Statement of Accounts

2012 - 2013

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Slough Borough Council

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CONTENTS

Financial Statements

For the Year Ended 31 March 2013

Explanatory Foreword

1. Introduction

This section is intended to highlight the most important matters reported in Slough Borough Council's Statement of Accounts "the Accounts" for 2012/13; and provides a summary of the Council's financial activities during 2012/13 and its financial position as at 31 March 2013.
The Statement of Accounts is produced in accordance with the requirements of the "Code of Practice on Local Authority Accounting in the United Kingdom" (The Code). The Code adopts International Financial Reporting Standards (IFRS).

2. Structure of Accounts

The Council's Accounts for 2012/13 are set out in the following pages. The information and financial statements are as follows:

CORE FINANCIAL STATEMENTS

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance and the Housing Revenue Account for council tax setting and dwellings rent setting purposes. The Net Increase /Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance and Housing Revenue Account Balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.

Comprehensive income and Expenditure Statement

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the authority. The net assets of the authority (assets less liabilities) are matched by the reserves held by the authority. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital

Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves are those that the authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example, the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'

Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the authority during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the authority are funded by way of taxation and grant income or from the recipients of services provided by the authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the authority.

NOTES TO THE CORE FINANCIAL STATEMENTS

These notes provide further information on the more significant items in the Core Statements

HOUSING REVENUE ACCOUNT

Local housing authorities are required by the Local Government and Housing Act 1989 to keep a separate Housing Revenue Account (HRA). The Housing Revenue Account records revenue income and expenditure in relation to council houses and its tenants, such as: repairs and maintenance; management expenses; capital financing costs; rent income; and other income for charges for services. The HRA must be self-supporting without contributions from other funds (e.g. the General Fund).

COLLECTION FUND

This statement shows the transactions of the Council in relation to the collection from taxpayers, and distribution to local authorities and the Government, of Council Tax and National Non Domestic Rates.

THE COMPREHENSIVE GROUP INCOME & EXPENDITURE ACCOUNT

This statement shows the economic cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation.

3. Financial Performance

The financial performance for the year is summarised in the table below:

Table 1 - Outturn as at 31st March 2013

Directorate	Current Net Budget	Actual YTD	Variance Over /(Under) Spend
	£'M	£'M	£'M
Wellbeing	59.261	59.362	0.101
Schools	(3.777)	(3.777)	0.000
Customer and Community Services	20.344	19.040	(1.304)
Resources, Housing and Regeneration	25.935	26.199	0.264
Chief Executive	1.780	1.414	(0.366)
Corporate	(0.150)	(0.134)	0.016
Total Cost of Services	103.393	102.104	(1.289)
% of revenue budget over/(under) spent by Services			(1.25%)
Treasury Management	5.225	5.018	(0.207)
Contingencies	1.050	2.342	1.292
GF additional items	5.997	5.997	0.000
Trading Accounts	0.619	0.493	(0.126)
MMI Scheme of Arrangement	0.000	0.314	0.314
PFI Credit	(3.678)	(3.678)	(0.000)
Early Intervention Grant	(7.821)	(7.829)	(0.008)
Council Tax Freeze Grant	(2.406)	(2.406)	0.000
New Homes Bonus Grant	(1.357)	(1.357)	0.000
`Local Services Support Grant	(0.565)	(0.565)	0.000
Sub Total	(2.935)	(1.670)	1.266
Total General Fund	100.458	100.434	(0.023)
% of revenue budget over/(under) spent in total			(0.02%)

4. Revenue Summary

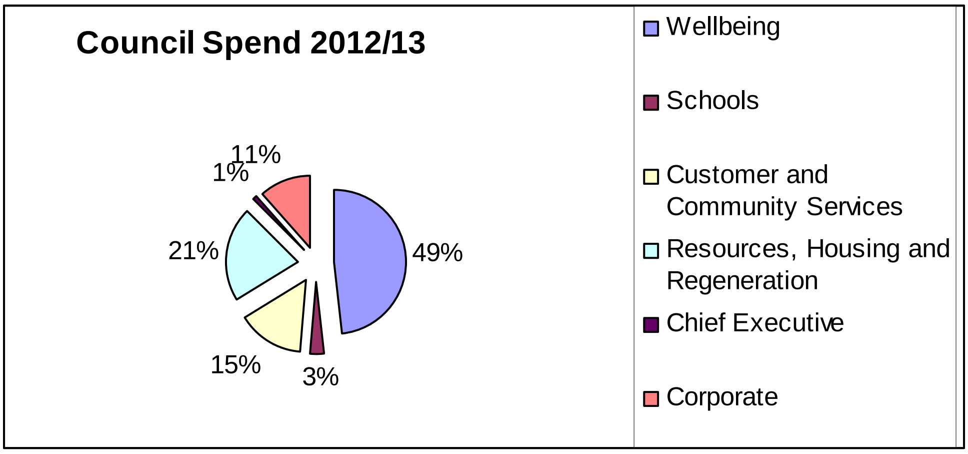
The Council provisional financial outturn for the 2012-13 financial year is a revenue underspend of £23k. The main service areas to show an underspend are Adult Social Care and Health Partnerships and Community and Skills. The service area showing the most significant overspend is Children and Families.

The Council is funded from a variety of sources; these are primarily specific Government grants (most notably the Dedicated Schools Grant), Redistributed Business Rates (from Government), non ring-fenced Government Grants (such as Early Intervention Grant or Revenue Support Grant), Council Tax and Fees and charges. Further detail is provided within the Comprehensive Income & Expenditure Accounts and the supporting notes.

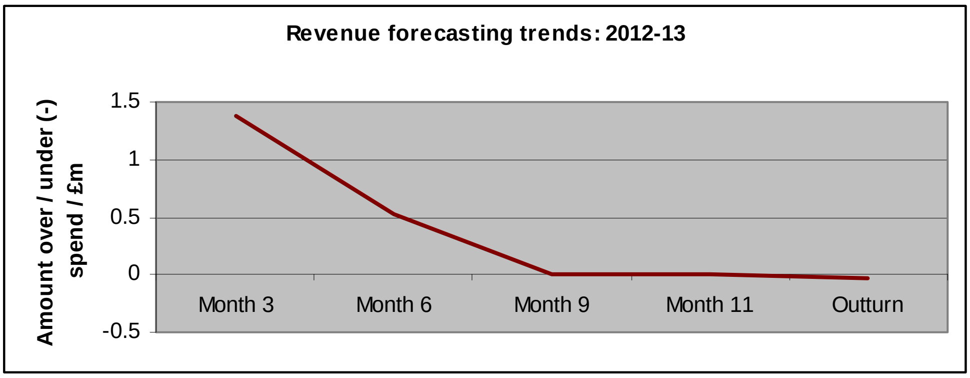
Additional details relating to the 2012/13 outturn can be found at the following website address:

http://www.slough.gov.uk/moderngov/ieListDocuments.aspx?CId=109&MId=5016&Ver=4

This net expenditure can be shown in graph form as follows:



The revenue financial performance forecasting has been relatively consistent throughout the financial year, with a forecast overspend of £1.4m reduced to a small underspend at the end of the financial year.



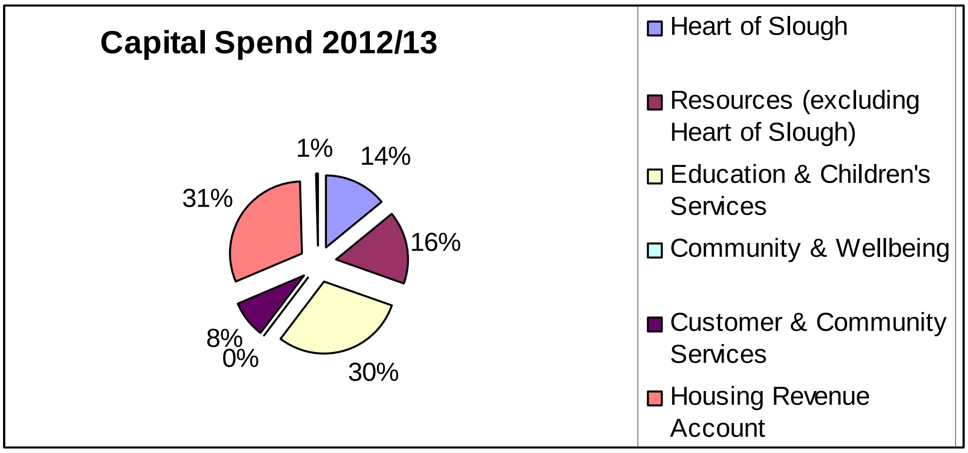
5. Capital Summary

The Council has reprofiled a number of capital schemes from 2012/13 into 2013/14 for a variety of reasons with further detail on the progress against the capital programme by directorate in the directorate summary shown below.

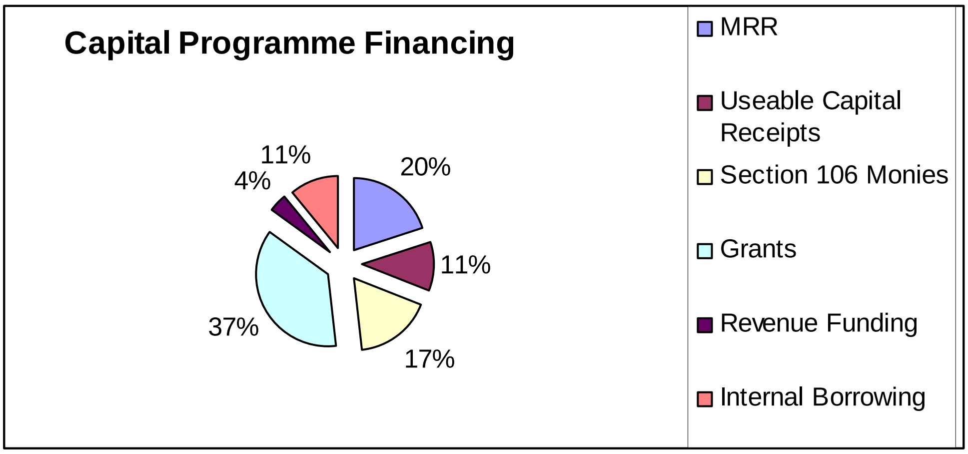
Overall, the Council spent 61% of the approved Capital Programme for 2012/13. The majority of programmes not spent in 2012/13 will be re-profiled into the 2013/14 financial year thus increasing the notional size of the 2013-14 capital programme. The main items reprofiled were the Curve (subsequently approved by Cabinet in April 2013) and expenditure relating to the Housing Revenue Account which will be reprofiled within the account.

	Expenditure		
Directorate	Budget (£000s)	Actual (£)	Balance (£000s)
Heart of Slough	2,624	3,849	(1,225)
Resources (excluding Heart of Slough)	3,259	4,446	(1,187)
Education & Children's Services	10,553	8,187	2,366
Community & Wellbeing	77	10	67
Customer & Community Services	11,157	2,264	8,893
Housing Revenue Account	17,002	8,428	8,574
Chief Executive		169	(169)
Total	44,672	27,353	17,319

The total capital spend is as follows:



And is funded by:



For the 2012-13 financial year, long term borrowing decreased by £10m; this is in respect of a 'LOBO' loan becoming short term borrowing and being repaid early in 2013-14. A significant proportion of the Council's overall borrowings are in respect of the HRA self-financing completed during the previous financial year.

The Council is still in discussion concerning recharges to phase 1 of the transactional services contract, as previously reported. The costs of the contract are included within the figures presented in this report. In addition a financial provision against the potential for a material clawback of MMI (Municipal Mutual Insurance) relating to long term asbestosis claims has been raised in line with the latest guidance from administrators of the company.

6. Material Events after the Balance Sheet Date

There were no material events after the reporting date and up to the date the accounts were authorised for issue.

7. Economic Outlook

The 2012-13 financial year saw the Council contend with a further reduction in Central Government funding. Against this backdrop of reducing funding for Council services the Council has performed strongly to deliver a provisional £23k underspend. The impact of the recent Comprehensive Spending Review will be for Councils to make further savings over the long term; other sources of Council income are not expected to rise at the same level as in some previous years. The Council is putting in place savings strategies to deliver the required levels of saving, and the 2013-14 budget contains over £9m of savings required to ensure a balanced budget is delivered. During the financial year the Council also entered into a Local Asset Backed Vehicle (LABV) with a private sector partner to help deliver some of the regenerational aims of the Council. This will be a key undertaking for the Council in future financial years.

8. 2013-14 and beyond

Following changes to Government legislation, for the 2013-14 financial year Councils will be able to retain a proportion of Business Rate growth locally as well as being liable for any losses in Business Rate take. The Council also set up its own Council Tax Support scheme for the 2013-14 financial year, and, from an accounting viewpoint, this had a major impact on the Council's taxbase. These changes from Government will have an impact on the Council's financial statements in future years, especially in respect of the Collection Fund note, but also more widely on the Council's ability to ensure it collects as much Council Tax and Business Rates as possible. The Council will also be responsible for elements of Public Health activity from the 1st April 2013 and will receive a ring fenced grant of just under £5m in 2013-14.

9. Further Information

Further information about the accounts is available from:

The Assistant Director, Finance & Audit or the Corporate Financial Controller, Slough Borough Council, St Martins Place, 51 Bath Road, Slough, SL1 3UF or joseph.holmes@slough.gov.uk / barry.stratfull@slough.gov.uk

Members of the public also have a statutory right to inspect the accounts each year before the audit is completed. The date and times of these inspections have been advertised in the local press.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SLOUGH BOROUGH COUNCIL

Opinion on the Council's financial statements

We have audited the financial statements of Slough Borough Council for the year ended 31 March 2013 under the Audit Commission Act 1998. The financial statements comprise the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Movement in Reserves Statement, the Cash Flow Statement, the Housing Revenue Account Income and Expenditure Statement, the Movement on the Housing Revenue Account Statement, the Collection Fund and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2012/13.

This report is made solely to the members of Slough Borough Council in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 48 of the Statement of Responsibilities of Auditors and Audited Bodies published by the Audit Commission in March 2010. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council and the Council's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Assistant Director of Finance and Audit and auditors

As explained more fully in the Statement of the Section 151 Officer's Responsibilities, the Assistant Director of Finance and Audit is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom, and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Council's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Assistant Director of Finance and Audit; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the explanatory foreword to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of Slough Borough Council as at 31 March 2013 and of its expenditure and income for the year then ended; and
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2012/13.

Opinion on other matters

In our opinion, the information given in the explanatory foreword for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we report by exception

We have nothing to report in respect of the following other matters which the Code of audit practice for local government bodies (March 2010) requires us to report to you if:

- we have been unable to satisfy ourselves that the annual governance statement meets the disclosure requirements set out in the guidance 'Delivering Good Governance in Local Government: a Framework' published by CIPFA/SOLACE in June 2007 or is misleading or inconsistent with other information that is forthcoming from the audit;
- we issue a report in the public interest under section 8 of the Audit Commission Act 1998;
- we designate under section 11 of the Audit Commission Act 1998 any recommendation as one that requires the Council to consider it at a public meeting and to decide what action to take in response; or
- we exercise any other special powers of the auditor under the Audit Commission Act 1998.

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

Respective responsibilities of the Council and auditors

The Council 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 review regularly the adequacy and effectiveness of these arrangements.

We are required under Section 5 of the Audit Commission Act 1998 to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires us to report to you our conclusion relating to proper arrangements, having regard to relevant criteria specified by the Audit Commission.

We report if significant matters have come to our attention which prevent us from concluding that the Council has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our audit in accordance with the Code of Audit Practice, having regard to the guidance on the specified criteria, published by the Audit Commission in November 2012, as to whether the Council has proper arrangements for:

- securing financial resilience; and
- challenging how it secures economy, efficiency and effectiveness.

The Audit Commission has determined these two criteria as those necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Council put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2013.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Council had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Conclusion

On the basis of our work, having regard to the guidance on the specified criteria published by the Audit Commission in November 2012, we are satisfied that, in all significant respects, Slough Borough Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2013.

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have completed the work necessary to issue our assurance statement in respect of the Council's Whole of Government Accounts consolidation pack. We are satisfied that this work does not have a material effect on the financial statements or on our value for money conclusion.

Robert Grant

For and on behalf of BDO LLP, Appointed Auditor

[London, UK]

31 October 2013

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. In this Council that officer was the Assistant Director of Finance and Audit, Joseph Holmes.

To manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.

To approve the Statement of Accounts.

The Section 151 Officer's Responsibilities

The Section 151 Officer is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Council Accounting in the United Kingdom (the Code).

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

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code;
- kept proper accounting records which were up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the Statement of Accounts set out on the following pages present a true and fair view of the financial position of the Council as at 31st March 2013 and its income and expenditure for the year ended 31st March 2013.

Joseph Holmes
Assistant Director of Finance and Audit (Section 151 Officer)

Date: 22 October 2013

SLOUGH BOROUGH COUNCIL

Comprehensive Income and Expenditure Statement for the year ended 31 March 2013

	Notes	2012/13 £000 Expenditure	2012/13 £000 Income	2012/13 £000 Net	2011/12 £000 Restated Expenditure	2011/12 £000 Restated Income	2011/12 £000 Restated Net
Central services to the public		15,115	(14,340)	775	17,144	(13,936)	3,208
Cultural and related services		18,480	(5,362)	13,118	17,905	(3,299)	14,606
Environment and regulatory services		18,183	(4,213)	13,970	21,264	(2,537)	18,727
Planning Services		6,166	(2,934)	3,232	4,096	(1,752)	2,344
Education and Children's services		144,845	(100,930)	43,915	181,816	(123,469)	58,347
Highways and transport services		18,633	(5,363)	13,270	24,273	(4,213)	20,060
HRA Self-Financing Settlement		0	0	0	135,841	0	135,841
Local authority housing - HRA		18,269	(34,439)	(16,170)	32,306	(32,410)	(104)
Other housing services		86,454	(75,019)	11,435	82,438	(72,603)	9,835
Adult Social Care		46,487	(16,334)	30,153	47,862	(14,087)	33,775
Corporate and democratic core		6,172	(1,664)	4,508	7,019	(1,159)	5,860
Non distributed costs		149	(579)	(430)	2,362	(2,934)	(572)
Net Cost of Services		**378,953**	**(261,177)**	**117,776**	**574,326**	**(272,399)**	**301,927**
Other Operating Expenditure	**9**			22,933			2,198
Financing and Investment Income and Expenditure	**10**			16,373			2,098
Taxation and Non-Specific Grant Income	**11**			(151,944)			(146,399)
Deficit on Provision of Services				**5,138**			**159,824**
Surplus on revaluation of Property Plant and Equipment	**12/23**			(5,541)			(37,898)
Actuarial losses on pension assets / liabilities	**41**			3,804			54,464
Other Comprehensive Income and Expenditure				**(1,737)**			**16,566**
Total Comprehensive Income and Expenditure				**3,401**			**176,390**

Note: 2011/12 Income and Expenditure in Net cost of Services and Surplus on revaluation of Property Plant and Equipment have been restated by way of a prior period adjustment. See Note 1a

SLOUGH BOROUGH COUNCIL

Balance Sheet As At 31 March 2013

	Notes	31 March 2013	31 March 2012 Restated	1 April 2011 Restated
		£000	£000	£000
Property, Plant & Equipment	**12/12a**	599,296	624,123	632,392
Investment Property	**12/12a/13**	15,563	15,354	2,758
Intangible Assets	**12/12a/14**	84	97	149
Long Term Investments	**15**	0	55	353
Long Term Debtors	**17**	232	143	2,657
Long Term Assets		**615,175**	**639,772**	**638,309**
Short Term Investments	**15**	64,210	51,431	42,551
Inventories	**16**	9	4	26
Short Term Debtors	**17**	22,136	15,025	18,523
Cash and Cash Equivalents	**18**	17,420	27,526	40,748
Assets held for sale	**19**	6,280	8,167	967
Current Assets		**110,055**	**102,153**	**102,815**
Short Term Borrowing	**15**	(11,016)	(780)	(757)
Short Term Creditors	**20**	(30,163)	(48,705)	(50,560)
Short Term Provisions	**21**	(1,237)	(1,231)	(4,853)
Grants receipts in advance	**33**	(691)	(38)	(38)
Other Current Liabilities	**20**	(2,893)	(3,033)	(2,937)
Current Liabilities		**(46,000)**	**(53,787)**	**(59,145)**
Long Term Creditors	**20**	0	(425)	(185)
Long Term Provisions	**21**	(223)	(390)	0
Long Term Borrowing	**15**	(182,373)	(192,378)	(66,557)
Other Long Term Liabilities	**20**	(48,362)	(50,060)	(53,094)
Pension Long Term Liability	**41**	(162,907)	(156,119)	(96,987)
Long Term Liabilities		**(393,865)**	**(399,372)**	**(216,823)**
Net Assets		**285,365**	**288,766**	**465,156**
Usable reserves	**22**	(112,363)	(85,962)	(77,121)
Unusable Reserves	**23**	(173,002)	(202,804)	(388,035)
Total Reserves		**(285,365)**	**(288,766)**	**(465,156)**

For details of the restatement see prior period adjustment at note 1a

I certify that this Statement of Accounts provides a true and fair view of the financial position of the Council as a 31 March 2013 and its Comprehensive Income and Expenditure Statement for the year ended 31 March 2013

Joseph Holmes
Assistant Director Finance and Audit (Section 151 Officer)
22 October 2013

SLOUGH BOROUGH COUNCIL

Movement in Reserves Statement
For the current and comparative year

This Statement shows the movement in the year on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The 'Surplus or (deficit) on the provision of services' line shows the true economic cost of providing the Council's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance and Housing Revenue Account for Local Tax purposes and dwelling rent setting purposes. The 'Net increase /Decrease before transfers to statutory and other reserves' line shows the statutory General Fund Balance before any discretionary transfers to or from statutory and other reserves undertaken by the Council.

