

Income and Expenditure Account

	Net Expenditure 26 th June 2008 £000	Changes £000	Revised Net Expenditure £000
Central Services to the Public	6,061	0	6,061
Cultural Environmental and Planning Services	42,076	311	42,387
Children's and Education Services	45,172	279	45,451
Highways Roads and Transport Services	14,691	0	14,691
Housing	(6,636)	(53)	(6,689)
Adult Social Services	52,503	0	52,503
Corporate and Democratic core	5,266	443	5,709
Non-Distributed Costs	691	0	691
Net Cost of Services	159,824	980	160,804
(Surplus) / Deficit on Trading Undertakings	(390)	0	(390)
Interest Payable and similar charges	18,015	0	18,015
contribution of housing capital receipts to Government Pool	4,098	0	4,098
Interest and Investment income	(7,317)	0	(7,317)
Pensions interest and expected return on pension assets	4,062	0	4,062
Amortised Prema and Discounts	63	0	63
Net Operating Expenditure	178,355	980	179,335
Demand on the collection fund	(70,562)	0	(70,562)
Share of Previous Year Collection Fund Surplus	(83)	0	(83)
General government grants	(13,271)	0	(13,271)
Non-Domestic Rates Redistribution	(79,081)	0	(79,081)
Deficit For the Year	15,358	980	16,338

The changes to the Net Cost of Services lines are in relation to:-

- £311k Cultural Environmental and Planning Services.
 - (£2k) Miscoded HRA impairment losses.
 - £27k Reversal of grant amortised relating to Castleward which should be shown as payment in advance not an addition to capital.
 - £285k Government Grants / Capital Contributions / Section 106 incorrectly amortised for Work in Progress.
 - £1k Rounding Error.
 - £311k Total
- £279k Education Services.
 - £279k Government Grants / Capital Contributions / Section 106 incorrectly amortised for Work in Progress.
 - £279k Total
- (£53k) Housing Services
 - (£256k) Impairment to Housing Revenue Account (HRA) understated.
 - £203k Adjustments to Housing General Fund (HGF) in relation to Rosehill capital scheme which should be accounted as a deferred charge.
 - (£53k) Total
- £443k Corporate and Democratic Core
 - (£459k) Reduction to impairment charge due to revaluation of assets.
 - £902k Reversal due to actual disposal of asset in 2008/9 not 2007/8.
 - £443k Total

Balance Sheet

	26 th June 2008 Audit and Accounts £000's	Changes £000's	Final 2007/8 Statement £000's
Fixed Assets			
Intangible Fixed Assets	188	0	188
Council Dwellings	619,650	847	620,497
Other land and buildings	426,911	(1,379)	425,532
vehicles, plant, furniture and equipment	11,156	0	11,156
infrastructure assets	84,567	(3,289)	81,278
community assets	13,866	0	13,866
investment properties	809	0	809
assets under construction	36,154	585	36,739
surplus assets held for disposal	14,949	2,402	17,351
Total Fixed Assets	1,208,250	(834)	1,207,416
Long-term investments	5,000	238	5,238
Long Term debtors	14,912	0	14,912
	0	0	0
Total long term assets	1,228,162	(596)	1,227,566
	0	0	0
Current Assets	0	0	0
Stocks and work in progress	2,237	8	2,245
Debtors	44,343	(8,883)	35,460
Investments	152,136	3,168	155,304
Cash and Bank	4,668	(1,848)	2,820
	203,384	(7,555)	195,829
Total Assets	1,431,546	(8,151)	1,423,395
Current Liabilities			
Creditors	(48,960)	5,937	(43,023)
Bank Overdraft	(8,077)	0	(8,077)
Total Liabilities	(57,037)	5,937	(51,100)
Total Assets less current liabilities	1,374,509	(2,214)	1,372,295
Long term liabilities			
long term borrowing	(368,659)	0	(368,659)
provisions	(1,911)	0	(1,911)
government grants deferred	(66,549)	3,871	(62,678)
government grants unapplied	(44,857)	(1,606)	(46,463)
deferred liabilities	(43,302)	0	(43,302)
liability related to defined benefit pension scheme	(232,267)	0	(232,267)
	(757,545)	2,265	(755,280)
Total assets less liabilities	616,964	51	617,015
Represented by:			
Fixed Asset Restatement Account	0	0	0
Revaluation Reserve	(66,479)	(8,900)	(75,379)
Capital Financing Account	0	0	0
Capital Adjustment Account	(695,517)	6,447	(689,070)
Useable capital receipts reserve	(16,420)	2,402	(14,018)
Deferred capital receipts	(130)	0	(130)
Capital Earmarked Reserves	(2,279)	0	(2,279)
Pensions reserve	232,267	0	232,267
General fund balance	(6,181)	0	(6,181)
Housing Revenue Account balance	(15,830)	0	(15,830)
Collection Fund Balance	(164)	0	(164)
Business Improvement District	(77)	0	(77)
Revenue Earmarked reserves	(38,847)	0	(38,847)
Financial Instrument Adjustment Account	(422)	0	(422)
Available for Sale Reserve	92	0	92
Schools balances	(6,977)	0	(6,977)
Total Net Worth	(616,964)	(51)	(617,015)

