Vale of White Horse

VALE OF WHITE HORSE DISTRICT COUNCIL

STATEMENT OF ACCOUNTS

2008/09

Contents

Foreword by the Strategic Director (Chief Finance Officer)

1.0 Introduction

1.1 The Original Budgeted Medium Term Plan to 2011/12 provided for gradually increasing costs of service provision, against stable, annual, Council Tax increases, and the use of funds and balances to help smooth out the cycle. Overall these trends will strengthen the Council's financial base. They are principally dependent upon achievement of the Council's ambitious programme of cost cutting measures.

1.2 The Council suffered from a shortfall in income from the stagnation of the property market, a greater than forecast take-up of the free travel scheme and a consequent reduction in the use of the market town car parks. These factors meant that despite a cut-back on all non essential expenditure an additional £0.392m was required from balances to support the budget in 2008/09.

1.3 The Statement of Accounts is a formal document, which sets out the Council's overall financial position. Detailed below is a summary of each of the key elements, with references to the complete analysis within the accounts.

2.0 General Fund

2.1 The Original Estimate for 2008/09 for the Authority's expenditure after accounting for the use of balances and investment income was £12.037m. The Original Estimate was derived from a net cost of services, after adjusting for capital finance charges, of £16.071m and the use of £0.312m General Fund balances.

2.2 Instead of the planned £0.312m use of general fund balances, the Council was able to keep costs low enough to not require the balances. Unfortunately, general fund balances have reduced by £704k due to the correction of a previous accounting error which had over-stated balances in last year's accounts.

2.3 It is interesting to note that the District Council Tax raised £5.090 million which represents 32% of the adjusted net cost of services, with 43% being met by Central Government and of the remainder 23% comes from the Council's investments and 2% from funds and reserves.

3.0 Capital

3.1 Capital expenditure in the year amounted to £1.8 million and involved 29 projects. Details of the expenditure and its funding are shown in the notes to the Balance Sheet on pages 23-40. The main source of funding for the programme was capital receipts but a substantial proportion came from grants from Government departments and some contributions from developers.

3.2 The Authority has capital receipts unapplied at 31 March 2009 of £11.14 million after financing capital expenditure as set out above and taking into account receipts during the year. The analysis of movements in the year is set out on page 28.

4.0 Investments

4.1 The Authority has had no long-term debt for some time. Temporary Investments at the start of the year totalled £19.168 million, £17.337 million of this being placed with the Council's Fund Manager. At the year end, the Fund Manager's holding was shown in the Balance Sheet as £15.116 million. Temporary investments managed in-house amounted to £5,535 million at the year end.

4.2 Interest arising from these investments was slightly more than anticipated due to higher interest rates. The net interest from internally and externally managed investments credited to the Revenue Account totalled £1.904 million.

4.3 The Council has an investment policy which provides for a proportion of the reserves and balances to be invested in property. The Property Trading Statement, which is included on page 46, shows that net income of £1.751 million was credited to the Income and Expenditure Account in 2008/09.

5.0 Balance Sheet

5.1 The overall worth of the Council is represented by the combination of assets, liabilities and financing sources listed on the balance sheet (page 16).

5.2 2008/09 was a difficult economic year globally, nationally and locally. Accounting rules require the Council to revalue its fixed assets and pension liabilities. Both suffered during the year and account for the £25m net reduction in the Council's worth. This is not a cause for immediate concern as both will improve as economic recovery takes place.

5.3 Working capital (current assets and liabilities) is a more important indicator of the Council's everyday ability to manage its business. There has been no significant reduction in working capital during the year.

6.0 Collection Fund

6.1 The Collection Fund brings together the income raised by the Council Tax and National Non Domestic Rates. Against this it records expenditure to be met from the Fund, i.e. the precept requirements of the District Council, the County Council, Thames Valley Police Authority and Town and Parish Councils, together with provision made for non-payment.

6.2 For 2008/09 the Council Tax for the average property in the Vale amounted to £1,392.08 of this, 7.7% (£107.16) was for the benefit of the District Council and 3.6% (£50.41) for the average Town and Parish levy, with the majority, 78.3% (£1,089.75) being for the County Council and 10.4% (£144.76) for the Thames Valley Police Authority.

6.3 As at 31 March 2009 the Collection Fund had a closing surplus of £1,167,413.

A prudent approach was applied when estimating the balance on the Collection Fund for 2008/09 budget-setting purposes. The year-end surplus is apportioned between the major precepting bodies.

7.0 Conclusion

7.1 The overall revenue outturn position is a combination of significant reductions in service income, good performance on investment income and new government grant funding of £596k. The overall value of the balance sheet has reduced. Given the cost cutting measures approved in February 2009 the Council will face 2009/10 and the medium term in a sustainable position.

7.2 My personal thanks go to all those who have ensured the flow of information required to manage the Council's finances and especially to those involved in the production of these accounts.

STEVE BISHOP
STRATEGIC DIRECTOR (CHIEF FINANCE OFFICER)

Statement of responsibilities for the Statement of Accounts

1 The Authority's Responsibilities

The Authority is required:

(a) 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 arrangements;

(b) to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and,

(c) to approve the statement of accounts having received the external auditor's report and the Chief Finance Officer's commentary.

2 Responsibilities of the Chief Finance Officer

The Chief Finance Officer's responsibilities include the preparation of the Authority's statement of accounts, which, in terms of the Chartered Institute of Public Finance and Accountancy (CIPFA/LASAAC) Code of Practice on Local Authority Accounting in Great Britain ('the Code') is required to present fairly the financial position of the Authority at the accounting date and its income and expenditure for the year ended 31 March 2009.

In preparing this statement of accounts, the Chief Finance Officer has:

(a) selected suitable accounting policies and then applied them consistently;

(b) made judgements and estimates that were reasonable and prudent;

(c) complied with the Code of Practice and the Best Value Accounting Code of Practice.

The Chief Finance Officer has also:

(d) kept proper accounting records which were up to date;

(e) taken reasonable steps for the prevention and detection of fraud and other irregularities.

3. Approval for Audit stage

The Statement of Accounts must be prepared for Audit by 30 June. The prepared Statement has been approved for Audit by the Audit and Governance Committee on Tuesday, 30 June 2009.

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Chair of Audit and Governance Committee
30 June 2009

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Steve Bishop CPFA
Strategic Director and Chief Finance Officer
30 June 2009

4. Statement by the Strategic Director and Chief Finance Officer

I certify that this Statement of Accounts presents fairly the financial position of the Authority at 31 March 2009 and its income and expenditure for the year ended 31 March 2009.

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Steve Bishop CPFA
Strategic Director and Chief Finance Officer
17 September 2009

5. Statement by the Chair of the Audit and Governance Committee

This Statement of Accounts for 2008/09 was considered and approved at the Audit and Governance Committee meeting on 17 September 2009

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Chair of Audit and Governance Committee
17 September 2009

ACCOUNTING STATEMENTS

The statements required under the 2008 Statement of Recommended Practice are:-

Explanatory Foreword

The foreword provides an easily understandable guide to the most significant matters reported in the accounts. It provides a brief explanation of the authority's financial position and assists the reader in the interpretation of the accounting statements.

Statement of Accounting Policies

These show the accounting policies adopted in compiling the accounting statements.

Income and Expenditure Account

This shows the expenditure and income of all the functions for which the authority is responsible. It then demonstrates how the net cost has been financed from general government grants and income from local taxpayers.

Statement of Movement of the General Fund Balance

The General Fund Balance compares the Council's spending against the Council Tax that is raised for the year, taking into account the use of reserves built upon the past and contributions to reserves earmarked for future expenditure.

Statement of Total Recognised Gains and Losses

This statement brings together all the gains and losses of the Council for the year and shows the aggregate increase in its net worth.

The Balance Sheet

The Balance Sheet shows the Council's assets and liabilities as at 31 March 2009.

Cash Flow Statement

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

Notes to the Core Financial Statements

These notes provide additional information and explanation to the Core Financial Statement.

Collection Fund

This fund shows firstly the income and expenditure transactions relating to the collection of income and expenditure of Non Domestic Rates and Council Tax, and secondly the subsequent disbursement of the above to the Council's General Fund and the various precepting bodies.

STATEMENT OF ACCOUNTING POLICIES

1. General Principles and CIPFA Code of Practice on Local Authority Accounting

The Statement of Accounts summarises the council's transactions for the 2008/09 financial year and its position at the year-end of 31 March 2009. It has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2008: A Statement of Recommended Practice. The accounting convention adopted is historical cost, modified by the revaluation of certain categories of tangible fixed assets.