	General Fund Balance £000	Earmarked General Fund Reserves Restated £000	HRA Balance Restated £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Major Repairs Reserve £000	Total Usable Reserves Restated £000	Total Unusable Reserves Restated £000	Total Reserves of the Authority Restated £000
Restated Balance as at 1 April 2011	**6,385**	**33,017**	**9,531**	**3,830**	**22,843**	**1,515**	**77,121**	**388,035**	**465,156**
Movement in reserves during the year									
Deficit on the provision of services	(21,975)	0	(137,849)	0	0	0	**(159,824)**	0	**(159,824)**
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	**0**	(16,566)	**(16,566)**
Total Comprehensive Income and Expenditure	**(21,975)**	**0**	**(137,849)**	**0**	**0**	**0**	**(159,824)**	**(16,566)**	**(176,390)**
Adjustments between accounting basis & funding basis under regulations (Note 7)	26,691	0	137,215	(2,597)	4,228	3,128	**168,665**	(168,665)	**0**
Net Increase / Decrease before Transfers to Earmarked Reserves	**4,716**	**0**	**(634)**	**(2,597)**	**4,228**	**3,128**	**8,841**	**(185,231)**	**(176,390)**
Transfers to or from earmarked reserves Note 8)	(2,982)	2,982	0	0	0	0	**0**	0	**0**
Increase / (Decrease) in Year	**1,734**	**2,982**	**(634)**	**(2,597)**	**4,228**	**3,128**	**8,841**	**(185,231)**	**(176,390)**
Restated Balance as at 31 March 2012	**8,119**	**35,999**	**8,897**	**1,233**	**27,071**	**4,643**	**85,962**	**202,804**	**288,766**
Movement in reserves during the year									
Deficit on provision of services	(8,407)	0	3,269	0	0	0	**(5,138)**		**(5,138)**
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	**0**	1,737	**1,737**
Total Comprehensive Income and Expenditure	**(8,407)**	**0**	**3,269**	**0**	**0**	**0**	**(5,138)**	**1,737**	**(3,401)**
Adjustments between accounting basis & funding basis under regulations (Note 7)	3,360	0	2,168	1,337	20,640	4,034	**31,539**	(31,539)	**0**
Net Increase / Decrease before Transfers to Earmarked Reserves	**(5,047)**	**0**	**5,437**	**1,337**	**20,640**	**4,034**	**26,401**	**(29,802)**	**(3,401)**
Transfers to or from earmarked reserves (Note 8)	5,071	(5,071)	0	0	0	0	**0**	0	**0**
Increase / (Decrease) in Year	**24**	**(5,071)**	**5,437**	**1,337**	**20,640**	**4,034**	**26,401**	**(29,802)**	**(3,401)**
Balance Sheet As At 31 March 2013	**8,143**	**30,928**	**14,334**	**2,570**	**47,711**	**8,677**	**112,363**	**173,002**	**285,365**
	8,143	**30,928**	14,334	**2,570**	**47,711**	**8,677**	**112,363**	**173,002**	**285,365**
	0	0	0	0	0	0	0	0	0

For details of the restatements see prior period adjustment at note 1a

SLOUGH BOROUGH COUNCIL

Cash Flow Statement for the year ended 31 March 2013

	Notes	2012/13 £000	2011/12 Restated £000
Deficit on the provision of services		(5,138)	(159,824)
Adjustment to deficit on the provision of services for non cash movements	**24**	31,704	67,026
Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	**24**	124,384	(33,956)
Net cash flows from operating activities		**150,950**	**(126,754)**
Net Cash flows from Investing Activities	**25**	**(161,036)**	**(16,109)**
Net Cash flows from Financing Activities	**26**	**(20)**	**129,641**
Net decrease in cash and cash equivalents		**(10,106)**	**(13,222)**
Cash and cash equivalents at the beginning of the year		**27,526**	**40,748**
Cash and cash equivalents at the end of the year		**17,420**	**27,526**

For details of the restatements see prior period adjustment at note 1a

1 Accounting Policies

General Principles

The Statement of Accounts summarises the Authority's transactions for the 2012/13 financial year and its position at the year-end of 31 March 2013. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2011, which require to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2010/11 and the Service Reporting Code of Practice, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act.

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

Summary of Significant Accounting Policies

i) Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:
• Revenue from the sale of goods is recognised when the Authority transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.
• Revenue from the provision of services is recognised when the Authority can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.
• Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.

• Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
• Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
• Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

• Where periodic income and expenditure invoices are raised or received during the year and relates to a complete financial year no accrual will be made provided the financial affect on the accounts does not change the financial position of the council.

ii) Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in no more than three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.
In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Authority's cash management.

iii) Exceptional Items

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Authority's financial performance.

iv) Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error.
Changes in accounting estimates are accounted for prospectively, i.e., in the current and future years affected by the change and do not give rise to a prior period adjustment.
Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Authority's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.
Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period

v) Charges to Revenue for Non-Current Assets

Services, support services and trading accounts are debited with the following amounts to record the cost of holding fixed assets during the year:

• depreciation attributable to the assets used by the relevant service

• revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off

• amortisation of intangible fixed assets attributable to the service.

The Authority is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the authority in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the contribution in the General Fund Balance MRP , by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

vi) Employee Benefits

Benefits Payable During Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (eg cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Authority. An accrual is made for the cost of holiday entitlements (or any form of leave e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination benefits

Termination benefits are amounts payable as a result of a decision by the Authority to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the Non Distributed Costs line in the Comprehensive Income and Expenditure Statement when the Authority is demonstrably committed to the termination of the employment of an officer or group of officers or making an offer to encourage voluntary redundancy.
Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Authority to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post Employment Benefits

Employees of the Council are members of two separate pension schemes:
• The Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Department for Education (DfE) and
• The Berkshire Local Government Pensions Scheme, administered by Royal Borough of Windsor and Maidenhead.

Both schemes provided defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Council.

However, the arrangements for the teachers' scheme mean that liabilities for these benefits cannot ordinarily be identified specifically to the Authority. The scheme is therefore accounted for as if it were a defined contribution scheme and no liability for future payments of benefits is recognised in the Balance Sheet. The Children's and Education Services line in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to Teachers' Pensions in the year.

The Local Government Pension Scheme

The Local Government Scheme is accounted for as a defined benefits scheme
• The liabilities of the Berkshire pension fund attributable to the Authority are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of projected earnings for current employees.
• Liabilities are discounted to their value at current prices, using a discount rate on the iBoxxAA rate over a 15 year corporate bond index at this date which has been chosen to meet the requirements of IAS19.
• The assets of the Berkshire pension fund attributable to the Authority are included in the Balance Sheet at their fair value:
o quoted securities – current bid price
o unquoted securities – professional estimate
o unitised securities – current bid price
o property – market value.

• The change in the net pensions liability is analysed into seven components:
o current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked
o past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs
o interest cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid – debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement
o expected return on assets – the annual investment return on the fund assets attributable to the Authority, based on an average of the expected long-term return – credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement

o gains or losses on settlements and curtailments – the result of actions to relieve the Authority of liabilities or events that reduce the expected future service or accrual of benefits of employees – debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs
o actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – debited to the Pensions Reserve
o contributions paid to the Berkshire pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary Benefits
The Authority also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

vii) Events After the Balance Sheet Date

Events after the balance sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:
• those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events
• those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.
Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

viii) Financial Instruments

Financial Liabilities
Financial liabilities are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.
For most of the borrowings that the Authority has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be spread over future years. The Authority has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Financial Assets

Financial assets are classified into two types:
• loans and receivables – assets that have fixed or determinable payments but are not quoted in an active market
• available-for-sale assets – assets that have a quoted market price and/or do not have fixed or determinable payments.

Loans and Receivables

Loans and receivables are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the loans that the Authority has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to the relevant service (for receivables specific to that service) or the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate.
Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

ix) Foreign Currency Translation

Where the Authority has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the date the transaction was effective. Where amounts in foreign currency are outstanding at the year-end, they are reconverted at the spot exchange rate at 31 March. Resulting gains or losses are recognised in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

x) Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Authority when there is reasonable assurance that:
• the Authority will comply with the conditions attached to the payments, and
• the grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Account until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.
Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

xi) Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Authority as a result of past events (eg software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Authority.
Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Authority will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and is restricted to that incurred during the development phase (research expenditure cannot be capitalised).
Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Authority's goods or services.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Authority can be determined by reference to an active market. In practice, no intangible asset held by the Authority meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service lines in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service lines in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance.

The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

xii) Inventories and Long Term Contracts

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using the FIFO costing formula.

Long term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

xiii) Investment Property

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's-length. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

xiv) Jointly Controlled Operations and Jointly Controlled Assets

Jointly controlled operations are activities undertaken by the Authority in conjunction with other venturers that involve the use of the assets and resources of the venturers rather than the establishment of a separate entity. The Authority recognises on its Balance Sheet the assets that it controls and the liabilities that it incurs and debits and credits the Comprehensive Income and Expenditure Statement with the expenditure its incurs and the share of income it earns from the activity of the operation.

Jointly controlled assets are items of property, plant or equipment that are jointly controlled by the Authority and other venturers, with the assets being used to obtain benefits for the venturers. The joint venture does not involve the establishment of a separate entity. The Authority accounts for only its share of the jointly controlled assets, the liabilities and expenses that it incurs on its own behalf or jointly with others in respect of its interest in the joint venture and income that it earns from the venture.

xv) Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets

The Authority as Lessee

Finance Leases

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Authority are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred.
Lease payments are apportioned between:
• a charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability, and
• a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).
Property, Plant and Equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the authority at the end of the lease period).

The Authority is not required to raise council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g., there is a rent-free period at the commencement of the lease

The Authority as Lessor

Finance Leases

Where the Authority grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the Authority's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

• a charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received), and

• finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement)

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

The written-off value of disposals is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Operating Leases

Where the Authority grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g., there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

xvi) Overheads and Support Services

The costs of overheads and support services are charged to those that benefit from the supply or service in accordance with the costing principles of the CIPFA Service Reporting Code of Practice (SerCop). The total absorption costing principle is used – the full cost of overheads and support services are shared between users in proportion to the benefits received, with the exception of:

• Corporate and Democratic Core – costs relating to the Authority's status as a multi-functional, democratic organisation.

• Non Distributed Costs – the cost of discretionary benefits awarded to employees retiring early and impairment losses chargeable on Assets Held for Sale.

These two cost categories are defined in SerCop and accounted for as separate headings in the Comprehensive Income and Expenditure Statement, as part of Net Expenditure on Continuing Services.

xvii) Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e., repairs and maintenance) is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising:
• the purchase price
• any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
•the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located
The Authority does not capitalise borrowing costs incurred whilst assets are under construction.
The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e., it will not lead to a variation in the cash flows of the Authority). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Authority.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.
Assets are then carried in the Balance Sheet using the following measurement bases:
• infrastructure, community assets and assets under construction – depreciated historical cost
• dwellings – fair value, determined using the basis of existing use value for social housing (EUV-SH)
• all other assets – fair value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV)
Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value.
Where non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value.
Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years.
Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains.
Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.
Where decreases in value are identified, they are accounted for by:
• where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)

• where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.
The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.
Where impairment losses are identified, they are accounted for by:
• where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
• where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service lines in the Comprehensive Income and Expenditure Statement.
Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service lines in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e., freehold land and certain Community Assets) and assets that are not yet available for use (i.e., assets under construction).
Deprecation is calculated on the following bases:
• dwellings and other buildings – housing dwellings - 50 years operational buildings 1-35 years as determined by the valuer
• vehicles, plant and equipment – straight-line allocation over five years
• infrastructure – straight-line allocation over 40 years.
Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.
Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Disposals and Non-Current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. A proportion of receipts relating to housing disposals (75% for dwellings, 50% for land and other assets, net of statutory deductions and allowances) is payable to the Government. The balance of receipts is required to be credited to the Capital Receipts Reserve, and can then only be used for new capital investment or set aside to reduce the Authority’s underlying need to borrow. Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Heritage Assets

In 2011/12 the council adopted a change in accounting policy in relation to Heritage assets under FRS 30. Heritage assets are those assets held by the Authority for cultural, environmental or historical reasons in relation principally tc their contribution to knowledge and culture.

Component Accounting

Where an asset comprises two or more major components with substantially different useful economic lives, each component is accounted for separately for depreciation purposes and depreciated over its individual useful life. The requirement for componentisation for depreciation purposes is only applicable to enhancement,purchases or revaluations after 1 April 2010.

The Council’s policy has defined a component as such part of an item of Property, Plant and Equipment(PP&E) with a cost that is significant in relation to the total cost of the item, if the value of the component is 25% or more of the total gross carrying value of the building. The Council has also determined that any building with a gross carry amount of less than £1m, useful economic life of less than 15 years or both will not be considered for component accounting.

Where there is more than one significant part of the same asset which has the same useful life and depreciation method such parts will be grouped in determining the depreciation charge.

xviii) Private Finance Initiative (PFI) and Similar Contracts

PFI and similar contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor. As the Authority is deemed to control the services that are provided under its PFI schemes, and as ownership of the property, plant and equipment will pass to the Authority at the end of the contracts for no additional charge, the Authority carries the assets used under the contracts on its Balance Sheet as part of Property, Plant and Equipment.

The original recognition of these assets at fair value (based on the cost to purchase the property, plant and equipment) was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment.

Non current assets recognised on the Balance Sheet are revalued and depreciated in the same way as property, plant and equipment owned by the Authority

The amounts payable to the PFI operators each year are analysed into five elements:

• fair value of the services received during the year – debited to the relevant service in the Comprehensive Income and Expenditure Statement

• finance cost – interest is charged on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement

• contingent rent – increases in the amount to be paid for the property arising during the contract, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement

• payment towards liability – applied to write down the Balance Sheet liability towards the PFI operator (the profile of write-downs is calculated using the same principles as for a finance lease)

• lifecycle replacement costs – proportion of the amounts payable is posted to the Balance Sheet as a prepayment and then recognised as additions to Property, Plant and Equipment when the relevant works are eventually carried out.

xix) Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Authority may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the authority becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the authority settles the obligation.

Landfill Allowance Schemes

Landfill allowances, whether allocated by DEFRA or purchased from another Waste Disposal Authority (WDA) are recognised as current assets and are initially measured at fair value. Landfill allowances allocated by DEFRA are accounted for as a government grant.

After initial recognition, allowances are measured at the lower of cost and net realisable value.

As landfill is used, a liability and an expense are recognised. The liability is discharged either by surrendering allowances or by payment of a cash penalty to DEFRA (or by a combination). The liability is measured at the best estimate of the expenditure required to meet the obligation, normally the market price of the number of allowances required to meet the liability at the reporting date. However, where some of the obligation will be met by paying a cash penalty to DEFRA, that part of its liability is measured at the cost of the penalty

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the authority. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Contingent Assets

A contingent asset arises where an event has taken place that gives the authority a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the authority.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential

xx) Reserves

The Authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies . Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Authority – these reserves are explained in the relevant policies.

xxi) Revenue Expenditure Funded from Capital under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Authority has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of council tax.

xxii) VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty’s Revenue and Customs. VAT receivable is excluded from income.

