which represented 14.7% of employees' pensionable pay for the year. This contribution rate was produced by the triennial valuations of the Fund's assets and liabilities by the Fund's Actuary, the last review being carried out in March 2007. The Council is also responsible for all pension payments relating to added years it has awarded, together with the related increases. In 2008-09 these amounted to £387,030 representing 0.78% of pensionable pay.

Change of Accounting Policy

Under the 2008 SORP the Council has adopted the amendment to FRS 17, Retirement benefits. As a result quoted securities held as assets in the pension fund are now valued at bid price rather than mid-market value. The effect of this change is that the value of scheme assets at 31 March 2008 has been restated from £171.3m to £169.6m resulting in an increase in the pensions fund deficit at the beginning of the year of some £1.7m.

NOTES TO THE ACCOUNTING STATEMENTS

OTHER

c) Accounting for Retirement Benefits

The Council recognises the cost of retirement benefits in the net cost of services when they are earned by employees, rather than when benefits are eventually paid as pensions. However the charge that the Council is required to make against council tax is based on the cash payable in the year, so the real cost of retirement benefits is reversed out of the Income and Expenditure Account. The following transactions have been made in the Income and Expenditure Account and Statement of Movement in the General Fund Balance during the year:

	2007-08 £'000	2008-09 £'000
Income and Expenditure Account		
Net Cost of Services:		
- Current service cost	(8,635)	(9,645)
- Past service costs		(824)
- Curtailments and settlements	(122)	(296)
Net Operating Expenditure:		
- Interest cost	(11,628)	(13,440)
- Expected return on assets in the scheme	12,995	12,444
Net Charge to the Income and Expenditure account	<u>(7,390)</u>	<u>(11,761)</u>
Statement of Movement on the General Fund Balance		
- Reverse net charge for FRS17 benefits	<u>7,390</u>	<u>11,761</u>
Actual employers contribution payable to scheme	<u>6,654</u>	<u>7,289</u>

In addition to the recognised gains and losses included in the Income and Expenditure account, actuarial gains and losses of £31.1m (£4.2m 2007/08) were included in the Statement of Total Recognised Gains and losses. The cumulative actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses is £89m.

NOTES TO THE ACCOUNTING STATEMENTS

OTHER

61 Pension Fund Assets and Liabilities

Reconciliation of present value of the scheme liabilities:

	Funded Liabilities	
	2007/08 £'000	2008/09 £'000
1 April	(206,397)	(199,899)
Current service costs	(8,635)	(9,645)
Interest costs	(11,628)	(13,440)
Contributions by scheme participant	(2,949)	(3,273)
Actuarial gains and losses	24,139	32,934
Benefits paid	5,551	5,166
Past service costs		(824)
Ex Berkshire County Council Liability	(16,559)	(23,393)
Other costs	20	(151)
31 March	(216,458)	(212,525)

Reconciliation of present value of the scheme assets:

	2007/08	2008/09
	£'000	£'000
1 April	174,151	171,290
Impact of moving from mid market to bid price		(1,713)
Expected rate of return	12,966	12,444
Actuarial gains and losses	(19,983)	(64,036)
Employers Contributions	6,900	7,545
Contributions by scheme participant	2,949	3,273
Benefits paid	(5,693)	(5,312)
31 March	171,290	123,491

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

The actual return on scheme assets in the year was -£51.6m (-£14m 2007/08)

Scheme History

	2004/05	2005/06	2006/07	2007/08	2008/09
	£'000	£'000	£'000	£'000	£'000
Present value of liabilities	(164,832)	(216,036)	(218,884)	(216,458)	(212,525)
Fair value of assets in the scheme	149,896	156,661	172,409	171,290	123,491
Surplus/ (Deficit) on scheme	(14,936)	(59,375)	(46,475)	(45,168)	(89,034)

NOTES TO THE ACCOUNTING STATEMENTS

OTHER

The liabilities show the underlying commitments that the authority has in the long run to pay retirement benefits. The total liability of £89.0m has a substantial impact on the net worth of the authority. However, statutory arrangements for funding mean that any deficit on the local government pension scheme will be made good by increased contributions over the remaining working life of employees, as assessed by the actuaries.

The Council expects to make £6.814m contribution to the Local Government Pension scheme in 2009/10

Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. These liabilities have been assessed by Barnett Waddington, an independent firm of actuaries, estimates for the Royal County of Berkshire Fund being based mainly on the latest full valuation of the scheme as at 31st March 2007.