2. 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:

- Fees, charges and rents due from customers are accounted for as income at the date the council provides the relevant goods or services.
- 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 stocks on the Balance Sheet.
- Works are charged as expenditure when they are completed, before which they are carried as works in progress on the Balance Sheet.
- Interest payable on borrowings and receivable on investments is accounted for 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 income 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 as at 31 March 2009. Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected as detailed in note 37 to the core financial statements.

3. Provisions

Provisions are made where an event has taken place that gives the council an obligation that probably requires settlement by a transfer of economic benefits, but where the timing of the transfer is uncertain. Provisions are charged to the appropriate service revenue account in the year that the authority becomes aware of the obligation. When payments are eventually made, they are charged to the provision set up in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year and the level of provision is adjusted in line with the most up-to-date information regarding the final settlement.

4. Reserves

Cash-backed reserves are amounts set aside to meet future revenue and capital spending. The cash-backed revenue reserves of the Authority at 31 March 2009 are explained fully on page 30. Reserves are created by appropriating amounts in the Statement of Movement on the General Fund Balance. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service revenue account in that year to score against the Net Cost of Services in the Income and Expenditure Account. The reserve is then appropriated back into the General Fund Balance statement so that there is no net charge against council tax for the expenditure. There is also a cash-backed capital reserve which holds capital receipts until they are used to finance capital expenditure.

There are two, non cash-backed, capital reserves – a Revaluation Reserve and a Capital Adjustment Account. The balances on these capital reserves do not represent resources available to support capital financing. Their purpose is as follows:

The Revaluation Reserve records the accumulated gains on the fixed assets held by the authority arising from increases in the value of assets, as a result of inflation or other factors. The reserve is also debited with amounts equal to the part of depreciation charges on assets that has been incurred only because the asset has been revalued. The overall balance on the reserve thus represents the amount by which the current value of fixed assets carried in the Balance Sheet is greater because they are carried at revalued amounts rather than depreciated historical cost.

The Capital Adjustment Account reflects the timing differences between the cost of fixed assets consumed and the capital financing set aside to pay for them.

The Pension Reserve is an adjustment account that manages the effects of charges required to be made to the Income and Expenditure Account against the statutory requirements for meeting the cost of retirement benefits from local taxes, as well as absorbing the impact of actuarial gains and losses. It balances exactly the pensions liability carried in the top half of the Balance Sheet.

5. Government Grants and Contributions (Revenue)

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as income at the date that the authority satisfies the conditions of entitlement to the grant/contribution, there is reasonable assurance that the monies will be received and the expenditure for which the grant is given has been incurred. Revenue grants are matched in service revenue accounts with the service expenditure to which they relate. Grants to cover general expenditure (e.g. Revenue Support Grant, Area Based Grant & Housing and Planning Delivery Grant) are credited to the foot of the Income and Expenditure Account after Net Operating Expenditure.

6. Retirement Benefits

The District Council participates in two different pension schemes that meet the needs of current and former employees. Contributions are made to the Oxfordshire County Council Superannuation Fund to cover both contributions to the funded scheme for current employees, and the cost of enhanced pensions payable to retired employees on an unfunded basis. The scheme provides members with defined benefits related to pay and service. Pension costs are assessed in accordance with the advice of a professionally qualified actuary. Accounts relating to the fund are produced by Oxfordshire County Council and can be seen on request.

Contributions are also made to the Royal County of Berkshire Pension Fund (now managed by the Royal Borough of Windsor and Maidenhead) to cover the cost of enhanced pensions paid to retired employees of the local authorities that were replaced by the Vale of White Horse DC in April 1974.

The Local Government Pension Scheme

The Local Government Scheme is accounted for as a defined benefits scheme:

- The liabilities of the Oxfordshire County Council pension scheme attributable to the council 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 projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate of 6.7% based on the annualised yield of the iBoxx (a standard trade indicator) over 15 year AA rated corporate bond index.
- The assets of the Oxfordshire County Council pension fund attributable to the council are included in the Balance Sheet at fair value (bid price) appropriate to the mix of assets.
- The change in the net pensions liability is analysed into seven components:

- Current service cost – the increase in liabilities as result of years of service earned this year – allocated in the Income and Expenditure Account to the revenue accounts of services for which the employees worked.
- 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 Net Cost of Services in the Income and Expenditure Account as part of Non Distributed Costs.
- 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 Net Operating Expenditure in the Income and Expenditure Account.
- Expected return on assets – the annual investment return on the fund assets attributable to the council, based on an average of the expected long-term return – credited to Net Operating Expenditure in the Income and Expenditure Account.
- Gains/losses on settlements and curtailments – the result of actions to relieve the council of liabilities or events that reduce the expected future service or accrual of benefits of employees – debited to the Net Cost of Services in the Income and Expenditure Account as part of Non Distributed Costs.
- 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 Statement of Total Recognised Gains and Losses.
- Contributions paid to the Oxfordshire County Council pension fund – cash paid as employer's contributions to the pension fund.

Statutory provisions limit the council to raising council tax to cover the actual amounts payable by the council to the pension fund in the year. In the Statement of Movement on the General Fund Balance 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 any amounts payable to the fund but unpaid at the year-end.

7. Value Added Tax (VAT)

VAT is normally fully reclaimed from HM Revenue and Customs, and items of income and expenditure are included in the accounts net of tax. If any transaction makes VAT irrecoverable, that sum has been included in income and expenditure accounts.

8. Overheads and Support Services

The costs of support services e.g. computer support, financial services etc. have been charged on an appropriate basis to the services provided by the Council, or as corporate costs in accordance with the CIPFA Best Value Accounting Code of Practice 2007. 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 council's status as a multi-functional, democratic organisation.
- Non Distributed Costs – the cost of discretionary benefits awarded to employees retiring early and any impairment losses chargeable on non-operational properties.

9. Intangible Fixed Assets

Expenditure on assets that do not have physical substance but are identifiable and controlled by the council (e.g. software licences) is capitalised when it will bring benefits to the council for more than one financial year. The balance is amortised to the relevant service revenue account over the economic life of the investment to reflect the pattern of consumption of benefits.

10. Tangible Fixed Assets

Recognition: From 1 April 1994, all expenditure on the acquisition, creation or enhancement of fixed assets is capitalised on an accruals basis, provided that the fixed asset yields benefits to the Authority and the services it provides are for a period of more than one year. This excludes expenditure on routine repairs and maintenance of fixed assets that is charged direct to service revenue accounts.

Measurement: The basis of the valuation of the fixed assets is described under note 17 to the core financial statements.

Assets included in the Balance Sheet at current value are re valued where there have been material changes in the value, but as a minimum every five years using in-house expertise in accordance with the Statement of Practice and Guidance Notes of the Royal Institution of Chartered Surveyors. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Income and Expenditure Account where they arise from the reversal of an impairment loss previously charged to a service revenue account.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, which is the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account. As at the 31st March 2009 revaluation gains of £308k were transferred to the Revaluation Reserve.

Impairment: the values of each category of assets and of material individual assets are reviewed at the end of each financial year for evidence of reductions in value. Impairment occurs when events or changes in circumstances indicate that the carrying value of the asset is too high. This may be because of physical damage or a complete change in use as a result of a reorganisation. Where impairment is identified as part of this review or as a result of a valuation exercise, this is accounted for by:

- Where attributable to the clear consumption of economic benefits – the loss is charged to the relevant service revenue account.
- Otherwise – written off against any revaluation gains attributable to the relevant asset in the Revaluation Reserve, with any excess charged to the relevant service revenue account.

Where an impairment loss is charged to the Income and Expenditure Account but there were accumulated revaluation gains in the Revaluation Reserve for that asset, an amount up to the value of the loss is transferred from the Revaluation Reserve to the Capital Adjustment Account.

Disposals: when an asset is disposed of or decommissioned, the value of the asset in the Balance Sheet is written off to the Income and Expenditure Account as part of the gain or loss on disposal. Receipts from disposal are credited to the Income and Expenditure Account 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 in the Revaluation reserve are transferred to the Capital Adjustment Account. Amounts in excess of £10,000 are categorised as capital receipts and credited to the Usable Capital Receipts Reserve and can then only be used for new capital investment. Receipts are appropriated to the Reserve from the Statement of Movement on the General Fund Balance. Interest on capital receipts unapplied is credited to the Income and Expenditure account.

