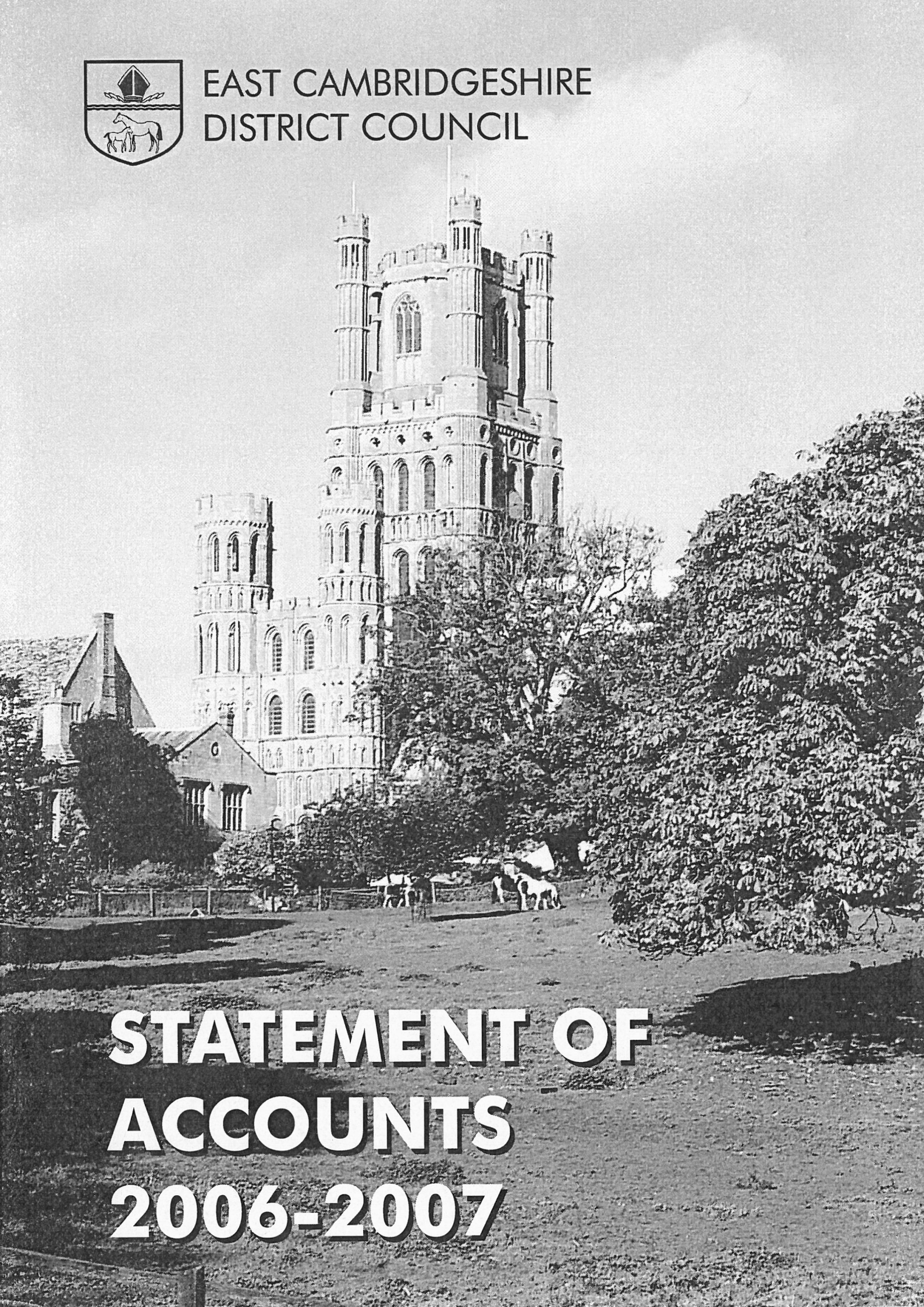
EAST CAMBRIDGESHIRE
DISTRICT COUNCIL



STATEMENT OF ACCOUNTS 2006-2007

	Page
Contents	1
Foreword to the Accounts	2
Statement of Accounting Policies	5
Statement of Internal Control	8
Corporate Governance Statement	11
Auditor's Report	12
Accounting Statements:	
Income & Expenditure Account	14
Statement of Movement on the General Fund Balance	15
STRGL	15
Balance Sheet	16
Cash Flow Statement	17
Notes to the Income & Expenditure Account	18
Notes to Statement of Movement on the General Fund Balance	22
Notes to the Balance Sheet	24
Notes to the Cash Flow Statement	30
Collection Fund Accounts	32
Group Accounts	34
Glossary of Terms	39

FOREWORD TO THE ACCOUNTS

The statements of accounts which follow show the financial out-turn for the year ended 31 March 2007. The accounting statements have been prepared in accordance with the current Code of Practice on Local authority Accounting in Great Britain. This Statement of Recommended Practice ("SORP") takes account of the relevant legislation and constitutes a proper accounting practice under the terms of the Local Government Act 2003.

The pages which follow include

- **The Income & Expenditure Account**

  The Income & Expenditure Account shows, in summarised form, the General Fund income and expenditure relating to the ongoing provision of public services by the Council.

- **The Statement of Movement on the General Fund Balance**

  The Statement of Movement on the General Fund Balance summarises the differences between outturn on the Income & Expenditure Account and the General Fund Balance.

- **The Statement of Total Recognised Gains and Losses**

  The Statement of Total Recognised Gains and Losses brings together all the gains and losses and shows the aggregate change in net worth. It includes changes relating to revaluation of fixed assets and re-measurement of the net liability to cover the cost of retirement benefits.

- **The Balance Sheet**

  The Balance Sheet shows the overall financial position of the Council at the year end, including the balance of the Collection Fund.

- **The Cash Flow Statement**

  This statement is intended to be an aid to the better understanding of the accounts by showing a summary of the inflows and outflows of cash arising from transactions with outside parties for both revenue and capital purposes.

- **The Collection Fund Accounts**

  These accounts show the amounts due from Council Taxpayers and from National Non-Domestic Ratepayers, the demands of the national non-domestic rating pool, the County Council, the Cambridgeshire Police Authority, Cambridgeshire Fire and Rescue and East Cambridgeshire District Council on the Fund, and related matters. Parish Councils' precepts are a charge to the General Fund.

- **The Group Accounts**

  These consolidate the Council's Accounts with those of its subsidiary to give a more complete picture of the authority's control over other entities.

EURO

As the Council updates its financial systems it has ensured that they can provide the functionality required to handle a conversion to the new currency in due course. Beyond this, and in view of the stage of the current debate on the issue, the Council has not identified any specific requirements or made any financial provisions in this regard.

General Fund Services

The net revenue expenditure of the Council for 2006/2007 excluding parish council precepts was originally estimated at £9,249,173. The revised budget was also £9,249,173.
This compares to the actual net expenditure for the year of £9,227,535, an underspend compared to the budget of £21,638.
This underspend is attributed to the following:

	£'000
Management restructure	(37)
External Audit Grant Claims	(14)
Discretionary Rate relief	(20)
Cons.Area & Listed Buildings	16
Econ Dev Admin	35
EBC North	20
Environmental Issues	12
Interest & Financial Transactions	88
Land Charges Admin	13
Local Plans	48
Community Projects & Grants	16
Member & Committee Support	(15)
Misc.Financial Services	(13)
Marketing & Grants	12
Ely Markets	(42)
Oliver Cromwell House	(37)
Planning Appeals	(11)
Parks And Open Spaces	(15)
Planning Applications	(40)
Paradise Pool	32
Bulky Waste Collection	(10)
Public Conveniences	(20)
Training	13
Other	(9)
Total Underspend	22

Sources of Income

	£'000
Government Grants	21,600
Other Grants/Reimbursements	1,236
Sales, Fees & Charges	1,960
Local Taxpayers	4,360
Other Income	1,976
Total Income	31,132

Reserves

Total usable reserves on General fund stood at £1,508,310 at 1 April 2006 and it was anticipated at probable out-turn stage that these would increase to £1,558,310 at 31 March 2007, an increase of £50,000. However, following the underspend referred to earlier, actual usable reserves as at 31 March 2007 now stand at £1,579,947. This is an increase of £71,637 in the year.

Capital Expenditure

Capital spending amounted to £2,504,121 which was an underspend of £618,879 on the programme of £3,123,000.
The capital programme was financed from Government Grants £382,929, General Fund £725,587, and Useable capital receipts £1,395,605
The significant asset gained was Angel Drove Commuters Car Park

Pensions Liabilities

Pension Liabilities are valued on an actuarial basis using the projected unit method which assesses the future payments that will be made in relation to retirement benefits earned to date by employees discounted to their present value.
The Liability of £6,225,000 is included in the Balance Sheet.

Responsibilities for the Statement of Accounts:

The Council's Responsibilities -

The Council 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. At East Cambridgeshire District Council that officer is the Executive Director (Finance).
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- to approve the statement of accounts.

The Executive Director (Finance)'s Responsibilities -

The Executive Director (Finance) is responsible for the preparation of the Council's statement of accounts which, in terms of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in Great Britain ("the Code"), is required to present fairly the financial position of the Council at the accounting date and its income and expenditure for the year (ended 31 March 2007).

In preparing this statement of accounts, the Executive Director (Finance) has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent; and
- complied with the Code.

The Executive Director (Finance) has also:

- kept proper accounting records which were up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

The Statement of Accounts presents fairly the financial position of the Council at the accounting date and its income and expenditure for the year ended 31 March 2007.

Executive Director (Finance) **26th September 2007**

STATEMENT OF ACCOUNTING POLICIES

General

The form and general principles adopted in compiling the accounts are substantially as recommended by the Chartered Institute of Public Finance and Accountancy. Except where otherwise noted, they follow the Code of Practice on Local Authority Accounting in the United Kingdom 2006: A Statement of Recommended Practice. The accounting convention adopted is historical cost, modified by the revaluation of certain categories of tangible fixed assets.