1a. Prior Period Adjustments

Opening balances and comparative amounts for the prior period have been restated to:

- Adjustment 1 – Removal of Voluntary Aided school
- Adjustment 2 - Movement in Leased Assets
- Adjustment 3 - Deferred capital receipt re access land
- Adjustment 4 - Financial Instrument Adjustment Account
- Adjustment 5 - Revaluation Reserve Reconciliation
- Adjustment 6a – Reclassification - MMI Insurance Provision
- Adjustment 6b – Reclassification - Bank Overdraft
- Adjustment 6c – Reclassification - Finance Lease and PFI Liability

Restatement of the 1 April 2011 Balance Sheet

Balance Sheet		**31 March 2011 £000**	**Adjustments £000**	**1 April 2011 Restated £000**
Property, Plant & Equipment	1	633,393	(1,001)	632,392
Investment Property		2,758	-	2,758
Intangible Assets		149	-	149
Long Term Investments		353	-	353
Long Term Debtors	2	10,234	(7,577)	2,657
Long Term Assets		**646,887**	**(8,578)**	**638,309**
Short Term Investments		42,551	-	42,551
Inventories		26	-	26
Short Term Debtors	2,3	21,287	(2,764)	18,523
Cash and Cash Equivalents	6b	44,311	(3,563)	40,748
Assets Held for Sale		967	-	967
Current Assets		**109,142**	**(6,327)**	**102,815**
Bank Overdraft	6b	(3,563)	3,563	0
Short Term Borrowing		(757)	-	(757)
Short Term Creditors	6c	(52,541)	1,981	(50,560)
Short Term Provisions		(4,853)	-	(4,853)
Grants Receipts in Advance		(38)	-	(38)
Other Current Liabilities	6c	0	(2,937)	(2,937)
Current Liabilities		**(61,752)**	**2,607**	**(59,145)**
Long Term Creditors	6c	(54,235)	54,050	(185)
Long Term Borrowing		(66,557)	-	(66,557)
Other Long Term Liabilities	6c	0	(53,094)	(53,094)
Pension Long Term Liabilities	6c	(96,987)	-	(96,987)
Long Term Liabilities		**(217,779)**	**956**	**(216,823)**
Net Assets		**476,498**	**(11,342)**	**465,156**
Usable Reserves				
General Fund Reserve		(6,385)	-	(6,385)
Earmarked Reserves		(33,017)	-	(33,017)
HRA Balance		(9,531)		(9,531)
Capital Receipts Reserve		(3,830)	-	(3,830)
Capital Grants Unapplied		(22,843)		(22,843)
Major Repairs Reserve		(1,515)	-	(1,515)
Total Usable Reserves		**(77,121)**	**-**	**(77,121)**
Unusable Reserves				
Capital Adjustment Account	1,2,5	(457,892)	14,366	(443,526)
Financial Instruments Adjustments Account		5,190	-	5,190
Revaluation Reserve	1,5	(44,804)	(5,535)	(50,339)
Pensions Reserve		96,987	-	96,987
Deferred Capital Receipt Reserve	3	(2,602)	2,511	(91)
Collection Fund Adjustment Account		(42)	-	(42)
Accumulated Absences Account		3,786	-	3,786
Total Unusable Reserves		**(399,377)**	**11,342**	**(388,035)**
Total Reserves		**(476,498)**	**11,342**	**(465,156)**

Adjustments to the Balance Sheet at 1 April 2011

	Removal of voluntary aided school Adjustment 1	Movement in Leased Assets Adjustment 2	Deferred capital receipt re access land Adjustment 3	Revaluation Reserve Reconciliation Adjustment 5	Reclassifications Adjustment 6	Total
	£000	£000	£000	£000		£000
Property, Plant and Equipment	(1,001)	-	-	-		(1,001)
Long Term Debtors	-	(7,577)	-	-		(7,577)
Short Term Debtors	-	(253)	(2,511)	-		(2,764)
Cash and Cash Equivalents					(3,563)	(3,563)
Bank Overdraft					3,563	3,563
Short term Creditors					1,981	1,981
Other Current liabilities					(2,937)	(2,937)
Long term Creditors					54,050	54,050
Other Long term liabilities					(53,094)	(53,094)
Net Assets	**(1,001)**	**(7,830)**	**(2,511)**	**-**	**-**	**(11,342)**
Unusable Reserves						
Revaluation Reserve	-	-	-	(5,535)		(5,535)
Capital Adjustment Account	1,001	7,830	-	5,535		14,366
Deferred Capital Receipts Reserve	-	-	2,511	-		2,511
Total Unusable Reserves	**-**	**7,830**	**2,511**	**-**		**11,342**
Total Reserves	**1,001**	**7,830**	**2,511**	**-**		**11,342**

Restatement of the March 2012 Balance Sheet

Balance Sheet		**31 March 2012**	**Adjustments**	**31 March 2012 Restated**
		£000	**£000**	**£000**
Property, Plant & Equipment	1	627,569	(3,446)	624,123
Investment Property		15,354	-	15,354
Intangible Assets		97	-	97
Long Term Investments		55	-	55
Long Term Debtors	2	7,477	(7,334)	143
Long Term Assets		**650,552**	**(10,780)**	**639,772**
Short Term Investments		51,431	-	51,431
Inventories		4	-	4
Short Term Debtors	2,3	17,779	(2,754)	15,025
Cash and Cash Equivalents	6b	33,289	(5,763)	27,526
Assets Held for Sale		8,167	-	8,167
Current Assets		**110,670**	**(8,517)**	**102,153**
Bank Overdraft	6b	(5,763)	5,763	0
Short Term Borrowing		(780)	-	(780)
Short Term Creditors	6c	(50,690)	1,985	(48,705)
Short Term Provisions	6a	(1,621)	390	(1,231)
Grants Receipts in Advance		(38)	-	(38)
Other Current Liabilities	6c	0	(3,033)	(3,033)
Current Liabilities		**(58,892)**	**5,105**	**(53,787)**
Long Term Creditors	6c	(51,533)	51,108	(425)
Long Term Provisions	6a	0	(390)	(390)
Long Term Borrowing		(192,378)	-	(192,378)
Other Long Term Liabilities	6c	0	(50,060)	(50,060)
Pension Long Term Liabilities	6c	(156,119)	-	(156,119)
Long Term Liabilities		**(400,030)**	**658**	**(399,372)**
Net Assets		**302,300**	**(13,534)**	**288,766**
Usable Reserves				
General Fund Reserve		(8,119)		(8,119)
Earmarked Reserves	4	(39,003)	3,004	(35,999)
HRA Balance	4	(10,177)	1,280	(8,897)
Capital Receipts Reserve		(1,233)	-	(1,233)
Capital Grants Unapplied		(27,071)		(27,071)
Major Repairs Reserve		(4,643)	-	(4,643)
Total Usable Reserves		**(90,246)**	**4,284**	**(85,962)**
Unusable Reserves				
Capital Adjustment Account	1,2	(293,895)	14,023	(279,872)
Financial Instruments Adjustments Account	4	8,004	(4,284)	3,720
Revaluation Reserve	1	(82,742)	(3,000)	(85,742)
Pensions Reserve		156,121	-	156,121
Deferred Capital Receipt Reserve	3	(2,602)	2,511	(91)
Collection Fund Adjustment Account		(82)	-	(82)
Accumulated Absences Account		3,142	-	3,142
Total Unusable Reserves		**(212,054)**	**9,250**	**(202,804)**
Total Reserves		**(302,300)**	**13,534**	**(288,766)**

Adjustments to the Balance Sheet at 31 March 2012

	Removal of voluntary aided school Adjustment 1	Movement in Leased Assets Adjustment 2	Deferred capital receipt re access land Adjustment 3	Financial Instrument Adjustment Account Adjustment 4	Revaluation Reserve Reconciliation Adjustment 5	Reclassifications Adjustment 6	Total
	£000	**£000**	**£000**	**£000**		**£000**	**£000**
Property, Plant and Equipment	(3,446)	-	-	-	-	-	(3,446)
Long Term Debtors	-	(7,334)	-	-	-	-	(7,334)
Short Term Debtors	-	(243)	(2,511)	-	-	-	(2,754)
Cash and Cash Equivalents	-	-	-	-	-	(5,763)	(5,763)
Bank Overdraft	-	-	-	-	-	5,763	5,763
Short term creditors	-	-	-	-	-	1,985	1,985
Short Term Provision	-	-	-	-	-	390	390
Other Current liabilities	-	-	-	-	-	(3,033)	(3,033)
Long term creditors	-	-	-	-	-	51,108	51,108
Long Term Provision	-	-	-	-	-	(390)	(390)
Other Long term liabilities	-	-	-	-	-	(50,060)	(50,060)
Net Assets	**(3,446)**	**(7,577)**	**(2,511)**	**-**	**-**	**-**	**(13,534)**
Usable Reserves							
General Fund Balance	-	-	-	-	-	-	-
Earmarked Reserves	-	-	-	3,004	-	-	3,004
HRA Balance	-	-	-	1,280	-	-	1,280
Total Usable Reserves	**-**	**-**	**-**	**4,284**	**-**	**-**	**4,284**
Unusable Reserves					-		
Revaluation Reserve	2,535	-	-	-	(5,535)	-	(3,000)
Financial Instruments Adjustment Account	-	-	-	(4,284)	-	-	(4,284)
Capital Adjustment Account	911	7,577	-	-	5,535	-	14,023
Deferred Capital Receipts Reserve	-	-	2,511	-	-	-	2,511
Total Unusable Reserves	**-**	**7,577**	**2,511**	**(4,284)**	**-**	**-**	**9,250**
Total Reserves	**3,446**	**7,577**	**2,511**	**-**	**-**	**-**	**13,534**

Note 2 Accounting Standards That Have Been Issued but Have Not Yet Been Adopted

A number of accounting standards have had amendments issued that will affect the 13/14 financial year. The majority of these standards either introduce presentational changes, or the changes will be immaterial to the Council. The following standard change, however, is likely to have a material impact on the Council's accounts:

IAS 19 – Employee benefits (June 2011 amendments)
A revised IAS 19 standard was published by the IASB in June 2011, and is effective for accounting periods starting on or after 1st January 2013. The amendment is designed to simplify the disclosures relating to defined benefit pension schemes, and to improve the quality of those disclosures.

The key change that this amendment introduces is to the calculation of interest received and chargeable to the pension fund. Currently, the interest cost is based on the pension scheme's best estimate of the expected return on scheme assets, less the interest charge on the scheme liabilities (using the appropriate discount rate). The amendment brings in the requirement to calculate interest on the scheme's net scheme assets or liabilities (i.e. total scheme assets, less total scheme liabilities), using the appropriate discount rate for the period.

The scheme actuaries for the Royal Berkshire Pension Fund have advised that if the standard had been adopted for the 12/13 financial year, the entries in the CIES would have been as follows:

	12/13 actual	12/13 under revised standard
	£'000	£'000
Current Service Cost	8,929	
Past Service Costs	0	
Service Costs1		4,954
Losses/(gains) on curtailments	(3,976)	
Administrative costs2		130
Interest on scheme liabilities	14,689	
Expected return on scheme assets	(9,271)	
Net interest on defined liability/(asset)		6,882
Total	**10,371**	**11,966**

1. The new category 'service costs' amalgamates the lines 'current service cost', 'past service cost' and 'curtailments and settlements'.
2. Administrative costs were deducted from the actual and expected return on assets under the old standard. The amended standard specifies that these should be a separately identifiable charge to the income and expenditure account.
The following standard changes are unlikely to have a material impact on the Council:
IAS 1 'Presentation of Financial Statements'

Changes to IAS 1 are being introduced by the Code in 2013/14, the amendment introduces a change to the 'other comprehensive income' section of the CIES, whereby items are classified by their nature either as:

i. will not be reclassified subsequently to Income and Expenditure, or
ii. will be reclassified subsequently to Income and Expenditure when specific conditions are met.

As this is a presentational issue, it is anticipated that this will not impact any of the reported amounts in the CIES.
IAS 12 Income Taxes
The 2013/14 Code also introduces an amendment to IAS 12 'Income Taxes'. This revised standard prohibits the deferral method of accounting for deferred tax liabilities; instead it requires that the balance sheet methodology should be used.
With this methodology, the deferred tax asset is recognised when it is probable that taxable profits will be made, against which the deferred tax asset can be used.
IFRS 7 Financial Instruments Disclosures
IFRS 7 supersedes IAS 30 (Disclosures in the Financial Statements of Banks and Similar Financial Institutions) and the disclosure requirements of IAS 32 (Financial Instruments: Disclosure and Presentation). For entities that offset financial assets and liabilities, the standard introduces additional disclosures regarding the effect, or potential effect of these arrangements on the entity's financial position.
This standard solely introduces presentational changes to the accounts, and as the Council's holdings of financial instruments are limited, the impact of this change is likely to be immaterial.

Note 3 Critical Judgements in Applying Accounting Policies

In applying the accounting policies, the Council has had to make certain judge
complex transactions or those involving uncertainty about future events.

The following are significant management judgements in applying the account
the Council that have the most significant effect on the financial statements:

- There is a high degree of uncertainty about future levels of funding for l government. However, the Council has determined that this uncertainty sufficient to provide an indication that the
  assets of the Council might be impaired as a result of a need to close fa reduce levels of service provision.

- The Council is a trustee of Slough Community Leisure trust a not for pro that operates the leisure centres owned by the Council. The agreement Council is set to run until 31st May 2017. It has been determined that t not have control of the Trust and it is not an associate of the Council.

- Schools Non-Current Assets – CIPFA has set up a review group to deve how to account for schools in accordance with accounting standards basis. The conclusions are likely to be included within the 2014/15 Cod the meantime, the Council recognises Schools in line with the provisions Code of Practice, and schools are recognised on the balance sheet o

4 Assumptions made about funding and other sources of estimation uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Authority's Balance Sheet at 31 March 2013 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Authority will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.	If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls.
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Authority with expert advice about the assumptions to be applied.	The effects on the net pensions liability of changes in individual assumptions can be measured. For instance, a 0.5% increase in the discount rate assumption would result in a decrease in the pension liability of £33.5m.

Note 5 Material Items of Income and Expense

a) The Council is required to show actuarial gains and losses on its pension scheme liabilities in the year end accounts. The gain or loss arising from these actuarial calculations does not impact on the amount of cash the Council has to spend on services. The actuarial loss, of £3.8M in 2012/13 is an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc, and projected earnings of current employees. The actuarial pension liability arises because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions. The Council and its employees contribute in to the Berkshire pension fund at a rate determined to meet all its future liabilities

b) All other items of material Income and Expenditure are disclosed in the Comprehensive Income and Expenditure Statement

Note 6 Events after the Balance Sheet Date

The Statement of Accounts was authorised for issue by the Assistant Director on 26th June 2013. Events taking place after this date are not relected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31st March 2013, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

The financial statements have not been adjusted for the following events that took place after 31 March 2013 as they provide information that is relevant to an understanding of the Council's financial position, but do not relate to existing conditions at that date.

Academy Schools - The following schools have converted to Academy status since 1 April 2013 - Colnbrook CE Primary, James Elliman and Foxborough Primary. Under current accounting conventions, the value of their buildings will be written out of the Council's Balance Sheet at the date of conversion

When the new arrangements for the retention of business rates came into effect on 1 April 2013, the Council assumed liability for refunding ratepayers who have successfully appealed against the rateable value of their properties on the rating list. This includes amounts that were paid over to the Government in respect of 2012/13 and prior years. Previously, such amounts would not have been recognised as income by the Council, but would have been transferred to the Government. The Council will recognise a provision for the laibility as at 1 April 2013 (in the 2013/14 financial statements). As this liability does not exist at the Balance Sheet date, the Council has not amended the 2012/13 financial statements and therefore reports this as a non adjusting post balance sheet event.

Note 7 Adjustments between Accounting Basis and Funding Basis under Regulations

2012/13	Usable Reserves General Fund Balance £000	Housing Revenue Account £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000
Adjustments primarily involving the Capital Adjustment Account:						
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:						
Charges for depreciation and impairment of non current assets	12,023	4,366				(16,389)
Amortisation of Intangible Assets	32					(32)
Revaluation losses on Property Plant and Equipment	14,448	0				(14,448)
Movements in the Market Value of Investment Properties	(2,074)					2,074
Capital grants and contributions unapplied credited to the Comprehensive I&E Statement	(34,772)				29,992	4,780
Unapplied Capital Grants used in financing					(9,352)	9,352
Revenue expenditure funded from capital under statute	3,099					(3,099)
Carrying amount of non current assets sold	16,329	11,193				(27,522)
HRA Settlement Payment						0
Transfer grants/conts on impaired spend	0					0
Grants relating to assets disposed of during	0					0
Housing Revenue Account Transfers	0					0
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:						
Statutory Provision for the Financing of Capital Investment	(2,679)	0				2,679
Capital expenditure charged against the General Fund and HRA balances	(1,721)					1,721
Adjustments involving the Capital Receipts Reserve:						
Use of the Capital Receipts Reserve to finance new capital expenditure			(3,006)			3,006
Proceeds From Sale of Non Current Assets credited as part of loss on disposal	(1,062)	(4,017)	5,079			
Contribution from the Capital Receipts Reserve towards the administrative costs of non current asset disposals	142		(142)			0
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool.	594		(594)			0
Transfer to deferred capital receipts reserve upon receipt of cash			0			0
Mitigation of operating leases as lessee reclassified as finance leases upon transition to IFRS	0		0			0
Adjustments involving the Deferred Capital Receipts Reserve						
Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement						0
Adjustment involving the Major Repairs Reserve						
Transfer to the Major Repairs Reserve for depreciation charged to the HRA		(5,559)		5,559		0
Contribution from HRA to Major Repairs Reserve		(3,953)		3,953		0
Use of the Major Repairs Reserve to finance new capital expenditure				(5,478)		5,478
Direct revenue financing						0
Adjustments involving the Financial Instruments Adjustment Account:						
Amounts by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements.	(360)	(128)				488
Adjustments involving the Pensions Reserve:						
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 41)	10,105	266				(10,371)
Employer's pensions contributions and direct payments to pensioners payable in the year	(7,388)					7,388
Adjustments involving the Collection Fund Adjustment Account:						
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(614)					614
Adjustment involving the Accumulating Compensated Absences Adjustment Account						
Adjustments in relation to Short-term compensated absences	(2,742)					2,742
Total Adjustments	**3,360**	**2,168**	**1,337**	**4,034**	**20,640**	**(31,539)**

Note 7 Adjustments between Accounting Basis and Funding Basis under Regulations

2011/12	Usable Reserves General Fund Balance £000	Housing Revenue Account £000	Capital Receipts Reserve £000	Major Repair Reserves £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000
Adjustments involving the Capital Adjustment Account:						
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:						
Charges for depreciation and impairment of non current assets	6,436	9,338				(15,774)
Amortisation of Intangible Assets	52					(52)
Revaluation losses on Property Plant and Equipment	37,807					(37,807)
Movements in the Market Value of Investment Properties	(2,226)					2,226
Capital grants and contributions unapplied credited to the Comprehensive I&E Statement	(27,728)				19,685	8,043
Unapplied Capital Grants used in financing					(15,457)	15,457
Revenue expenditure funded from capital under statute	15,204	0				(15,204)
Carrying amount of non current assets sold	1,607	2,230				(3,837)
Transfer grants/conts on impaired spend 09/10	0	135,841				(135,841)
Grants relating to assets disposed of during 09/10	0					0
Other Movements	63					(63)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:						
Statutory Provision for the Financing of Capital Investment	(3,776)	0				3,776
Capital expenditure charged against the General Fund and HRA balances	(4,670)	0				4,670
Adjustments involving the Capital Receipts Reserve:						
Use of the Capital Receipts Reserve to finance new capital expenditure			(4,500)			4,500
Proceeds From Sale of Non Current Assets	(975)	(2,474)	3,449			
Contribution from the Capital Receipts Reserve towards the administrative costs of non current asset disposals	68		(68)			
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool.	1,478		(1,478)			
Transfer to deferred capital receipts reserve upon receipt of cash			0			0
Mitigation of operating leases as lessee reclassified as finance leases upon transition to IFRS	0		0			
Adjustments involving the Deferred Capital Receipts Reserve						
Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	0	0				0
Adjustment involving the Major Repairs Reserve						
Reversal of Major Repairs Allowance credited to the HRA		(5,020)		5,020		
Use of the Major Repairs Reserve to finance new capital expenditure				(3,757)		3,757
Direct revenue financing		(1,865)		1,865		
Adjustments involving the Financial Instruments Adjustment Account:						
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	(357)	(1,113)				1,470
Adjustments involving the Pensions Reserve:						
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 41)	11,972	278				(12,250)
Employer's pensions contributions and direct payments to pensioners payable in the year	(7,580)	0				7,580
Adjustments involving the Collection Fund Adjustment Acc						
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(40)					40
Adjustment involving the Unequal Pay Back Pay Adjustment Account:						
Amount by which amounts charged for Equal Pay claims to the Comprehensive Income and Expenditure Statement are different from the cost of settlements chargeable in the year in accordance with statutory requirements						0
Adjustment involving the Accumulating Compensated Absences Adjustment Account						
Adjustments in relation to Short-term compensated absences	(644)	0	0	0	0	644
Total Adjustments	**26,691**	**137,215**	**(2,597)**	**3,128**	**4,228**	**(168,665)**