Depreciation: depreciation has to be provided on all fixed assets with a finite useful life except freehold land and non-operational properties. On acquisition or at revaluation, the remaining life of relevant buildings is assessed and depreciation has been charged on a straight-line basis using these values (less estimated residual value). Vehicles, equipment and intangible assets are depreciated on a straight-line basis, generally over 5 years. This depreciation forms part of the capital charges in the net cost of services. However, in common with all capital charges, it is reversed out in the Statement of Movement on the General Fund Balance and has no impact on the Council Tax budget requirement. 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.

Grants and contributions: where grants and contributions are received that are identifiable to fixed assets with a finite useful life, the amounts are credited to the Capital Grants Deferred Account. The balance is then written down to revenue to offset depreciation charges made for the related assets in the relevant service revenue account, in line with the depreciation policy applied to them. This is reversed out in the Statement of Movement on the General Fund Balance.

11. Charges to Revenue for Fixed Assets

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

- Depreciation attributable to the assets used by the relevant service.
- Impairment losses attributable to the clear consumption of economic benefits on tangible fixed assets used by the service and other loses where there are no accumulated gains in the Revaluation Reserve against which they can be written off.
- Amortisation of intangible fixed assets attributable to the service.

The council is not required to raise council tax to cover depreciation, impairment losses or amortisations. Depreciation, impairment losses and amortisations are therefore replaced by revenue provision in the Statement of Movement on the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account for the difference between the two.

12. Revenue Expenditure funded from Capital under Statute (formerly Deferred Charges)

Until 2008/09 Deferred Charges represented expenditure that were revenue in nature but defined as capital by statutory provisions. The Deferred Charges heading has now been removed and replaced by Revenue Expenditure funded from Capital under Statute. This represents expenditure which has been properly capitalised but which does not result in, or remain matched with, assets controlled by the Authority. Since 2004/05 revenue expenditure funded from capital under statute was restricted to types of expenditure where the Authority does not control the economic benefits arising, such as Improvement Grants, and the whole cost is written-off to revenue in the year it is incurred. This category therefore no longer appears in the balance sheet. Expenditure where the Authority does control the benefits should be recognised as the category of asset that it actually is. For example, in the case of computer software, Intangible Asset would be appropriate.

13. Leases

Operating Leases: rentals payable under operating leases have been charged to the revenue accounts on a straight- line basis over the term of the lease.

Finance Leases: the council has no finance leases.

14. Financial Liabilities

Financial liabilities are initially measured at fair value and carried at their amortised cost. Annual charges to the Income and Expenditure Account for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. This council is debt free and therefore has no charge required.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to Net Operating Expenditure in the Income and Expenditure Account in the year of repurchase/settlement. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write-down to the Income and Expenditure Account is spread over the life of the loan by an adjustment to the effective interest rate.

Where premiums and discounts have been charged to the Income and Expenditure Account, regulations allow the impact on the General Fund Balance to be spread over future years. The council has a policy of spreading the gain/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 Income and Expenditure Account 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 Statement of Movement on the General Fund Balance.

15. 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 initially measured at fair value and carried at their amortised cost. Annual credits to the Income and Expenditure Account 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 council has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable and interest credited to the Income and Expenditure Account 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 charge made to the Income and Expenditure Account.

Available-for-sale Assets

Available-for-sale assets comprise instruments with quoted market prices, other instruments with fixed and determinable payments and equity shares. The Vale investments are held as bank deposits and have been identified in the balance sheet as loans and receivables.

16. Stocks and Work in Progress

Stocks are held at cost. This is a departure from the requirements of S.S.A.P. 9 which requires stocks to be shown at actual cost or net realisable value if lower. The effect of this treatment has been quantified and the view is taken that any difference would not be material. Work in progress is preliminary work on capital schemes where there is no asset yet nor a firm commitment to one.

17. Contingent Liabilities and events after the Balance Sheet date.

These are covered by notes 32 and 34 to the Core Financial Statements. Any disclosure covers events up to the date the Statement of Accounts is authorised by the Chief Finance Officer as shown on page 3.

Income and Expenditure Account

2007/08	*Restated 2007/08		Gross Expenditure	Gross Income	Net Expenditure
£'000	£'000		£'000	£'000	£'000
1,615	1,615	Central services to the public	8,718	(6,644)	2,074
10,938	10,938	Cultural, environmental and planning	17,395	(4,392)	13,003
1,100	1,100	Highways, roads and transport services	1,874	(1,177)	697
1,409	1,409	Housing services	22,412	(19,410)	3,002
1,948	1,948	Corporate and democratic core	2,323	(116)	2,207
437	437	Non distributed costs	28	0	28
17,447	**17,447**	**Net Cost of Services**	**52,750**	**(31,739)**	**21,011**
(30)	(30)	(Surplus) / Loss on the disposal of fixed assets			(203)
2,181	2,181	Parish Precepts			2,394
(1,906)	(1,906)	(Surpluses)/deficits on property investments not included in Net Cost of Services - page 46			(1,751)
0	0	Investment property impairments – note 19			10,690
3	3	Contribution to housing pooled capital receipts			0
36	36	Provision for Bad Debts – Increase/(decrease)			(13)
(1,556)	(1,556)	Interest and investment income - note 23			(1,904)
0	0	Financial asset impairment and interest – note 28			249
0	0	Re-imbursement of compound interest HMR&C			(109)
270	280	Pensions interest costs and expected return on pensions assets - note 35			126
16,445	16,455	**Net Operating Expenditure**			30,491
(7,044)	(7,044)	Demand on the Collection Fund			(7,474)
(237)	(237)	Local Authority Business Growth Incentive grant			(343)
0	0	Housing & Planning Delivery grant			(231)
0	0	Area based grant			(22)
(981)	(981)	Revenue support grant			(850)
(5,844)	(5,844)	Non-domestic rates redistribution			(6,107)
2,339	2,349	**Deficit for the Year**			15,463

* The 2007/08 accounts have been restated on account of a change to the accounting policy with regard to the valuation of pensions (note 35).

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

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

2007/08 £'000	Restated 2007/08 £'000		2008/09 £'000
2,339	2,349	Deficit for the year on the Income and Expenditure Account	15,463
(3,449)	(3,459)	Net additional amount required by statute and non-statutory proper practices to be debited and credited to the General Fund Balance for the year	(14,759)
(1,110)	(1,110)	(Increase)/decrease in General Fund Balance for the Year	704
(1,844)	(1,844)	General Fund Balance brought forward	(2,954)
(2,954)	**(2,954)**	**General Fund Balance carried forward**	**(2,250)**

Note of reconciling items for the Statement of Movement on the General Fund Balance

2007/08 £'000	Restated 2007/08 £'000		2008/09 £'000
		Amounts included in the Income and Expenditure Account but required by statute to be excluded when determining the Movement on the General Fund Balance for the year	
(247)	(247)	Amortisation of intangible fixed assets (note 19)	(210)
(1,291)	(1,291)	Depreciation of fixed assets (note 19)	(1,291)
0	0	Impairment of fixed assets (note 19)	(13,168)
328	328	Capital Grants Deferred amortisation (note 27)	267
0	0	Capital grants income reversal from general fund (see below)	707
(1,590)	(1,590)	Write down of revenue expenditure funded from capital under statute (previously deferred charges) net of funding (note 26)	(721)
30	30	Net gain / (loss) on sale of assets	202
(2,010)	(2,020)	Net charges made for retirement benefits in accordance with FRS 17 (note 35)	(2,341)
0	0	Reversal of financial asset impairment (note 28)	(249)
(4,780)	(4,790)		**(16,804)**
		Amounts not included in the Income and Expenditure Account but required to be included by statute when determining the Movement on the General Fund Balance for the year	
(3)	(3)	Transfer from Usable Capital Receipts to meet payments to the Housing Capital Receipts Pool (note 25)	0
1,577	1,577	Employer's contributions payable to the Oxfordshire County Council Pension Fund and retirement benefits direct to pensioners (note 35)	2,011
1,574	**1,574**		**2,011**
		Transfers to or from the General Fund Balance that are required to be taken into account when determining the Movement on the General Fund Balance for the year	
(243)	(243)	Net transfer to or from earmarked reserves	34
(3,449)	**(3,459)**	**Net additional amount required to be credited to the General Fund balance for the year**	**(14,759)**

Note: Adjustment to general fund balance

During the 2007/08 closedown process expenditure and capital grant funding in relation to works paid for by the Council as capital, but not resulting in a capital asset owned by the Council, were transferred to the income and expenditure account in accordance with the accounting requirements. These related to grant funded housing renovation works £453k, flood defence £125k, Housing Association funding £119k and a capital contribution to the Faringdon Market Place £10k (total £707k). The Renovation Grant and Flood Grant related to capital grant received in 2007/08. The Housing Association grant and the contribution to Faringdon Market Place related to capital expenditure accounted for in 2006/07.