Reserves and Provisions

The Council maintains reserves to meet unforeseen future expenditure and has set aside provisions for specific future liabilities which are likely or certain to be incurred, but which cannot yet be accurately quantified. Details of reserves and provisions are shown in the notes to the Balance Sheet.

Basis of Capitalisation

Capital transactions are included in the accounts on an accruals basis. As explained in the notes to the Balance Sheet fixed assets are generally included at current valuation.

Valuation of Fixed Assets

The basis of valuation adopted in respect of the Council's operational property is open market value for the existing use, except where this could not be assessed because there is no market for the subject asset. For these assets depreciated replacement cost has been applied. The valuer has assumed that the properties will continue to be in the occupation of the Council for the foreseeable future having regard to the prospect and viability of that occupation. The figures have been apportioned between land and buildings and an estimate made of the remaining life of the latter. Items of plant and machinery which would normally be considered integral with the building fabric have been reflected in the valuations. Vehicles and equipment are held at historic cost.
A deminimus of £5,000 is set for assets apart from IT equipment which has no deminimus.
Property assets regarded by the Council as non-operational have been valued on the basis of open market value.

Depreciation

Depreciation is provided for on all assets with a determinable finite life (except for investment properties), by allocating the value of the asset in the balance sheet over the periods expected to benefit from their use.
Deprecation is calculated on the following bases:

- dwellings and other buildings – straight-line allocation over the life of the property as estimated by the valuer
- vehicles, plant and equipment – a percentage of the value of each class of assets in the balance sheet, as advised by a suitably qualified officer
- infrastructure – straight-line allocation over 100 years.

Where an asset has major components with different estimated useful lives, these are depreciated separately.

Intangible Assets

These are mainly for IT Licences and are valued at cost less the amount written off to date based on depreciation on a straight line method over the estimated life of the asset.

Asset Categories

Assets have been categorised in accordance with the definitions in the SORP.

Sales of Fixed Assets

The law requires that receipts arising from the sale of fixed assets, the principal repaid on certain loans, and receipts of Housing Association Grant (HAG) are divided into reserved and usable parts. The reserved part is set aside in a Capital Financing Account.

East Cambridgeshire District Council has no outstanding long-term external borrowing and also has a negative credit ceiling. Because of this:

- it is permitted to use both the usable part, and subject to restrictions, the reserved part of most capital receipts to finance that part of its capital programme not from other sources;
- for most receipts arising from the sale of fixed assets the reserved proportion is nil; and
- it is exempt from the requirement to determine a "Minimum Revenue Provision" to meet external loan debt repayments.

Impairment

Impairment: the values of each category of assets and of material individual assets that are not being depreciated are reviewed regularly each financial year for evidence of reductions in value. Where impairment is identified as part of this review or as a result of a valuation exercise, this is accounted for by:

- where attributable to the clear consumption of economic benefits – the loss is charged to the relevant service revenue account
- otherwise – written off against the Fixed Asset Restatement Reserve

FRS15

In accordance with FRS15, the authority's building stock is depreciated over the life of the individual asset .

Deferred Charges

Deferred Charges are payments of a capital nature where no fixed asset is created within the Authority's balance sheet but which may provide benefit to the Authority over a number of years. All deferred charges expenditure is written out to revenue as it is incurred.

Grant Income

Revenue grants are credited (on a calculated actual or estimated basis) to a revenue account in the year for which they are due. Capital grants relating to deferred charges (mainly house renovation grants) are applied in the year in which they are received to fund appropriate capital expenditure.

Interest and Capital Charges

External interest receivable is credited to the General Fund and included in the Income and Expenditure Account. Capital charges are made to each service on the basis of the values of the assets held or used. These charges are for depreciation of the assets. These charges are reversed out in the Statement of Movement on the General Fund Balance.

Debtors and Creditors

The provisions for debtors and creditors have been made so far as practicable on the basis of known liabilities, and no material items have been estimated.
The provisions made for bad debts take into account the nature, value and age of general debts.
For Council Tax the provision varies depending on where the debts are in the reminder/legal process.
For Business Rates the provision increases with the age of the debt.

Leasing

The Council operates a car leasing scheme for the benefit of certain employees. The Council has no operating leases and no finance leases.

Pensions

The pension costs that are charged to the Council's accounts in respect of its employees are equal to the contributions paid to the funded pension scheme operated by Cambridgeshire County Council for those employees. Further costs 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 set in the 2004 actuarial valuation of the pension fund. However due to the fall in investment values over time this is not sufficient to meet 100% of its liabilities. This means that it does not comply with the accounting requirements of SSAP24 and a contribution rate is being estimated by the actuary that would be required to comply.

Further information may be found in the Cambridgeshire County Council's Pension Fund Annual Report, available from the Director of Resources, Shire Hall, Castle Hill, Cambridge, CB3 0AP

FRS 17

The policy is to use the real cost of pensions instead of the actual cost in the year and reflects the commitment in the long term to increase contributions to make up any shortfall in attributable net assets in the pension fund.
The overall amount to be met from Government grants and local taxation is unaffected.

In assessing liabilities for retirement benefits at 31 March 2007 for the 2006/07 Statement of Accounts, the actuary was required by the SORP to use a discount rate based on the current rate of return on a high-quality corporate bond of equivalent currency and term to scheme liabilities. The actuary has advised that a rate of 5.4% is appropriate.

STATEMENT OF ACCOUNTING POLICIES

Related Companies

East Cambridgeshire District Council now owns all the shares in East Cambridgeshire Business Centres Limited, giving it full ownership . All the shares are now fully paid up.
The investment is held at cost price in the Balance Sheet.
Statutory investments are included in the Group Accounts on the basis of the percentage of the company owned by the Council. Details of the statutory investment can be found on page 26 note h.
Group Accounts have been prepared as per the SORP requirements.

Investments

External investments are included in the accounts at historical cost.

BVACOP

The Council is required as part of the Local Authorities Statement of Recommended Practice (SORP2006) to produce financial statements in accordance with the Best Value Accounting Code of Practice (BVACOP). This requires service expenditure analysis shown on the face of the Income & Expenditure Account to reflect the BVACOP categories.

Support Service Costs

Support service costs are allocated on the basis recommended by the best Value Accounting Code of Practice (BVACOP). Each support service has been treated in the accounts as separate entities, and it is intended that they should break even taking one year with another, by adjustment of subsequent years' charges. The net year-end surplus on support services forms part of the General Fund Reserve balance.

Stock & Work in Progress

The value of stock held is included within the Balance Sheet at the lower of cost or net realisable value in accordance with SAAP 9.

Prudential Code

The accounts have been produced to follow the new requirements of the Prudential Code for Capital finance in Local Authorities.

STATEMENT OF INTERNAL CONTROL

SCOPE OF RESPONSIBILITY

The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for and used economically, efficiently and effectively for the benefit of the people of East Cambridgeshire.
The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of the Council's functions and which includes arrangements for the management of risk.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place at the Council for the year ended 31 March 2007 and up to the date of approval of the annual report and accounts.

THE INTERNAL CONTROL ENVIRONMENT

The Counicl's internal control environment is described under the following headings:-

Establishing and monitoring the achievement of the Council's objectives

- The Council has worked with its partners in the Local Strategic Partnership to form a Community Strategy for the district. This has informed the Council's own Corporate Plan (or Best Value Performance Plan), which incorporates our three corporate objectives and sets out targets for a range of key performance indicators, including statutory Best Value Performance Indicators and local Corporate Performance Indicators.
  Service plans are in place for each area of activity with aims that link to the BVPP priorities. Monitoring the achievement of objectives is undertaken through the Council's Performance Management Framework.

- The Council has also put in place a number of strategies and plans which support the achievement of its Corporate Objectives. These include the Medium Term Financial Strategy, the Capital Strategy and Asset Management Plan and the Housing Strategy.

Facilitation of policy and decision making

- The Council has a formally published Constitution, which sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people.
  The Constitution is divided into twelve articles which set out the the basic rules governing the Council's business and these are supplemented by procedures and codes of practice. The Constitution is subject to on-going review to ensure its adequacy and effectiveness.

Compliance with established policies, procedures, laws and regulations

- The Council has a Standards Committee whose objectives are:-
  - promoting and maintaining high standards of conduct of conduct by Councillors and co-opted members;
  - assisting the Councillors and co-opted members to observe the Members' Code of Conduct

- The Council has recently reviewed its Risk Management Strategy in light of the outcome of the Audit Commission's assessment of the Council's Use of Resources in 2006. A series of actions were agreed and the Council has made significant progress in this area.

- The Council maintains a continuous internal audit service to assist management with monitoring adherence to policies and procedures. Internal and external audit work together to review and provide annual opinions of the control framework, governance and validity of the annual accounts. The Council is also subject to other inspections, for example by the Audit Commission and the Benefit Fraud Inspectorate.

- The Council also has in place a Fraud and Corruption Policy and a Whistleblowing Policy.

Ensuring the economical, effective and efficient use of resources and securing continuous improvement

- As part of the BVPP, the Council reports its performance against a variety of performance indicators. Some of these are nationally set as Best Value Performance Indicators and others are set locally. The Council sets three year targets for each indicator. The purpose of these indicators is to measure the Council's performance and progress over time, with a view to promoting continuous improvement.

- In addition to the requirements of Best Value, the Council is now required to comply with the requirements of the Efficiency Review programme and to achieve a target of 2.5% efficiency gains for the next three years.

Financial Management of the Authority and the reporting of financial management

- The Council's overall financial arrangements are governed by its Medium Term Financial Strategy, which sets out the financial framework for the delivery of the Council's strategies and plans. In determining the revenue and financial framework, a number of factors are taken into account including the national context, the distribution of local government funding, along with other local and external funding sources.

- These arrangements are supported by a robust budget setting and monitoring arrangements and financial regulations, which form part of the Constitution. The Council also has in place a detailed service planning process that feeds into the budget setting process.

- In respect of treasury management, the Council fully complies with the CIPFA Code of Practice on Treasury Management and the Prudential Code governing borrowing. The Council's Treasury Management Policy Statement acknowledges that effective treasury management will provide support towards achievement of its business and service objectives.