Note 8 **Transfers to / from Earmarked Reserves**

	Balance as at 1 April 2011	Transfers In 2011/12	Transfers Out 2011/12	Balance as at 31 March 2012	Transfers In 2012/13	Transfers Out 2012/13	Balance as at 31 March 2013
	£000	£000	£000	£000	£000	£000	£000
Balances held by schools	11,836	5,283	(6,768)	10,351	10,330	(11,372)	9,309
General Fund							
Insurance	517	0	0	517		0	517
Future Debt and Capital Requirements	4,017	1,600	0	5,617		(3,758)	1,859
Statutory Property Fund & Landlord Function	605	0	0	605		0	605
Capital Fund	1,286	169	(675)	780	687	(660)	807
Trading Accounts	0	0	0	0	24		24
Specific Grants	4,455	2,573	(3,467)	3,561	945	(878)	3,628
Specific Earmarked Reserves	10,228	8,404	(4,148)	14,484	6,579	(6,969)	14,094
Total General Fund	**21,108**	**12,746**	**(8,290)**	**25,564**	**8,235**	**(12,265)**	**21,534**
Housing Renewals Reserve	73	11	0	84	1	0	85
Total Earmarked Reserves	**33,017**	**18,040**	**(15,058)**	**35,999**	**18,566**	**(23,637)**	**30,928**

Note 9 Other Operating Expenditure

	2012/13	2011/12
	£000	£000
Parish council precepts	268	264
Payments to the Government Housing Capital Receipts Pool	594	1,478
Losses on the disposal of non current assets	22,071	456
Total	**22,933**	**2,198**

Losses on disposal of Non-Current Assets (excl Investment Properties)

	2012/13	2011/12
	£000	£000
Net Proceeds from Sale General	(1,062)	(975)
Net proceeds from sale HRA	(4,017)	(2,474)
Disposal costs	142	68
Carrying amount of non-current assets sold (excl Investment Properties)	27,008	3,837
Total	**22,071**	**456**

Precepts

	2012/13	2011/12
	£000	£000
Britwell Parish Council	120	120
Wexham Court Parish Council	55	55
Colnbrook with Poyle Parish Council	93	89
Total	**268**	**264**

Note 10 Financing and Investment Income and Expenditure

	2012/13	2011/12
	£000	£000
Interest payable and similar charges	9,447	3,022
Pensions interest cost and expected return on pensions assets	5,608	4,494
Interest receivable and similar income	(965)	(1,045)
Income and expenditure in relation to investment properties and changes in their fair value	2,283	(4,373)
Total	**16,373**	**2,098**

Interest Payable and Similar Charges

	2012/13	2011/12
	£000	£000
Loan Interest	5,330	692
PFI Interest	4,117	2,330
Total	**9,447**	**3,022**

Interest and Investment Income

	2012/13	2011/12
	£000	£000
Other Investment income	(965)	(1,045)
Total	**(965)**	**(1,045)**

Pensions interest cost and expected return on pensions assets

	2012/13	2011/12
	£000	£000
Expected return on assets in the scheme	(9,271)	(10,594)
Interest cost	14,879	15,088
Total	**5,608**	**4,494**

Income, Expenditure and changes in Fair Value of Investment Properties

	2012/13	2011/12
Income/Expenditure from Investment Properties:	£000	£000
Income including rental income	(2,062)	(2,147)
Expenditure	5,905	0
Net (income)/expenditure from investment properties	**3,843**	**(2,147)**
Surplus/deficit on sale of Investment Properties:		
Proceeds from sale		0
Carrying amount of investment properties sold	514	0
Deficit on sale of Investment Properties:	**514**	**0**
Gains in Fair Value of Investment Properties	**(2,074)**	**(2,226)**
Total	**2,283**	**(4,373)**

* In 2011/12 expenditure on investment properties was included in expenditure on continuing operations in the Comprehensive Income and Expenditure Statement

Note 11

Taxation and Non-Specific Grant Income		
	2012/13	**2011/12**
	£000	£000
Council Tax Income	49,214	48,166
NDR Redistribution	52,306	43,730
Non-ring fenced government grants	15,651	26,775
Capital Grants and Contributions	34,773	27,728
Total Taxation and Non-Specific Grant Income	**151,944**	**146,399**

Capital Grants and Contributions	**2012/13**	**2011/12**
	£000	£000
Government & Other Grants-Conditions met and applied in year	4,781	8,043
Government & Other Grants-Conditions met and **not** applied.	29,992	19,685
Total - Capital Grants and Contributions	**34,773**	**27,728**

Central Government Grants	**2012/13**	**2011/12**
	£000	£000
Revenue Support Grant	1,014	13,517
PFI	3,678	3,678
Early Intervention Grant	7,829	7,268
New Homes Bonus	1,357	454
Local Services Support Grant	565	661
Council Tax Freeze Grant	1,208	1,197
Total	**15,651**	**26,775**

Note 12 **Property, Plant and Equipment**

Current Year

	Property, Plant & Equipment (PP&E)												
	Council Dwellings	Land & Buildings	Infrastructure Assets	Vehicles, Plant & Equipment	Community Assets	Non Operational Assets	PP&E Under Construction	Surplus Assets	**Total PP&E**	PFI Assets included in Property, Plant and Equipment	**Investment Properties**	**Intangible Assets**	**TOTAL**
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation													
Balance as At 1 April 2012	314,003	225,337	60,309	40,397	5,937	0	28,633	19,837	**694,453**	42,171	**15,354**	**499**	**710,306**
Adjustments between cost/value & depreciation/impairment	0	0	0	0	0				**0**		**0**	**0**	**0**
Adjusted opening balance	**314,003**	**225,337**	**60,309**	**40,397**	**5,937**	**0**	**28,633**	**19,837**	**694,453**	**42,171**	**15,354**	**499**	**710,306**
Additions	8,116	7,757	5,217	358	34	0	2,754	0	**24,236**	758	0	**19**	**24,255**
Acc Depreciation Written off to GCA	0	(6,044)	0	0	0	0	0	0	**(6,044)**		**0**		**(6,044)**
Revaluation increases/decreases to Revaluation Reserve	0	5,668		0	0	0	0	0	**5,668**	4,931	0	**0**	**5,668**
Revaluation increases/decreases to Surplus or Deficit on the Provision of Services	0	(14,448)	0	0	0	0	0	0	**(14,448)**	(2,589)	2,074	**0**	**(12,374)**
Derecognition - Disposals	(4,237)	(16,084)	0	(1,137)	0	0	0	0	**(21,458)**		(514)	**0**	**(21,972)**
Derecognition - Other	(5,478)	0	0	0	0	0	0	0	**(5,478)**		0		**(5,478)**
Reclassifications & Transfers	0	(5,949)	21,544	11,429	22	0	(25,696)	0	**1,350**	0	(1,351)		**(1)**
Reclassified to Held for Sale	0	(385)	0	0	0	0	0	0	**(385)**		0	**0**	**(385)**
Reclassified from Held for Sale		0	0	0	0		0	416	**416**		0		**416**
Balance as at 31 March 2013	**312,404**	**195,852**	**87,070**	**51,047**	**5,993**	**0**	**5,691**	**20,253**	**678,310**	**45,271**	**15,563**	**518**	**694,391**
Depreciation and Impairment													
Balance as At 1 April 2012	10,668	18,814	10,893	29,863	16	0	0	76	**70,330**	**2,872**	**0**	**402**	**70,732**
Adjustments between cost/value & depreciation/impairment		0	0	0	0	0	0	0	**0**				**0**
Adjusted opening balance	10,668	18,814	10,893	29,863	16	0	0	76	**70,330**	2,872	0	402	**70,732**
Depreciation Charge	5,312	4,465	1,906	4,136	0	0	0	0	**15,819**	893	0	**32**	**15,851**
Acc Depreciation Written off to GCA	0	(4,837)		0	0	0	0	0	**(4,837)**		0	**0**	**(4,837)**
Acc Depreciation Written off to GCA	0	(1,207)	0	0	0	0	0	0	**(1,207)**		0	**0**	**(1,207)**
Impairment losses/reversals to Revaluation Reserve	0	0	0	0	0	0	0	127	**127**		0	**0**	**127**
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	0	0	0	0	0	0	0	566	**566**			**0**	**566**
Derecognition - Disposals	(194)	(1,555)	0	(35)	0	0	0	0	**(1,784)**		0	**0**	**(1,784)**
Derecognition - Other	0	(1)	0	0	0	0	1	0	**0**		0	**0**	**0**
Reclassifications & Transfers	0	0	0	0	0	0	0	0	**0**		0	**0**	**0**
Eliminated on reclassification to Held for Sale	0	0	0	0	0	0	0	0	**0**		0	**0**	**0**
Balance as at 31 March 2013	**15,786**	**15,679**	**12,799**	**33,964**	**16**	**0**	**1**	**769**	**79,014**	**3,765**	**0**	**434**	**79,448**
Net Book Value													
Balance as at 31 March 2013	**296,618**	**180,173**	**74,271**	**17,083**	**5,977**	**0**	**5,690**	**19,484**	**599,296**	**41,506**	**15,563**	**84**	**614,943**
Balance as at 31 March 2012	**303,335**	**206,523**	**49,416**	**10,534**	**5,921**	**0**	**28,633**	**19,761**	**624,123**	**39,299**	**15,354**	**97**	**639,574**

Note 12 Property, Plant and Equipment

Current Year

The freehold and leasehold properties comprising the Council's operational and non-operational property portfolio at the 1st April 2012 are valued on a rolling programme basis. The valuations for 2012/13 were carried out by external valuers Wilks Head and Eve. Additionally the value of properties held at open market value were reviewed at 31st March 2013 to reflect the current economic conditions.

The Valuer has adopted valuation assumptions in order to arrive at valuation results,
These assumptions included the relevant valuation definitions as required by The Code.
The RICS defined valuation methods are:

- Market Value
- Existing Use Value
- Fair Value

Where specialised property is valued, the use of depreciated replacement cost to arrive at Existing Use Value has been employed. Depreciated Replacement Cost is RICS defined valuation methodology and used as a method of arriving at Existing Use Value.

Capital Commitments

Effects of Changes in Estimates

There were no material changes in accounting estimates for property, plant & equipment that happened during the period, in accordance with paragraph 4.1.4.3.(3) of the Code

At 31 March 2013, the Council has entered into a number of contracts for the construction or enhancement of Property, Plant and Equipment in 2013-14 and future years budgeted to a cost of £196 million.

Note 12 a **Comparative Year**

Property, Plant & Equipment (PP&E)	Council Dwellings	Land & Buildings	Infrastructure Assets	Vehicles, Plant & Equipment	Community Assets	Non Operational Assets	PP&E Under Construction	Surplus Assets	**Total PP&E**	PFI Assets included in Property, Plant and Equipment	**Investment Properties**	**Intangible Assets**	**TOTAL**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Cost or Valuation													
Balance as at 1 April 2011	315,586	225,578	57,440	41,007	4,566	0	51,698	10,989	**706,864**	42,161	2,758	499	**710,121**
Opening Balance Adjustment		(1,364)		(2,543)				(1,123)	**(5,030)**				**(5,030)**
Restated Opening balance	**315,586**	**224,214**	**57,440**	**38,464**	**4,566**	**0**	**51,698**	**9,866**	701,834	**42,161**	**2,758**	**499**	705,091
Other Adjustments	(114)	(786)	0	0	0		0	0	**(900)**	**0**	**0**	**0**	**(900)**
Additions	3,757	15,298	2,869	420	1,245	0	11,316	0	**34,905**	10	670	**0**	**35,575**
Acc Depreciation Written off to GCA	0	(14,798)	0	0	0	0	0	0	**(14,798)**				**(14,798)**
Revaluation increases to Revaluation Reserve	0	36,274	0	0	496	0	790	905	**38,465**	0	0	**0**	**38,465**
Revaluation increases/decreases to Surplus or Deficit on the Provision of Services	0	(33,620)	0	0	(370)	0	(33)	(27)	**(34,050)**	0	2,226	**0**	**(31,824)**
Derecognition - Disposals	(1,469)	(1,346)	0	0	0	0	(408)	(150)	**(3,373)**		0	**0**	**(3,373)**
Derecognition - Other	(3,757)	0	0	948	0	0	0	0	**(2,809)**	0	0	**0**	**(2,809)**
Reclassifications & Transfers	0	6,653	0	565	0	0	(34,730)	10,224	**(17,288)**	0	9,700		**(7,588)**
Reclassified to Held for Sale		(6,552)						(1,615)	**(8,167)**	0	0	**0**	**(8,167)**
Reclassified from Held for Sale								**634**	**634**	0	0		**634**
At 31 March 2012	**314,003**	**225,337**	**60,309**	**40,397**	**5,937**	**0**	**28,633**	**19,837**	**694,453**	**42,171**	**15,354**	**499**	**710,306**
Depreciation and Impairment													
Balance as at 1 April 2011	5,361	29,201	9,688	28,006	16	0	0	1,199	**73,471**	2,193		350	**73,821**
Opening Balance Adjustment	0	(363)	0	(2,543)	0	0	0	(1,123)	**(4,029)**				**(4,029)**
Restated Opening balance	**5,361**	**28,838**	**9,688**	**25,463**	**16**	**0**	**0**	**76**	**69,442**	**2,193**	**0**	**350**	**69,792**
Other Adjustments	0	(606)	0	0	0	0	0	0	**(606)**	0	0		**(606)**
Depreciation Charge	5,353	4,430	1,205	4,400	0	0	0	0	**15,388**	679		52	**15,440**
Acc Depreciation Written off to GCA	0	(13,898)	0	0	0	0	0	0	**(13,898)**	0	0	**0**	**(13,898)**
Acc Depreciation Written off to GCA	0	(900)	0	0	0	0	0	0	**(900)**	0	0	**0**	**(900)**
Impairment losses/reversals to Revaluation Reserve	0	567	0	0	0	0	0	0	**567**	0	0	**0**	**567**
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	0	386	0	0	0	0	0	0	**386**			**0**	**386**
Derecognition - Disposals	(46)	(3)	0	0	0	0	0	0	**(49)**			**0**	**(49)**
Derecognition - Other	0	0	0	0	0	0	0	0	**0**	0	0	**0**	**0**
Reclassifications & Transfers	0	0	0	0	0	0	0	0	**0**	0	0	0	**0**
Eliminated on reclassification to Held for Sale	0	0	0	0	0	0	0	0	**0**	0	0	**0**	**0**
At 31 March 2012	**10,668**	**18,814**	**10,893**	**29,863**	**16**	**0**	**0**	**76**	**70,330**	**2,872**	**0**	**402**	**70,732**
Net Book Value													
At 31 March 2012	**303,335**	**206,523**	**49,416**	**10,534**	**5,921**	**0**	**28,633**	**19,761**	**624,123**	**39,299**	**15,354**	**97**	**639,574**
At 31 March 2011	**310,225**	**195,376**	**47,752**	**13,001**	**4,550**	**0**	**51,698**	**9,790**	**632,392**	**39,968**	**2,758**	**149**	**635,299**

Note 13 Income, Expenditure and changes in Fair Value of Investment Properties

Income/Expenditure from Investment Properties:	31/03/13 £000	31/03/12 £000
Rental income from investment property	(2,062)	(2,147)
Direct operating expenses arising from investment property	5,905	0
‘Net Gain/Loss included in Financing & Investment Income in the CIES’	**3,843**	**(2,147)**

	31/03/13 £000	31/03/12 £000
Balance at start of the year	15,354	2,758
Additions:		
- Purchases	0	670
Disposals	(514)	0
Net gains/losses from fair value adjustments	2,074	2,226
Transfers: -to/from Property, Plant and Equipment	(1,351)	9,700
Balance at end of the year	**15,563**	**15,354**

Note 14 Intangible Assets

The Authority accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of Property, Plant and Equipment. The intangible assets include both purchased licenses and internally generally software.

The carrying amount of intangible assets is amortised on a straight-line basis. The amortisation of £52k charged to revenue in 2011/12 was charged to the IT Administration cost centre and then absorbed as an overhead across all the service headings in the Net Expenditure of Services. It is not possible to quantify exactly how much of the amortisation is attributable to each service heading.

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Authority. The useful lives assigned to the major software suites used by the Authority are

In accordance with the CIPFA Code leased intangible assets are disclosed in this section after their initial recognition.

Useful Lives	**Other**
5 years	Civica and Oracle Software Licenses

The Movement in Intangible Assets for the Year is as Follows

	2012/13	**2011/12**
	£000	£000
Balance at start of year:		
· Gross carrying amounts	499	499
· Accumulated amortisation	(402)	(350)
Net carrying amount at start of year	**97**	**149**
Additions:		
· Purchases	19	0
	116	**149**
Amortisation for the period	(32)	(52)
Net carrying amount at end of year	**84**	**97**
Comprising:		
	0	499
· Accumulated amortisation	(434)	(402)
	(434)	**97**

Note 15 Financial Instruments

The following categories of financial instruments are carried in the Balance Sheet

	Long-term		Current	
	31/03/13	31/03/12	31/03/13	31/03/12
				Restated
	£000	£000	£000	£000
Investments				
Loans and receivables	0	55	81,775	75,390
Total investments	**0**	**55**	**81,775**	**75,390**
Debtors				
Loans and receivables	232	143	22,136	15,025
Financial assets carried at contract amounts				
Total Debtors	**232**	**143**	**22,136**	**15,025**
Borrowings				
Financial liabilities at amortised cost	182,373	192,378	11,016	780
Total borrowings	**182,373**	**192,378**	**11,016**	**780**
Other Long Term Liabilities				
Deferred Liabilities	0	12,371		
PFI and finance lease liabilities	0	39,162		
Total other long term liabilities	**182,373**	**243,911**	**11,016**	**780**
Creditors				
Financial liabilities carried at contract amount	0	0		34,163
Total creditors	**0**	**0**	**0**	**34,163**

	Long-Term		Current	
	31st Mar 12	31st Mar 13	31st Mar 12	31st Mar 13
	£000	£000	£000	£000
Borrowing:				
- Nominal Amount	(192,378)	(182,373)	(20)	(10,004)
- Accrued Interest	0	0	(760)	(1,012)
- Unamortised Discounts / (Premiums) on Modified Loans	0	0	0	0
Total Borrowings per Balance Sheet	(192,378)	(182,373)	(780)	(11,016)
Investments:				
- Nominal Amount	307	0	75,091	**82,014**
- Accrued Interest	0	0	299	95
- Unamortised Discounts / (Premiums) on Available for Sale Assets	0	0	0	0
- Movement in Fair Value on Available for Sale Assets	**0**	**0**	**0**	**0**
-Impairment	**(252)**	**0**	**0**	**0**
Total Investments per Balance Sheet	55	0	75,390	82,109

	31/03/13		31/03/12	
	Carrying amount	Fair value	Carrying amount	Fair value
	£000	£000	£000	£000
Financial liabilities	194,341	207,543	196,153	208,499
Long-term creditors	0	0	425	0

Note 15 Financial Instruments

	31/03/13 Carrying amount	Fair value	31/03/12 Carrying amount	Fair value
	£000	£000	£000	£000
Loans and receivables	86,420	86,901	78,931	79,191
Long-term debtors	0	0	0	0

Income, Expense, Gains and Losses

	2012/13					2011/12				
	Financial Liabilities	Financial Assets				Financial Liabilities	Financial Assets			
	Liabilities measured at amortised cost	Loans and receivables	Available-for-sale assets	Assets and Liabilities at Fair Value through Profit and Loss	Total	Liabilities measured at amortised cost	Loans and receivables		Assets and Liabilities at Fair Value through Profit and Loss	Total
	£000	£000	£000	£000	£000	£000	£000		£000	£000
Interest expense	(6,682)	-	0	-	**(6,682)**	(2,758)	-		-	**(2,758)**
Losses on derecognition	0	0	0	0	**0**	0	0		0	**0**
Reductions in fair value	-	-	-	0	**0**	-	-		0	**0**
Impairment losses/Adjustment	248	0	-	-	**248**	(66)	0		-	**(66)**
Fee expense	0	0	0	0	**0**	0	0		0	**0**
Total expense in Surplus or Deficit on the Provision of Services	**(6,434)**	**0**	**0**	**0**	**(6,434)**	**(2,824)**	**0**		**0**	**(2,824)**
Interest income	579	0	-	-	**579**	-	1,045		-	**1,045**
Interest income accrued on impaired financial assets	-	0	-	-	**0**	-	0		-	**0**
Increases in fair value	-	-	-	0	**0**	-	-		0	**0**
Gains on derecognition	0	0	0	0	**0**	0	0		0	**0**
Fee income	0	0	0	0	**0**	0	0		0	**0**
Total income in Surplus or Deficit on the Provision of Services	**579**	**0**	**0**	**0**	**579**	**0**	**1,045**		**0**	**1,045**
Gains on revaluation	-	-	0	-	**0**	-	-		-	**0**
Losses on revaluation	-	-	0	-	**0**	-	-		-	**0**
Amounts recycled to the Surplus or Deficit on the Provision of Services after impairment	-	-	0	-	**0**	-	-		-	**0**
Surplus/deficit arising on revaluation of financial assets in Other Comprehensive Income and Expenditure	**0**	**0**	**0**	**0**	**0**	**0**	**0**		**0**	**0**
Net gain/(loss) for the year	**(5,855)**	**0**	**0**	**0**	**(5,855)**	**(2,824)**	**1,045**		**0**	**(1,779)**

Note 16 Inventories

	31 March 2013 £000	31 March 2012 £000
Central Stores	9	4
Total	**9**	**4**

Note 17 Debtors

	Long Term Debtors		Short Term Debtors	
	31 March 2013 £000	31 March 2012 Restated £000	31 March 2013 £000	31 March 2012 Restated £000
Central Government Bodies			8,340	2,553
Other Local Auithorities	7	7	1,441	679
NHS Bodies			1,856	0
Public corporations and trading funds			0	0
Other Entities and individuals	225	136	10,499	11,793
Other Entities and individuals			0	0
Total	**232**	**143**	**22,136**	**15,025**

Note 18 Cash and Cash Equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand and in bank and short term deposits and investments (considered to be cash equivalents), net of outstanding bank overdrafts.

Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the Balance Sheet as follows:

	31 March 2013 £000	31 March 2012 £000
Cash and Bank balances	7,253	9,324
Short Term Deposits	17,936	23,965
Total Cash and Cash Equivalents	**25,189**	**33,289**

	31 March 2013 £000	31 March 2012 £000
Bank Overdraft	(7,769)	(5,763)

	31 March 2013 £000	31 March 2012 £000
Net Cash and Cash Equivalents	17,420	27,526

Note 19 Assets Held for Sale

	Current		Non Current	
	31/03/13	**31/03/12**	**31/03/13**	**31/03/12**
	£000	£000	£000's	£000's
Balance outstanding at start of year	**8,167**	**967**	**0**	0
Opening balance adjustment		180		
Additions	0	0	0	0
Transferred from Non-Current Assets during year	385	8,167	0	0
Assets declassified as held for sale:	(416)	(634)	0	0
Assets sold Cost	(1,856)	(513)	0	0
Balance outstanding at year-end	**6,280**	**8,167**	**0**	**0**

Note 20 Creditors and Other Liabilities

Short Term Creditors

	31 March 2013 £000	31 March 2012 £000	31 March 2011 £000
Government Departments	2,557	6,993	10,826
Other Local Authorities	1,389	679	3,251
Bodies external to general government	0	16	148
NNDR & Council Tax	0	1,160	1,014
HRA	185	163	597
Accumulated Absences	400	3,142	3,786
Receipts in advance	2,630	5,089	7,718
Interest payable	10	30	10
Refundable deposits	142	126	259
Other entities and individuals	22,850	31,307	22,951
Total Short Term Creditors	**30,163**	**48,705**	**50,560**

Long Term Creditors

	31 March 2013 £000	31 March 2012 £000	31 March 2011 £000
Total Long Term Creditors	**0**	**425**	**185**

Note 21 Provisions

	Balance as At 1 April 2012	Increase in provision during year	Utilised during year	Unused Amounts Reversed	Balance as at 31 March 2013
	£000	£000	£000	£000	£000
Insurance Claims	709	390	-384		715
Dilapidations	22				22
Other	500				500
Short Term Provisions	1,231	390	-384	0	1,237
Long Term Provisions	390	133	0	-300	223
	1,621	**523**	**-384**	**-300**	**1,460**

Comparative Year

	Balance as at 1 April 2011	Increase in provision during year	Utilised during year	Unused Amounts Reversed	Balance as at 31 March 2012
	£000	£000	£000	£000	£000
Insurance Claims	543	207	-41	0	709
Harmonisation	3,703	0	-100	-3,603	0
Dilapidations	605	0	-583	0	22
Other	2	500	-2	0	500
Total	**4,853**	**707**	**-726**	**-3,603**	**1,231**

Current Provisions	4,853	707	-726	-3,603	1,231
Long Term Provisions	0	390	0	0	390
	4,853	**1,097**	**-726**	**-3,603**	**1,621**

Note 22 Usable Reserves

Movements in the Council's usable reserves are detailed in the Movement in Reserves Statement

Capital Receipts Reserve

These are receipts from the sale of Council assets, which have not yet been used to finance capital expenditure.

	31/03/13 £000	31/03/12 £000
Balance 1 April	**1,233**	**3,830**
Capital Receipts in year	4,937	3,381
	6,170	**7,211**
Less:		
Capital Receipts Pooled	(594)	(1,478)
Capital Receipts used for financing	(3,006)	(4,500)
Balance 31 March	**2,570**	**1,233**

Major Repairs Reserve

The Major Repairs Reserve details the Major Repairs Allowance (MRA) received by the Council. The MRA is based on national average unit costs for each of the property types and represents the estimated long-term average amount of capital spending required to maintain a local authority’s stock in its current condition.

	31/03/13 £000	31/03/12 £000
Balance on 1 April	**4,644**	**1,516**
Amount transferred from the HRA		
Depreciation:		
Dwellings	5,559	5,603
	5,559	**5,603**
Transfer to HRA Balance	**0**	**(583)**
HRA Capital Expenditure	(5,478)	(3,757)
Contribution from the Income and Expenditure Account	3,953	1,865
Balance on 31 March	**8,678**	**4,644**

Capital Grants Unapplied

	2012/13 £000	2011/12 £000
Balance on 1 April	**27,071**	**22,843**
Unapplied Capital Grants received in year	29,992	19,685
Amounts applied to finance new Capital Investment	(9,352)	(15,457)
Balance on 31 March	**47,711**	**27,071**

Note 23 Unusable Reserves

	31/03/13 £000	31/03/12 Restated £000
Capital Adjustment Account	250,962	279,872
Financial Instruments Adjustment Account	(3,232)	(3,720)
Revaluation Reserve	87,793	85,742
Pensions Reserve	(162,908)	(156,121)
Deferred Capital Receipts Reserve	91	91
Collection Fund Adjustment Account	696	82
Accumulated Compensated Absences Adjustment Account	(400)	(3,142)
Total Unusable Reserves	**173,002**	**202,804**

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and enhancement. The Account contains accumulated gains and losses on Investment Properties. The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Note 7 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

Note 23 Unusable Reserves

	2012/13		2011/12 Restated	
	£000	£000	£000	£000
Balance at 1 April		**279,872**		**457,892**
Opening balance adjustment				(14,366)
Restated opening balance				**443,526**
Other Adjustment				(64)
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:				
Charges for depreciation and impairment of non current assets	(16,389)		(15,774)	
Amortisation of intangible assets	(32)		(52)	
Revaluation losses on Property, Plant and Equipment	(14,448)		(37,807)	
HRA Self financing			(135,841)	
Revenue expenditure funded from capital under statute	(3,099)		(15,204)	
Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(27,522)		(3,837)	
		(61,490)		**(208,515)**
Adjusting amounts written out of the Revaluation Reserve		3,490		2,495
Net written out amount of the cost of non current assets consumed in the year		**(58,000)**		**(206,020)**
Capital financing applied in the year:				
Use of Capital Receipts Reserve to finance new capital expenditure	3,006		4,500	
Use of the Major Repairs Reserve to finance new capital expenditure	5,478		3,757	
Application of grants to capital financing from the Capital Grants Unapplied Account	9,352		15,457	
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	4,780		8,043	
Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	2,679		3,776	
Capital expenditure charged against the General Fund and HRA balances	1,721		4,670	
		27,016		**40,203**
Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement		2,074		2,226
Balance at 31 March		**250,962**		**279,872**

Note 23 Unusable Reserves

Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions. The Authority uses the Account to manage premiums paid on the early redemption of loans. Premiums are debited to the Comprehensive Income and Expenditure Statement when they are incurred, but reversed out of the General Fund Balance to the Account in the Movement in Reserves Statement. Over time, the expense is posted back to the General Fund Balance in accordance with statutory arrangements for spreading the burden on council tax. In the Authority's case, this period is the unexpired term that was outstanding on the loans when they were redeemed.

	2012/13 £000	2011/12 Restated £000	
Balance at 1 April	**(3,720)**	**(5,190)**	
Premiums incurred in the year and charged to the Comprehensive Income and Expenditure Statement	0	0	
Proportion of premiums incurred in previous financial years to be charged against the General Fund Balance in accordance with statutory requirements		0	
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	488	1,470	*
Balance at 31 March	**(3,232)**	**(3,720)**	

*** The balance c/f has been restated - A journal processed during the financial closedown in 2011/12 relating to a premium on early redemption of debt was processed incorrectly and both the FIAA and other usable reserves were overstated. A PPA has been processed to correct the error.**

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment.

The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost
- used in the provision of services and the gains are consumed through depreciation, or disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

	2012/13 £000	2011/12 £000
Balance at 1 April	85,742	44,804
Opening Balance Adjustment		5,535
Upward revaluation of assets	12,092	41,377
Downward revaluation of assets and impairment losses not charged to the Deficit on the Provision of Services	(4,015)	(3,479)
Surplus or deficit on revaluation of non-current assets not posted to the Deficit on the Provision of Services	**8,077**	**37,898**
Difference between fair value depreciation and historical cost depreciation	(1,362)	(835)
Revaluation balances on assets scrapped or disposed of	(4,664)	(1,660)
Balance at 31 March	**87,793**	**85,742**

Note 23 Unusable Reserves

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Authority accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Authority makes employer’s contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

	2012/13 £000	2011/12 £000
Balance at 1 April	**(156,121)**	**(96,987)**
Actuarial gains or losses on pensions assets and liabilities	(3,804)	(54,464)
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(10,371)	(12,250)
Employer's Pension Contributions and Direct payments to Pensioners payable in the year	7,388	7,580
Balance at 31 March	**(162,908)**	**(156,121)**

Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. Under statutory arrangements, the Authority does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve.

	2012/13 £000	2011/12 £000	
Balance at 1 April	**91**	**2,602**	
Adjustment		**(2,511)**	*
Restated balance at 1 April	**91**	**91**	
Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	0	0	
Transfer to the Capital Receipts Reserve upon receipt of cash	0	0	
Balance at 31 March	**91**	**91**	

* Adjusted opening balance relating to the removal of a debtor offset by the removal of a deferred capital receipt held in error in the 2011/12 accounts

Note 23 Unusable Reserves

Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of council tax income in the Comprehensive Income and Expenditure Statement as it falls due from council tax payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

	2012/13 £000	2011/12 £000
Balance at 1 April	**82**	**42**
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	614	40
Balance at 31 March	**696**	**82**

Accumulated Compensated Absences Adjustment Account

The Accumulating Compensated Absences Adjustment Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

	2012/13 £000	2011/12 £000
Balance at 1 April	**3,142**	**3,786**
Settlement or cancellation of accrual made at the end of the preceding year	(3,142)	(3,786)
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	2,742	644
Balance at 31 March	**(400)**	**(3,142)**

Note 24 Analysis of Adjustments to Deficit on the Provision of Services

Analysis of Adjustments to Surplus/Deficit on the Provision of Services	2012/13 £000	2011/12 £000
Adjustment to deficit on the provision of services for noncash movements		
Depreciation	16,389	19,623
Impairment & downward revaluations (& non-sale derecognitions)	14,448	34,050
Material impairment losses on investments debited to surplus or deficit on the provision of services in year	0	(104)
Losses or Gains on derecognition of loans & advances in year		196
Amortisation	32	(52)
(Increase)/Decrease in Stock	(5)	22
(Increase)/Decrease in Debtors	(6,876)	3,319
Increase/(Decrease) in Creditors	(20,805)	(2,859)
Increase/(Decrease) in Interest Creditors	251	58
Payments to Pension fund	2,983	4,670
Carrying amount of non-current assets sold	27,522	3,837
Contributions to Other Reserves/Provisions	(161)	(3,232)
Movement in value of investment properties	(2,074)	(2,226)
	31,704	**57,302**

Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities		
Net adjustment from the sale of short and long term investments	159,455	0
Proceeds from the sale of property plant and equipment, investment property and intangible assets	(5,079)	(6,020)
Capital Grants credited to surplus or deficit on the provision of services	(29,992)	(27,936)
	124,384	**(33,956)**

Cash Flows from Operating Activities include the following amounts relating to Interest and Dividends

	2012/13 £000	2011/12 £000
Interest Paid	(9,196)	(5,134)
Interest Received	1,200	1,508

Note 25 Cash Flow From Investing Activities

	2012/13 £000	2011/12 £000
	(24,221)	(35,937)
Purchase of Short Term Investments (not considered to be cash equivalents)	(172,450)	(315,300)
Proceeds from the sale of PP&E, investment property and intangible assets	5,079	3,379
Proceeds from Short Term Investments (not considered to be cash equivalents)		303,200
Proceeds from Long Term Investments		3,159
Capital Grants and Contributions Received	30,556	25,390
Net Cash flows from Investing Activities	**(161,036)**	**(16,109)**

Note 26 Cash flows from Financing Activities

	2012/13 £000	2011/12 £000
Cash Receipts from Short and Long Term Borrowing		125,821
Billing authorities- council tax and NNDR adjustments	0	5,758
Cash payments for the reduction of the outstanding liability relating to a finance lease and on-Balance Sheet PFI contracts		(1,901)
Repayment of Short and Long Term Borrowing	(20)	(37)
Net Cash flows from Financing Activities	**(20)**	**129,641**

Note 27 Amounts Reported for Resource Allocation Decisions

2012/13	Wellbeing (including Schools)	Customer and Community Services	Resources Housing & Regeneration	Chief Executive	Corporate	Total
	£000	£000	£000	£000	£000	£000
Fees, charges & other service income	22,572	12,045	8,617	749	1,381	**45,364**
Government grants	94,587	2,938	677	0	62,281	**160,483**
Total Income	**117,159**	**14,983**	**9,294**	**749**	**63,662**	**205,847**
Employee expenses	95,688	13,781	10,793	1,139	484	**121,884**
Other service expenses	76,005	23,395	29,065	54	59,986	**188,505**
Total Expenditure	**171,693**	**37,176**	**39,858**	**1,193**	**60,470**	**310,390**
Net Expenditure	**54,534**	**22,193**	**30,564**	**444**	**-3,192**	**104,544**

2011/12	Education and Learning	Community & Wellbeing	Customer & Transactional Services	Resources & Regeneration	Chief Executive	Corporate	Total
	£000	£000	£000	£000	£000	£000	£000
Fees, charges & other service income	16,735	9,260	2,522	10,700	533	741	**40,491**
Government grants	115,900	9,575	82,678	872	0	0	**209,025**
Total Income	**132,635**	**18,835**	**85,200**	**11,572**	**533**	**741**	**249,516**
Employee expenses	102,240	18,001	8,010	15,191	1,169	480	**145,091**
Other service expenses	50,857	51,107	83,841	30,484	693	1	**216,983**
Total Expenditure	**153,097**	**69,108**	**91,851**	**45,675**	**1,862**	**481**	**362,074**
Net Expenditure	**20,462**	**50,273**	**6,651**	**34,103**	**1,329**	**-260**	**112,558**

This reconciliation shows how the figures in the analysis of [directorate] income and expenditure relate to the amounts included in the Comprehensive Income and Expenditure Statement.

	2012/13	2011/12
	£000	£000
Net expenditure in the [Directorate] Analysis	104,544	112,558
HRA	(15,965)	135,748
Insurance	0	435
Amounts not included in I&E	10,969	0
Allocation of Recharges	18,228	53,186
Net Cost of Services in Comprehensive Income and Expenditure	117,776	301,927

This reconciliation shows how the figures in the analysis of [directorate] income and expenditure relate to a subjective analysis of the Surplus or Deficit on the Provision of Services included in the Comprehensive Income and Expenditure Statement

2012/13	Directorate Analysis	HRA	Insurance	Amounts not included in I&E	Allocation of Recharges	Total
	£000	£000	£000	£000	£000	£000
Fees, charges & other service income	24,345	34,439	1,058	0	13,268	**73,110**
Interest and investment income	599	0	0	0	0	**599**
Income from council tax	48,531	0	0	0	0	**48,531**
Government grants and contributions	132,371	0	0	0	0	**132,371**
Total Income	**205,846**	**34,439**	**1,058**	**0**	**13,268**	**254,611**
Employee expenses	121,885	6,897	0	0	-2,261	**126,521**
Other service expenses	180,624	7,006	1,058	10,969	-8,735	**190,922**
Support Service recharges	0	205	0	0	17,170	**17,375**
Depreciation, amortisation and impairment	0	4,366	0	0	25,322	**29,688**
Interest Payments	7,613	0	0	0	0	**7,613**
Precepts & Levies	268	0	0	0	0	**268**
Total expenditure	**310,390**	**18,474**	**1,058**	**10,969**	**31,496**	**372,387**
Surplus or deficit on the provision of services	**104,544**	**-15,965**	**0**	**10,969**	**18,228**	**117,776**

2011/12	Directorate Analysis	HRA	Insurance	Allocation of Recharges	Total
	£000	£000	£000	£000	£000
Fees, charges & other service income	38,049	32,410	677	-10,457	**60,679**
Interest and investment income	2,442	0	0	0	**2,442**
Income from council tax	47,470	0	0	0	**47,470**
Government grants and contributions	161,555	0	0	0	**161,555**
Total Income	**249,516**	**32,410**	**677**	**-10,457**	**272,146**
Employee expenses	145,091	7,895	0	1,146	**154,132**
Other service expenses	204,769	150,708	1,112	185	**356,774**
Support Service recharges	0	205	0	0	**205**
Depreciation, amortisation and impairment	0	9,350	0	41,398	**50,748**
Interest Payments	2,330	0	0	0	**2,330**
Precepts & Levies	264	0	0	0	**264**
Payments to Housing Capital Receipts Pool	0	0	0	0	**0**
Gain or Loss on Disposal of Fixed Assets	0	0	0	0	**0**
Total expenditure	**352,454**	**168,158**	**1,112**	**42,729**	**564,453**
Surplus or deficit on the provision of s	**102,938**	**135,748**	**435**	**53,186**	**292,307**

Note 28 Pooled Budgets

Intermediate Care Services

The Authority has entered into a pooled budget arrangement with Berkshire East Primary Care Trust to provide intermediate care services to help with delayed discharges.

Funding provided to the pooled budget:	2012/13 £000	2011/12 £000
The Authority	275	268
The Trust	275	268
	550	**536**
Expenditure met from the pooled budget:		
The Authority	275	268
The Trust	275	268
	550	**536**
Net surplus arising on the pooled budget during the year	**0**	**0**

Berkshire Community Equipment Service

This agreement exists between the six Berkshire Unitary Authorities and two Berkshire Primary Care Trusts with Slough Borough Council being the lead Council and accountable body for the provision of joint store anc equipment services using The South Central Ambulance Service NHS Trust acts as an agent to the accountable body to provide the services.