The principal assumptions used by the actuary have been:

	2007-08	2008-09
<i>Long-term expected return on assets in the scheme:</i>		
Equity investments	7.9%	7.4%
Gilts	4.5%	4.0%
Other Bonds	6.6%	6.5%
Property	5.9%	5.5%
Cash	5.0%	3.0%
<i>Mortality assumptions:</i>		
Longevity at 65 for current pensioners:		
Men	21.27	21.27
Women	24.33	24.33
Longevity at 65 for future pensioners:		
Men	22.21	22.21
Women	25.26	25.26
Rate of inflation	3.7%	3.0%
Rate of increases in salaries	5.2%	4.5%
Rate of increases in pensions	3.7%	3.0%
Rate for discounting scheme liabilities	6.6%	6.7%
Take up of option to convert annual pension to lump sum	25.0%	50.0%

NOTES TO THE ACCOUNTING STATEMENTS

OTHER

The Local Government Pension Scheme's assets consist of the following categories, by proportion of asset held:

	2007-08	2008-09
Equity investments	70.3%	62.2%
Gilts	7.9%	9.5%
Other Bonds	8.0%	14.6%
Property	10.4%	10.8%
Cash	3.4%	2.9%
	<u>100.0%</u>	<u>100.0%</u>

History of experience gain and losses

The actuarial gains identified as movements on the Pensions Reserve in 2008/09 can be analysed into the following categories, measured as a percentage of assets or liabilities at 31 March:

	2004/05	2005/06	2006/07	2007/08	2008/09
	£'000	£'000	£'000	£'000	£'000
Difference between the expected and actual return on assets	0.0%	0.0%	0.0%	4.1%	0.0%
Experience gains and losses on liabilities	0.0%	0.0%	0.0%	3.0%	0.0%

With regard to the Teachers' Pensions Scheme, there were no contributions remaining payable at the year end. The Scheme is a defined benefit scheme, administered by the Teachers Pensions Agency (TPA). Although the scheme is unfunded, the TPA uses a notional fund as the basis for calculating the employers' contribution rate paid by local education authorities. However, it is not possible for this Council to identify a share of the underlying liabilities in the scheme attributable to its own employees. For the purposes of this statement of accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

NOTES TO THE ACCOUNTING STATEMENTS

OTHER

62 Dedicated Schools Grant

The Council's expenditure on Schools Budget is funded by grant monies provided by the Department for Education and Skills, the Dedicated Schools Grant (DSG). DSG is ring-fenced and can only be applied to meet expenditure properly included in the Schools Budget. The Schools Budget includes elements for a restricted range of services provided on an authority-wide basis and for the Individual Schools Budget, which is divided into a budget share for each school. Over and underspends on the two elements are required to be accounted for separately.

Details of the deployment of DSG receivable for 2008/9 are as follows:

	Central Expenditure £000	I.S.B £000	Total £000
Final DSG for 2008/09			73,044
Brought Forward from 2007/08			501
Carry Forward to 2009/10 agreed in advance			
Agreed budgeted distribution in 2008/09	10,784	62,761	73,545
Actual central expenditure in 2008/09	10,413		10,413
Actual ISB deployed to schools		62,986	62,986
LA contribution for 2008/09	0	0	
Carry Forward to 2009/10	371	(225)	146

The format of the dedicated schools grant note has been standardised in 2008/9 to comply with the requirements of the Department for Children, Schools and Families.

NOTES TO THE ACCOUNTING STATEMENTS

CASH FLOW

63 . Reconciliation of Deficit to Net Cash flow

The surplus for the year can be reconciled to the net cash flow as follows:

	2007-08 £'000	2008-09 £'000
Surplus/(Deficit)- Statement of Movement on General Fund Balance	160	
Surplus/(Deficit) - Income and Expenditure Account		-125,099
Surplus/(Deficit) - Collection Fund	-289	-390
Net Surplus/(Deficit)	-129	-125,489
Interest	-1,572	
Non-cash Transactions		
Minimum Revenue Provision	2,177	
Contributions (to)/from Provisions	70	226
Contributions (to)/from Reserves	5,602	
Depreciation and Impairment		134,148
Deferred Grants amortised in year		-300
Deferred Capital Grants written off in year		-1,455
Adjustment for items reported separately on Cashflow		
Interest and Investment Income		-2,235
Interest payable and similar charges		3,058
Gain or Loss on the Disposal of Fixed Assets		-928
Gain or Loss on the Disposal of Short & Long Term Investments		-13
Items on an Accruals Basis		
(Increase) / Decrease in Stocks	-71	49
(Increase) / Decrease in Debtors	-6,872	8,321
Increase / (Decrease) in Creditors	10,185	-5,110
Net Cash Inflow/(Outflow) from Revenue Activities	9,390	10,272

64 . Management of Liquid Assets Reconciliation to Balance Sheet Movements

	Balance 1 April 2008 £'000	Movement in year £'000	Balance 31 March 2009 £'000
Bank Deposits	24,851	11,211	36,062
Other Local Authorities	5,000	545	5,545
Movement in Liquid Assets	29,851	11,756	41,607

The Council's current Treasury Management Policy requires at least £3.5m to be invested in Call, 2 day and 7 day notice investments. Relative interest rates and short term cash flow projections are considered when deciding on which instruments to invest at any particular time.