Performance management of the Authority and reporting of performance management

- The Council has in place a performance management framework which provides links from the corporate objectives of the Council through to individual service plans. Performance Indicators are set at a national and local level and targets are set for three years. Performance against performance indicator targets are monitored and reported during the year, and corrective action is taken where performance is not meeting targets. Performance against the agreed objectives and actions is published annually in the Council's Best Value Performance Plan.

REVIEW OF EFFECTIVENESS

The Council has responsibility for conducting at least annually, a review of the effectiveness of the system of internal control. The review of the effectiveness of the system of internal control is informed by the work of internal auditors and the Council's Management Team, who have responsibility for the development and maintenance of the internal control environment, and also by comments made by the external auditors and other review agencies and inspectorates in the annual audit letter and other reports.

The effectiveness of the system of internal control has been evaluated during the year in the following ways:-

- The Council has received and considered the Annual Report and Inspection letter from the Audit Commission and other reports and has put in place improvements as a consequence.
- Policy and Resources Committee has considered a report from the Principal Auditor summarising the work undertaken during the year and any key issues arising. The Principal Auditor has also provided an assurance on the effectiveness of the internal control environment for the areas examined by Internal Audit during the year.
- The Council has evaluated the systems of internal control against a checklist produced by the CIPFA Financial Advisory Network. Contributions to this evaluation have come from members of the Council's Management Team and other officers.

We have been advised on the implications of the result of the review of the effectiveness of the system of internal control and a plan to address weaknesses and ensure continuous improvement of the system is in place.

SIGNIFICANT INTERNAL CONTROL ISSUES

Issue	Action
The Council has not identified its critical service areas, drawn up business/service continuity plan. These plans need to be put in place and be subject to regular testing and review.	The Council's Management Team considered and agreed an appropriate action plan and timetable in July 2007.

J Hill
Chief Executive
Date: 24/9/7

B Ashton
Leader of Council
Date: 24/9/07.

CORPORATE GOVERNANCE STATEMENT

The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for and used economically, efficiently and effectively for the benefit of the people of East Cambridgeshire.

In discharging this accountability, members and senior officers are responsible for putting in place proper arrangements for the governance of the Council's affairs and the stewardship of the resources at its disposal. To this end, the Council has approved and adopted a Code of Corporate Governance, which is consistent with the principles and reflects the requirements of the CIPFA/SOLACE Framework Corporate Governance in Local Government: A Keystone for Community Governance.
A copy of the Code can be obtained from the Council's web site at (http://www.eastcambs.gov.uk/docs/policies/corpgov.pdf) or from the Chief Executive, The Grange, Nutholt Lane, Ely.

The Chief Executive has been given responsibility for :-

- overseeing the implementation and monitoring of the operation of the code
- reviewing the operation of the code
- reporting annually to the Policy and Resources Committee on compliance with the code and any changes necessary to maintain and ensure its effectiveness in practice

We report that the main aspects of the code of corporate governance that are not yet fully in place are:-

- a revised Corporate Risk Management Strategy is in place, however risk management is not yet fully integrated across the Council.This was reported in our last Statement and we have continued to make progress in this respect.
- our service recovery plans are still being developed.

We propose over the coming year to take steps to address the above matters to further enhance our corporate governance arrangements.

We are satisfied that these steps will address the need for improvements that were identified in our last annual review and will review their implementation and operation as part of our next annual review.

Corporate governance is a key element of the Council's internal control environment. The outcomes of this review have been included in the annual review of the systems of internal control, and included in the Statement of Internal Control.

J Hill
Chief Executive
Date: 24/9/7

B Ashton
Leader of Council
Date: 24/09/07.

Independent auditor's report to the Members of East Cambridgeshire District Council

I have audited the financial statements of East Cambridgeshire District Council and its Group for the year ended 31 March 2007 under the Audit Commission Act 1998, which comprise the Income & Expenditure Account, the Collection Fund, the Balance Sheet, the Statement of Movements on the General Fund Balance, the Cash Flow Statement, the Statement of Total Recognised Gains & Losses, the Group Accounts and the related notes. These financial statements have been prepared under the accounting policies set out within them.

This report is made solely to East Cambridgeshire District Council in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 36 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by the Audit Commission.

Respective Responsibilities of Executive Director (Finance) and Auditors:
The Executive Director(Finance)'s responsibilities for preparing the financial statements in accordance with applicable laws and regulations and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2006 are set out in the Statement of Responsibilities

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements presents fairly the financial position of the Authority in accordance with applicable laws and regulations and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2006

I review whether the statement on internal control reflects compliance with CIPFA's guidance 'The Statement on Internal Control in Local Government: Meeting the Requirements of the Accounts and Audit Regulations 2003' published on 2 April 2004. I report if it does not comply with proper practices specified by CIPFA or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the statement on internal control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Authority's corporate governance procedures or its risk and control procedures

I read other information published with the financial statements, and consider whether it is consistent with the audited financial statements. This other information comprises only the Explanatory Foreword. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinion:
I conducted my audit in accordance with the Audit Commission Act 1998, the Code of Audit Practice issued by the Audit Commission and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Authority in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Authority's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion:
In my opinion the financial statements present fairly, in accordance with applicable laws and regulations and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2006, the financial position of the Authority and its Group as at 31 March 2007 and its income and expenditure for the year then ended.

A PERRIN
District Auditor
Date 26th September 2007

Audit Commission
1st Floor, Sheffield House
Lytton Way off Gates Way
Stevenage, Herts
SG1 3HB

Conclusion on arrangements for securing economy, efficiency and effectiveness in the use of resources

Authority's responsibilities

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to regularly review the adequacy and effectiveness of these arrangements.

Under the Local Government Act 1999, the Authority is required to prepare and publish a best value performance plan summarising the Authority's assessment of its performance and position in relation to its statutory duty to make arrangements to ensure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

Auditor's responsibilities

I am required by the Audit Commission Act 1998 to be satisfied that proper arrangements have been made by the Authority for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires me to report to you my conclusion in relation to proper arrangements, having regard to relevant criteria specified by the Audit Commission for principal local authorities. I report if significant matters have come to my attention which prevent me from concluding that the authority has made such proper arrangements. I am not required to consider, nor have I considered, whether all aspects of the authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

I am required by section 7 of the Local Government Act 1999 to carry out an audit of the Authority's best value performance plan and issue a report:

- certifying that I have done so;
- stating whether I believe that the plan has been prepared and published in accordance with statutory requirements set out in section 6 of the Local Government Act 1999 and statutory guidance; and
- where relevant, making any recommendations under section 7 of the Local Government Act 1999.

Conclusion

I have undertaken my audit in accordance with the Code of Audit Practice and I am satisfied that, having regard to the criteria for principal local authorities specified by the Audit Commission and published in December 2006, in all significant respects, East Cambridgeshire District Council made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2007.

Best Value Performance Plan

I issued my statutory report on the audit of the Authority's best value performance plan for the financial year 2006/07 on 27 November 2006. I did not identify any matters to be reported to the Authority and did not make any recommendations on procedures in relation to the plan.

Certificate

I certify that I have completed the audit of the accounts in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

A PERRIN
District Auditor
Date 26th September 2007

Audit Commission
1st Floor, Sheffield House
Lytton Way off Gates Way
Stevenage, Herts
SG1 3HB

INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2007

		2006/2007			2005/2006	note
		Expenditure	Income	Net		
		£	£	£	£	
Income and Expenditure	Central Services to the public	4,955,173	(4,171,407)	783,766	757,398	a
	Cultural & Related	1,795,539	(411,129)	1,384,410	1,271,338	a
	Environmental	4,810,941	(697,089)	4,113,852	4,317,347	a
	Planning & Development	3,235,357	(1,722,633)	1,512,724	1,560,600	a
	Transport	577,228	(35,464)	541,764	374,526	a
	Housing	12,891,582	(11,764,006)	1,127,576	1,051,253	a
	Corporate & Democratic Core	2,439,086	(739,010)	1,700,076	1,404,396	a
	Non Distributed Costs	51,000	0	51,000	65,000	a
	NET COST OF SERVICES	30,755,906	(19,540,738)	11,215,168	10,801,858	
	Parish council precepts			1,135,437	1,037,200	
	Loss/(gain) on the disposal of fixed assets			(379,609)	(133,213)	a
	Contribution of housing capital receipts to Govt. Pool			15,836	18,093	
	Interest payable			0	0	
	Interest receivable			(698,279)	(589,765)	
	Pensions interest cost			1,416,000	1,299,000	
	Expected return on pension assets			(1,426,000)	(1,184,000)	
	NET OPERATING EXPENDITURE			11,278,553	11,249,173	
Financing of net revenue expenditure	Income from Collection Fund			(4,360,437)	(4,154,900)	
	Revenue support grant			(982,814)	(3,070,268)	
	Contribution from the non-domestic rate pool			(5,091,359)	(2,250,831)	
	DEFICIT/(SURPLUS) FOR THE YEAR			843,943	1,773,174	

STATEMENT OF MOVEMENT ON THE GENERAL FUND BALANCE 2006/2007

The Income and Expenditure Account shows the council's actual financial performance for the year, measured in terms of the resources consumed and generated over the last twelve months. However, the authority is required to raise council tax on a different accounting basis, the main differences being:

Capital investment is accounted for as it is financed, rather than when the fixed assets are consumed.

The payment of a share of housing capital receipts to the Government scores as a loss in the Income and Expenditure Account, but is met from the usable capital receipts balance rather than council tax.

Retirement benefits are charged as amounts become payable to pension funds and pensioners, rather than as future benefits are earned.

The General Fund Balance compares the council's spending against the council tax that it raised for the year, taking into account the use of reserves built up in the past and contributions to reserves earmarked for future expenditure.