Funding provided to the pooled budget:	2012/13 £000	2011/12 £000
The Authority	263	234
Berkshire Primary Care Trusts	1,203	1,420
Other Unitary Authorities	3,163	1,334
	4,629	**2,988**
Expenditure met from the pooled budget:		
The Authority	263	234
The Trust	1,203	1,420
Other Unitary Authorities	3,163	1,334
	4,629	**2,988**
Net surplus arising on the pooled budget during the year	**0**	**0**

Note 29 Members' Allowances

During the year Members allowances, including Employer's costs totalled £451k (2011/12 £447k) and are as follows:

	2012/13 £000	2011/12 £000
Basic allowance	293	285
Mayor's & Deputy Mayor's Allowance	13	11
Employer costs	18	19
Subsistence	0	0
Special responsibility allowances	127	132
Miscellaneous	0	0
	451	**447**

Note 30 Senior Officers Remuneration

The table below provides details of the remuneration received by Senior Officers employed by the Council.

		Salary, Fees and Allowances £	Expenses Allowances £	Compensation for Loss of Office £	Pension Contribution £	Total £
Chief Executive- Ruth Bagley - Note 1	**2012/13**	**160,479**	**0**	**0**	**20,220**	**180,699**
	2011/12	160,479	0	0	20,220	**180,699**
Strategic Director of Resources, Housing and Regeneration (Section 151 Officer) Note 2	**2012/13**	**58,365**	**0**	**60,043**	**6,658**	**125,066**
	2011/12	126,767	0	0	15,874	**142,641**
Strategic Director, Education & Childrens' Services - Note 3	**2012/13**	**62,991**	**0**	**169,128**	**7,937**	**240,056**
	2011/12	126,767	0	0	15,874	**142,641**
Strategic Director of Customer and Community Services	**2012/13**	**120,281**	**0**	**0**	**15,080**	**135,361**
	2011/12	109,308	0	0	13,677	**122,985**
Corporate Director of Wellbeing	**2012/13**	**126,207**	**0**	**0**	**15,874**	**142,081**
	2011/12	121,363	0	0	15,134	**136,497**
Assistant Director Finance and Audit (Section 151 Officer) - Note 4	**2012/13**	**9,742**	**0**	**0**	**1,228**	**10,970**
	2011/12	0	0	0	0	**0**

Note 1 - Includes Returning Officer salary
Note 2 - Not full year costs - left 01/09/12
Note 3 - Post removed from establishment during restructure
Note 4 - not full year costs - started 14/2/13
The Section 151 Officer from 2/9/12 until 13/2/13 has not been included in the above table as he was contracted to the Council on a temporary basis

Officers Receiving over £50,000 Remuneration

The table below provides details of all officers (including teachers) receiving over £50,000 remuneration; this table includes the Senior Officers from the note above but excludes pension contributions. The remuneration figures include any redundancy payments linked to Note 39 - Exit packages

	2012/13	2011/12
£50,001 to £55,000	39	63
£55,001 to £60,000	20	41
£60,001 to £65,000	19	32
£65,001 to £70,000	10	31
£70,001 to£ 75,000	9	10
£75,001 to £80,000	9	12
£80,001 to £85,000	1	4
£85,001 to £90,000	8	7
£90,001 to £95,000	3	8
£95,001 to £100,000	0	3
£100,001 to £105,000	0	3
£105,001 to £110,000	2	2
£110,001 to £115,000	1	2
£115,001 to £120,000	0	6
£120,001 to £125,000	1	3
£125,001 to £130,000	2	4
£130,001 to £135,000	0	0
£135,001 to £140,000	0	0
£140,001 to £145,000	0	0
£145,001 to £150,000	0	1
£150,001 to £160,000	0	0
£160,001 to £170,000	1	2
£170,001 to £198,000	1	0
£180,001 to £190,000	0	0
£190,001 to £200,000	0	0
£240,001 to £250,000	1	0
	127	**234**

Note 31 External Audit Fees

The Council has incurred the following costs relating to the annual audit of the Statement of Accounts, certification of grant claims and other services provided by the Councils external auditors.

	2012/13 £000	2011/12 £000
External Audit Fees	158	282
Less Rebate from Audit Commission		
Grant Claim Certification Fees	26	47
Other Fees	15	0
	199	**329**

The fees for other services payable in 2012/13 related to specialist advice provided during the initial set up of the LABV (2010/11 £NIL).

Note 32 Dedicated Schools Grant

The council's expenditure on schools is funded primarily by grant monies provided by the Department for Education, the Dedicated Schools Grant (DSG).

The Dedicated Schools Grant (DSG) has been deployed in accordance with the regulations within the School Standards framework Act 1998; this is underpinned by the production of the Section 251 Statement.

The accounting structure in place separately identifies all DSG activity from other services and thus readily demonstrates that the net schools budget is equal to that of the DSG payable for the year.

During the year the change in grant level as a result of academy conversion has been reflected in the accounts that comprise the overall DSG.

The central expenditure element of the schools budget was within the maximum limit allowable and includes spend on carry forward from 11.12 approved by the Schools' Forum.

Details of the deployment of DSG receivable for 2012/13 are as follows:

	Central Expenditure £000	Individual Schools Budget £000	Total
Final DSG for 2012/13 before Academy recoupment			**128,235**
Academy figure recouped for 12/13			**44,826**
Total DSG after Academy recoupment for			**83,409**
Brought forward from 2011/12	0	0	**3,561**
Carry forward to 2013/14	0	0	**161**
Agreed initial budgeted distribution in 2012/13	**13,974**	**72,835**	**86,809**
In year adjustments	0	0	**0**
Revised budget distribution for 12/13	**13,974**	**72,835**	**86,809**
Actual central expenditure	-11,962	0	**-11,962**
Actual ISB deployed to schools	0	-73,645	**-73,645**
Local Authority contribution for 2012/13	0	810	**810**
Carry forward to 2013/14	2,012	0	**2,173**

Note 33 Grant Income

Capital Grants Received in Advance

	Note	2012/13 £000	2011/12 £000
Opening balance		38	38
Add: new capital grants received in advance (condition of use not met)		354	0
		392	**38**

Revenue Grants Received in Advance

	Note	2012 £000	2011 £000
Opening balance		0	0
Add: new revenue grants received in advance (condition of use not met)		299	0
		299	**0**

Analysis of Capital Grants Receipts in Advance Balance

The balance of Capital Grants Receipts in Advance represents grants received that have yet to be recognised as income, as they have conditions attached to them, which will require the grant to be repaid, if conditions are not met. The balances at the year end are as follows:

	Note	2012/13 £000	2011/12 £000
Capital Grants Receipts in Advance			
Environment Agency S106 - adaptable bridges		324	0
Learning Disabilities Grant		30	
DoH Social Care Capital Grant		38	38
		392	**38**

Analysis of Revenue Grants Receipts in Advance Balance

The balance of Revenue Grants Receipts in Advance represents grants received that have yet to be recognised as income, as they have conditions attached to them, which will require the grant to be repaid, if conditions are not met. The balances at the year end are as follows:

	Note	31 March 2013 £000	31 March 2012 £000
Revenue Grants Receipts in Advance			
NHS Winter Pressure Funding S256		270	**0**
DoE Safeguarding Improvement Plan Funding		29	0
		299	**0**

Note 34 Related Parties

Related Parties

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

Central Government

Central government has effective control over the general operations of the Council – it is responsible for providing the statutory framework, within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. Council Tax bills, housing benefits). Grants received from government departments are set out in the subjective analysis in Note 27 on reporting for resources allocation decisions. Grant receipts outstanding at 31 March 2013 are shown in Note 33.

Members

Members of the Council have direct control over the Council's financial and operating policies. The total of members' allowances paid in 2012/13 is shown in note 29. In addition, the Council paid grants totalling £630k to voluntary organisations in which three members had positions on the governing body.

Two Councillors are members of the board of Slough Community Lesisure who are responsible for the provision of leisure services within the borough.

During 2012.13 Slough Borough Council made payments to Slough Community Leisure of £741K in 2012-13. The payments are considered material to the operations of Slough Community Leisure and has therefore been disclosed within this note.

In 2012-13, Slough Borough Council made total payments to Age Concern of £606K during 2012.13. These payments are considered material to the operations of Age Concern Slough and Berkshire East and has therefore been disclosed within this note. The Council also made payments of £90 to Thames Valley Athletics centre and £38k to Slough Museum.

Officers

During 2012/13, the Directore of Resources, Housing and Regeneration held the position of the Vice president of the Chartered Institute of Public Finance and Accountancy.During 2012.13 the council paid a total of £110k to CIPFA.

Other Public Bodies [subject to common control by central government]

The Council has two pooled budget agreements Transactions and balances outstanding are detailed in Note 28.

Entities Controlled or Significantly Influenced by the Authority

The Council has a wholly owned subsidiary, Development Initiative for Slough Housing (DISH).Three councillors and an officer sit on the DISH board.

Note 35 Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases and PFI/PP contracts), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Authority, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Authority that has yet to be financed. The CFR is analysed in the second part of this note

Capital Expenditure and Capital Financing	**2012/13** £000	**2011/12** £000
Opening Capital Financing Requirement	**278,630**	**149,548**
Property, Plant and Equipment	24,236	34,905
Investment Properties	0	670
Intangible Assets	19	0
Revenue Expenditure Funded from Capital under Statute	3,099	133,457
	27,354	**169,032**
Sources of finance		
Capital receipts	(3,006)	(4,500)
Government grants and other contributions	(14,133)	(23,500)
Major Repairs Allowance	(5,478)	(3,757)
Sums set aside from revenue:		
Direct revenue contributions:		
General	(1,721)	(4,670)
MRP/loans fund principal	(2,588)	(3,523)
	(26,926)	**(39,950)**
Closing Capital Finance Requirement	**279,058**	**278,630**
Explanation of movements in year		
Increase in underlying need to borrowing (supported by government financial assistance)	0	125,841
Increase in underlying need to borrowing (unsupported by government financial assistance)	428	6,438
Assets acquired under PFI/PPP contracts		0
Increase/(decrease) in Capital Financing	428	132,279

Note 36 **Leases**

Operating and Finance Leases

Council as Lessor:

Finance Leases (Council as lessor)

The present value of lease payments receivable under the finance lease arrangements is recognised as a receivable and included in both short and long term debtors. The difference between the gross amount receivable and the present value of the amounts receivable is recognised as unearned finance income.

	2012/13 £000	2011/12 £000
Long Term Debtors		
Finance leases-gross receivables	6,024	7,334
Net present value	**6,024**	**7,334**
Short Term Debtors		
Finance leases-gross receivables	266	243
Net present value	**266**	**243**

Gross receivables from finance leases		
No later than 1 year	266	0
Later than 1 year and no later than 5 years	663	24
Later than 5 years	5,361	278
Total gross receivables	**6,290**	**302**
Net investment in finance leases	**6,290**	**302**

The net investment in finance leases may be analysed as follows:

	2012/13 £000	2011/12 £000
No later than 1 year	266	15
Later than 1 year and no later than 5 years	663	102
Later than 5 years	5,361	185
Total gross receivables	**6,290**	**302**

Council as Lessee:

Finance Leases (Council as lessee)

LEASED ASSETS (included within property, plant and equipment)

	Vehicles £000	**Building** £000	**TOTAL** £000
Cost or Valuation			
Opening Balance	6,159	10,940	**17,099**
Additions	0	0	**0**
Disposals	0	0	**0**
	6,159	10,940	**17,099**
Depreciation			
	2,156	6,643	**8,799**
Disposals	0	0	**0**
Provided for year	939	644	**1,583**
	3,095	7,287	**10,382**
Net Book Value			
Balance as at 31 March 2013	**3,064**	**3,653**	**6,717**
Balance as at 31 March 2012	**4,003**	**4,297**	**8,300**

Comparative Year

LEASED ASSETS (included within property, plant and equipment)

	Vehicles	Building	TOTAL
	£000	£000	
Cost or Valuation			
Opening Balance	5,261	10,940	**16,201**
Additions	898	0	**898**
Disposals	0	0	**0**
	6,159	10,940	**17,099**
Depreciation			
Opening Balance	1,266	974	**2,240**
Disposals	0	5,025	**5,025**
Provided for year	890	644	**1,534**
	2,156	6,643	**8,799**
Net Book Value			
Balance as at 31 March 2012	**4,003**	**4,297**	**8,300**
Balance as at 31 March 2011	**3,995**	**9,966**	**13,961**

The Council has five buildings and nine vehicles under finance leases arrangements which are recognise as council assets on the Balance sheet as Property, Plant and Equipment and Vehicles, Plant and Equipment as shown above.

The Council is committed to making minimum payments under these leases comprising settlement of the long-term liability for the interest in the property nacquired by the Council and finanace costs that will be payable by the Council in future years while the liability remains outstanding.

Future minimum finance lease payments at the end of each reporting period under review are as follows:

	Within 1 year	1 to 5 years	After 5 years	Total
	£000	£000	£000	£000
31/03/13				
Finance leases payments	2,404	6,362	4,097	**12,863**
Less: finance charges	(357)	(485)	(76)	**(918)**
Net present value	**2,047**	**5,877**	**4,021**	**11,945**
31/03/12				
Finance leases payments	2,448	7,852	5,012	**15,312**
Less: finance charges	(463)	(809)	(109)	**(1,381)**
Net present value	**1,985**	**7,043**	**4,903**	**13,931**

Included in the Balance Sheet as:

	31/03/13	31/03/12
	£000	£000
Current liabilities	2,047	1,981
Long term liabilities	9,898	11,946
	11,945	13,927

Operating Leases (Council as lessee)

The future minimum lease payments due under non-cancellable operating leases in future years are set out below:

	2012/13		2011/12	
	Land and buildings	Vehicles, plant and equipment	Land and buildings	Vehicles, plant and equipment
	£000	£000	£000	£000
Minimum lease rentals payable:				
No later than 1 year	1,522	0	1,335	0
Later than 1 year and no later than 5 years	4,984	0	4,354	0
Later than 5 years	2,190	0	2,732	0
	8,696	**0**	**8,421**	**0**

Note 37 Private Finance Initiatives and Similar Contracts

During 2006/07, the Council entered into a Private Finance Initiative contract for the design, build and operation of three schools. Penn Wood School became operational on 26th February 2007, Beechwood and Arbour Vale schools becoming operational from 3rd September 2007. The contract period is for 28 years. Under the revised accounting arrangements, under the IFRS code, the assets are recognised as Tangible Fixed assets on the Balance Sheet and will be subject to revaluation every five years (as part of the normal valuation of fixed assets). The assets will be subject to depreciation and impairment as normal assets.
The initial cost under the contract for the design and build element is recognised on the Balance Sheet. This will be written down over the life of the contract as payments are made under the contract.
The Council is committed to make total payments of £229.3m over the life of the contract. The annual payments are split into three elements. The capital costs are paid against the liability for the purchase costs, interest is charged against the interest payable account with the service element charged to Education Plant and Equipment balance in Note 12

Payments

	Payment for Services	Reimbursement of Capital Expenditure	Interest	Total
	£000	£000	£000	£000
Current Year	**1,982**	**(148)**	**4,117**	**5,951**
Previous Year	**2,700**	**956**	**2,330**	**5,986**

The Authority makes an agreed payment each year which is increased each year by inflation and can be reduced if the contractor fails to meet availability and performance standards in any year but which is otherwise fixed. Payments remaining to be made under the PFI contract at 31 March 2013 (excluding any estimation of inflation and availability/performance deductions) are as follows:

	Payment for Services	Reimbursement of Capital Expenditure	Interest	Total at 31/03 2013	Total at 31/03 2012
	£000	£000	£000	£000	£000
Payable in less than one year	1,923	846	3,312	**6,081**	6,033
Payable within two to five years	9,188	3,377	12,389	**24,954**	24,672
Payable within six to ten years	13,616	5,544	13,562	**32,722**	31,950
Payable within eleven to fifteen years	15,543	8,064	11,023	**34,630**	33,383
Payable within sixteen to twenty years	15,894	12,813	8,082	**36,789**	62,700
Payable within twenty one to twenty five years	8,401	8,666	2,236	**19,303**	62,700
Total	**64,565**	**39,310**	**50,604**	**154,479**	**221,438**

Although the payments made to the contractor are described as unitary payments, they have been calculated to compensate the contractor for the fair value of the services they provide, the capital expenditure incurred and interest payable whilst the capital expenditure remains to be reimbursed. The liability outstanding to pay the contractor for capital expenditure incurred is as follows:

	2012/13 Buildings	2011/12 Buildings
	£000	£000
Balance outstanding at start of year	39,162	40,118
Increase / (decrease) in liaiblity during the year	148	(956)
Balance outstanding at year-end	**39,310**	**39,162**

Note 38 **Impairment Losses**

Any impairment losses in 2012/13 have been shown in the statements

Note 39 **Exit Packages**

The note below discloses the number of exit packages agreed, grouped in rising bands of £20,000 up to £100,000 and bands of £50,000 thereafter, analysed between compulsory redundancies and other departures as well as the total cost of packages agreed in each band. Exit packages include compulsory and voluntary redundancy costs, pension contributions in respect of added years, ex-gratia payments and other departure costs.

Exit Packages Agreed in 2012/13	Compulsory Redundancies	Other Departures	Total Cost
£'000			£'000
0 - 20	35		254
20 - 40	16		442
40 - 60	5		253
60 - 80	2		128
80 - 100	1		99
100 - 150	1		140
150 - 200	1		178
Total	61		1,494

Exit Packages Agreed in 2011/12	Compulsory Redundancies	Other Departures	Total Cost
£'000			£'000
0 - 20	43	1	425
20 - 40	21	1	649
40 - 60	10	0	524
60 - 80	3	1	265
80 - 100	4	0	362
100 - 150	1	0	107
150 - 200	0	0	0
200 - 250	1	0	239
Total	83	3	2,571

Note 40 Pensions Schemes Accounted for as Defined Contribution Schemes

Teachers' Pension Scheme

The scheme is a defined benefit scheme, administered by the Teachers' Pension Agency (TPA).
Although the scheme is unfunded, the TPA uses a notional fund as the basis for calculating the employer's contribution rate paid by Local Education Authorities (LEAs). However it is not possible for the Council to identify a share of the underlying liabilities in the scheme attributable to its own employees. For the purposes of this statement of accounts it is therefore accounted for on the same basis as a defined contribution scheme.
The Council is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the teachers' scheme. These benefits are fully accrued in the pensions liability described above.

Pension costs are charged into the accounts using the contribution rate set by the Department for Education. The Council paid the following amounts to the Department for Education in respect of teachers' pension costs. In addition the Council is responsible for a share of the pension payments related to added years for former Berkshire County Council teachers

In 2012/13, the Council paid £3.94m to Teachers' Pensions in respect of teachers' retirement benefits, representing 14.1% of pensionable pay. The figures for 2011/12 were £3.40m and 14.1%. There were no contributions remaining payable at the year-end.

Note 41 Defined Benefit Pension Schemes

Retirement Benefits

Participation in the Local Authority Pension Scheme

As part of the terms and conditions of employment of its officers and other employees, the Council offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement.

The Council participates in the Berkshire Local Government Officers' Pension Fund administered by the Royal Borough of Windsor & Maidenhead Borough Council. This is a funded scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension’s liabilities with investment assets.

Transactions relating to retirement benefits- CIES Charges:

The Council recognises the cost of retirement benefits in the Cost of Services on Continuing Operations when they are earned by employees, rather than when the benefits are eventually paid as pensions.