NOTES TO THE ACCOUNTING STATEMENTS

CASH FLOW

65 . Reconciliation of Movement in Cash to Movement in Net Funds

This can be analysed as follows:-

	Balance 1 April 2008 £'000	Movement in year £'000	Balance 31 March 2009 £'000
Cash in Hand and at Bank	1,143	108	1,251
Bank Overdraft	-6,049	-6,638	-12,687
Movement in Net Funds	-4,906	-6,530	-11,436

66 Government Grants

	2007-08 £000's	2008-09 £000's
<u>Learning and Care</u>		
Schools Standards Grant	3,916	3,818
Learning & Skills Council (LSC) - 6th Form	8,208	8,542
Threshold Grant	245	250
Standards Fund	6,288	5,839
Dedicated Schools Grant	70,647	73,044
Adult Contracts	797	131
Mandatory Student Awards	4	0
Surestart Grants	1,692	2,142
Social Services - STG/Independent-Partnership	3,601	786
Supporting People	1,839	1,723
Youth and Community-Connexions/Youth Opportunities	1,303	90
Other <i>Total Learning and Care Grants</i>	2,396	1,874
<i>Total Learning and Care Grants</i>	100,936	98,239
<u>Corporate & Resources</u>		
NNDR Collection Costs	260	260
Benefits	826	768
Safer community	191	49
Other Corporate & Resource Grants	74	73
<i>Total Corporate & Resource Grants</i>	1,351	1,150
<u>Community Services</u>		
Former Leisure Services	69	0
Renovation Grants	0	0
Other Planning & Environment Grants	1,275	198
<i>Total Community Services Grants</i>	1,344	198
Area Based Grant	0	5,235
Total Grants	103,631	104,822

The area based grant is made up of specific grants that were shown under the relevant service in 2007/8. In 2008/9 the area based grant is required to be treated as a general grant.

SUPPLEMENTARY FINANCIAL STATEMENTS

COLLECTION FUND

This account reflects the statutory requirement for billing authorities to maintain a separate Collection Fund which shows the transactions of the billing authority in relation to non-domestic rates and the council tax, and illustrates the way in which these have been distributed to preceptors and the General Fund. The Collection Fund is consolidated with the other accounts of the billing authority.

2007-08 £'000		Notes	2008-09 £'000
INCOME			
72,864	Income from Council Tax Payers	Note 67	75,663
62,578	Income from Business Rate Payers	Note 68	69,268
	<u>Add Transfers from General Fund</u>		
5,063	Council Tax Benefit		5,221
-8	Transitional Relief		-2
140,497	Total Income		150,150
EXPENDITURE			
	<u>Precepts and Demands</u>		
65,534	Royal Borough of Windsor and Maidenhead	Note 69	67,702
8,896	Thames Valley Police Authority	Note 69	9,327
3,201	Berkshire Fire and Rescue Authority	Note 69	3,385
	<u>Business Rates</u>		
60,953	Payment to National Pool		68,432
260	Cost of Collection		260
360	Other Allowances		267
	<u>Write offs and Provision for Bad Debts</u>		
	Change in Bad Debt Provision		
308	- Council Tax		422
799	- Business Rates		446
	Amounts written off		
4	- Council Tax		196
372	- Business Rates		0
	<u>Share of Previous Year's (Surplus)/ Deficit</u>		
31	Thames Valley Police Authority		29
227	Royal Borough of Windsor and Maidenhead		215
11	Berkshire Fire and Rescue Authority		10
	<u>Other Adjustments</u>		
-170	Previous Years Unclaimable NDR Charity Relief		-151
140,786	Total Expenditure		150,540
289	Deficit for the year.		390
<u>Collection Fund Balance</u>			
-268	Balance Brought Forward		21
289	Deficit for the year.		390
21	Collection Fund Deficit at 31st March.		411

NOTES TO THE SUPPLEMENTARY FINANCIAL STATEMENTS

COLLECTION FUND

67 Council Tax Income

Council Tax is a charge levied on the notional value of properties as at 1st April 1991. Each property is valued (by the District Valuer Service) and put into the appropriate one of the eight Council Tax Bands currently in use. The Council is required to set the benchmark charge for a Band D Property and, for tax base purposes, all properties in the other bands are expressed in terms of their Band D equivalence. Specific reductions are made in accordance with Government Regulations for persons on low incomes (rebates) and for those whose Council Tax substantially exceeded their liability for Community Charge. There is also a discount where a property has only one occupier.