The details of the adjustments within the assets and liabilities on the balance sheet are below:-

➤ Fixed Assets total Adjustment of (£834K) is made up of:

- £847K Council Dwellings.
 - £864k Vacant value housing stock overstated.
 - £17k Adjustment of Depreciation ref vacant value of housing stock
 - £847k Total

- (£1,379K) Other Land and Buildings
 - (£1,378k) Adjustment of Castleward addition
 - (£1k) Rounding
 - (£1,379k) Total

- (£3,289K) Infrastructure Assets
 - (£3,289k) Deferred charge relating to Rosehill Capital scheme
 - (£3,289k) Total

- £585K Assets Under Construction
 - £585k Work in Progress accrual omission
 - £585k Total

- £2,402K Surplus Assets held for disposal
 - (£2,402k) Adjustment required as transfer of ownership of land didn't take place until 2008/09
 - (£2,402k) Total

- £238K Long Term Investments
 - £238k Investment interest accrual omitted
 - £238k Total

➤ Current Assets total Adjustments of (£7555K) is made up of:

- £8K Stocks and Work in Progress.
 - £8k Foundation Schools stock adjustment
 - £8k Total

- (£8,883K) Debtors
 - (£2,260k) Housing bad debt misclassified under Creditors
 - (£244k) Adjustment to correct overstated balance in Debtors/Creditors
 - (£799k) Foundation Schools debtor adjustment
 - (£3,405k) Accrual of interest on Long and Short term Investments
 - £228k New Opportunities Fund Income accrual
 - (£2,402k) Receipt in advance accrual required as ownership of land didn't take Place until 2008/9
 - (£8,883k) Total

- (£3,168K) Investments

- (£3,168k) Accrual of interest on Long and Short term Investments
- (£3,168k) Total

- (£1,848k) Cash

- (£1,848k) Foundation Schools cash adjustment
- (£1,848k) Total

➤ Current Liabilities totalling £5937K is made up of:

- £5,937k Creditors

- £2,260k Housing bad debt misclassified under Creditors
- £2,641k Foundation Schools creditor adjustment
- (£585k) Accrual for Capital Works carried out.
- £243K To correct overstated balance in debtors and Creditors
- £1,378k To accrue pre payment ref Castleward addition
- £5,937k Total

➤ Long Term Liabilities totalling £2,265K is made up of:

- £3,871K Government Grants Deferred

- £3,165k Rosehill Capital Scheme to be accounted for as deferred charge
- (£79k) Reversal of grant amortised ref Rosehill.
- £1,378k Reversal of Contribution ref Castleward
- (£28k) Reversal of grant amortised ref Castleward
- (£565k) Reversal of grant amortised on assets that are WIP
- £3,871k Total

- (£1,606K) Government Grants not applied

- (£1,378k) Reversal of Castleward contribution
- (£228k) Accrual for outstanding Income from NOF
- (£1,606k) Total

Statement of Total Recognised Gains and Losses

	As at 26th June 08 £000	Changes £000	Final 2007/8 £000
Deficit for the year	15,358	980	16,338
Surplus Arising on revaluation of fixed assets	(66,040)	(1,031)	(67,071)
Actuarial (gains) / losses on pension fund assets and liabilities	49,439	0	49,439
Any other gains and losses	93	0	93
Recognised gains for the year	(1,150)	(51)	(1,201)
Prior year restatements	(27,872)	0	(27,872)
Total (Gains) / Losses Since the Last Statement of Accounts	(29,022)	(51)	(29,073)