However, the charge the Council is required to make against district rates is based on the cash payable in the year, and the real cost of retirement benefits is reversed out in the adjustments between accounting basis & funding basis under regulations line, in the Movement on Reserves Statement. The following transactions have been made in the CIES and the adjustments between accounting basis & funding basis under regulations line, in the Movement on Reserves Statement during the year:

	2012/13 £000	2011/12 £000
Net cost of services:		
Current service cost	8,929	7,773
Past service cost/(gain)	0	0
Gains and losses on settlements or curtailments	(3,976)	(17)
Net operating expenditure:		
Interest cost	14,689	15,088
Expected return on scheme assets	(9,271)	(10,594)
Net charge to the CIES	**10,371**	**12,250**
Adjustments between accounting basis & funding basis under regulations:		
Reversal of net charges made for retirement benefits in accordance with IAS 19	**(10,371)**	**(12,250)**
Actual amount charged against the general fund balance for pensions in the year:		
Employers' contributions payable to scheme	**7,388**	**7,580**
Net charge to the General Fund Summary	**(2,983)**	**(4,670)**

Note 41 Defined Benefit Pension Schemes

The service cost figures include an allowance for administration expenses of 0%

In addition to the recognised gains and losses included in the CIES, actuarial losses of £3.84m (£54.4m loss in 2011/12) were included in other comprehensive income and expenditure in the CIES. The cumulative amount of actuarial gains and losses recognised in other comprehensive income and expenditure is a loss of £109m.

Assets and liabilities in relation to retirement benefits

Reconciliation of present value of the scheme liabilities:

	2012/13 £000	2011/12 £000
Balance as at 1 April	332,458	274,437
Current service cost	8,927	7,773
Interest cost	14,689	15,088
Contributions by members	2,447	2,769
Actuarial losses/(gains)	12,579	43,408
Past service costs/(gains)	0	0
Losses/(gains) on curtailments	954	801
	0	606
Liabilities extinguished on settlements	(9,634)	(1,485)
Estimated unfunded benefits paid	(619)	0
Estimated benefits paid	(11,224)	(10,939)
Balance as at 31 March	**350,577**	**332,458**

Reconciliation of present value of the scheme assets:

	2012/13 £000	2011/12 £000
Balance as at 1 April	176,336	177,449
Expected return on assets	9,271	10,594
Contributions by members	2,447	2,769
Contributions by employer	7,388	7,580
Contributions in respect of unfunded benefits		0
Actuarial gains/(losses)	8,775	(11,056)
Liabilities assumed in a business combination	(4,704)	(61)
Assets distributed on settlements	0	0
Unfunded benefits paid	(619)	0
Benefits paid	(11,224)	(10,939)
Balance as at 31 March	**187,670**	**176,336**

Note 41 Defined Benefit Pension Schemes

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

The actual return on scheme assets in the year was a gain of £18m (2011/12 loss of £0.46m).

Fair Value of Plan Assets

	31/03/13 £000	31/03/12 £000
Equity investments	76,945	61,718
Bonds	41,287	44,072
Property	18,767	17,634
Cash	0	3,527
Alternative Assets	50,671	49,386
	187,670	**176,337**

The above asset values are at bid value as required by IAS 19.

The Council's share of the Net Pension Liability (included in the Balance Sheet):

	31/03/13 £000	31/03/12 £000
Fair Value of Employer Assets	187,670	176,336
Present value of funded liabilities	(342,540)	(324,866)
Net (Under)/Overfunding in Funded Plans	**(154,870)**	**(148,530)**
Present Value of Unfunded Liabilities	(8,037)	(7,591)
Net Liability	**(162,907)**	**(156,121)**
Amount in the Balance sheet:		
Liabilities	(350,577)	(332,457)
Assets	187,670	176,336
Net Liability	**(162,907)**	**(156,121)**

Scheme history
Analysis of scheme assets and liabilities

	31/03/13 £000	31/03/12 £000	31/03/11 £000	31/03/10 £000	31/03/09 £000
Fair Value of Assets in pension scheme	187,670	176,336	(168,516)	(127,011)	(179,449)
Present Value of Defined Benefit Obligation	(350,577)	(332,458)	333,635	211,044	224,431
Surplus/(deficit) in the Scheme	**(162,907)**	**(156,122)**	**165,119**	**84,033**	**44,982**

Note 41 Defined Benefit Pension Schemes

Amount recognised in Other Comprehensive Income and Expenditure:

	31/03/13 £000	31/03/12 £000
Actuarial losses	3,804	54,464
Increase/(decrease) in irrecoverable surplus from membership fall and other factors	0	0
Actuarial (gains)/losses recognised in Other Comprehensive Income and Expenditure	3,804	54,464
Cumulative actuarial gains and losses	**74,978**	**71,174**
History of experience gains and losses:		
Experience gains and (losses) on assets	8,775	(11,056)
Experience gains and (losses) on liabilities	(384)	1,059

The liabilities show the underlying commitments that the authority has in the long run to pay retirement benefits. The total liability of £351m has a substantial impact on the net worth of the Council as recorded in the Balance Sheet, resulting in a net liability of £163m.

However, statutory arrangements for funding the deficit mean that the financial position of the Council remains healthy. The deficit on the Berkshire Local Government Pension Fund will be made good by increased contributions over the remaining working life of employees, assessed by the scheme actuary.

Analysis of projected amount to be charged to the CIES for the year to 31 March 2014

	31/03/2013 £000	31/03/2013 %
Projected current cost	9,279	56.76%
Interest on obligation	6,934	42.41%
Expected return on assets	0	0.00%
Past service cost	0	0.00%
Administration Expenses	136	0.83%
Gains and losses on settlements or curtailments	0	0.00%
	16,349	**100.00%**

The total contributions expected to be made to the Berkshire Local Government Pension Fund by the council in the year to 31 March 2014 is £6.273m.

Note 41 Defined Benefit Pension Schemes
History of experience gains and losses

The actuarial gains identified as movements on the Pensions Reserve 2012/13 can be analysed into the following categories, measured as a percentage of assets or liabilities at 31 March 2013.

	31/03/13 %	31/03/12 %
Experience (gains and (losses) on Assets	5	(6)
Experience gains and (losses) on liabilities	0	0

Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in the future years dependent on assumptions about mortality rates, salary levels, etc. The Council's Fund liabilities have been assessed by an independent firm of actuaries, estimates for the Council Fund being based on data pertaining to the latest full valuation of the scheme as at 31 March 2010.

	2012/13 %	2011/12 %
Long-term expected rate of return on assets in the scheme:		
Equity investments	Not Applicable	6.7
Bonds	Not Applicable	4.6
Property	Not Applicable	4.8
Cash	Not Applicable	3.0
Alternative assets	Not Applicable	5.0
Total		**5.4**
Mortality assumptions:		
Longevity at 65 current pensioners:		
Men	23.10	23.0
Women	25.70	25.60
Longevity at 65 for future pensioners:		
Men	25.10	25.0
Women	27.60	27.60
RPI/Pension Increase Rate	3.40	3.30
CPI/Pension Increase Rate	2.60	2.50
Salary Increase Rate	4.55	4.45
Expected Return on Assets	2.60	2.50
Discount Rate	4.60	4.60
Take-up of option to convert annual pension into retirement lump sum:		
Service to April 2009	.0	.0
Service post April 2009	.0	.0

Major categories of plan assets as percentage of total plan assets

The Berkshire Local Government Pension Fund's assets consist of the following categories, by proportion of the total assets held:

	31/03/13 %	31/03/12 %	31/03/11 %
Equity investments	41.0	35.0	31.0
Bonds	22.0	25.0	27.0
Property	10.0	10.0	8.0
Cash	.0	2.0	5.0
Alternative assets	27.0	28.0	29.0
	100.0	**100.0**	**100.0**

Note 42 Contingent Liabilities

There are no significant contingent liabilities. The provisions included within the accounts relate to pending legal cases.

Note 43 Contingent Assets

There are no significant contingent assets.

Note 44 Nature and Extent of Risks Arising from Financial Instruments

Financial Instruments - Risks
The Council has adopted CIPFA's Code of Practice on Treasury Management (and subsequent amendments) and complies with The Prudential Code for Capital Finance in Local Authorities (both revised in November 2011).

As part of the adoption of the Treasury Management Code, the Council approves a Treasury Management Strategy before the commencement of each financial year. The Strategy sets out the parameters for the management of risks associated with Financial Instruments. The Council also produces Treasury Management Practices specifying the practical arrangements to be followed to manage these risks.

The Treasury Management Strategy includes an Annual Investment Strategy in compliance with the CLG Investment Guidance for local authorities. This Guidance emphasises that priority is to be given to security and liquidity, rather than yield. The Council's Treasury Strategy, together with its Treasury Management Practices are based on seeking the highest rate of return consistent with the proper levels of security and liquidity.
The main risks covered are:

- *Credit Risk:* The possibility that one party to a financial instrument will fail to meet its contractual obligations, causing a loss for the other party.
- *Liquidity Risk:* The possibility that the Council might not have the cash available to make contracted payments on time.
- *Market Risk:* The possibility financial loss will materialise because of changes in market variables such as interest rates or equity prices.

Credit Risk: Investments
The Council manages credit risk by ensuring that investments are only placed with organisations of high credit quality as set out in the Treasury Management Strategy. These include commercial entities with a minimum long-term credit rating of A-, and other local authorities without credit ratings. Recognising that credit ratings are imperfect predictors of default, the Council has regard to other measures including credit default swap and equity prices when selecting commercial organisations for investment.

A limit is placed on the amount of money that can be invested with a single counterparty. The Council also sets a total group investment limit for institutions that are part of the same banking group. No more than £10M in total can be invested for a period longer than one year.

It must also be noted that although credit ratings remain a key source of information, the Council recognises that they have limitations and investment decisions are based on a range of market intelligence. All investments have been made in line with the Council's Treasury Management Strategy Statement for 2012/13, approved by Full Council on 21st February 2012 and can be accessed with the link below:

http://www.slough.gov.uk/moderngov/ieListDocuments.aspx?CId=168&MId=4417&Ver=4

The table below summarises the nominal value of the Council's investment portfolio and shows that all deposits outstanding as at 31st March 2013 met the Council's credit rating criteria at that date:

Counter Party	**Credit Rating Criteria Met When Investment Placed?**	**Credit Rating Criteria Met on 31.3.2012**	**Balance Invested as at 31st March 2012**				**Total**
	YES/NO	**YES/NO**	**Upto 1 month**	**> 1 and < 3 months**	**> 3 and < 6 months**	**> 6 and < 12 months**	
			£'000	**£'000**	**£'000**	**£'000**	**£'000**
Banks - UK	YES	YES	5,000	7,000	2,000	0	14,000
Banks - non UK	YES	YES	0	5,000	0	0	5,000
Total Banks			**5,000**	**12,000**	**2,000**	**0**	**19,000**
Building Societies	YES	YES	0	10,000	0	0	10,000
Call Accounts	YES	YES	17,905	0	0	0	17,905
Local Authorities	YES	YES	0	21,000	13,750	0	34,750
TOTAL			**22,905**	**43,000**	**15,750**	**0**	**81,655**

Note 44 **Nature and Extent of Risks Arising from Financial Instruments**

	Amount at 31/03/13 £'000	Historical experience of Default %	Adjustment for Market Conditions @31/03/13 %	Estimated Maximum Exposure to Default
	a	b	c	(a*c)
Deposits with banks and financial institutions				
AAA* rated counterparties				
(investments up to 1 year)	-	0.00%	0.00%	0
AA* rated counterparties				
(investments up to 1 year)	-	0.00%	0.00%	0
A* rated counterparties				
(investments 1-2 years)	24,000	0.00%	0.00%	0
BBB rated counterparties				
(investments up to one year)	-	0.00%	0.00%	0
Other Investments				
- Local Authorities AAA rated	-	0.00%	0.00%	0
-Local Authorities	34,750	0.00%	0.00%	0
-Money Market Funds	7,905	0.00%	0.00%	0
-Heritable Bank	507	20.00%	14.00%	71
Other	15,000	0.00%	0.00%	0
Debtors	-	0.00%	0.00%	0
	82,162			**71**

	31/03/13	31/03/12
	£000	£000
Increase in interest payable on variable rate borrowings	399	100
Increase in interest receivable on variable rate investments	-80	-239
Increase in government grant receivable for financing costs	0	0
Impact on Surplus or Deficit on the Provision of Services	**319**	**-139**
Share of overall impact debited to the HRA	128	-31

Decrease in fair value of fixed rate investment assets	128	-31
Impact on Other Comprehensive Income and Expenditure	0	0
Decrease in fair value of fixed rate borrowings liabilities (no impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure)		0

Note 45 Heritage Assets: Change in Accounting Policy

FRS 30, Heritage Assets, has now been adopted by the Council. Heritage assets are those assets held by the Authority for cultural, environmental or historical reasons in relation principally to their contribution to knowledge and culture.

Slough Borough Council does not have any heritage assets which are either materially significant or non-operational. Operational assets are disclosed in note 12.

Housing Revenue Income and Expenditure Statement for the year ended 31st March

	2012/13 £000	2011/12 £000
Income		
Gross Rent Income:		
Rent income - Dwellings	(30,421)	(28,361)
Rent income - Non Dwellings	(1,504)	(1,705)
Charges for facilities & services	(1,908)	(1,750)
Contributions towards expenditure	(606)	(594)
Total Income	**(34,439)**	**(32,410)**
Expenditure		
Repairs & Maintenance	6,661	7,155
Supervision & Management:	6,897	7,895
Rents, Rates & Taxes	124	14
Housing Revenue Account Subsidy payable (incl MRA)	(82)	7,419
Depreciation and Impairment of non current assets	4,366	9,350
Debt Management Costs	0	59
Movement in allowance for Bad Debts	303	210
Settlement payment to Government for HRA self-financing	0	135,841
Total Expenditure	**18,269**	**167,943**
Exceptional Items	0	0
Net Cost of HRA Services as included in the Comprehensive Income and Expenditure Account	**(16,170)**	**135,533**
HRA Services Share of Corporate & Democratic Core	205	205
Net Cost/(Income)of HRA Services	**(15,965)**	**135,738**
(Gains)/loss on sale/Derecognition of HRA Fixed Assets	7,176	(244)
Interest Payable and Similar Charges	5,388	2,271
HRA Investment Income	(58)	(95)
Pensions interest cost and expected return on pensions assets	190	179
(Surplus)/Deficit for Year on HRA Services	**(3,269)**	**137,849**

Movement on the HRA Statement

	2012/13	2011/12 Restated
	£000	£000
Restated Balance on the HRA at the end of the previous year	8,897	9,531
Deficit on the HRA Income and Expenditure Statement	3,269	(137,849)
Adjustments between accounting basis and funding basis under stature	2,168	138,495
Net Increase or (Decrease) before transfers to or from reserves	**5,437**	**646**
Transfers (to)/from Reserves	0	(1,280)
Increase or (decrease) on the HRA for the year	**5,437**	**(634)**
Balance on the HRA at the end of the current year	**14,334**	**8,897**

Adjustments between accounting basis and funding basis

	2012/13 £000	2011/12 £000
Difference between interest payable and similar charges including amortisation of premiums and discounts determined in accordance with the Code and those determined in accordance with statute	128	(167)
Revaluation and Impairment of PPE	1,193	(3,735)
Gain or loss on sale of HRA non current assets	(7,176)	244
HRA Share of Contributions to or from the Pension Reserve	(266)	(278)
Transfers to/(from) Major Repairs Reserve	0	(583)
Settlement payment - Self Financing	0	(135,841)
Contribution to major repairs reserve	3,953	1,865
Net additional amount required by statute to be debited or (credited) to the HRA Balance for the year	**(2,168)**	**(138,495)**

Transfers to/from Reserves

	2012/13	2011/12 Restated
	£000	£000
Transfers (to)/from earmarked reserves	0	(1,280)
Total Transfers	**0**	**(1,280)**

Notes to the Housing Revenue Account

1. Housing Revenue Account

The Housing Revenue Account is a record of expenditure and income from the provision of local authority housing, and the form and content of the Account is prescribed by statute. The Housing Revenue Account is “ringfenced” and must be self-supporting. Contributions both to and from the Housing Revenue Account (e.g. from the General Fund) are limited to special circumstances.

2. Housing Stock

The number of dwellings in the housing stock of the Aurthority, as at 31 March 2012, is analysed below.

	2012/13 Number	**2011/12** Number
Property Type		
Houses	2,819	2,813
Flats	2,997	2,997
Bungalows	552	561
Shared ownership	4	4
Awaiting Demolition	19	49
Total Dwellings 31 March	**6,391**	**6,424**

	2012/13 Number	**2011/12** Number
Total Dwellings 1 April	**6,424**	**6,471**
Sold	(32)	(18)
Conversion	0	0
New Build/Acquisition	27	0
Demolished	(28)	(29)
Total Dwellings 31 March	**6,391**	**6,424**

3. Major Repairs Reserve

The Accounts and Audit Regulations 2003 require authorities to establish and maintain a Major Repairs Reserve for council dwellings. A Major Repairs Allowance (MRA) is received annually as part of the Housing subsidy system and is represented by an amount equivalent to the total HRA depreciation charge which can only be used for capital expenditure on HRA assets.

	2012/13 £000	**2011/12** £000
Balance at 1 April	4,643	1,515
Depreciation on fixed assets	**5,559**	**5,603**
Transfer (to)/from HRA balance	**0**	**(583)**
Capital expenditure on HRA assets	(5,478)	(3,757)
Contribution from the Income & Expenditure account	3,953	1,865
Balance at 31 March	**8,677**	**4,643**

4. Housing Revenue Account Capital Expenditure

	2012/13 £000	**2011/12 £000**
Capital investment		
Dwellings	8,364	2,409
Other assets	63	1,348
	8,427	**3,757**
Sources of funding		
Supported Borrowing		0
Capital Receipts	885	0

Notes to the Housing Revenue Account

Major Repairs Reserve	5,478	3,757
Government grants and other contributions	**2,064**	**0**
Direct Revenue Financing		0
	8,427	**3,757**

Supported borrowing levels are issued annually by Central Government, authorising the Council to borrow monies, which will be funded by Central Government to covercapital expenditure. Additionally, the Council is able to take out unsupported borrowing which must be financed from its own resources.

5. Capital Receipts from Disposal of HRA Assets

	2012/13 £000	2011/12 £000
Council dwellings -		
Right to Buy	4,017	1,982
Open market sales	0	355
Other Receipts -		
Land and other property	0	137
	4,017	**2,474**
Less Pooled (Paid to Central Government)	(594)	(1,478)
	3,423	**996**

6. Housing Revenue Account Subsidy

Government Subsidy on the Housing Revenue Account is calculated based upon a notional account, which takes into account the housing stock numbers and local influences. The elements of expenditure are calculated for items such as management, day to day maintenance, capital financing charges etc. Offset against these costs is an element for notional income calculated on stock numbers and guideline rents.