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 12 months. However, the authority is required to raise council tax on a different accounting basis and consequently all capital expenditure which does not result in a Council owned asset (i.e. an increase in value of the

Council) is reversed out of the bottom line of the income and expenditure account in the statement of movement on the General Fund Balance. The Statement of Recommended Accounting Practice (SORP) clearly identifies the need to ensure that all such expenditure is reversed and checks were made to ensure that the expenditure was reversed out of the accounts. Regrettably, because of changes to the SORP over the last two years the need to reverse out the 'net' expenditure funding was not stated in this part of the SORP but in another part of the SORP relating to the changes in the treatment of deferred grants on revenue expenditure funded from capital.

As a result, the need to reverse out the grant income was over-looked and not picked up through the checking or audit processes. This left a credit in the income and expenditure account which should have been moved to the capital adjustment account and inappropriately increased the transfer to the General Fund by £707,000.

This omission was identified earlier in 2009 through the process of looking at the Council's capital financing requirements and has been discussed extensively with the Council's auditors. Their conclusion is the Council should adjust for the amount within the closedown process for 2008/09.

Statement of Total Recognised Gains and Losses

This statement brings together all the gains and losses of the council for the year and shows the aggregate increase in its net worth. In addition to the surplus generated on the Income and Expenditure Account, it includes gains and losses relating to the revaluation of fixed assets and re-measurement of the net liability to cover the cost of retirement benefits.

2007/08 £'000	Restated 2007/08 £'000		2008/09 £'000
2,339	2,349	Deficit for the year on the Income and Expenditure Account	15,463
(66)	(66)	Loss/(Surplus) arising on revaluation of fixed assets & financial instruments	(396)
810	910	Actuarial (gains)/losses on pension fund assets and liabilities	10,430
	80	Loss in value on Pension Fund - mid to bid price	
(73)	(73)	Change to Collection Fund	(138)
3,010	**3,200**	**Total recognised (gains)/losses for the year**	**25,359**

BALANCE SHEET

2007/08 £'000	Restated 2007/08 £'000			2008/09 £'000	2008/09 £'000
362	362	Intangible Fixed Assets	- note 19		167
		Tangible Fixed Assets	- note 19		
		Operational Assets			
37,903	37,903	- Land and Buildings:		34,462	
108	108	- Infrastructure		95	
961	961	- Plant and Equipment		907	
1,359	1,359	- Community Assets		1,488	
		Non-Operational Assets:			
37,798	37,798	- Investment properties		27,626	
3,560	3,560	- Surplus assets held for disposal		3,200	67,778
82,051	**82,051**	**Total Fixed Assets**			**67,945**
		Long Term Debtors:	- note 20		
40	40	- Mortgages		32	
122	122	- Other Loans		84	116
82,213	**82,213**	**Total Long Term Assets**			**68,061**
		Current Assets:			
118	118	- Stocks and Work in Progress	- note 21	116	
0	0	- Cash and Bank		363	
4,824	4,824	- Debtors	- note 22	6,998	
19,168	19,168	- Temporary Investments	- note 23	20,567	
24,110	**24,110**				**28,044**
		Current Liabilities:			
(20)	(20)	- Cash and Bank		0	
(0)	(0)	- Short Term Borrowing		(3,000)	
(2,921)	(2,921)	- Receipts in Advance		(2,724)	
(6,510)	(6,510)	- Creditors	- note 24	(8,223)	
(9,451)	(9,451)				(13,947)
96,872	**96,872**	**Total Assets less Current Liabilities**			**82,158**
(19,119)	(19,310)	Liabilities Relating to Defined Pension Scheme		(29,990)	
(3,900)	(3,900)	Capital Grants Deferred – Applied	- note 27	(3,772)	
(3)	(3)	Capital Grants Unapplied		(180)	(33,942)
73,850	**73,659**	**Total Assets less Liabilities**			**48,216**
		Financed by:			
(77,461)	(77,461)	Capital Adjustment Account	- note 26	(63,887)	
0	0	Revaluation Reserve	- page 45	(308)	
(11,691)	(11,691)	Capital Receipts Reserve	- note 25	(11,139)	
(40)	(40)	Deferred Capital Receipts		(32)	
19,119	19,310	Pension Reserve	- note 35	29,990	
0	0	Financial Instruments Adj. Account	- note 28	249	
(830)	(830)	Earmarked Reserves	- note 29	(707)	
(2,954)	(2,954)	General Fund Balance	- note 31	(2,250)	
7	7	Collection Fund Balances	- CF note 1	(132)	
(73,850)	**(73,659)**	**Total Equity**			**(48,216)**

CASHFLOW STATEMENT 2008/09

2007/08 £'000	Restated 2007/08 £'000		£'000	£'000
		Revenue Activities		
		Cash Outflows		
9,874	9,874	Cash paid to and on behalf of employees	10,774	
19,383	20,949	Other operating cash payments	15,894	
16,387	16,387	Housing benefit paid out	18,607	
45,891	45,891	National non-domestic rate payments to national pool	53,670	
58,330	58,330	Precept paid	60,950	
7	7	Payments to Capital Receipts Pool	0	
149,872	151,438			159,895
		Cash Inflows		
(60,716)	(60,716)	Council Tax receipts	(63,799)	
(5,844)	(5,844)	Non-domestic rate receipts from national pool	(6,107)	
(53,560)	(53,560)	Non-domestic rate receipts	(58,225)	
(981)	(981)	Revenue Support Grant	(850)	
(16,148)	(16,148)	DSS grants for benefits	(16,768)	
(8,598)	(8,598)	Other government grants - note 41	(7,219)	
(8,095)	(8,528)	Cash received for goods and services	(4,424)	
(153,942)	(154,375)			(157,392)
(4,070)	(2,937)	**Net Cash (Inflow)/Outflow from Revenue Activities** – note 38		2,503
		Return on Investments and Servicing of Finance		
1	1	**Cash outflows** Interest paid		
(1,473)	(1,473)	**Cash inflows** Interest received	(2,056)	(2,056)
		Capital Activities		
		Cash Outflows		
2,093	1,938	Purchase of fixed assets	505	
1,411	0	Other capital grant payments	0	
3,504	1,938			505
		Cash Inflows		
(184)	(184)	Sale of fixed assets	(254)	
(885)	(452)	Capital grants received	(210)	
(1,069)	(636)			(464)
(3,107)	(3,107)	**Net cash (inflow)/outflow before financing**		488
		Management of liquid resources		
2,570	2,570	Increase/(decrease) in short term deposits	(3,870)	
(1)	(1)	(Increase)/reduction in cash floats	(1)	
2,569	2,569			(3,871)
		Financing		
		Cash inflows New loans raised		3,000
(538)	(538)	**(Increase)/Decrease in Cash** – note 39		(383)

NOTES TO THE CORE FINANCIAL STATEMENTS

1.1 Authorisation of the Accounts for Issue

Events may occur between the Balance Sheet date and the date the accounts are authorised for issue which might have a bearing upon the financial results of the past year. Local authority financial statements are required to be approved by the authority by 30th June. For the 2008/09 accounts the Audit and Governance Committee and the responsible financial officer will sign, date and certify the accounts for presentation to audit on Tuesday 30th June.

1.2 Restatement of Prior Period

There has been a restatement made to the prior period for the Statement of Accounts 2008/09 on account of: (i) the change to the method of valuation in the Pension Fund from mid price to bid price (see note 35). (ii) the introduction of Revenue Expenditure funded from Capital under Statute with the consequence that deferred charges previously included in the capital activities section of the cash flow statement are transferred to revenue activities within that statement (see cashflow statement p17).

2. Grants – Capital

The Code of Practice requires capital grants and contributions to be accounted for using a deferred credit method. The asset is capitalised at gross cost. Capital contributions are credited to a Capital Grants Deferred Account in the Balance Sheet and released to the service revenue accounts over the life of the asset to match any charges for depreciation; or in total if the asset is not subject to depreciation. In the financial year 2008/09, grants have been received from the Heritage Lottery Fund and from various government departments, and contributions have been received from local businesses developing property and from other local authorities.

3. Undischarged obligations arising from Long-term contracts

During 2008/09 the Council carried out a joint procurement exercise with South Oxfordshire District Council for the supply of household waste collection, street cleansing and ancillary services. The contract lasts for 7 years and is due to start in October 2010.

