

SUMMARY OF ACCOUNTS 2006-07

The Council produces an annual statement of accounts which is prepared in accordance with recommended accounting practice for local authorities and are audited by an auditor appointed by the Audit Commission. The purpose of the accounts is to report the Council's financial position as at 31 March 2007.

A full copy of the Council's statement of accounts is available for examination or purchase on request by contacting Customer Services at the Council Offices. The latest audited accounts are also accessible via a quick link on the Council's website (www.melton.gov.uk) and available for inspection at Melton Library.

The following information has been provided by the Head of Financial Services and provides a summary of the financial performance of the Council for the financial year ending 31 March 2007. It should be noted, however, that the accounts are still subject to approval by the external auditor.

Revenue Budget

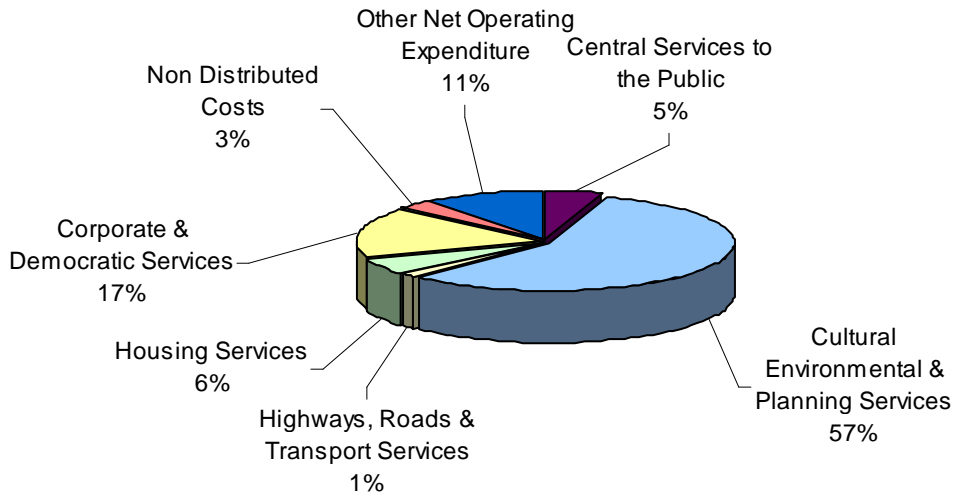
This includes the day to day running costs of services and costs incurred in managing the Council. The Council planned to spend £6,309,970 on the cost of providing such services excluding Council owned housing which is accounted for separately and reported below. The actual position at the year end showed a saving of £245,300 which has been added back to the Council's reserves to be used on expenditure of an unforeseen or of a non-recurring nature.

In addition to the above the Council budgeted for a surplus of £149,120 for the management and maintenance of its housing stock. An actual surplus of £114,329 was achieved; the difference of £34,791 being taken from the Council's Housing Revenue Account reserve.

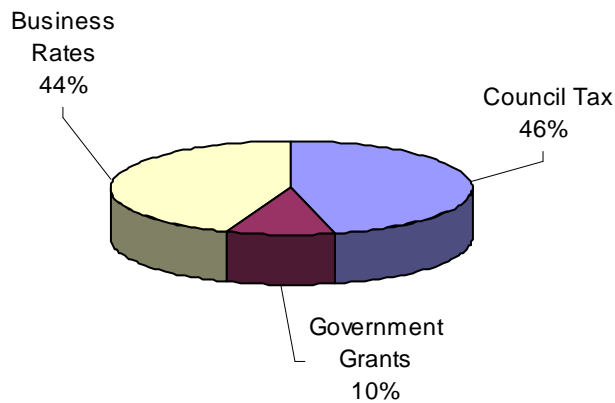
Income & Expenditure Account

	£'000	
<u>Net Expenditure</u>		
Central Services to the Public	309	
Cultural, Environmental & Planning Services	3,564	
Highways, Roads & Transport Services	76	
Council Owned Housing	-342	
Other Housing Services	697	
Corporate & Democratic Services	1,041	
Non Distributed Costs	199	
Other Net Operating Expenditure	657	
Total Net Operating Expenditure	6,201	
<u>Funded by:</u>		
Council Tax Income	3,116	
General Government Grants	657	
Non-Domestic Rates Redistribution	2,974	
Surplus For Year	-546	

Proportion of spending on services



How our Net Cost of Services are funded



Statement of Movement on the General Fund Balance

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

- Capital investment is accounted for as it is financed, rather than when the capital assets are consumed.
- Retirement benefits are charged as amounts become payable to pension funds and pensioners, rather than as future benefits are earned.

The General Fund Balance shows whether the Council has over or under spent against the council tax that it raised for the year, taking into account the use or reserves built up in the past and contributions to reserves earmarked for future expenditure.

This reconciliation Statement summarises the differences between the year end position on the Income and Expenditure Account and the General Fund Balance.