The elements of Housing Revenue Subsidy for the year are as follows:

	2012/13 £000	2011/12 £000
Guideline Rent Income	0	28,030
Interest on Receipts	0	6
Management and Maintenance	0	(12,743)
Major Repairs Allowance	0	(5,020)
Charges for Capital	0	(2,854)
Total In year HRA Subsidy Payable	**0**	**7,419**
Previous years Adjustment	(82)	0
Total HRA Subsidy Due to (From) CLG	**(82)**	**7,419**

7. Rent Arrears

During 2012/13 total rent arrears increased by £33,000 (£222,000 decrease 2011/12)

	31/03/13 £000	31/03/12 £000
Current Tenant Arrears	1,242	1,034
Former Tenant Arrears	707	882
Total Rent Arrears	**1,949**	**1,916**
Prepayments	(460)	(486)
Net Rent Arrears	**1,489**	**1,430**

Notes to the Housing Revenue Account

8. Provision for Bad Debt and Doubtful Debts

The provision for bad and doubtful debts relating to the Housing Revenue Account is £1,564,000 (£1,642,000 2011/12)

9. Depreciation and Impairment of Fixed Assets

	2012/13 £000		2011/12 £000	
	Depreciation	Impairment	Depreciation	Impairment
Dwellings	5,312	0	5,353	2,409
Other Property - Operational Assets	247	(1,193)	250	1,348
	5,559	**(1,193)**	**5,603**	**3,757**

10.Pension Costs

As part of the terms and conditions of employment of its officers, 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. Slough Borough Council participates in the Local Government Pension Scheme administered by the Royal Borough of Windsor and Maidenhead. This is a funded scheme, meaning that the Authority and employees pay contributions into a 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 required to be made against the Housing Revenue Account is based on the cash payable in the year, so the real cost of retirement benefits is reversed out of the Housing Revenue Account after Net Operating Expenditure. The following transactions have been made in the Housing Revenue Account during the year.

HRA Income & Expenditure Account	**2012/13 £000**	**2011/12 £000**
Service Cost	76	100
Past Service Costs	0	0
Expected Return on Employer Assets	(326)	(421)
Interest on Pension Scheme Liabilities	516	599
Total	**266**	**278**
Employer's contributions payable to the Pension Fund and retirement benefits payable direct to pensioners		0
Movement on Pension Reserve	**266**	**278**

The Council's demand on the Collection Fund represents the balance of spending for the year to be met from local taxes. The Collection Fund (England) is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing Council in relation to the collection from taxpayers and distribution to local authorities and the Government of Council Tax and Non-Domestic Rates.

Collection Fund	Notes	2012/13 £000	2011/12 £000
Income			
Council Tax Income		(48,370)	(47,723)
Transfers from General Fund:			
Council Tax Benefit		(10,432)	(10,613)
Income collectable from Business Ratepayers	4	(86,235)	(89,903)
Total Income		**(145,037)**	**(148,239)**
Expenditure			
Precepts			
Slough Borough Council	5	48,337	47,860
Thames Valley Police Authority	5	6,478	6,414
Royal Berkshire Fire Service	5	2,337	2,314
Parish Councils	5	268	264
Business Rates:			
Payment to National Pool	4	86,020	89,693
Cost of Collection		215	210
Impairment of Debts/Appeals:			
Write-offs of uncollectable amounts		496	(381)
Allowance for impairment		165	1,810
Total Expenditure		**144,316**	**148,184**
Opening Fund Balance		**(104)**	**(49)**
Movement on Fund Balance		**(721)**	**(55)**
Closing Fund Balance		**(825)**	**(104)**

Note 1 - Council Tax

The introduction of Council Tax on 1 April 1993 revised the method of accounting for the Council's Collection Fund. The main features of the arrangements may be summarised as follows:

a) Revenue Support Grant and amounts for distribution from the NNDR National Pool are paid directly to all Billing and Precepting Authorities and are disclosed in the Income and Expenditure Account

b) Interest is no longer payable between the General Fund and the Collection Fund on cash-flow deficits/surpluses. All interest is now payable directly to the General Fund, as shown on the Income and Expenditure Account

c) The year-end surplus or deficit on the Collection Fund is to be distributed between Billing and Precepting Authorities on the basis of estimates, made in January of each year-end balance. For 2011/12, the amount outstanding in January 2012 in respect of Council Tax when compared with the provision made by the Council for non-payment, was not above the level anticipated and therefore no surplus was declared.

d) Under the old Community Charge Collection Fund any surplus or deficits were retained within the fund, however the revised arrangements in (c) above resulted in any such balances being cleared to the relevant authority. For 2009/10, the amount outstanding in January 2009 in respect of Community Charge when compared with the provision made by the Council for non-payment, was not above the level anticipated and therefore no surplus was declared.

Note 2 - Council Tax Valuation Bands

Most domestic Dwellings (including flats) whether rented or owned, occupied or not, are subject to Council Tax. Each Dwelling is allocated to one of eight bands according to their open market capital value at 1 April 1991.

Valuation Band Range of Values

A	Up to & including	40,000		
B		40,001	-	52,000
C		52,001	-	68,000
D		68,001	-	88,000
E		88,001	-	120,000
F		120,001	-	160,000
G		160,001	-	320,000
H	More Than			320,001

Note 3 - Council Tax Income

The Council Tax is a charge on domestic property. Each property has been independently valued and put into one of eight bands (A to H). The charge for each property is calculated by reference to the 'band' charge. Specific reductions are made in accordance with government regulations for persons on lower incomes (Council Tax Benefits). Government grant is received for this reduction.

In order to calculate the charge to be levied the estimated number of properties for each band for the year is converted to a Band D figure. This gives the tax base for the Council.

The valuation bands and the Band D equivalent figures estimated for 2012/13 are as follows:

Band	Calculated number of dwellings	Ratio to Band D	Equated number of dwellings	Council Tax Payable
A	1,112	6/9	741	907.38
B	7,791	7/9	6,060	1,058.60
C	19,411	8/9	17,254	1,209.83
D	11,455	9/9	11,455	1,361.07
E	3,815	11/9	4,663	1,663.52
F	1,495	13/9	2,160	1,965.98
G	298	15/9	496	2,268.44
H	5	18/9	9	2,722.12
			42,838	
Less: Adjustment of 2% to allow for changes in the valuation list and for non-collection of tax			(857)	
Council Tax Base 2012/13			41,981	

Council Tax income for 2012/13 was £48.370 million (2011/12 £47.723 million).

Note 4 – Non-Domestic Rates

The Council collects Non-Domestic Rates for its area based on local rateable values (R.V.) multiplied by the national uniform rate (NNDR rate multiplier). The total amount, less certain reliefs and discounts, is paid to a central pool managed by Central Government, which in turn pays back to authorities their share of the pool based on a standard amount per head of the local adult population

Under these arrangements the amounts included can be analysed as follows:

	2012/13	2011/12
Total Slough Borough Council at 31 March	£223,656,241	£225,503,222
Main NNDR rate multiplier	45.8	43.3
Small Business rate multiplier	45.0	42.6
	£'000	£'000
Income due from ratepayers	90,058	91,762
Discretionary relief from the General Fund	(157)	(131)
less Provision for doubtful debts	(3,552)	(1,685)
Interest on refunds	(114)	(43)
Cost of collection allowance	(215)	(210)
National Pool contribution	86,020	89,693

The 2011/12 comparatives have been reclassified on a basis consistent with the current year.

Note 5 - Precepts & Demands

The following amounts were paid from the fund:

	2012/13 £000	2011/12 £000
Slough Borough Council	48,337	47,860
Britwell Parish Council	120	120
Wexham Court Parish Council	55	55
Colnbrook with Poyle Parish Council	93	89
Royal Berkshire Fire Service	2,337	2,314
Thames Valley Police Authority	6,478	6,414
Total	**57,420**	**56,852**

AAA FITCH RATING
Highest credit quality - 'AAA' ratings denote the lowest expectation of credit risk. They are assigned only in case of exceptionally strong capacity for timely payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.

AA FITCH RATING
Very high credit quality - 'AA' ratings denote a very low expectation of credit risk. They indicate very strong capacity for timely payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

A FITCH RATING
High credit quality - 'A' ratings denote a low expectation of credit risk. The capacity for timely payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than is the case for higher ratings.

ACCOUNTING PERIOD
The period of time covered by the accounts, normally a period of twelve months commencing on 1 April. The end of the accounting period is the Balance Sheet date.

ACCRUALS
Sums included in the final accounts to recognise revenue and capital income and expenditure earned or incurred in the financial year, but for which actual payment had not been received or made as at 31 March.

ACTUARIAL GAINS AND LOSSES
For a defined benefit pension scheme, the changes in actuarial surpluses or deficits that arise because:
Events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses); or
The actuarial assumptions have changed

ASSET
An item having value to the authority in monetary terms. Assets are categorised as either current or fixed:
A current asset will be consumed or cease to have material value within the next financial year (e.g. cash and stock);
A fixed asset provides benefits to the Authority and to the services it provides for a period of more than one year and may be tangible e.g. a community centre, or intangible, e.g. computer software licences.

AUDIT OF ACCOUNTS
An independent examination of the Authority's financial affairs.

BALANCE SHEET
A statement of the recorded assets, liabilities and other balances at the end of the accounting period.

BORROWING
Government support for capital investment is described as either Supported Capital

Grant) known as SCE(C). SCE can be further classified as either Single Capital Pot (SCP) or ring-fenced.

BUDGET
The forecast of net revenue and capital expenditure over the accounting period.

CAPITAL EXPENDITURE
Expenditure on the acquisition of a fixed asset, which will be used in providing services beyond the current accounting period, or expenditure which adds to and not merely maintains the value of an existing fixed asset.

CAPITAL FINANCING
Funds raised to pay for capital expenditure. There are various methods of financing capital expenditure including borrowing, leasing, direct revenue financing, usable capital receipts, capital grants, capital contributions, revenue reserves and earmarked reserves.

CAPITAL PROGRAMME
The capital schemes the Authority intends to carry out over a specific period of time.

CAPITAL RECEIPT
The proceeds from the disposal of land or other fixed assets. Proportions of capital receipts can be used to finance new capital expenditure, within rules set down by the government but they cannot be used to finance revenue expenditure.

CIPFA
The Chartered Institute of Public Finance and Accountancy

COLLECTION FUND
A separate fund that records the income and expenditure relating to Council Tax and non-domestic rates.

COMMUNITY ASSETS
Assets that the Authority intends to hold in perpetuity, that have no determinable useful life and that may have restrictions on their disposal. Examples of community assets are parks and historical buildings.

CONSISTENCY
The concept that the accounting treatment of like items within an accounting period and from one period to the next are the same.

CONTINGENT ASSET
A contingent asset is a possible asset arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Authority's accounts.

CONTINGENT LIABILITY
A contingent liability is either:
☐ A possible obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Authority's control; or
☐ A present obligation arising from past events where it is not probable that a transfer of economic benefits will be required, or the amount of the obligation cannot be measured with sufficient reliability.

CORPORATE AND DEMOCRATIC CORE
The corporate and democratic core comprises all activities that local authorities engage in specifically because they are elected, multi-purpose authorities. The cost of these activities are thus over and above those which would be incurred by a series of independent single purpose, nominated bodies managing the same services. There is therefore no logical basis for apportioning these costs to services.

CREDITOR
Amount owed by the Authority for work done, goods received or services rendered within the accounting period, but for which payment has not been made by the end of that accounting period.

CURRENT SERVICE COST (PENSIONS)
The increase in the present value of a defined benefits pension scheme's liabilities, expected to arise from employee service in the current period.

DEBTOR
Amount owed to the Authority for works done, goods received or services rendered within the accounting period, but for which payment has not been received by the end of that accounting period.

DEFERRED CHARGES
Expenditure which can be properly deferred (i.e. treated as capital in nature), but which does not result in, or remain matched with, a tangible asset. Examples of deferred charges are grants of a capital nature to voluntary organisations.

DEFINED BENEFIT PENSION SCHEME
Pension schemes in which the benefits received by the participants are independent of the contributions paid and are not directly related to the investments of the scheme.

DEPRECIATION
The measure of the cost of wearing out, consumption or other reduction in the useful economic life of the Authority's fixed assets during the accounting period, whether from use, the passage of time or obsolescence through technical or other changes.

DISCRETIONARY BENEFITS (PENSIONS)
Retirement benefits, which the employer has no legal, contractual or constructive obligation to award and are awarded under the Authority's discretionary powers such as the Local Government (Discretionary Payments) Regulations 1996.

EQUITY
The Authority's value of total assets less total liabilities.

EVENTS AFTER THE BALANCE SHEET DATE
Events after the Balance Sheet date are those events, favourable or unfavourable, that occur between the Balance Sheet date and the date when the Statement of Accounts is authorised for issue.

EXCEPTIONAL ITEMS
Material items which derive from events or transactions that fall within the ordinary activities of the Authority and which need to be disclosed separately by virtue of their size or incidence to give fair presentation of the accounts.

EXPECTED RETURN ON PENSION ASSETS
For a funded defined benefit scheme, this is the average rate of return, including both income and changes in fair value but net of scheme expenses, which is expected over the remaining life of the related obligation on the actual assets held by the scheme.

EXTRAORDINARY ITEMS
Material items, possessing a high degree of abnormality, which derive from events or transactions that fall outside the ordinary activities of the Authority and which are not expected to recur. They do not include exceptional items, nor do they include prior period items merely because they relate to a prior period.

FAIR VALUE
The fair value of an asset is the price at which it could be exchanged in an arm's length transaction less, where applicable, any grants receivable towards the purchase or use of the asset.

FINANCE LEASE
A lease that transfers substantially all of the risks and rewards of ownership of a fixed asset to the lessee.

GOING CONCERN
The concept that the Statement of Accounts is prepared on the assumption that the Authority will continue in operational existence for the foreseeable future.

GOVERNMENT GRANTS
Grants made by the government towards either revenue or capital expenditure in return for past or future compliance with certain conditions relating to the activities of the Authority. These grants may be specific to a particular scheme or may support the revenue spend of the Authority in general.

HOUSING BENEFITS
A system of financial assistance to individuals towards certain housing costs administered by authorities and subsidised by central government.

HOUSING REVENUE ACCOUNT (HRA)
A separate account to the General Fund, which includes the income and expenditure arising from the provision of housing accommodation by the Authority.

IMPAIRMENT
A reduction in the value of a fixed asset to below its carrying amount on the Balance Sheet.

INCOME AND EXPENDITURE ACCOUNT
The revenue account of the Authority that reports the net cost for the year of the functions for which it is responsible and demonstrates how that cost has been financed from precepts, grants and other income.

INFRASTRUCTURE ASSETS
Fixed assets belonging to the Authority that cannot be transferred or sold, on which expenditure is only recoverable by the continued use of the asset created. Examples are highways, footpaths and bridges.

INTANGIBLE ASSETS
An intangible (non-physical) item may be defined as an asset when access to the future economic benefits it represents is controlled by the reporting entity. This Authority's intangible assets comprise computer software licences.

INTEREST COST (PENSIONS)
For a defined benefit scheme, the expected increase during the period of the present value of the scheme liabilities because the benefits are one period closer to settlement.

INVESTMENTS (PENSION FUND)
The investments of the Pension Fund will be accounted for in the statements of that fund. However, authorities are also required to disclose, as part of the disclosure requirements relating to retirement benefits, the attributable share of the pension scheme assets associated with their underlying obligations.

LIABILITY
A liability is where the Authority owes payment to an individual or another organisation.
A current liability is an amount which will become payable or could be called in within the next accounting period, e.g. creditors or cash overdrawn.
A deferred liability is an amount which by arrangement is payable beyond the next year at some point in the future or to be paid off by an annual sum over a period of time.

LIQUID RESOURCES
Current asset investments that are readily disposable by the Authority without disrupting its business and are either:
Readily convertible to known amounts of cash at or close to the carrying amount; or
Traded in an active market

LONG-TERM CONTRACT
A contract entered into for the design, manufacture or construction of a single substantial asset or the provision of a service (or a combination of assets or services which together constitute a single project), where the time taken to substantially complete the contract is such that the contract activity falls into more than one accounting period.

MATERIALITY
The concept that the Statement of Accounts should include all amounts which, if omitted, or mis-stated, could be expected to lead to a distortion of the financial statements and ultimately mislead a user of the accounts.

MINIMUM REVENUE PROVISION (MRP)
The minimum amount which must be charged to the revenue account each year in order to provide for the repayment of loans and other amounts borrowed by the Authority.

NEGATIVE SUBSIDY
If the Subsidy Housing Revenue Account produces a result, which assumes that the Authority's income is higher than its expenditure, a "negative subsidy" situation arises. In this case the Authority must pay an amount equivalent to the deficit, from its Housing Revenue Account to the government.

NET BOOK VALUE
The amount at which fixed assets are included in the Balance Sheet, i.e. their historical costs or current value less the cumulative amounts provided for depreciation.

NET DEBT
The Authority's borrowings less cash and liquid resources.

NON-DISTRIBUTED COSTS
These are overheads for which no user now benefits and as such are not apportioned to services

NATIONAL NON-DOMESTIC RATES (NNDR)
The National Non-Domestic Rate is a levy on businesses, based on a national rate in the pound set by the government and multiplied by the assessed rateable value of the premises they occupy. It is collected by the Authority on behalf of central government and then redistributed back to support the cost of services.

NON-OPERATIONAL ASSETS
Fixed assets held by the Authority but not directly occupied, used or consumed in the delivery of services. Examples are investment properties, assets under construction or assets surplus to requirements pending sale or redevelopment.

OPERATING LEASE
A lease where the ownership of the fixed asset remains with the lessor.

OPERATIONAL ASSETS
Fixed assets held and occupied, used or consumed by the Authority in the pursuit of its strategy and in the direct delivery of those services for which it has either a statutory or discretionary responsibility.

PAST SERVICE COST (PENSIONS)
For a defined benefit pension 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.

PENSION SCHEME LIABILITIES
The liabilities of a defined benefit pension scheme for outgoings due after the valuation date. Scheme liabilities measured during the projected unit method reflect the benefits that the employer is committed to provide for service up to the valuation date.

PRECEPT
The levy made by precepting authorities by billing authorities, requiring the latter to collect income from Council Tax on their behalf.

PRIOR YEAR ADJUSTMENT
Material adjustments applicable to previous years arising from changes in accounting polices or from the correction of fundamental errors. This does not include normal recurring corrections or adjustments of accounting estimates made in prior years.

PROVISION
An amount put aside in the accounts for future liabilities or losses which are certain or very likely to occur but the amounts or dates of when they will arise are uncertain.

PUBLIC WORKS LOAN BOARD (PWLB)
A Central Government Agency, which provides loans for one year and above to authorities at interest rates only slightly higher than those at which the government can borrow itself.

RATEABLE VALUE
The annual assumed rental of a hereditament, which is used for NNDR purposes.

RELATED PARTIES
There is a detailed definition of related parties in FRS 8. For the Council's purposes related parties are deemed to include the Authority's members, the Chief Executive, its Directors and their close family and household members.
RELATED PARTY TRANSACTIONS
The Statement Of Recommended Practice requires the disclosure of any material transactions between the Authority and related parties to ensure that stakeholders are aware when these transactions occur and the amount and implications of such.

REMUNERATION
All sums paid to or receivable by an employee and sums due by way of expenses allowances (as far as those sums are chargeable to UK income tax) and the money value of any other benefits. Received other than in cash. Pension contributions payable by the employer are excluded.

RESERVES
The accumulation of surpluses, deficits and appropriations over past years. Reserves of a revenue nature are available and can be spent or earmarked at the discretion of the Authority. Some capital reserves such as the fixed asset restatement account cannot be used to meet current expenditure.
RESIDUAL VALUE
The net realisable value of an asset at the end of its useful life.
RETIREMENT BENEFITS
All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment.

REVENUE EXPENDITURE
The day-to-day expenses of providing services.

REVENUE SUPPORT GRANT
A grant paid by Central Government to authorities, contributing towards the general cost of their services.

STOCKS
Items of raw materials and stores an authority has procured and holds in expectation of future use. Examples are consumable stores, raw materials and products and services in intermediate stages of completion.

TEMPORARY BORROWING
Money borrowed for a period of less than one year.

TRUST FUNDS
Funds administered by the Authority for such purposes as prizes, charities, specific projects and on behalf of minors.

USEFUL ECONOMIC LIFE (UEL)
The period over which the Authority will derive benefits form the use of a fixed asset.