4. Discretionary Expenditure

The Local Government Act 2000 granted powers to authorities in England and Wales to promote wellbeing in their area. A local authority may incur expenditure which in its opinion is in the interests of its area or part of its area, or all or some of its inhabitants and which is not otherwise authorised. Expenditure incurred under these provisions (e.g. donations to charities, not-for-profit bodies and mayoral appeals) amounted to £2,889. The majority of this expenditure related to donations to local groups not exceeding £170 per group.

5. Publicity

Section 5 of the Local Government Act 1986 as applied by Local Authorities (Publicity Account) Order 1987 requires local authorities to keep separate accounts for expenditure incurred on advertising and publicity. Costs incurred in 2008/09 are as follows: -

	2007/08	2008/09
	£	£
Recruitment Advertising	23,708	9,327
General Publicity	87,896	64,285
	111,604	73,612

The reduced expenditure reflects the reduction in recruitment activity and the reduction in the Planning Notices required during the year.

6. Agency Work

The authority undertook work for Oxfordshire County Council on an agency basis in respect of maintenance of Highway Verges (Local Government Act 1972 s101). The value of work undertaken this year was £45,741 (£43,605 in 2007/08).

Internal audit, Revenues and Benefits Client and a part of the Strategic Management Team and Heads of Service were also supplied to South Oxfordshire District Council at a cost of: £222,121.

7. Pension Costs

In 2008/09 the District Council paid an employer's contribution of £1,769,482 into the Oxfordshire County Council Pension Fund, representing 23% of the total pensionable pay of £7,671,684 (£7,064,100 in 2007/08). It also paid £217,175 (2.8% of pensionable pay) into that fund in respect of enhanced pensions for former employees.

In addition to those contributions, the District Council will pay £65,310 to the Royal County of Berkshire Pension Fund, now administered by the Royal Borough of Windsor & Maidenhead, for enhanced pensions to former employees of the pre-1974 reorganisation authorities. There are 1 surviving staff member and 6 widows' pensions.

Additional information regarding the Oxfordshire County Council Pension Fund can be found in note 35 to the Balance Sheet, on pages 31 to 35.

8. Building Control Trading Account

The Building Control (Local Authority Charges) Regulations 1998 require the disclosure of information regarding the setting of charges for the administration of the building control function. For this reason it has been the practice to disclose the cost of that part of building control which is charged for in the Statement of Accounts. The statement below shows the total cost of operating the building control unit divided between the chargeable and non-chargeable activities.

Building Regulations – Revenue Charging Account 2008/09

	Chargeable 2008/09 £	Non Chargeable 2008/09 £	Total Building Control 2008/09 £
Expenditure			
Employee expenses	392,512	134,544	527,056
Transport	22,970	7,657	30,627
Supplies and services	33,575	10,863	44,438
Third party payments	2,100	700	2,800
Central and support service charges	240,981	80,327	321,309
Capital financing charges	90	30	120
TOTAL EXPENDITURE	692,228	234,121	926,350

Income			
Building regulations charges	(565,475)	0	(565,475)
Reallocation of capital grant income	(5,499)	(1,833)	(7,332)
TOTAL INCOME	(570,974)	(1,833)	(572,807)
Deficit/(Surplus) for Year	121,254		

3 year summary	
2008/09 deficit/(surplus)	121,254
2007/08 deficit/(surplus)	2,405
2006/07 deficit/(surplus)	(57,203)
Total deficit/(surplus) over last 3 years	66,456

The deficit of £121,254 at 31 March 2009 has been transferred to an earmarked reserve. The cumulative deficit at 31 March 2009 over the last 3 years stands at £66,456.

Capital expenditure of £61,000 relating to the purchase of IT and a new vehicle increased the total drawn from the reserve to £182,000 (Note 29).

9. Officers' Emoluments (to follow upon completion of P60 payroll return)

The numbers of employees whose total remuneration exceeded £50,000 in the financial year are as detailed below:

Remuneration Band	**2007/08**	**2008/09**
£50,000 - £59,999	8	8
£60,000 - £69,999	2	8
£70,000 - £79,999	1	0
£80,000 - £89,999	1	1
£90,000 - £99,999	0	0
£100,000 - £109,999	1	1

The calculation of remuneration includes redundancy and retirement settlements which explains the increase on last year. It should also be noted that following the joint management team arrangements with South Oxfordshire District Council, the costs of four employees are shared 50:50.

10. Operating Leases

The Council uses operating leases on a limited basis. The amount paid under these arrangements in 2008/09 was £53,914 (2007/08 £62,300). The expenditure was on the authority's automatic public conveniences. The photocopier leases have been terminated.

The Council is committed to making payments of £53,914 under these leases in 2009/2010. The leases will expire in the next 3 years, as follows:

	£
Leases expiring after 2011/2012	53,914

11. Related Party Transactions

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

Related parties include:

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 a large proportion of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. housing benefits). Details of transactions with Government departments are set out in a note to the Cash Flow Statement.

Precepts
Precept transactions in relation to Oxfordshire County Council, Thames Valley Police Authority and the various Town and Parish Councils, are shown within a note to the Collection Fund.

Other local authorities

Payments to Oxfordshire County Council and the Royal Borough of Windsor and Maidenhead for pension costs are included in note 7 to the Income and Expenditure Account.

Members of the Council
Members have direct control over the Council's financial and operating policies. During the year no Members have undertaken any declarable, material transactions with the Council. Details of any transactions (if they exist) are recorded in the register of Members' Interests, open to public inspection at the Council's offices. This is in addition to a specific declaration obtained from all councillors except one (details may be obtained from the Chief Finance Officer re this) in respect of Related Party Transactions.

Members represent the Council on various organisations. Appointments are reviewed annually, unless a specific termination date for the term of office applies. None of these appointments places the Member in a position to exert undue influence or control.

Officers of the Council
Officers are only required to be disclosed as related parties when they have been involved in material transactions. During the year, no officers have declared any material transactions.

Other organisations

The Council awards grants to support a number of voluntary or charitable bodies and individuals. It does not attempt to exert control through this.

12. Trading Operations

The Council has adopted an Investment Policy for its funds that are surplus to operational needs. Some are held as cash and accessible at short notice whilst some have been invested in property for which rents are received. A property trading statement for the year is shown on page 46. The interest received and the surplus on property investments is carried to the Income and Expenditure Account below the net cost of services.

13. Local Authority (Goods & Services) Act 1970

The Council is empowered by this Act to provide goods and services to other public bodies. In 2008/09, goods and services falling within the scope of this Act consisted of:

DSO services to South Oxfordshire District Council and Vale Housing Association - emptying of septic tanks, blocked drains and other minor works: £95,000.

CCTV services to South Oxfordshire District Council: £133,000

Grounds Maintenance work for Abingdon Town Council and Vale Housing Association: £161,000

Conveyancing services for Vale Housing Association: £2,000

The total value of work is deemed to be insignificant relative to the total budget of the Council. The Council does not make a profit in providing these services and all of the costs are recovered. The provision of these services to other public bodies helps to provide an economically viable service and promotes partnership workings with our nearest neighbours.

14. Local Area Agreements

The Council is a participant in a local area agreement (LAA) - a partnership with other public bodies that requires the pooling of government grants to finance work towards jointly agreed objectives for local public services. In 2008/09, the LAA has completed the 3rd year of its three-year agreement. The council has received a share of the grant for Stronger, Safer Communities. This amounted to £120,450 out of a total grant to the LAA of £853,000 The activities funded by the grant is to reduce crime and disorder in the Vale area and to support a community in which people feel safe regardless of age or ethnic background.

15. Audit Costs

During the year the Vale of White Horse District Council incurred the following fees relating to external audit and inspection:-

	2008/09 **£**
Fees payable to the Audit Commission with regard to external audit services carried out by the Appointed Auditor	**103,850**
Fees payable to the Audit Commission for certification of grant claims	50,719
Total	154,569

These costs are accounted for within the Income and Expenditure Account.

16. Members' Allowances

During 2008/09 the total sum paid to members in respect of basic and special responsibility allowances was as follows:-

Type of Allowance	**2007/08** **£**	**2008/09** **£**
Basic Allowance	187,877	188,278
Special Responsibility Allowance	127,611	114,423
Total	315,488	302,701

These costs are accounted for within the Income and Expenditure Account.