For 2008-09, the sum of £32.84 per Band D property is included to cover Special Expenses of the unparished areas of the Borough. This charge recognises the fact that this Council provides services to the unparished areas which are provided by the parish councils in the remainder of the Borough.

Band	Property Value	Number of Properties			Appeals / Non - Collection Provision	TAX BASE
		Base	Ratio	Band D Equivalent		
A	Up to £40,000	1,296.00	6/9	863.97	13.55	877.52
B	£40,001 to £52,000	2,851.00	7/9	2,217.60	27.98	2,245.58
C	£52,001 to £68,000	7,494.00	8/9	6,661.38	-26.22	6,635.16
D	£68,001 to £88,000	13,711.00	9/9	13,711.40	-111.17	13,600.23
E	£88,001 to £120,000	11,504.00	11/9	14,060.87	-132.90	13,927.97
F	£120,001 to £160,000	7,185.00	13/9	10,378.26	-114.05	10,264.21
G	£160,001 to £320,000	8,564.00	15/9	14,272.92	-127.39	14,145.53
H	more than £320,000	1,384.00	18/9	2,767.90	-29.68	2,738.22
Total		<u>53,989.00</u>		<u>64,934.30</u>	<u>-499.88</u>	<u>64,434.42</u>

The average Band D charge for 2008-09 was £1,248.02. Therefore, based on the adjusted tax base of 64,434.42 the estimated yield was £80,415,432. This can be reconciled to the income received as follows:-

	2008-09 £'000
Estimated Yield	80,415
Transitional Relief	2
Council Tax Benefits	-5,221
Other Changes in Yield	467
Council Tax Income	75,663

The council tax debt position is reviewed regularly and a provision of £1,928,719 is included in the accounts to cover potentially bad or doubtful debts.

NOTES TO THE SUPPLEMENTARY FINANCIAL STATEMENTS

COLLECTION FUND

68 Business Rates Income

Under the revised arrangements for Business Rates, the Council collects non-domestic rates for its area which are based on local rateable values multiplied by a national uniform rate in the £ of 46.2p (44.4p in 2007/08). The total rateable value of business premises in the Borough's area at 31st March 2009 was £171,783,141 producing a notional yield of £79,363,811. The business rate debt position is reviewed regularly and a provision £2,595,074 is included in the accounts to cover potentially bad or doubtful debts.

	2008-09
	£'000
Notional Yield	79,364
Allowances	-4,433
Rateable Value Changes	-6,813
Occupation Changes	1,150
Collectable Income	69,268

69 Precepts and Demands on the Fund

The following authorities made demands on the Collection Fund in 2008-09:-

	2008-09	
	£'000	£'000
Royal Borough of Windsor and Maidenhead		
General Expenses	65,586	
Special Expenses	1,075	
Parishes	1,041	67,702
Thames Valley Police Authority		9,327
Berkshire Fire and Rescue Authority		3,385
Total Precepts and Demands		80,414

SUPPLEMENTARY FINANCIAL STATEMENTS
ROYAL COUNTY OF BERKSHIRE PENSION FUND

The Royal Borough of Windsor and Maidenhead administers the Royal County of Berkshire Pension Fund on behalf of 83 scheduled and admitted bodies including the unitary local authorities in Berkshire. The results for the year are set out below:

70. Fund Account for the Year Ended 31st March 2009

2007-08 £'000	Notes	2008-09 £'000
Contributions and Benefits		
Contributions Receivable:		
38,415	Employer Normal Contributions	73
11,490	Employer Deficit Funding	73
20,420	Employees	73
1,390	Full Cost Contributions Early Retirement	73
7,951	Transfer Values Received	74
Less:		
Benefits Payable:		
42,756	Pensions Payable	73
11,815	Lump Sum Benefits	77
Payments to and on account of leavers:		
10,881	Transfer Values Paid	75
26	Refunds of Contributions	76
673	Administrative & Other Expenses	76
13,515	Net Additions from Dealing with Members	19,724
Returns on Investments		
43,726	Investment Income	80
-148,301	Change in Market Value of Investments	76
-4,091	Less Investment Management Expenses	76
-108,666	Net Return on Investments	-404,012
-95,151	Net Increase/(Decrease) in Fund during Year	-384,288
1,488,489	Net Assets of Scheme at 1 April 2008	1,393,338
1,393,338	Net Assets of Scheme at 31st March 2009	1,009,050