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

	2006/2007		2005/2006	note
	£	£	£	
(Surplus)/deficit for the year on the Income & Expenditure Account	843,943		1,773,174	
Net additional amount required by statute and non-statutory proper practices to be debited or credited to the General Fund Balance for the year	(915,580)		(1,195,181)	a
(Increase)/Decrease in the General Fund Balance for the year		(71,637)	577,993	
General Fund Balance brought forward		(1,508,310)	(2,086,303)	
General Fund Balance carried forward		(1,579,947)	(1,508,310)	

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES 2006/2007

	2006/2007	2005/2006
	£	£
(Surplus)/Deficit for the year on the Income and Expenditure Account	843,943	1,773,174
(Surplus)/Deficit arising on revaluation of fixed assets	156,294	(187,457)
Actuarial (Gains)/Losses on pension fund assets and liabilities	(1,893,000)	188,000
Any other recognised (Gains)/Losses	(134,962)	193,739
Total recognised (Gains)/Losses for the year	(1,027,725)	1,967,456

BALANCE SHEET AS AT 31 MARCH 2007

		31.03.07		31.03.06	note
		£	£	£	
Assets	Fixed assets				
	Operational				
	Community		462,564	476,080	
	Infrastructure		406,187	405,104	
	Land and buildings		9,955,479	9,410,186	
	Vehicles		133,979	161,097	
	Equipment		947,550	1,151,407	
	Intangibles		87,407	26,634	
	Non-operational		1,510,299	1,505,006	
			13,503,465	13,135,514	[a]
	Long Term Investments		545,000	400,000	[h]
	Long-term debtors		261,900	271,197	
	Total long-term assets			14,310,365	13,806,711
	Current assets				
	stocks and work in progress		55,237	37,467	
	debtors	3,357,849		2,975,762	
	bad debt provisions	(924,885)	2,432,964	(809,218)	
	investments		8,078,519	8,517,235	
				10,566,720	10,721,246
Liabilities	Current liabilities				
	creditors		(4,824,662)	(4,561,146)	
	cash overdrawn		(806,968)	(134,242)	
				(5,631,630)	(4,695,388)
	Total assets less current liabilities			19,245,455	19,832,569
	Deferred credits		(235,536)	(252,349)	
	Provisions		(123,023)	(261,049)	
	Liability related to defined benefit pension scheme		(6,225,000)	(7,685,000)	[q]
				(6,583,559)	(8,198,398)
	Total assets less liabilities			12,661,896	11,634,171 [k]
Balances & Reserves	Fixed asset restatement account		6,522,689	6,366,395	[r]
	Capital financing account		(20,731,136)	(20,063,891)	[r]
	Useable capital receipts reserve		(2,918,199)	(3,893,321)	[r]
	Pensions reserve		6,225,000	7,685,000	
	Earmarked reserves		(296,613)	(454,502)	
	Balances:				
	- general fund		(1,579,947)	(1,508,310)	
	- collection fund		116,310	234,458	
	Total equity			(12,661,896)	(11,634,171) [g]

Executive Director(Finance) **26th September 2007**

THE CASH FLOW STATEMENT 2006/2007

		2006/2007			2005/2006
		£	£	£	£
Revenue Activities	CASH OUTFLOWS				
	Cash paid to and on behalf of employees		5,125,845		4,944,566
	Other operating cash payments		7,998,301		6,555,973
	Housing Benefit paid out		11,242,144		10,327,422
	NNDR payments to national pool		13,246,450		11,332,396
	Precepts paid		30,587,429		28,836,400
	Payments to the Capital Receipts Pool		15,836		18,093
				68,216,005	62,014,850
	CASH INFLOWS				
	Rents (after rebates)		(259,474)		(228,828)
	Council Tax income		(30,370,999)		(28,818,379)
	NNDR receipts from national pool		(5,090,359)		(2,251,831)
	Non-domestic rate income		(13,102,505)		(12,023,088)
	Revenue Support Grant		(1,018,169)		(3,034,913)
	DWP Grants for benefits		(14,817,148)		(13,184,166)
	Other government grants		(518,424)		(407,435)
	Cash received for goods and services		(1,978,352)		(1,945,281)
	Other operating cash receipts		(1,085,241)		(1,262,822)
				(68,240,671)	(63,156,743)
	NET CASH FLOW FROM REVENUE ACTIVITIES			(24,666)	(1,141,893)
Servicing of Finance	CASH OUTFLOWS				
	Interest paid		4,131		13,649
	CASH INFLOWS				
	Interest received		(595,760)		(604,569)
				(591,629)	(590,920)
Capital Activities	CASH OUTFLOWS				
	Purchase of fixed assets	1,254,307			658,844
	Purchase of long-term investments	220,588			0
	Other capital payments	1,100,265			1,340,032
			2,575,160		1,998,876
	CASH INFLOWS				
	Sale of fixed assets	(414,743)			(255,064)
	Capital grants received	(382,929)			(228,000)
	Other capital cash receipts	(49,751)			(39,071)
			(847,423)		(522,135)
				1,727,737	1,476,741
	NET CASH OUTFLOW OR (INFLOW) BEFORE FINANCING			1,111,442	(256,072)
Management of Liquid Resources	NET INCREASE/(DECREASE) IN SHORT TERM DEPOSITS			(438,716)	(132,765)
Financing	CASH OUTFLOWS / CASH INFLOWS				
	Repayment of amounts borrowed / New loans raised			0	0
	DECREASE / (INCREASE) IN CASH AND CASH EQUIVALENTS			672,726	(388,837)

NOTES TO THE INCOME & EXPENDITURE ACCOUNT

a. Prior Period Adjustments

In the 2006/2007 Statement of Accounts the council has adopted three significant new accounting policies that impact on the comparative figures for 2005/2006 in the Income & Expenditure Account as required by the SORP.

1 Capital financing charges for the use of fixed assets are no longer made to service revenue accounts, support services and trading accounts.

2 Credits for Government Grants Deferred are now posted to service revenue accounts, support services and trading accounts rather than credited as a corporate income item.

3 Gains and losses on the disposal of fixed assets are recognised in the I & E Account

These changes have had the following impact on the comparative figures for 2005/2006 compared with those published in the 2005/2006 Statement of Accounts (only figures that have changed are included in the table)

	Consolidated Revenue Account in 2005/2006 Statement of Accounts £	Removal of capital financing charges £	Relocation of government grants deferred credits £	Recognition of gains and losses on disposal of fixed assets £	2005/2006 comparatives in I & E Account £
Central Services to the public	764,616	(7,218)	0	0	757,398
Cultural & Related	1,406,230	(134,892)	0	0	1,271,338
Environmental	4,373,187	(55,840)	0	0	4,317,347
Planning & Development	1,678,817	(118,217)	0	0	1,560,600
Transport	440,850	(66,324)	0	0	374,526
Housing	1,061,551	(10,298)	0	0	1,051,253
Corporate & Democratic Core	1,425,966	(21,570)	0	0	1,404,396
Non Distributed Costs	65,000	0	0	0	65,000
Impact on Net Cost of Services	11,216,217	(414,359)	0	0	10,801,858
Loss on the disposal of fixed assets	0	0	0	(133,213)	(133,213)
Asset management revenue account (Interest payable and similar charges)	(414,359)	414,359	0	0	0
Impact on Net Operating Expenditure	10,801,858	0	0	(133,213)	10,668,645

b. Acquired/ Discontinued operations

There were no acquired or discontinued operations during the year.

c. Undischarged obligations

The Council has a long term contract with Capita for the provision of a Revenues and Benefits Service until 31/3/2007.

d. Leases

The Council had no finance or operating leases at any time during the year.

e. Trading Operations

The Council owns Ely market rights, and also owns a number of industrial sites in the District. Operation of The Maltings public hall was contracted out with effect from November 1994. The profits (or losses) on these trading operations were as follows:

	2006/2007		2005/2006	
	Turnover	Profit (loss)	Turnover	Profit (loss)
	£	£	£	£
Ely markets	142,933	13,280	138,996	17,006
Business Units	46,221	(15,935)	51,122	(6,522)
Maltings hall	104,201	15,946	102,861	(25,508)
Total	293,355	13,291	292,979	(15,024)

Ely Markets reduced surplus due to a reduction in income.
The increased deficit on the Business units was because of increased maintenance costs.
Maltings surplus was due to reduced work on the premises.

f. Publicity Expenditure *[S5(1) of the Local Government Act 1986]*

The Council's expenditure on publicity is set out below.

	2006/2007	2005/2006
	£	£
Recruitment advertising	51,725	42,933
Other advertising	22,967	43,231
Promotions	41,967	39,407
Other publicity	2,089	1,429
	118,748	127,000

g. Agency Expenditure

The Council undertakes grass cutting in Ely as agents for Cambridgeshire County Council. The County Council reimburses the District Council for the cost of this work, subject to a cash limit, and makes a contribution towards administrative costs. The direct expenditure in 2006/2007 was £2814 (2005/2006 £3,639) towards which the County Council contributed £2814(2005/2006 £3,639). There was, therefore, no deficit to be included in the income & Expenditure account.

h. Local Government Pension Scheme

In 2006/2007 the Council paid an employer's contribution of £446,337 (2005/2006 £331,230 @ 8.0%), representing 10.5% of employees pensionable pay into the Cambridgeshire County Pension Fund. The contribution rate is set to meet 100% of the pension fund's liabilities. The scheme provides members of the Fund with defined benefits related to pay and service. The contribution rate is determined by the Fund's actuary, based on triennial valuations. The last review took place on 31 March 2004.

In addition to the above the Council is responsible for all pension payments relating to added years' benefits it has awarded together with the related increases. In 2006/2007, these amounted to £90,170 (2005/2006 £75,068), representing 2.12% of pensionable pay.
The capital cost of these discretionary increases in pensions payments agreed by the authority is:-

Current year decisions	£50,600
Earlier year decisions for which payments are still being made	£1,149,000

More information regarding the pensions assets/liabilities can be found in the notes to the Balance Sheet.