	£'000
Deficit for the year on the Income and Expenditure Account	-546
Net additional amount required by statute and non-statutory proper practices to be debited or credited to the General Fund Balance for the year	547
Increase in General Fund Balance for the year	<u>1</u>
General Fund Balance brought forward	-631
General Fund Balance Carried Forward	<u>-630</u>

The Balance Sheet

The Balance Sheet summarises all of the assets that the Council owns and the liabilities that it owes to others at 31 March 2007. It also shows how these net assets are allocated between usable resources, resources that have been set aside to finance Capital Expenditure, unrealised gains from increases in asset values and reserves needed to manage the complexities of Local Authority accounting.

	£'000
Assets	
Fixed & Long Term Assets	116,338
Money Owed to the Council	2,374
Cash, Investments & Stock	<u>5,209</u>
Total Assets	<u>123,921</u>
Liabilities	
Items Owed by the Council	5,181
Borrowing	6,478
Pension Scheme	<u>4,154</u>
Total Liabilities	<u>15,813</u>
Net Assets	<u>108,108</u>
Distributable Reserves	<u>4,354</u>
Non Distributable Reserves	<u>103,754</u>
Net Worth	<u>108,108</u>

Includes land and buildings, council dwellings, plant & equipment owned, etc

Spendable reserves and balances held for specific purposes or available to spend

The Cash Flow Statement

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

Movement of cash

Cash flows in:
rents, council tax, business rates, govt grants, cash received for goods and services

	£'000
Revenue activities	(201)
Return on Investments	(95)
Capital activities	1198
Financing	(340)
Short Term deposits	(450)
Net decrease in cash	<u>112</u>

Cash flows out:
Employees, goods & services, benefits, precepts, interest on borrowings, business rates pool

Housing Revenue Account

This is a separate account which details income and expenditure relating to the provision of Council owned housing.

	£,000
<u>Income</u>	
Rents	5,036
Other Income	460
Total Income	5,496
<u>Expenditure</u>	
Repairs & Maintenance	1,544
Supervision & Management Costs	1,244
Subsidy Payable to Central Government	1,126
Other Costs	1,468
Total Expenditure	5,382
Surplus in Year	114

The Council owned the following types and numbers of Council owned dwellings at 31 March 2007:

Houses	909
Bungalows	284
Flats & Maisonettes	723
Total	1,916

There were 10 properties sold under the Government's Right to Buy Scheme during last financial year.

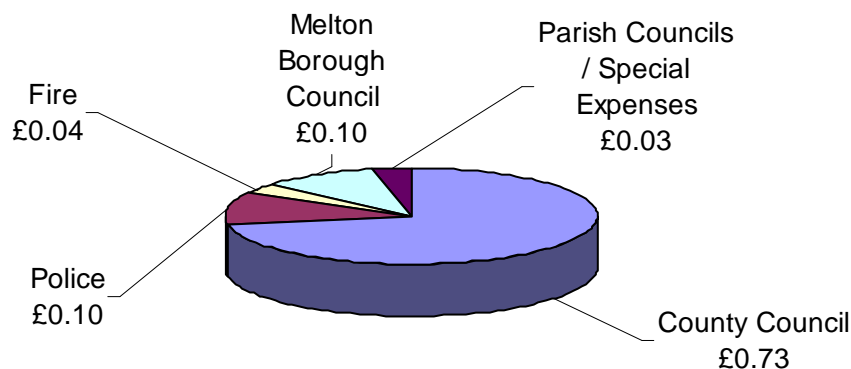
The Collection Fund

This account shows the transactions relating to the collection of council tax and non-domestic (business) rates. The Council also collects council tax on behalf of Leicestershire County Council, Leicestershire Police Authority, Leicestershire Combined Fire Authority and Parish Councils known as the "precept". Non-domestic rates have to be paid over to central government; however, the national total collected by the government is then shared out between all local authorities.

Any surplus or deficit on this account is shared out between the precepting bodies, which includes Melton. This is apportioned pro-rate to the precept due.

	£'000
<u>Income</u>	
Council Tax	21,135
Non-Domestic Rates	11,138
Other	1,881
Total Income	34,154
<u>Expenditure</u>	
Melton Borough Council incl. Parishes	3,115
Leicestershire County Council	16,805
Leicestershire Police Authority	2,390
Leicestershire Fire Authority	817
Non-Domestic Rates Transferred to the Government	11,065
Other	177
Total Expenditure	34,369
Deficit for the Year	215

For every £1 of Council Tax we collect, it is distributed in the following way:



Capital Expenditure

In addition to expenditure incurred on the running of its day to day services the Council spent £3,109,714 on purchasing, upgrading and improving its assets. This was against an approved capital programme budget of £3,811,000 resulting in an underspend of £701,286. A summary of the expenditure is shown below:

	£'000
<u>Capital Spend</u>	
Council owned Dwellings	2,281
Other Housing Services	254
Information Technology Systems	110
Council owned Assets (exc. Housing dwellings)	80
Melton Hub	172
Skate Park	92
Community Enterprise & Grants	59
Other	62
	3,110