71. Net Asset Statement for the Year Ended 31st March 2009

2007-08 Total £'000	Notes	2008-09 UK £'000	2008-09 Foreign £'000	2008-09 Total £'000
Quoted Investments at Market Value				
Fixed Interest:				
34,219	Public Sector	15,947	10,633	26,580
82,378	Other	28,343	54,141	82,484
88,756	Index Linked Securities	33,892		33,892
717,820	Equities	262,219	197,548	459,767
Managed Funds				
Unit Trusts:				
108,665	Property	77,672	16,846	94,518
264,867	Other Managed Funds	74,276	186,217	260,493
Property:				
29,124	Freehold			0
33,050	Derivatives	82	7,023	4,255
1,358,879	Total Investments	81	499,372	469,640
Current Assets				
13,601	Short Term Loan to RBWM	84		7,227
11,238	Sundry Debtors			9,302
26,255	Cash Held by External Managers			15,180
36,178	Cash at Bank			39,730
87,272	Total Current Assets			71,439
Current Liabilities				
(50,965)	Commitments for Derivatives	81/82		(29,923)
(1,848)	Sundry Creditors			(1,478)
34,459	Net Current Assets			40,038
1,393,338	Total Net Assets	83		1,009,050

These accounts do not take account of liabilities to pay pensions and other benefits after the scheme end. They are a summary of transactions during the year and net assets of the scheme at the end of the year. The Annual Report contains the Actuarial Statement and Summary Funding Statement

SUPPLEMENTARY FINANCIAL STATEMENTS

ROYAL COUNTY OF BERKSHIRE PENSION FUND

The Royal Borough of Windsor and Maidenhead operates a scheme within the Local Government Pension Scheme (LGPS) Regulations which covers local government employees throughout the geographical area of Berkshire (other than teachers and fire personnel who have their own schemes). As at 31st March 2009 there were 18,324 contributing members of the Fund and 10,400 pensioners or dependants receiving continuing benefits from the Fund. There are also 13,001 former contributing members whose deferred pensions will be paid on their eventual retirement.

Employer bodies who are members of the Fund can be classified as either Scheduled (these being obliged by legislation to participate in the Fund) or Admitted (these participate at the discretion of the Administering Authority). Those bodies who are classified as scheduled and the rules applicable to bodies who can be admitted into the scheme are covered by the LGPS Regulations. A list of Employers contributing to the Fund can be found in the Annual Report.

The benefits due and contributions to be paid by employees who are members of the scheme are fixed according to the relevant LGPS Regulations. Employer contributions for each of the scheduled or admitted bodies within the scheme are set and reviewed at three-yearly intervals by the Actuary to the Fund. The employer rates in place for the year ended 31st March 2009 were based on the valuation of the scheme as at 31st March 2007 and became payable with effect from 1 April 2008. The individual contribution rate of each employer is calculated according to the long-term contribution rate required, assuming 100% funding of future pension liabilities and after allowing for the deficit on the Fund and the individual liability profile of each employer.

At the valuation of 31st March 2007 the Actuary valued the Fund's assets at £1,492 million and assessed that the Fund had an actuarial deficit of £0.88 million. Arrangements for the recovery of the deficit are covered in the Funding Strategy Statement of the Fund.

The Funding Strategy Statement and more detailed information about the management of the Fund can be obtained from the Pension Fund Annual Report, which is published separately.

72 Accounting Policies

Accounting Standards

The accounts have been prepared in accordance with the provisions of chapter 2 of the Pensions Statement of Recommended Practice (SORP) 2007 and the Code of Practice on Local Authority Accounting issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). The revised SORP is applicable for periods commencing on or after 6th April 2007. As recommended by the SORP, this scheme adopted the SORP for the 2007/8 accounts.

Basis of Preparation

Income and expenditure are credited and debited to the revenue account when earned or incurred (that is, on an accruals basis), not when received or paid. Transfer values arise when a contributor transfers to or from the Fund. They have been included in the accounts on the basis of actual amounts received and paid due to the lack of sufficient information to account for them on an accruals basis.

SUPPLEMENTARY FINANCIAL STATEMENTS
ROYAL COUNTY OF BERKSHIRE PENSION FUND

Investments

Investments are shown in the accounts at their market value, which have been determined by HSBC, the Fund's Custodian, as follows:

FTSE-100 and Reserve List stocks are valued using the SETS volume weighted average price over the last ten minutes of trading on 31st March 2009

Other listed securities and securities on other domestic markets at bid-market price at the close of business on 31st March 2009 as supplied by Extel.

Unlisted securities using latest dealings, professional valuations, asset values and other appropriate financial information.

Investments held in overseas securities at bid-market price at the close of dealing on 31st March 2009 translated into sterling at the rate that day.