As part of the terms and conditions of employment of its officers and other employees, the authority offers retirement benefits. Although these benefits will not actually be payable until employees retire, the authority has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement.
The authority participates in the Local Government Pension Scheme administered by Cambridgeshire County Council. This is a funded scheme, meaning that the authority and employees pay contributions into the fund calculated at a level intended to balance the pensions liabilities with investment assets.

The cost of retirement benefits are recognised in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge that is required to be made against council tax is based on the cash payable in the year, so the real cost of retirement benefits is reversed out of the I & E A/C after Net Operating Expenditure. The following transactions have been made in the I & E A/C during the year:-

	2006/2007 £000's	2005/2006 £000's
Net cost of services:		
Current service cost	(930)	(702)
Past service costs	(51)	(65)
Net Operating Expenditure:		
Interest cost	(1416)	(1299)
Expected return on assets in the scheme	1426	1184
Net charge to the Income & Expenditure Account	(971)	(882)
Statement of Movement in the General Fund Balance:		
Reversal of net charges made for retirement benefits in accordance with FRS 17	433	473
Actual amount charged against the General Fund Balance for pensions in the year:		
Employers contributions payable to the scheme	538	409

See also notes to Statement of total movements in reserves and Balance sheet note s.

i. Supplies to Other Public Sector Bodies

The Local Authorities (Goods and Services) Act 1970 empowers the Council to provide goods and services to other local authorities and to certain other bodies. There was no significant activity under this Act during the year.

j. Minimum Revenue Provision

Local authorities are required by The Local Authorities (Capital Finance and Accounting) Regulations 2003 to set aside a minimum revenue provision for the redemption of external debt. This is based on the Capital Financing Requirement as defined in the Regulations and the Prudential Code. The requirement calculation for 2006/2007 is negative, therefore no Minimum Revenue Provision is required.

k. Members Allowances

The total members' allowances paid in the year was £143,582 (2005/2006 £137,942)

NOTES TO THE INCOME & EXPENDITURE ACCOUNT continued

m. Remuneration of certain employees

The numbers of employees whose Remuneration fell within the following bands were:-

	2006/2007 No of Employees	2005/2006 No of Employees
Band £50,000 to £60,000	1	1
Band £60,000 to £70,000	0	2
Band £70,000 to £80,000	4	4
Band £80,000 to £90,000	0	0
Band £90,000 to £100,000	0	1
Band £100,000 to £110,000	1	0

n. Related Party Transactions

There were no known material transactions with related parties when the accounts were produced that are not disclosed elsewhere in the accounts.

o. Subsidiaries

See note (h) to the Balance Sheet

p. Building Regulations

The Council's Building Regulation Service Statement is shown below.

	Non-chargeable 2006/2007	Chargeable 2006/2007	Total Building Control 2006/2007
Expenditure	£	£	£
Employee expenses	107,396	187,837	295,233
Premises	4,655	1,553	6,208
Transport	(414)	(982)	(1,396)
Supplies & Services	2,272	32,443	34,715
Central & Support charges	61,488	91,785	153,273
Total Expenditure	175,397	312,636	488,033
Income			
Building Regulation charges	0	(266,921)	(266,921)
Miscellaneous Income	(1,509)	(3,436)	(4,945)
Total Income	(1,509)	(270,357)	(271,866)
(Surplus)/Deficit for the Year	173,888	42,279	216,167
Comparatives for 2005/2006			
Expenditure	159,589	335,455	495,044
Income	(53)	(262,831)	(262,884)
(Surplus)/Deficit for the Year	159,536	72,624	232,160

Reserve A/C	2006/2007	2005/2006
(Surplus)/Deficit B/F	9,142	(63,482)
(Surplus)/Deficit in year	42,279	72,624
(Surplus)/Deficit C/F	51,421	9,142

q. Audit costs

The following fees relating to external audit and inspection were incurred:-

	2006/2007 £000's	2005/2006 £000's
Fees payable to the Audit Commission with regard to external audit services carried out by the appointed auditor	88	79
Fees payable to the Audit Commission in respect of statutory inspection	0	0
Fees payable to the Audit Commission for the certification of grant claims and returns	23	25
Fees payable in respect of other services provided by the appointed auditor	0	0

NOTES TO THE STATEMENT OF MOVEMENT ON THE GENERAL FUND BALANCE

a. Reconciling Items

	2006/2007		2005/2006
	£	£	£
Amounts included in the Income & Expenditure Account but required by statute to be excluded when determining the Movement on the General Fund Balance for the year			
Amortisation of intangible fixed assets	0		0
Depreciation and impairment of fixed assets	(699,315)		(585,277)
Government Grants Deferred amortisation	0		0
Write down of deferred charges to be financed from capital resources	(714,736)		(1,071,868)
Net (loss)/gain on sale of fixed assets	379,609		133,213
Net charges made for retirement benefits in accordance with FRS 17	(971,000)		(882,000)
		(2,005,442)	(2,405,932)
Amounts not included in the Income & Expenditure Account but required to be included by statute when determining the Movement on the General Fund Balance for the year			
Minimum revenue provision for capital financing	0		0
Capital expenditure charged in-year to the General Fund Balance	725,587		798,518
Transfer from Usable Capital Receipts to meet payments to the Housing Capital Receipts Pool	(15,836)		(18,093)
Employer's contributions payable to the Cambridgshire Pension Fund and retirement benefits payable direct to pensioners	538,000		409,000
		1,247,751	1,189,425
Transfers to or from the General Fund Balance that are required to be taken into account when determining the Movement on the General Fund Balance for the year			
Voluntary revenue provision for capital financing	0		0
Net transfer to or from earmarked reserves	(157,889)		21,326
		(157,889)	21,326
Net additional amount required to be debited or (credited) to the General Fund Balance for the year		(915,580)	(1,195,181)

b. Movements in Revenue Resources

Movements in revenue resources	General Fund Balances £	Earmarked Revenue £	Pensions Reserve £
Surplus/(deficit) for 2006/2007	71,637	0	0
Appropriations to/from revenue	0	(157,889)	(433,000)
Actuarial gains/losses on pensions	0	0	1,893,000
	71,637	(157,889)	1,460,000
Balance B/F at 1st April	1,508,310	454,502	(7,685,000)
Balance C/F at 31st March	1,579,947	296,613	(6,225,000)

c. Pensions Reserve

The actuarial losses identified as movements on the Pension Reserve in 2006/2007 can be analysed into the following categories, measured as absolute amounts and as a percentage of assets or liabilities at 31st March 2007.

		Differences between the expected and actual return on assets	Differences between actuarial assumptions about liabilities and actual experience	Changes in the financial assumptions underlying the present value of Liabilities	Totals
2006/2007	£000's	216	11	1,666	1,893
	%	1.0	0.0	5.8	
2005/2006	£000's	3,002	(16)	(3,174)	(188)
	%	14.3	(0.1)	(11.1)	
2004/2005	£000's	821	(1,034)	(2,661)	(2,874)
	%	4.9	(4.3)	(11.1)	
2003/2004	£000's	2,080	(650)	0	1,430
	%	14.2	(3.7)	0.0	
2002/2003	£000's	(4,390)	540	(10)	(3,860)
	%	(36.6)	3.4	(0.1)	

NOTES TO THE BALANCE SHEET

a. Capital Expenditure and Disposals

Movements in fixed assets during the year were:

	Community Assets	Infra-structure Assets	Non-operational Assets	Operational Land and buildings	Equipment, vehicles, intangibles	Total
	£	£	£	£	£	£
Balance at 01.04.06						
Gross value	503,640	421,803	1,735,960	11,742,162	2,858,398	17,261,963
Depn b/f	(27,560)	(16,699)	(230,954)	(2,331,976)	(1,519,260)	(4,126,449)
Net value	476,080	405,104	1,505,006	9,410,186	1,339,138	13,135,514
Additions	0	2,500	5,293	776,314	412,929	1,197,036
Disposals	0	0	0	0	(157,794)	(157,794)
Revaluations	0	0	0	0	1,500	1,500
Depreciation	(13,516)	(1,417)	0	(231,021)	(426,837)	(672,791)
Impairments	0	0	0	0	0	0
Recategorised	0	0	0	0	0	0
Recat. Depn	0	0	0	0	0	0
Balance at 31.03.07						
Gross value	503,640	424,303	1,741,253	12,518,476	3,115,033	18,302,705
Depn c/f	(41,076)	(18,116)	(230,954)	(2,562,997)	(1,946,097)	(4,799,240)
Net value	462,564	406,187	1,510,299	9,955,479	1,168,936	13,503,465

The sources of finance for the fixed assets acquired in the year were:

	2006/2007	2005/2006
	£	£
Capital Financing Account	0	0
Capital Receipts	702,733	352,554
Revenue Account	520,827	351,920
Creditors	0	0
Total 2006/2007	1,223,560	704,474

Depreciation is made on buildings, vehicles, equipment and intangible assets on the straight line method based on the expected remaining life. Land is not depreciated.

b. Movements of Deferred Charges

Movements in deferred charges during the year were;

	2006/2007		2005/2006	
	Improvement Grants	Other	Improvement Grants	Other
		£	£	
Balance at 31 March 2006	0	0	0	0
Expenditure in year	686,669	410,996	753,438	546,430
Written down in year	(303,740)	(410,996)	(525,438)	(546,430)
Financed from capital grant	(382,929)	0	(228,000)	0
Balance at 31 March 2007	0	0	0	0

c. Commit-ments under Capital Contracts

There has been no provision made in the accounts for commitments in respect of retentions held under capital contracts outstanding at 31 March 2007.
The Council has an ongoing capital programme and capital spending plans for the years 2007/2008 to 2009/2010 have been made. As at 31 March 2007 no significant expenditure had been legally committed.
The total capital payments expected to be made are as follows;

2007/2008	2008/2009	2009/2010
£000	£000	£000
4,090	569	569

The Council's future capital spending plans are kept under constant review in the light of available resources and changing circumstances.

d. Assets Held

East Cambridgeshire District Council owned the following assets at 31 March 2007:

LAND AND BUILDINGS			
Environmental Services:		Trading Services:	
Dwelling	1	Industrial Estates	2
Public Conveniences	10	Shops/Offices	4
Travellers Site	1	Public Hall/Restaurant	1
Leisure Services:		Support Services:	
Leisure Centres	1	Administrative Offices	2
Parks	2	Depots	2
Play Areas	5	Vehicles	
Swimming Pool	1	Recycling Vehicle	2
Tourist Information Centre	1	Ride-on Mowers	5
Museum	1	Trucks/Lorries	6
		Tractors	2
Transportation:		Trailers	9
Car parks	14	Vans	10

e. Borrowing

The Council had no long-term external borrowing at any time during the year.

f. Valuation of Fixed Assets

The freehold and leasehold properties which comprise the Council's property portfolio were revalued as at 1 April 2004 by an external independent valuer, R G Bunnett FRICS,Carter Jonas Property Consultants, on the basis shown in the Accounting policies in accordance with the Statements of Asset Valuation Practice and Guidance notes published by the Royal Institution of Chartered Surveyors, so far as these were consistent with the council's requirements. Assets acquired or substantially altered have been valued or revalued as appropriate.