Statement of Movement on the General Fund Balance

	As at 26th June 08 £000	Changes £000	Final 2007/8 £000
Deficit for the year on the Income and Expenditure Account	15,358	980	16,338
Net additional amount required by statute and non-statutory proper practices to be debited or credited to the General Fund Balance for the year	(17,053)	(980)	(18,033)
Increase in General Fund Balance for the Year	(1,695)	0	(1,695)
General Fund Balance brought forward	(11,463)		(11,463)
General Fund Balance carried forward	(13,158)	0	(13,158)
Amount of General Fund Balance held by governors under schemes to finance schools	(6,977)		(6,977)
Amount of General Fund Balance generally available for new expenditure	(6,181)		(6,181)
	(13,158)	0	(13,158)

Cashflow Statement

	As at 26th June 08 £000	Changes £000	Final 2007/8 £000
REVENUE ACTIVITIES			
<i>Cash Outflows-</i>			
Cash paid to and on behalf of employees	234,431		234,431
Other operating cash payments	425,102	(2,447)	422,654
Housing benefits paid out	30,691	0	30,691
Precept payment to Police Authority	9,883	0	9,883
Precept payment to Fire Authority	4,215	0	4,215
Payment to Non-Domestic Rate Pool	65,612	0	65,612
	769,934	(2,447)	767,487
<i>Cash Inflows-</i>			
Rents (after rebates)	(18,549)	0	(18,549)
Council tax receipts	(70,619)	0	(70,619)
Distribution from Non-Domestic Rates Pool	(79,082)	0	(79,082)
Non-Domestic Rates Receipts	(74,285)	0	(74,285)
Revenue Support Grant	(13,272)	0	(13,272)
Dedicated Schools Grant	(138,746)	0	(138,746)
Government Grant for housing benefit	(34,572)	0	(34,572)
Other Government Grants	(126,230)	0	(126,230)
Cash Received for goods and services	(218,147)	6,751	(210,773)
	(772,879)	6,751	(766,128)
Net Revenue Activities Cashflow	(2,945)	4,304	1,359
RETURNS ON INVESTMENT AND SERVICING OF FINANCE			
<i>Cash Outflows-</i>			
Interest Paid	19,227	0	19,227
Interest element of finance leases	0	0	0
	19,227	0	19,227
<i>Cash Inflows-</i>			
Interest Received	(7,331)	0	(7,331)
Net Investment Activities Cashflow	11,896	0	11,896
CAPITAL ACTIVITIES			
<i>Cash Outflows-</i>			
Purchase of Fixed Assets	42,426	(5,883)	36,543
Deferred Charges	3,830	3,289	7,119
Other net capital cash	(7,668)	136	(7,532)
	38,588	(2,458)	36,130
<i>Cash Inflows-</i>			
Sales of fixed assets	(12,771)	(3,165)	(15,936)
Capital grants received	(53,064)	0	(53,064)
	(65,835)	(3,165)	(69,000)
Net Capital Activities Cashflow	(27,247)	(5,623)	(32,870)
Net Cash Outflow/(Inflow) before financing	(18,296)	(1,319)	(19,615)
MANAGEMENT OF LIQUID RESOURCES			
<i>Cash Outflows-</i>			
	39,836	3,168	43,004
Net increase/(decrease) in short term deposits	39,836	3,168	43,004
FINANCING			
<i>Cash Outflows-</i>			
Repayments of amounts borrowed	136,955	0	136,955
	136,955	0	136,955
<i>Cash Inflows-</i>			
New loans raised	(160,808)	0	(160,808)
Net Capital Activities Cashflow	(23,853)	0	(23,853)
Net Cash Outflow/(Inflow)	(2,313)	1,849	(464)

The Cashflow has seen an adjustment of £1,849k to the net cash outflow. This was due to schools cash balances originally being overstated by this amount.