73 Contributions Received and Pensions Paid

Analysis by type of Employer	Employers Contribs £'000	Employees Contribs £'000	Pensions Payable £'000
Berkshire County Council Administering Authority	-	-	13,478
Scheduled Bodies	7,289	3,280	4,287
Admitted Bodies	38,619	17,458	24,335
	6,477	2,718	3,596
Total	52,385	23,456	45,696

There is no deficit funding element of employer contributions in 2008/09.

74 Transfer Values Received

There were no bulk transfers of staff benefits into the Fund during the year.

75 Transfer Values Paid

There were no bulk transfers of staff benefits from the Fund during the year.

76 Administrative and Other Expenses

The full costs of both the investment and the administration of pensions are charged to the Fund. A breakdown of the Investment Management Expenses is shown below:

Investment Managers' Fees	2,160
Staff	383
Professional Fees	197
Bank Charges	155
Other Recharges	79
	2,974

SUPPLEMENTARY FINANCIAL STATEMENTS
ROYAL COUNTY OF BERKSHIRE PENSION FUND

77 Lump Sum Death Benefits

Lump Sum Death Benefits totalling £1,204,000 are included in this figure.

78 Officers' Emoluments

The Fund has no directly appointed employees. The management and administration of the Fund is carried out by employees of the Royal Borough of Windsor and Maidenhead and statements of emoluments are covered in those accounts.

79 Stock Lending

The value of stock at loan via HSBC Global Investor Services (Fund Custodian) was £27,333,000 as at 31st March 2009.

80 Investment Income

Investment income includes dividends and interest earned and is analysed by asset class as follows:-

Asset Class	2007/08 £'000	2008/09 £'000
Fixed Interest	7,858	8,111
Equities	26,002	21,581
Managed Funds	20	1,445
Property Trusts	3,990	3,784
Property	2,079	819
Cash	3,777	2,359
Total	43,726	38,099

The changes in income mainly reflect the reallocation of the assets of the Fund, movements in currency and changes in interest rates.

81 Investments

The table below reconciles the opening and closing market value of investments:-

Assets	Mkt Value 31st Mar 08 £'000	Purchases £'000	Sales £'000	Change in Mkt Value £'000	Mkt Value 31st Mar 09 £'000
Fixed Interest	116,597	86,174	-87,044	-6,663	109,064
Index Linked	88,756	16,508	-67,464	-3,908	33,892
Equities	717,820	604,659	-753,629	-109,083	459,767
Property Trusts	108,665	24,654	-821	-37,980	94,518
Managed Funds	264,867	223,971	-14,132	-214,213	260,493
Property	29,124		-23,104	-6,020	0
Derivatives	-17,915	64,561	-17,205	-48,086	-18,645
Total	1,307,914	1,020,527	-963,399	-425,953	939,089

The decrease in the market value of investments mainly reflects the decrease in the value of Transaction costs are included in the cost of purchases and sale proceeds. Transaction costs include costs charged directly to the scheme such as fees, commissions and stamp duty. These costs amounted to £1,105,981 in 2008/9.

SUPPLEMENTARY FINANCIAL STATEMENTS
ROYAL COUNTY OF BERKSHIRE PENSION FUND

82 Derivatives

The market value of futures contracts is valued at the exchange price for closing out the contract at the year end date and this represents the unrealised profit or loss of the contract. The exposure value is the value of the portfolio invested in a particular sector. The table below shows the Fund's holding of futures at 31st March 2009.

Type of future	Expiration	Exposure Value £'000	Market Value £'000
LIFFE Gilt	Less than a year	7,023	48
German Government Bonds	Less than a year	-2888	-8
US 5 year Treasury	Less than a year	3,563	56
US 10 year Treasury	Less than a year	692	16
US 2 year Treasury	Less than a year	-5,472	-38
Canadian Dollar	Less than a year	3,121	44
Swiss Franc	Less than a year	5,226	819
Euro	Less than a year	32,203	-2942
Japanese Yen	Less than a year	23,398	-7009
Swedish Kroner	Less than a year	2,024	200
US Dollar	Less than a year	105,363	-9,831
Total		174,253	-18,645

The top 5 derivatives are part of Fidelity's normal portfolio management. The remaining currency forward contracts are used to hedge overseas currency exposure of the overseas equity holdings, to reduce the volatility of returns. This was approved by the Pension Fund Panel in October 2006. The strategy for achieving these objectives was also approved at this meeting.