The valuer carries out inspections, makes local enquiries, and obtains such further information as he considers relevant for his purpose. The sources of information and assumptions made in producing the valuations are set out in valuation certificates and reports, which are prepared specifically for capital accounting purposes only.
The valuation figures incorporated in the accounts are the aggregate of separate valuations of parts of the portfolio, not a valuation or apportioned valuation of the portfolio valued as a whole.

The following table shows the progress of the council's rolling programme for the revaluation of fixed assets.

	Community Assets	Infra-structure Assets	Non-operational Assets	Operational Land and buildings	Vehicles, Equipment, Intangibles	Total
Valued at	£	£	£	£	£	£
historical cost	462,564	406,187			1,168,936	2,037,687
Valued at current value in:-						
2002/2003						0
2003/2004						0
2004/2005			835,966	9,429,916		10,265,882
2005/2006				418,289		418,289
2006/2007			674,333	107,274		781,607
	462,564	406,187	1,510,299	9,955,479	1,168,936	13,503,465

g. Net Assets Employed

	31.03.07	31.03.06
	£	£
General Fund - revenue	1,579,947	1,508,310
Earmarked reserves	296,613	454,502
General Fund - capital	17,126,646	17,590,817
Collection Fund	(116,310)	(234,458)
Pensions reserve	(6,225,000)	(7,685,000)
	12,661,896	11,634,171

h. Related Companies

The Council bought the remaining shares in East Cambridgeshire Business Centres Limited during 2006/2007 for £145,000.
The Council now fully owns the company.
The aim of the business is the promotion of economic development by providing a Managed Workspace Centre. This will have small business units and associated common facilities for new and very small businesses. The shared facilities help to keep the costs of the businesses down as it saves them having to purchase equipment and provides meeting/training rooms.
The workspaces are let on a short term basis to allow them to expand or contract as necessary without being locked into a long term tenancy agreement.
Group Accounts have been produced in full for 2006/2007.
The net assets of the company at 31 March 2007 were £426,244 (31 March 2006 £427,502)
The company made a deficit of £1,258 in the year (2005/2006 deficit £49,550)
Copies of the accounts for East Cambridgeshire Business Centres Limited can be obtained from:-

The Grange
Nutholt Lane
Ely Cambs

i. Assets held under leases

Finance leases:-
The Council held no assets under finance leases during the year.

Operating leases:-
The council is lessor of a number of properties.
The aggregate rentals receivable in the year 2006/2007 in relation to operating leases was £371,700 (2005/2006 £358,827)
The gross amounts of assets held for use in operating leases was £7,211,914 (2005/2006 £7,190,832) and the related accumulated depreciation charges were £1,393,479 (2005/2006 £1,254,231)

j. Insurance Provisions

The Council covers all known material insurable risks externally. The Council's accounts do not include specific provision for unfunded insurable risks.

k. Movements in Provisions or Reserves

Purpose	As at 31.03.06	(Gains)/ Losses in year	Net amount transferred to/from other reserves	As at 31.03.07	Note
	£	£	£	£	
PROVISIONS					
Maintenance of amenity areas	(143,392)	62,519	0	(80,873)	(a)
Sport, recreation, etc grants	(85,507)	75,507	0	(10,000)	(b)
Historic building grants	(32,150)	0	0	(32,150)	(c)
	(261,049)	138,026	0	(123,023)	
RESERVES					
Capital financing account	(20,063,891)	(667,245)	0	(20,731,136)	
Fixed asset restatement account	6,366,395	156,294	0	6,522,689	
Building Control reserve	9,142	0	42,279	51,421	(d)
Economic Dev reserve	(72,640)	0	2,856	(69,784)	(e)
Training	(1,000)	0	(5,505)	(6,505)	(f)
District Elections reserve	(20,000)	0	(10,000)	(30,000)	(g)
Historic Grants	0	0	(27,244)	(27,244)	(f)
Vehicle replacement reserve	(9,983)	0	6,311	(3,672)	(f)
IT reserve	(125,536)	0	47,567	(77,969)	(f)
Local Dev. Document reserve	(87,000)	0	30,084	(56,916)	(f)
Conservation appraisals reserve	(9,500)	0	9,500	0	(f)
Community Projects	0	0	(4,852)	(4,852)	(f)
Asset Management reserve	(137,985)	0	66,893	(71,092)	(h)
Collection Fund	234,458	(118,148)	0	116,310	
General Fund reserve	(1,508,310)	(71,637)	0	(1,579,947)	
Useable capital receipts reserve	(3,893,321)	975,122	0	(2,918,199)	
Pensions reserve	7,685,000	(1,460,000)	0	6,225,000	
	(11,634,171)	(1,185,614)	157,889	(12,661,896)	

Notes

(a) Amounts received which are used to fund the maintenance of amenity areas over a period of 15 years.
(b) Grants committed by Committee which will be paid out over the next 2 years.
(c) Grants committed by Committee which will be paid out within the next 2 years.
(d) Reserve created to hold any surplus from the Building Control function to be used solely on Building Control in any year that has a deficit.
(e) Reserve created to fund the Council's contribution on Economic Development Funded schemes which are completed or are ended as part of the new plan.
(f) Reserves created to fund expenditure on delayed projects. See individual lines
(g) Reserve to fund District Elections in required years.
(h) Reserve to hold unused Asset Management budget so that the planned work can be funded as required.

l. Contingent Liabilities

There were no significant contingent liabilities at the balance sheet date.

m. Post Balance Sheet Events

There were no material post balance sheet events not reflected in the financial statements.

n. Trust and Third Party Funds

There were no material trust funds or other third party funds administered by the Council during the year.

o. Related Party Balances

There were no known material transactions with related parties when the accounts were produced that are not disclosed elsewhere in the accounts.

p. Stock and w.i.p.

Stock and work in progress have been valued for balance sheet purposes at the lower of realisable value or cost.

q. Pension Reserve

The Pension Reserve is made up as follows:-

	£
Actuary Value	5,076,000
Unfunded Liabilities	1,149,000
	6,225,000

r. Movements in Capital Reserves

Fixed asset restatement account:	2006/2007 £	2005/2006 £
Opening balance	6,366,395	6,458,851
Surplus on revaluation and restatement of fixed assets	(1,500)	(281,784)
Capital Discharged written off	-	-
Disposal/revaluation of fixed assets	157,794	189,328
	6,522,689	6,366,395

The new system of capital accounting requires the establishment of the fixed asset restatement account. The balance represents the difference between the valuation of assets under the previous system of capital accounting and current valuations. The account is written down by the net book value of assets as they are disposed of and debited or credited with the deficits or surpluses arising on future revaluations.

Capital financing account:	2006/2007 £	2005/2006 £
Balance at beginning of year	(20,063,891)	(19,944,694)
Capital receipts set aside in year	0	0
Capital financing in year - capital receipts	(1,395,605)	(977,824)
Capital financing in year - revenue	(725,587)	(798,518)
less: Depreciation provision	699,315	585,277
less: Write down of deferred charges	754,632	1,071,868
Adjustment for deferred liabilities	0	0
	(20,731,136)	(20,063,891)

The capital financing account contains amounts which are required by statute to be set aside from capital receipts for the repayment of external loans and the amount of capital expenditure financed from revenue and capital receipts. It also contains the difference between amounts provided for depreciation and that required to be charged to revenue to repay the principal element of external loans. The balance on the account is reduced as loan debt is repaid, or where, as in East Cambridgeshire District Council's case, there are no outstanding external loans, it may be utilised up to the amount by which the Council's credit ceiling is negative, to finance new capital expenditure.

Useable capital receipts reserve:	2006/2007 £	2006/2007 £	2005/2006 £
Balance at 31 March 2006		3,893,321	4,612,018
Capital receipts in year		436,318	277,220
Less:			
Capital receipts set aside in year	0		0
Capital receipts used for financing	(1,411,440)		(995,917)
		(1,411,440)	
Balance at 31 March 2007		£2,918,199	£3,893,321

The useable capital receipts reserve represents the capital receipts available to finance capital expenditure in future years, after setting aside the statutory amounts as "Provision for Credit Liabilities" in the capital financing reserve.

s. Pensions

In accordance with Financial Reporting Standard No 17 - Retirement Benefits (FRS 17) the Council is required to disclose certain information concerning assets, liabilities, income and expenditure related to pension schemes for its employees.As explained in the note on pensions in the Accounting Policies the Council participates in the Local Government Superannuation Scheme which is administered by the Cambridgeshire County Council's Pension Fund. In addition the Council has liabilities for discretionary pension payments outside the main scheme.

Changes to the Local Government Pension Scheme permit employees retiring on or after 6 April 2006 to take an increase in their lump sum payment on retirement in exchange for a reduction in their future annual pension. Our actuary has allowed for 25% of future retirements to elect to take this additional payment.