Housing Revenue Account

	As at 26th June 08 £000	Changes £000	Final 2007/8 £000
INCOME			
Dwelling rents (Gross)	(37,623)	0	(37,623)
Non dwelling rents (Gross)	(389)	0	(389)
Charges for services and facilities	(1,336)	0	(1,336)
Contributions towards expenditure	(274)	0	(274)
Housing Revenue Account subsidy receivable	(4,326)	0	(4,326)
Decrease in bad debt provision	0	0	0
Total Income	(43,948)	0	(43,948)
EXPENDITURE			
Repairs and maintenance	8,765	0	8,765
Supervision and management	13,825	0	13,825
Depreciation and impairments of fixed assets	21,254	2,189	23,443
Debt management costs	108	0	108
Decrease in bad debt provision	355	0	355
Total Expenditure	44,307	2,189	46,496
Sub Total	359	2,189	2,548
HRA share of CDC	91	0	91
Net cost of HRA services	450	2,189	2,639
Gain or loss on sale of HRA fixed assets	(8,007)	7,992	(15)
Interest payable and similar charges	9,726	0	9,726
Amortisation of premiums and discounts	(398)	0	(398)
Interest and investment income	(917)	0	(917)
Pensions interest cost and expected return on pensions assets	0	0	0
(Surplus) or deficit for the year on HRA services	854	10,181	11,035
STATEMENT OF MOVEMENT ON HRA BALANCE			
(Surplus) or deficit for the year on HRA services	854	10,181	11,035
Net additional amount required by statute to be debited or (credited) to the HRA balance for the year	(2,470)	(10,181)	(12,651)
(Increase) or decrease in the Housing Revenue Account	(1,616)	0	(1,616)
Housing Revenue Account balance brought forward	(14,214)	0	(14,214)
Housing Revenue Account balance carried forward	(15,830)	0	(15,830)

NOTE OF RECONCILING ITEMS FOR THE STATEMENT OF MOVEMENT ON THE HOUSING REVENUE ACCOUNT BALANCE

	As at 26th June 08 £000	Changes £000	Final 2007/8 £000
Note to the Statement of movement on the HRA Balance			
Items included in the HRA Income and Expenditure Account but excluded from the movement on the HRA balance for the year			
Difference between amounts charged to income and expenditure for amortisation of premiums and discounts and the charge for year determined in accordance with statute	479	0	479
Difference between any other item of income and expenditure determined in accordance with the SORP and determined in accordance with statutory HRA requirements	(8,766)	(2,172)	(10,938)
Gains or loss on sale of HRA fixed assets	8,007	(7,992)	15
	(280)	(10,164)	(10,444)
Capital Expenditure Funded by the HRA	2,043	0	2,043
HRA share of MRP	99	0	99
Transfer to/from Housing repairs account	13	0	13
Transfer to/from MRR	(5,729)	(17)	(5,746)
Write back Housing Subsidy Provision	0		
Appropriations from reserves	(171)	0	(171)
Appropriations to reserves	1,623	0	(1,623)
HRA share of contributions to/(from) the Pension Reserve	(68)	0	(68)
	(2,190)	(17)	(2,207)
Net additional amount required by statute to be debited or (credited) to the HRA balance for the year	(2,470)	(10,181)	(12,651)

The Housing Revenue Account has seen a net nil adjustment, however there has been adjustments made within the statement. The details of the adjustments within the Housing Revenue Account are shown below.

- £10,181k Expenditure
 - £17k Additional depreciation charge
 - £1,990k Additional impairment charge resulting from the revaluation of Right-to-buy disposals in year
 - £182k Impairment originally charged to General Fund in error
 - £7,992k Amendment to revaluation adjustment for Council Housing
 - £10,181k Total

Collection Fund

	As at 26th June 08 £000	Changes £000	Final 2007/8 £000
<u>Income</u>			
Council Tax	-71,553	0	-71,553
Business Rates	-70,996	0	-70,996
<i>Transfer from General Fund:</i>			
Council Tax Benefit	-14,140	0	-14,140
Total Income	-156,689	0	-156,689
<u>Expenditure</u>			
<i>Precepts and Demands:</i>			
Derby City Council	70,563	0	70,563
Derbyshire Police Authority	9,871	0	9,871
Derbyshire Fire Authority	4,210	0	4,210
<i>Business Rates:</i>			
Payment to National Pool	69,733	0	69,733
Costs of Collection	309	0	309
<i>Provision for Bad and Doubtful Debts:</i>			
Council Tax	1,153	0	1,153
Business Rates	955	0	955
<i>Transfer of Previous Years Estimated Surplus:</i>			
Derby City Council	83	0	83
Derbyshire Police Authority	12	0	12
Derbyshire Fire Authority	5	0	5
Total Expenditure	156,894	0	156,894
(Surplus) / Deficit for year	205	0	205
(Surplus) / Deficit at Beginning of Year	-401	0	-401
(Surplus) / Deficit at End of Year	-196	0	-196

There are no changes to the collection fund.