17. Fixed Assets

All of the Council's property assets are re-valued every 5 years in a rolling programme, using in-house qualified expertise in accordance with the Statements of Asset Valuation Practice and Guidance Notes of the Royal Institution of Chartered Surveyors (RICS). The basis used is Open Market Value, Existing Use Value (for properties used by the Council) or Depreciated Replacement Cost (for specialised buildings where there is no market) as appropriate. Community Assets (parks, open spaces etc) are included at historic cost, and vehicles, plant and equipment are included at purchase price less depreciation. For the 2008/09 accounts a de minimis level of £25,000 has been used for land and buildings, and £10,000 for new vehicles, plant and equipment.

	Number of properties at	
Fixed assets with a book value include:	**31/3/2008**	**31/3/2009**
Council Offices, Abingdon	1	1
Local Services Point, Wantage	1	1
Leisure Centres* & sports facilities, Abingdon, Faringdon & Wantage	5	5
Public Halls, Abingdon, Faringdon & Wantage	3	3
Temporary accommodation, Abingdon, Faringdon & Wantage	12	12
Community Centres, Abingdon, Botley	5	5
Off-street Car Parks, Abingdon, Faringdon & Wantage	10	10
Mobile Home Parks, Radley	2	2
Multi-storey Car Park, Abingdon	1	1
Public Conveniences, Abingdon, Botley, Faringdon & Wantage	4	4
Properties/sites held for investment see page 42	11	11
Properties/sites held for development, Abingdon	1	1
Surplus properties	1	0
Agricultural land, let	1	1
Recreation Grounds and open spaces, throughout the Vale	13	13

*The Leisure Centres at Wantage and Faringdon are attached to educational establishments run by Oxfordshire County Council and the District Council does not own the land. This line also includes Abingdon open-air pool.

18. Capital Expenditure 2008/09 and how funded

	2007/08 £'000	2008/09 £'000
Expenditure		
Land & Buildings	69	4
Plant & Equipment	490	204
Community Assets	124	129
Infrastructure Assets	56	2
Non-Operational Assets	1,313	23
Intangible assets	4	111
Revenue expenditure funded from capital under statute (previously Deferred Charges)	1,429	1,326
	3,485	1,799
Financed from		
Capital Receipts	2,477	815
Internal fund	0	33
Government Grants	632	543
Heritage lottery and other grants	259	131
Developers and other contributions	117	277
	3,485	1,799

19. Movement of Fixed Assets 2008/09

Operational assets	Land & Buildings £000s	Plant & Equipt £000s	Infra-structure £000s	Community Assets £000s	Total £000s
Cost or valuation					
At 1 April 2008	39,541	1,603	138	1,359	42,641
Additions	4	204	2	129	339
Reclassifications		(67)			(67)
Revaluations	38	80			118
At 31 March 2009	39,583	1,820	140	1,488	43,031
Depreciation and impairments					
At 1 April 2008	(1,638)	(642)	(30)	0	(2,310)
Depreciation for year	(1,005)	(271)	(15)	0	(1,291)
Impairments	(2,478)	0	0	0	(2,478)
At 31 March 2009	(5,121)	(913)	(45)	0	(6,079)
Balance Sheet amount at 31 March 2009	34,462	907	95	1,488	36,952
Balance Sheet amount at 1 April 2008	37,903	961	108	1,359	40,331
Nature of asset holding					
Owned	34,462	907	95	1,488	36,952
Finance lease	0	0	0	0	0
	34,462	907	95	1,488	36,952

Non Operational assets	Investment Properties £000s	Surplus held for disposal £000s	Intangible £000s	Total £000s
Cost or valuation				
At 1 April 2008	37,798	3,560	767	42,125
Additions	23		111	134
Disposal	(60)			(60)
Reclassifications			67	67
W/o revenue funded from capital under statute			(163)	(163)
Revaluations	195			195
At 31 March 2009	37,956	3,560	782	42,298
Depreciation and impairments				
At 1 April 2008			(405)	(405)
Depreciation			(210)	(210)
Impairments	(10,330)	(360)	0	(10,690)
At 31 March 2009	(10,330)	(360)	(615)	(11,305)
Balance Sheet amount at 31 March 2009	27,626	3,200	167	30,993
Balance Sheet amount at 1 April 2008	37,798	3,560	362	41,720
Nature of asset holding				
Owned	27,626	3,200	167	30,993
Finance lease	0	0	0	0
	27,626	3,200	167	30,993

20. Long Term Debtors

This represents outstanding loan advances granted by the Authority.

	Mortgage Advances		Other Advances		
	Private Sector	Former Council Tenants	Other Loans	Car Loans	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 01/04/08	16	24	15	107	162
New Advances & Interest charged	1	3	5	23	32
Repayments	(1)	(11)	(12)	(54)	(78)
Balance at 31/03/09	16	16	8	76	116

21. Stocks and Work in Progress

	31/03/08 £'000	31/03/09 £'000
Stocks	23	24
Work in Progress	95	92
	118	116

Stock held on 31 March 2009 related to ICT consumable items, stationery, postage stamps, goods for resale and bar stocks held at the Guildhall and Civic Hall. Work in Progress is preliminary work on capital schemes where there is no asset yet nor firm commitment to one.

22. Debtors can be classified as follows:

	31/03/08 £'000	31/03/09 £'000
Council Tax payers	1,916	2,151
Business Rate payers	1,055	1,388
Investment Interest	12	164
Public Authorities	550	613
Government Depts	167	2,638
Other	2,803	2,125
Payments in Advance	84	56
Gross Debtors	6,587	9,135
Less provision for bad or doubtful debts:		
Council Tax Payers	(734)	(767)
Business Rate Payers	(516)	(544)
Sundry Debtors	(166)	(201)
Housing Benefits	(253)	(557)
Housing Rents	(94)	(68)
Net Debtors	4,824	6,998

A full explanation as to how the bad debt provision has been calculated is provided in note 37.

23. Temporary Investments

	With Fund Manager Investec Asset Management £'000	Managed In-house £'000	Total £'000
Opening balance 1 April 2008	17,337	1,831	19,168
Previous year interest	0	12	12
Additional funds invested	0	157,875	157,875
Funds repaid	(3,500)	(154,005)	(157,505)
Interest earned in year	987	594	1,581
Interest drawn down	(31)	(442)	(473)
Change in capital value	323	0	323
Impairment of Landsbanki investment	0	(280)	(280)
Interest on Landsbanki investment earned but not yet received	0	30	30
Accrued interest at year end [included in debtors]	0	(164)	(164)
Closing balance 31 March 2009	15,116	5,451	20,567

The closing balance includes £1m held with Landsbanki – see note below.

Investment income due to the Authority has been included in the Income and Expenditure Account on page 12 and in note 22 - Debtors above.

Investments managed by the Fund Manager comprise cash deposits and gilts that can be recalled at short notice and are valued at 'Bid Price'. There may also be unrealised changes in capital value at the year-end. The Fund Manager may have some long-term investments in their normal course of business.

Investment with Landsbanki

Early in October 2008, the Icelandic banks Landsbanki, Kaupthing and Glitnir collapsed and the UK subsidiaries of the banks, Heritable and Kaupthing Singer and Friedlander (KSF) went into administration. The authority had £1m deposited with Landsbanki due to mature on 24 October 2008 at an interest rate of 5.95%.

The money within Landsbanki is currently subject to the administration process and the amounts and timing of payments to the authority will be determined by the administrators. Based on the latest information available the authority considers that it is appropriate to consider an impairment adjustment for the deposits, and has taken the action outlined below. As the available information is not definitive as to the amounts and timings of payments to be made by the administrators, it is likely that further adjustments will be made to the accounts in future years.

Landsbanki is an Icelandic entity. Following steps taken by the Icelandic Government in early October 2008 its domestic assets and liabilities were transferred to a new bank (new Landsbanki) with the management of the affairs of Old Landsbanki being placed in the hands of a resolution committee. Old Landsbanki's affairs are being administered under Icelandic law. Old Landsbanki's latest public presentation of its affairs was made to creditors on 20 February 2009 and can be viewed on its website. This and other relevant information indicates that recovery of 83% could be achieved by 2012. The authority has therefore decided to recognise an impairment based on it recovering 83p in the £.

Recovery is subject to the following uncertainties and risks:

- Confirmation that deposits enjoy preferential creditor status which is likely to have to be tested through the Icelandic courts.

- The impact of exchange rate fluctuations on the value of assets recovered by the resolution committee and on the settlement of the authority's claim, which may be denominated wholly or partly in currencies other than sterling.
- Settlement of the terms of a 'bond' which will allow creditors of old Landsbanki to enjoy rights in New Landsbanki.
- The impact (if any) of the freezing order made by the UK Government over Landsbanki's London branch assets.