Also, the actuary has made no allowance for the removal of the "Rule of 85" for new entrants from 1 October 2006. This is due to insufficient available information and the effect is likely to be immaterial in actuarial terms.
Consequently, the valuation of the Council's retirement benefit liabilities as at 31 March 2007 does not include any allowance for this change in the pension scheme

The Council's assets and liabilities amounted to:-	2006/2007 £ £000,s	2005/2006 £ £000,s
Share of assets in County Council Fund	22,635	20,985
Estimated liabilities in County Council Fund	(28,860)	(28,670)
Net assets/(liabilities) in County Council Fund	(6,225)	(7,685)

Assets are valued at fair value, principally market value for investments, and consist of the following categories, by proportion:-

	Long term return %	2006/2007 %	2005/2006 %
Equity investments	7.8	74.2	75.3
Bonds	4.9	11.3	12.7
Property	5.9	12.4	9.3
Cash	4.9	2.1	2.7
		100.0	100.0

Liabilities are valued on an actuarial basis using the projected unit method which assesses the future liabilities of the fund discounted to their present value. The valuations are based on a valuation as at 31 March 2004 and updated for the following three years, by Hymans Robertson the independent actuaries to the County Fund. The main assumptions used in the calculations are:-

	2006/2007 %	2005/2006 %
Rate of inflation	3.2	3.1
Rate of increase in salaries	4.7	4.6
Rate of increase in pensions	3.2	3.1
Rate for discounting scheme liabilities	5.4	4.9

Further information may be found in the Cambridgeshire County Pension Fund Annual Report, available from the Director of Resources, Cambridgeshire County Council, Shire Hall, Castle Hill, Cambridge, CB3 0AP.

See also Statement of Movement on the General Fund Balance note c and Income & Expenditure Account note h.

NOTES TO THE CASH FLOW STATEMENT

Note A Reconciliation of surplus to net cash flow

	2006/2007		2005/2006
	£	£	£
Deficit/(Surplus) from Income & Expenditure Account	843,943		1,773,174
Deficit/(Surplus) from Collection Fund	(118,148)		242,745
		725,795	2,015,919
NON-CASH TRANSACTIONS			
depreciation/impairment	(699,315)		(585,277)
movement on provisions	138,026		(31,054)
writedown of deferred charges	(714,736)		(1,071,868)
FRS17 adjustment	(433,000)		(473,000)
gain/(loss) on disposal of fixed assets	379,609		133,214
		(1,329,416)	(2,027,985)
ITEMS ON AN ACCRUAL BASIS			
increase/(decrease) in stocks	17,770		(6,937)
add: decrease in debtors	0		(509,799)
less: increase in debtors	266,420		0
add: increase in creditors	(296,864)		(1,204,011)
less: decrease in creditors	0		0
		(12,674)	(1,720,747)
ITEMS CLASSIFIED IN ANOTHER CLASSIFICATION IN THE CASH FLOW STATEMENT			
less: investment income (net)	591,629		590,920
		591,629	590,920
Net cash flow from revenue activities		(24,666)	(1,141,893)

Note B Movement in cash and cash equivalents

	31.03.06	Movement 2006/2007	31.03.07
	£	£	£
Short term investments repayable on demand	0	0	0
Cash (overdrawn) or in hand at bank	(134,242)	(672,726)	(806,968)
	(134,242)	(672,726)	(806,968)

Note C Movement in liquid resources

	31.03.06	Movement 2006/2007	31.03.07
	£	£	£
Short term investments	8,517,235	(438,716)	8,078,519
Other	0	0	0
	8,517,235	(438,716)	8,078,519

Note D Liquid resources

Liquid resources are short term deposits for a period up to 1 year.

Note E Further narrative or analysis

i. The 1993 Code of Practice on Local Authority Accounting brings local authorities into line with the private sector by requiring the publication of a "cash flow statement". This statement replaces the statement of revenue and capital movements. The cash flow statement summarises the inflows and outflows of cash arising from the transactions with third parties for both revenue and capital purposes.

ii. "Interest paid" relates entirely to interest statutorily payable in respect of receipts of National Non-Domestic Rates which were subsequently found to be overpayments as a result of successful appeals against valuations. This interest is recovered by being offset against the Council's contribution to the national non-domestic rating pool.

Note F Analysis of Government grants

	2006/2007		2005/2006
	£	£	£
Housing benefit administration subsidy	301,577		242,081
Council tax benefit administration subsidy	173,345		121,586
		474,922	363,667
Housing Acts - grants towards debt charges:			
Agricultural housing subsidy	0		0
Defective housing:			
repurchases	920		1,186
reinstatements	42,582		42,582
		43,502	43,768
Home Improvement Agency		0	0
Total "Other government grants"		518,424	407,435
Housing/Council Tax Benefits			
Current Year	14,304,576		13,184,166
Previous Year Final Payment	512,572		826,740
		14,817,148	14,010,906
Revenue Support Grant		1,018,169	3,034,913
Distribution from national non-domestic rating pool		5,090,359	2,251,831
Capital grants:			
Housing Capital Grant Pot	189,929		0
Housing improvements, conversion, or repairs	193,000		228,000
Housing Association Grant (Housing Corporation)	0		0
		382,929	228,000
Total Government grants		21,827,029	19,933,085

COLLECTION FUND ACCOUNTS 2006/2007

Revenue Account		Note	2006/2007 £	2006/2007 £	2005/2006 £
Income	Income from Council Tax	b	30,680,562		28,668,212
	Transfers from General Fund				
	Council Tax Benefits		3,370,022		3,137,414
	Transitional Relief		418		45
	Income collectable from				
	business ratepayers	a	13,406,838		11,994,773
	Contributions towards previous				
	years' Collection Fund deficit		0		0
	Adjustment of previous				
	years' community charges		0		0
	Council Tax Benefit Subsidy Limitation				
	Cambridgeshire County Council		0		0
	Cambridgeshire Police Authority		0		0
				47,457,840	43,800,444
Expenditure	Precepts and demands				
	Cambridgeshire County Council		24,201,270		22,837,140
	Cambridgeshire Police Authority		3,877,403		3,659,580
	Cambridgeshire Fire & Rescue		1,373,320		1,302,480
	East Cambridgeshire District Council		4,360,437		4,154,900
	Business rate				
	Payment to national pool		13,313,136		11,901,127
	Costs of collection		93,703		93,646
	Bad and doubtful debts / appeals				
	Write offs		7,732		156,528
	Provisions		112,691		(62,212)
	Contributions				
	towards previous years' Collection Fund surplus		0		0
	Adjustment of previous years' community charges		0		0
				47,339,692	44,043,189
Movement on Fund balance	(Surplus) deficit for year			(118,148)	242,745
Collection Fund Reserve Balance	Collection Fund deficit (surplus) at 1 April			234,458	(8,287)
	Movement on Fund balance in year			(118,148)	242,745
	Collection Fund (surplus) deficit at 31 March			116,310	234,458

NOTES TO THE COLLECTION FUND ACCOUNTS

General

The Council Tax replaced the former Community Charge ("Poll Tax") with effect from 1 April 1993. At the same time there were changes in the statutory requirements relating to the Collection Fund.

With effect from 1 April 1993 -

- Revenue Support Grant and amounts distributed from the NNDR national pool are paid directly to all billing and precepting authorities and are now disclosed on the face of the Consolidated Revenue Account.
- Parish precepts are paid from the General Fund of billing authorities and are now disclosed on the face of the Consolidated Revenue Account.
- Interest ceased to be payable on cash flow transfers between the General Fund and the Collection Fund (except on transfers outstanding on 31 March 1993).
- The year-end surplus or deficit on the Collection Fund is to be distributed between billing and major precepting authorities on the basis of estimates made on 15 January of the year-end balance.

a. National Non-Domestic Rates

The total non-domestic rateable value at 31 March 2007 was £38,204,175 (31 March 2006 £37,600,655). The national non-domestic rate multiplier for 2006/2007 was 43.3p (2005/2006 42.2p).

b. Council Tax base

The calculation of the council tax base, i.e. the number of chargeable dwellings in each valuation band (adjusted for dwellings where discounts apply) converted to an equivalent number of band D dwellings is as follows:

Band	2006/2007 *Equivalent number of dwellings*	2005/2006 *Equivalent number of dwellings*
A	2,041	2,013
B	6,478	6,426
C	5,141	5,063
D	5,985	5,996
E	4,274	4,239
F	2,347	2,289
G	866	855
H	118	119
O	0	0
	27,250	27,000

c. Precepts and demands

The names of the authorities which made a significant precept or demand on the fund and the amount included for each were as follows:

	2006/2007 £	2005/2006 £
Cambridgeshire County Council	24,201,270	22,837,140
Cambridgeshire Police Authority	3,877,403	3,659,580
Cambridgeshire Fire & Rescue	1,373,320	1,302,480
East Cambridgeshire District Council	4,360,437	4,154,900

In accordance with the Code of Practice, the Council is required to produce a Group Income and Expenditure Account, Group Balance Sheet, Group Cashflow Statement, and a Group Statement of Total Movement in Reserves and a Group Statement of Recognised Gains & Losses. The purpose of the group financial statements is to show the overall financial position and the results of the District Council.

Valuation of Fixed Assets

The Council's operational property is held at open market value
East Cambridgeshire Business Centres Limited Land and Buildings are held at cost of £549,963 with, depreciation to date of £111,557, the current market value is £634,000.
All buildings are being depreciated over their estimated life.

The group financial statements have been produced on the "equity" method of consolidation, in accordance with the accounting policy on page 6. The Council's own accounts have been amended to include the subsidiary's figures and are shown as the following Group Accounts.

The Council has only one statutory investment in the East Cambridgeshire Business Centres Limited as described in note h to the Balance Sheet.