83 Net Assets

The Fund's assets are managed partly in-house and partly by external managers. At 31st March 2009, the split of assets was as follows:

	£M	%
External Managers		
Fleming Investment Management	107	514
Wellington Management International	126	601
Fidelity Pensions Management	122	584
Managed In-House		
UK Equities	138	661
Overseas Equities	89	424
UK Index Linked Gilts	21	100
UK Managed Funds	74	356
Overseas Managed Funds	186	891
Property Unit Trusts	95	452
Other (including Cash)	51	-4,482
Total	1,009	100

The decrease in the market value of investments mainly reflects the decrease in the value of equity markets in the last few months of the year.

There is one investment, managed In-House, which exceeds 5% of the value of the Fund. It is an overseas pooled managed fund with RAFI Global and is valued at £106.7m.

SUPPLEMENTARY FINANCIAL STATEMENTS
ROYAL COUNTY OF BERKSHIRE PENSION FUND

84 Short Term Loan

Cash on loan to the Royal Borough of Windsor and Maidenhead earns interest at the seven-day rate.

85 Related Party Transactions

Officers have no relevant connections with related parties to declare. Members of the Pension Fund Panel are concerned with the overview of the Pension Fund rather than particular transactions.

86 Statement of Investment Principles

A more detailed Annual report for the Berkshire Pension Fund is produced as a separate document to these accounts. This report contains the Statement of Investment Principles for the Fund and a list of the participating employer bodies and can be found on the RBWM website.

87 Trustees Fees

This is a Local Government Pension Scheme so it does not have trustees. No fees were paid to the Panel members during the year.

88 Post Balance Sheet Statement

The asset values quoted in the balance sheet refer to market values at the date of the closure of the accounts, 31st March 2009. Any subsequent market movements are not reflected.

The Actuary as part of assessing the employer contribution rates to be paid, uses a long-term smoothed approach to account for movements in asset values.

GLOSSARY OF TERMS

For the purposes of the Statement of Accounts, the following definitions have been adopted:-

Accounting Policies

Define the process whereby transactions and other events are reflected in the financial statements.

Accruals

The concept that income and expenditure are recognised as they are earned or incurred, not as money is received or paid.

Actuarial Gains and Losses

The change in actuarial deficits or surpluses arising from actual gains/ losses since the last valuation or changes in actuarial assumptions.

Capital Charge

A charge to service revenue accounts to reflect the cost of fixed assets used in the provision of services.

Capital Expenditure

Expenditure on the acquisition of a fixed asset or expenditure which adds to and not merely maintains the value of an existing asset.

Community Assets

Assets that the local authority intends to hold in perpetuity, that have no specific life span, and that may have restrictions on their disposal. Examples of such assets include parks and historic buildings.

Classes of Tangible Assets

Operational Assets:

Council Dwellings, Other land and building, Vehicles, plant, furniture and equipment
Infrastructure Assets; Community Assets

Operational Assets:

Investment property, Assets under construction and Surplus assets for disposal

Contingent Asset or Liability

A condition which exists at the balance sheet date, where the outcome will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within our control.

Current Service Costs (Pensions)

The increase in the present value of the pensions scheme's liabilities expected to arise from employee service in the current period.

Defined Benefit Scheme

A pension scheme having a statutory duty to ensure pensionable benefits, due to the employee are maintained through changes in the employers contributions, as determined through periodic valuation.

Creditors

Amounts owed by an authority at the balance sheet date for goods received or work done.

Debt

This refers to the amount of long term debt borrowed by an authority or for which the authority has responsibility to repay and which was used to finance the acquisition of fixed assets. It is similar to a mortgage on a private person's home.

GLOSSARY OF TERMS

Debtor

Amounts due to an authority but unpaid at the balance sheet date.

Depreciation

The measure of the wearing out, consumption or other reduction in the useful economic life of a fixed asset, whether arising from use, passage of time, or of obsolescence through technological or other changes.

Events after the Balance Sheet date

Those events, both favourable and unfavourable, which occur between the balance sheet date and the date on which the Statement of Accounts is signed by the responsible officer.

Fair value

The fair value of an asset is the price at which it could be exchanged in an "arms length" transaction less, where applicable, any income receivable towards the purchase or use of that asset.

Finance Lease

A lease that transfers substantially all the risks and rewards of ownership of a fixed asset to the lessee. Such a transfer may be presumed to occur if, at the inception of the lease, the present value of the minimum lease payments, including any initial payment, amounts to substantially all of the fair value of the leased asset.

Formula Grant

The main non-service specific grant from Central Government to fund local authorities' expenditure.

Going Concern

The concept that the authority will remain in operational existence for the foreseeable future. In particular that the revenue accounts and balance sheet assume no intention to significantly curtail the scale of operations

Government Grants

Assistance by government and inter-government agencies and similar bodies, whether local or national, or international, in the form of cash or transfers of assets to a local authority in return for past or future compliance with certain conditions.