Failure to secure preferential creditor status would have a significant impact upon the amount of the deposit that is recoverable. The total assets of the bank only equate to one third of its liabilities, assuming that the Bond remains at its current value. Therefore, if preferential creditor status is not achieved the recoverable amount may only be 33p in the £.

No information has been provided by the resolution committee about the timing of any payments to depositors. Because it is anticipated that all the assets of Landsbanki will need to be realised to repay priority creditors, settlement in a single sum is unlikely. Therefore, in calculating the impairment, the authority has used the estimated repayment timetables for Heritable and KS&F as a basis for its assumption about the timing of recoveries. It is therefore assumed that the repayment will be split roughly evenly between March 2010, December 2010, December 2011 and December 2012.

Recoveries are expressed as a percentage of the authority's claim in the administration, which it is expected may validly include interest accrued up to 24 October 2008.

Investments included in current assets figure in the Balance Sheet include the following investment that has been impaired:

Bank	Date Invested	Maturity Date	Amount Invested	Interest Rate	Carrying Amount	Impairment
Landsbanki	24 Sept 08	24 Oct 08	£1,000,000	5.95%	£750,606	£280,204

The carrying amount of the investment included in the balance sheet has been calculated using the present value of the expected repayments, discounted using the investment's original interest rate. The expected repayments have been estimated as follows, based on the statements made by the administrator.

	Interest credits to Income & Expenditure Account
March 2010	£217,223
December 2010	£217,223
December 2011	£217,223
December 2012	£206,879
Total (not discounted)	£858,548

Interest credited to the Income and Expenditure account in respect of the investment is as follows:

	Credited 2008/09	Received 2008/09
Landsbanki	£30,810	£0

24. Creditors can be classified as follows:

	31/03/08 £'000	31/03/09 £'000
Business Rate payers	1,428	2,739
Royal Berkshire Pension Fund	63	55
Other Creditors	5,019	5,429
Income in Advance	2,921	2,724
	9,431	10,947

25. Capital Receipts Reserve

	2007/08 £'000	2008/09 £'000
Balance brought forward	13,971	11,691
Movements in the year		
Sale of assets	200	263
Financing capital expenditure	(2,477)	(815)
Pooling Adjustment	(3)	(--)
Net increase/(decrease)	(2,280)	(552)
Balance carried forward	11,691	11,139

26. Capital Adjustment Account

		2007/08 £'000	2008/09 £'000
Balance brought forward		77,885	77,461
Adjustment to b/f balance (rounding in 2007-08), Grant funding of RFFCUS in previous year in 2008-09 (see page 14)		(1)	707
Plus:	Upwards revaluations	70	
	Depreciation adjustment to revaluation reserve		5
	Capital grants and contributions written out		323
	Grant funding of revenue expenditure funded from capital under statute (prev. deferred charges)		699
Less	Disposals	(170)	(65)
Plus:	Capital Financing in year:		
	Capital receipts	2,477	815
	grants and contributions written down	328	33
Less:	Write down of revenue expenditure funded from capital under statute (prev. deferred charges)	(1,590)	(1,422)
	Depreciation in year	(1,538)	(1,501)
	Impairment of fixed assets in year		(13,168)
Balance carried forward		77,461	63,887

27. Capital Grants Deferred Account

	2007/08 £'000	2008/09 £'000
Balance b/fwd	3,927	3,900
Transfer to I&E account	(128)	(56)
Additions in year	429	190
	4,228	4,034
Written off to CAA in year		
through service revenue accounts	(328)	(323)
transfer of grants		61
Balance c/fwd	3,900	3,772

Note: this account represents grants and contributions that have been received in respect of various completed capital projects. The assets are recorded at gross value in the Balance Sheet and the grant is written to the Capital Financing Account to reflect the contribution. Where the asset is depreciated the grant is written down to the relevant service revenue account in proportion to the depreciation, and then reversed through the Statement of Movement on the General Fund Balance so that it has no impact on the amount to be met from council tax.

28. Financial Instruments Adjustment Account

28.1 Impaired Investments

Regulations issued in March 2009 allow the authority not to charge amounts relating to impaired investments to the General Fund. Such amounts are instead transferred to the Financial Instruments Adjustment Account (FIAA), an account that records the timing differences between charging these amounts to the General Fund in accordance with proper practice and in accordance with the regulations. The authority has taken advantage of the regulations, and has transferred the following amounts to the Financial Instruments Adjustment Account.

	Amount transferred to Financial Instruments Adjustment Account
Landsbanki impairment	£280,204
Landsbanki interest	(£30,810)
Net in balance sheet	£249,394

Under the regulations, the authority must transfer the balance on the Financial Instruments Adjustment Account to the General Fund no later than December 2012 and must also credit the Financial Instruments Adjustment Account with interest earned until such time as the balance has been transferred to the General Fund. The authority estimates that the following credits will be made to the FIAA:

Bank	Balance on FIAA at 31/03/09	Transfers during 2009/10	Transfers during 2010/11	Transfers during 2011/12	Transfers during 2012/13	Balance on FIAA at 31/03/13
Landsbanki	£280,204	(£70,051)	(£70,051)	(£70,051)	(£70,051)	£0

28.2 Interest on investment

The calculation also assumes that interest is earned on the deposit and that it is receivable (but not received at the time of the impairment). The authority has recognised the interest in the Income and Expenditure account and reversed the amount out to the financial instruments adjustment account.

29. Earmarked Reserves

	Balance 31/03/08 £'000	Contributions to Funds £'000	Use/transfer of Funds £'000	Balance 31/03/09 £'000
From Revenue Balances				
Building Regulations Trading - note 8	150		(182)	(32)
DSO Vehicle Replacement	50		(33)	17
Community Grants Awards Fund	159	28	(63)	124
Election Equalisation Fund	23	60		83
Local Development Framework Fund	185	70	(80)	175
Rent Deposit Guarantee Scheme	12			12
Rent Advance Scheme Fund	13		(13)	
Reservoir Fund	150	56	(70)	136
Lottery Grant Matched Funding	0	50		50
Self-Insurance Fund	88	90	(36)	142
Classified as assets - sub-total	830	354	(477)	707
From External Contributions				
Affordable housing, commuted sum	132	0	(132)	0
Developers' contributions	820	761	(496)	1,085
Government Grants	661	136	(384)	413
Classified as liabilities* - sub-total	1,613	897	(1,012)	1,498
Total Funds & Reserves	2,443	1,251	(1,489)	2,205

* To comply with the Statement of Recommended Practice, contributions from developers towards future services, such as grounds maintenance, or to capital works have been classified as liabilities in the balance sheet (creditors) until the work is carried out. The Council does not expect to have to repay any of these sums.

30. Self Insurance Fund

At the end of 1995/96 a sum of £100,000 was transferred from General Fund balances to establish a self-insurance reserve. Charges are made to cost centres in lieu of premiums and certain claims (mainly agreed excesses) are met from the Fund.

This reserve is to cover the following:

Risk	Limit - up to £:
Employer's Liability	5,000
Fire and Perils (property)	5,000
Storm damage and flood (property	15,000
Vehicles - accidental damage	250
Contents	100
Public Liability	5,000
Officials Indemnity	5,000
Libel and Slander	5,000
Fidelity Guarantee	5,000
Land Charges	5,000
Personal Accident	5,000
Professional Negligence	2,500
Cash in Transit	No Limit
Misc. Equipment at request of Departments	No Limit

Claims above these limits are met by insurance companies.

Movement of the Insurance Fund during the year:

	31/03/08 £'000	31/03/09 £'000
Balance brought forward	(76)	(88)
Claims met during the year	8	16
Internal premiums received	(20)	(13)
Contribution from general fund balances	--	(57)
Balance carried forward	(88)	(142)

31. Revenue Balances

The analysis of revenue balances at 31 March 2009 is as follows:

	31/03/08 £'000	31/03/09 £'000
Collection Fund	(7)	132
General Fund brought forward	2,954	2,250
	2,947	2,382

32. Contingent Liabilities

The Council is subject to a claim on behalf of an employee of a predecessor authority (Abingdon Borough Council). A contingent liability was noted in the 2007/08 accounts. The Council's insurers have recommended a settlement in respect of the claim and a provision has been made in the accounts in the event that the Council is required to cover this claim.

Three operators under the concessionary fares scheme have appealed to the Secretary of State against our 2009-10 scheme on the grounds that they are 'prejudicially affected' or inadequately reimbursed. One holding company that owns two of those three has issued judicial proceedings against the Council. The case is similar to several other cases against local authorities that are to be heard in November. The view of the Legal Services Manager is that whilst their case against us may be misconceived, at least in part, there may be something in the wider case against the local authorities. Counsel's view is awaited. Any financial impact would not apply to 2008/09 and the effect on the Vale would not be significantly different from the effect on other authorities.