The net assets are:-

2006-2007		2005-2006	
Total Net Assets	Incorporated in Group Accounts 100%	Total Net Assets	Incorporated in Group Accounts 80%
£	£	£	£
426,244	426,244	427,502	342,002

The net profit/(loss) after taxation are:-

2006-2007		2005-2006	
Total Net Profit/(Loss)	Incorporated in Group Accounts 100%	Total Net Profit/(Loss)	Incorporated in Group Accounts 80%
£	£	£	£
(1,258)	(1,258)	(49,550)	(39,640)

GROUP INCOME AND EXPENDITURE ACCOUNT 2006/2007

		2006/2007			2005/2006
		Expenditure	Income	Net	
		£	£	£	£
Income and Expenditure	Central Services to the public	4,955,173	(4,171,407)	783,766	757,398
	Cultural & Related	1,795,539	(411,129)	1,384,410	1,271,338
	Environmental	4,810,941	(697,089)	4,113,852	4,317,347
	Planning & Development	3,345,852	(1,830,321)	1,515,531	1,618,568
	Transport	577,228	(35,464)	541,764	374,526
	Housing	12,891,582	(11,764,006)	1,127,576	1,051,253
	Corporate & Democratic Core	2,439,086	(739,010)	1,700,076	1,404,396
	Non Distributed Costs	51,000	0	51,000	65,000
	NET COST OF SERVICES	30,866,401	(19,648,426)	11,217,975	10,859,826
	Parish council precepts			1,135,437	1,037,200
	Loss/(gain) on the disposal of fixed assets			(379,609)	(133,213)
	Contribution of housing capital receipts to Govt. Pool			15,836	18,093
	Interest payable			0	0
	Interest receivable			(699,828)	(593,183)
	Pensions interest cost			1,416,000	1,299,000
	Expected return on pension assets			(1,426,000)	(1,184,000)
	Corporation Tax			0	(5,000)
	NET OPERATING EXPENDITURE			11,279,811	11,298,723
	Minority Interest			0	(9,910)
	NET EXPENDITURE			11,279,811	11,288,813
Financing of net revenue expenditure	Income from Collection Fund			(4,360,437)	(4,154,900)
	Revenue support grant			(982,814)	(3,070,268)
	Contribution from the non-domestic rate pool			(5,091,359)	(2,250,831)
	DEFICIT/(SURPLUS) FOR THE YEAR			845,201	1,812,814

RECONCILIATION OF THE COUNCIL SURPLUS/DEFICIT TO THE GROUP POSITION 2006/2007

	2006/2007	2005/2006
	£	£
(Surplus)/deficit for the year on the Income & Expenditure Account	843,943	1,773,174
Less subsidiary dividend or distribution	0	0
	843,943	1,773,174
(Surplus) or deficit of the subsidiary	1,258	39,640
Group Account (surplus)/deficit for the year	845,201	1,812,814

GROUP STATEMENT OF RECOGNISED GAINS AND LOSSES 2006/2007

	2006/2007	2005/2006
	£	£
Net (surplus) or deficit for the year	845,201	1,812,814
(Surplus) or deficit on revaluation of fixed assets	156,294	(187,457)
Actuarial (gains) or losses on pension fund assets and liabilities	(1,893,000)	188,000
Any other recognised (Gains)/Losses	(38,797)	201,648
Total recognised (gains)/losses for the year	(930,302)	2,015,005

GROUP BALANCE SHEET AS AT 31 MARCH 2007

		2006/2007			2005/2006
		£	£	£	£
Assets	Fixed assets				
	Operational				
	Community		462,564		476,080
	Infrastructure		406,187		405,104
	Land and buildings		10,393,884		9,871,008
	Vehicles		133,979		161,097
	Equipment		949,245		1,151,407
	Intangible		87,407		26,634
	Non-operational		1,510,299		1,505,006
			13,943,565		13,596,336
	Long Term Investments		48,836		0
	Long-term debtors		199,960		209,257
	Total long-term assets			14,192,361	13,805,593
	Current assets				
	stocks and work in progress		55,237		37,467
	debtors	3,332,461			2,974,674
	bad debt provisions	(1,010,670)	2,321,791		(885,494)
	investments		8,078,519		8,517,235
				10,455,547	10,643,882
Liabilities	Current liabilities				
	creditors		(4,898,346)		(4,655,884)
	cash overdrawn		(574,027)		66,481
				(5,472,373)	(4,589,403)
	Total assets less current liabilities			19,175,535	19,860,072
	Deferred credits		(235,536)		(252,349)
	Provisions		(123,023)		(261,049)
	Defined benefit pension scheme liability		(6,225,000)		(7,685,000)
				(6,583,559)	(8,198,398)
	Total assets less liabilities			12,591,976	11,661,674
Balances & Reserves	Fixed asset restatement account		6,522,689		6,366,395
	Capital financing account		(20,731,136)		(20,063,891)
	Useable capital receipts reserve		(2,918,199)		(3,893,321)
	Pensions reserve		6,225,000		7,685,000
	Earmarked reserves		(296,613)		(454,502)
	Balances:				
	- general fund		(1,579,947)		(1,508,310)
	- housing revenue account		0		0
	- collection fund		116,310		234,458
	- (profit)/loss on group entity		69,920		54,929
	Group Balances and Reserves			(12,591,976)	(11,579,242)
	Minority Interests			0	(82,432)
	Total equity			(12,591,976)	(11,661,674)

GROUP CASH FLOW STATEMENT 2006/2007

	2006/2007		2005/2006
	£	£	£
Net Cash Inflow from Revenue Activities		(55,335)	(1,140,857)
Returns on Investments and Servicing of Finance			
- Interest paid	4,131		13,649
- Interest received	(597,309)		(607,987)
		(593,178)	(594,338)
Taxation		0	0
Capital Expenditure and Financial Investment			
- Purchase of fixed assets	1,254,307		658,844
- Purchase of long term investments	220,588		0
- Sale of fixed assets	(414,743)		(255,064)
- Capital grants received	(382,929)		(228,000)
- Other capital cash received	(49,751)		(39,071)
- Other capital cash payments	1,100,265		1,340,032
		1,727,737	1,476,741
NET CASH INFLOW BEFORE FINANCING		1,079,224	(258,454)
Net increase/(decrease) in short term deposits	(438,716)		(132,765)
Repayments of amounts borrowed/New loans raised	0		0
		(438,716)	
NET (INCREASE)/DECREASE IN CASH		640,508	(391,219)

GLOSSARY OF TERMS

Actuarial Gains & Losses	For a defined pension benefit scheme, the changes in actuarial deficits or surpluses that arise because events have not coincided with the actuarial assumptions made for the last valuation or the actuarial assumptions have changed.
Balances	Working balances are reserves needed to finance expenditure in advance of income from debtors, precepts and grants. Any excess may be applied, at the discretion of the Council, to reduce future demands on the Collection Fund or to meet unexpected costs. Balances on holding accounts and provisions are available to meet expenditure in future years without having an adverse effect on revenue expenditure.
Budget	A statement of the Council's income and expenditure plan over a specified period, for example the annual revenue budget which, besides being expressed in financial terms, may include other physical data, e.g. manpower resources.
Capital Charges	Charges made to revenue accounts as part of the running costs of each service to reflect the value of the fixed assets used in providing the service.
Capital Expenditure	Money spent on providing assets of long-term value, e.g. land, buildings and equipment, or on making grants towards such expenditure.
Capital Financing	A global term covering the sources of money to pay for capital spending, e.g. borrowing, sales of fixed assets, grants, developers' contributions, leasing, and revenue monies.
Capital Receipts	Money raised from the sale of fixed assets, e.g. land. Some other receipts, e.g. Housing Association Grant (HAG), and some loan repayments have to be treated as capital receipts.
Community Assets	Fixed assets that the Council intends to hold in perpetuity which have no determinable useful life and which will often have restrictions on their disposal, e.g. parks or historic buildings.
Current Assets	The day-to-day working assets of the Council, e.g. stores, cash, bank balances, and debtors.
Current Liabilities	Amounts which will or could become payable in the immediate future, e.g. unpaid bills ("creditors"), bank overdrafts.
Current Service Cost	The increase in the present value of a defined benefit pension scheme's liabilities expected to arise from employee service in the current period.
Deferred Charges	Expenditure which may properly be deferred, but which does not result in, or remain matched with, tangible assets.
Defined Benefit Scheme	A pension scheme that defines the benefits independently of the contributions payable
Depreciation	The measure of the cost or revalued amount of the benefits of the fixed asset that have been consumed during the period.
General Fund	The main revenue account of the Council. All the running costs and related income pass through this Fund.
Government Grants	Grants made by central government towards Council spending. They may be specific e.g. housing benefit subsidy, or general e.g. revenue support grant.
Housing Advances	Sometimes referred to as Housing Act Advances, or HAA. These are loans made to individuals by the Council towards the cost of acquiring or improving their homes.
Housing Benefit	A social security benefit administered by the Council which is intended to help claimants to meet their rent liability.
Infrastructure Assets	Fixed assets that are inaliable, expenditure on which is recoverable only by continued use of the asset. An example would be footpaths

Interest Cost	For a defined pension benefit scheme, the expected increase during the period in the present value of the scheme liabilities because the benefits are one period closer to settlement.
Multiplier	The term used in relation to business rates to describe the number of pence in the pound (set by central government) to be multiplied by the rateable value of a property to work out the amount due.
Past Service Cost	For a defined benefit scheme, the increase in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits.
Reserves	Money held for some broadly specific purpose, e.g. contingencies, but in respect of which no specific commitment has been made.
Revenue Expenditure	Recurring expenditure on day-to-day expenses e.g. employees, running costs of buildings and equipment. Any spending which is not capital expenditure. Sometimes called current expenditure.
Revenue Support Grant	The main annual grant paid by central government. It is intended to meet a proportion of the total local authority expenditure considered by Government to be necessary to provide a standard level of service throughout the country.
Scheme Liabilities	The liabilities of a defined benefit scheme for outgoings due after the valuation date. Scheme liabilities measured using the projected unit method reflect the benefits that the employer is committed to provide for service up to the valuation date.
Total Cost	The total cost of a service or activity includes all costs which relate to the provision of the service (directly or bought in) or to the undertaking of the activity. Gross total cost includes employee costs, expenditure relating to premises and transport, supplies and services, third party payments, support services and capital charges. This includes an appropriate share of all support services and overheads, which need to be apportioned.