Impairment

A reduction in the value of a fixed asset arising from changes in market value, obsolescence or change in business.

Infrastructure Assets

Fixed assets that are inalienable or immovable, expenditure on which is recoverable only by the continued use of the asset created. Examples of infrastructure assets are highways and footpaths.

Interest Costs (Pensions)

Expected changes during the period in the present value of the schemes liabilities because the benefits are one year nearer their settlement.

Investments

A long-term investment is an investment that is intended to be held on a continuing use basis in the activities of the authority. Investments, other than those in relation to pensions fund, that do not meet the above criteria are classed as current assets

GLOSSARY OF TERMS

Investment Properties

Interest in land and / or buildings :

- a) in respect of which construction work and development have been completed; and
- b) which is held for its investment potential, rather than its use in the provision of the local authority's service to the public, any rental income being negotiated at arms length.

Liquid Resources

Current assets and investments that are readily disposable without disrupting the authority's day to day business.

Minimum Revenue Provision

The minimum amount of an authority's external debt that must be repaid in accordance with Government regulations, by the revenue account in the year of account.

Net Debt

The amount of long term borrowing less cash and liquid resources such as cash.

Net Book Value

The amount at which fixed assets are included in the balance sheet, i.e. their historical cost or current value less the cumulative amounts provided for depreciation.

Net Current Realisable Costs

The cost of replacing an asset, or its nearest equivalent, that reflects its current condition.

Net Realisable Value

The open market value of an asset in its existing use less expenses incurred in realising the asset

Non-Operational Assets

Fixed assets held by the local authority but not directly occupied, used or consumed in the delivery of its services. Examples of non-operational assets include investment properties and those assets which are surplus to requirements and which are being held pending sale or redevelopment.

Operational Assets

Fixed assets held and occupied, used or consumed by the local authority in the direct delivery of those services for which it has a statutory or discretionary responsibility.

Past Service Costs

Changes in the present value of the schemes liabilities related to employee service in prior periods arising from the introduction of, or improvement in, retirement benefits in the current period.

Precepts

The amount that the authority is required to collect from council tax payers to fund another, non tax collecting authority's expenditure. Precepts are issued by Parish Councils and the local police authority.

Prior Period Adjustments

Those material adjustments which apply to previous years, which have arisen from changes in accounting policies or from the correction of fundamental errors. Such errors would destroy the validity of the financial statements. They do not include normal recurring corrections or adjustments of accounting estimates made in prior years.

Prudence

The concept that revenue is not anticipated but is recognised only when realised in the form of either cash or of other assets whose realisation can be assessed with reasonable certainty.

GLOSSARY OF TERMS

Related Parties

Parties are related when one party has direct or indirect control or influence over the financial and/ or operational activities of the other. Examples include government departments, local authorities, members and chief officers.

Related Party Transaction

A related party transaction is the transfer of asset or liability or performance of service by, to or for a related party.

Remuneration

Sums (including expenses allowances and non-cash benefits subject to UK income tax) paid to or receivable by employees. They exclude employee and employer pensions contributions.

Reserves

Reserves are maintained by transferring money to and from the Income and Expenditure Account. There are generally two types of Reserve:

1. General Reserves which create a cushion against unexpected events or emergencies or to even out the effect of variations in cash flow (i.e. to avoid temporary borrowing)
2. Earmarked Reserves created to meet known or predicted liabilities (e.g. Capital Reserves, Insurance Reserves and schools balances)

Residual Value

The net realisable value of an asset at the end of its useful life

Retirement Benefits

All forms of benefits given by an employer in exchange for services rendered by employees that are payable at the completion of employment. Such benefits exclude an employers decision to terminate employment before normal retirement and an employee accepting early retirement as these are not given in exchange for services rendered.

Revenue Expenditure funded from Capital under Statute

Expenditure that may be funded from capital resources but which does not result in an asset on the Balance Sheet. Qualifying items would be grants or expenditure on property not owned by the Council. The expenditure is charged to the Income and Expenditure account and shown as a reconciling item in the Statement of Movement on the General Fund Balance.

Stocks

These comprise the following :-

- a) goods or other assets purchased for resale;
- b) consumable stores;
- c) raw materials and components purchased for incorporation into products for sale;
- d) products and services in intermediate stages of completion;
- e) long-term contract balances;
- f) finished goods for resale.

Tangible Fixed assets

Tangible assets that yield benefits to the local authority and the services it provides for a period of time in excess of one year.

Total Cost

The total cost of a service or activity includes all costs related to the provision of that service or activity.

Useful Life

The period over which the local authority will derive benefits from the use of a fixed asset.