33. Significant Commitments under Capital Contracts

At the year-end the Council was engaged in a small number of contracts relating to capital projects, none of them significant.

34. Events after the Balance Sheet Date

Events may occur between the Balance Sheet date and the date the accounts are authorised for issue which might have a bearing upon the financial results of the past year. There have been no such events requiring disclosure to the 2008/09 accounts.

35. Oxfordshire County Council Pension Fund FRS 17 disclosures

In accordance with Financial Reporting Standard 17 – Retirement Benefits (FRS 17), the Vale of White Horse District Council is required to disclose certain information concerning assets, liabilities, income and expenditure related to pension schemes for its employees.

Vale of White Horse District Council participates in the Local Government Pension Scheme which is a defined benefit scheme based on final pensionable salary.

The most recent valuation was carried out as at 31 March 2007 and has been updated by independent actuaries to the Oxfordshire County Council Pension Fund (the Fund) to take account of the requirements of FRS 17 in order to assess the liabilities of the Fund as at 31 March 2009.

Change in Accounting Policy

Under the 2008 SORP the council has adopted the amendment to FRS 17, Retirement benefits. As a result, quoted securities held as assets in the defined benefit pension scheme are now valued at bid price rather than mid-market value. The effect of this change is that the value of scheme assets at 31 March 2008 has been restated from £34.770m to £34.690m, resulting in an increase of the pension liability of £0.08m.

Transactions Relating to Retirement Benefits

We recognise the cost of retirement benefits 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 we are required to make against council tax is based on the cash payable in the year, so the real cost of retirement benefits is reversed out in the Statement of Movement in the General Fund Balance. The following transactions have been made in the Income and Expenditure Account and Statement of Movement in the General Fund Balance during the year:

	Local Government Pension Scheme £m		
Income & Expenditure Account	**2007/08**	**2007/08 restated**	**2008/09**
Net Cost of Services:			
Current service cost	(1.30)	(1.30)	(0.98)
past service cost	(0.44)	(0.44)	(0.03)
Losses on curtailments	0	0	0
Net Operating Expenditure:			
• interest cost	(2.99)	(2.99)	(3.66)
• expected return on assets in the scheme	2.72	2.71	2.44
Net Charge to the Income & Expenditure Account	(2.01)	(2.02)	(2.23)
Statement of movement in the General Fund Balance			
• reversal of net charges made for retirement benefits in accordance with FRS17	2.01	2.02	2.23
Actual amount charged against the General Fund Balance for pensions in the year:			
• employers' contributions payable to scheme	(1.58)	(1.58)	(2.01)

There has been a significant decrease in the estimated 'current service cost' (CSC) of pensions. There are two reasons for this. Firstly, the current service cost is based on the actuarial assumptions at the start of the accounting period and hence tends to lag changes in liability values by one year. The financial assumptions at 31 March 2008 were significantly more optimistic than those at 31 March 2007, so the CSC would be expected to be significantly lower. Secondly, the contribution rate paid by employees increased at 31 March 2008. As the part of the overall cost of benefits that the employee pays for is now higher than previously, the part that the Employer is responsible for is correspondingly decreased.

In addition to the recognised gains and losses included in the Income and Expenditure account, actuarial losses of £10.4m (£0.91m 2007/08 as restated) were included in the Statement of Total Recognised Gains and Losses. The cumulative amount of actuarial losses recognised in the Statement of Total Recognised Gains and Losses is £10m.

Assets and Liabilities in Relation to Retirement Benefits

Reconciliation of present value of the scheme liabilities:

Local Government Pension Scheme

	Funded liabilities £m 2007/08	Funded liabilities £m 2008/09	Unfunded liabilities £m 2007/08	Unfunded liabilities £m 2008/09
Opening present value of liabilities	54.48	51.71	2.31	2.21
Current service cost	1.30	0.98	0.00	0.00
Interest cost	2.87	3.51	0.12	0.15
Contributions by participants	0.43	0.49	0	0.00
Actuarial (gains)/losses on liabilities	(5.42)	(0.43)	(0.08)	0.03
Net benefits paid out	(2.39)	(1.76)	(0.14)	(0.14)
Past service cost	0.44	0.03	0	0.00
Closing present value of liabilities	51.71	54.53	2.21	2.25

Reconciliation of fair value of the scheme assets:

Local Government Pension Scheme

	Period ending 31 March 2008 £m	Period ending 31 March 2008 Restated £m	Period ending 31 March 2009 £m
Opening fair value of assets	38.98	38.89	34.69
Expected return on assets	2.72	2.71	2.44
Actuarial gains/(losses) on assets	(6.31)	(6.29)	(10.83)
Contributions by the employer	1.34	1.34	1.76
Contributions by participants	0.43	0.43	0.49
Net benefits paid out	(2.39)	(2.39)	(1.76)
Closing fair value of assets	34.77	34.69	26.79

The Vale of White Horse District Council employs a building block approach in determining the rate of return of Fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the Fund at 31st March 2009.

The actual return on scheme assets in the year was a loss of £8.39m (2007/08 loss £3.58m).

Scheme history

Local Government Pension Scheme

	2004/05 not restated £m	2005/06 not restated £m	2006/07 restated £m	2007/08 restated £m	2008/09 £m
Present value of liabilities Funded + unfunded	50.14	56.11	56.79	53.92	56.78
Fair value of assets in the scheme	31.56	38.32	38.89	34.69	26.79
Surplus/(deficit) in the scheme:	(18.58)	(17.79)	(17.90)	(19.23)	(29.99)

The council has elected not to restate fair value of scheme assets for 2004/05 and 2005/06 as permitted by FRS 17 (as revised). This approach has been agreed between the Chartered

Institute of Public Finance and Accountancy and the pensions administrators, Hewitt.

The liabilities show the underlying commitments that the authority has in the long run to pay retirement benefits. The total liability of £29.99m has a substantial impact on the net worth of the authority as recorded in the Balance Sheet, resulting in a negative overall balance of £10.76 million.

However, statutory arrangements for funding the deficit mean that the financial position of the authority remains healthy:

- The deficit on the local government scheme will be made good by increased contributions over the remaining working life of employees, as assessed by the scheme actuary.

The total contributions expected to be made to the Local Government Pension Scheme by the council in the year to 31 March 2010 are £2.161m.

Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. The latest actuarial valuation of Vale of White Horse District Council's liabilities took place as at 31 March 2007. The principal assumptions used by the independent qualified actuaries in updating the latest valuation of the Fund were:

Principal financial assumptions (% per annum)

	31-Mar-07	31-Mar-08	31-Mar-09
Inflation	3.2	3.7	3.4
Rate of general increase in salaries*	4.7	5.2	4.9
Rate of increase to pensions in payment	3.2	3.7	3.4
Rate of increase to deferred pensions	3.2	3.7	3.4
Discount rate	5.3	6.8	6.7

* In addition, allowance has been made for the same age related promotional salary scales as used at the actuarial valuation of the Fund as at 31 March 2007.

Principal demographic assumptions

Post-retirement mortality	31/03/08	31/03/09
Longevity at 65 for current pensioners:		
Men	22.1	23.1
Women	24.1	25
Longevity at 65 for future pensioners:		
Men	24	25.4
Women	25.3	27.3

Expected return on assets

	Long-term expected rate of return at 31 March 2007 (%pa)	Asset split at 31 March 2007 (%)	Long-term expected rate of return at 31 March 2008 (%pa)	Asset split at 31 March 2008 (%)	Long-term expected rate of return at 31 March 2009 (%pa)	Asset split at 31 March 2009 (%)
Equities	7.7	72.4	7.6	70	7	62.3
Property	6.7	7.1	6.6	6.2	6	4.5
Government bonds	4.7	9.6	4.6	10.7	4	14
Corporate bonds	5.3	5.4	6.8	6.2	5.8	7.9
Cash/Other	5.6	5.5	6	6.9	1.6	11.3
Total	7.1	100	7.1	100	5.8	100

History of experience gains and losses

The actuarial gains identified as movements on the Pensions Reserve in 2008/09 can be analysed into the following categories, measured as a percentage of assets or liabilities at 31st March 2009.

In accordance with Paragraph 77(o) of FRS17 (as revised), the assets for the current period and the previous two periods are measured at current bid price. Asset values previously measured at mid-market value for periods ending 2008 and 2007 have been re-measured for this purpose. Asset values for periods ending 2006 and 2005 are shown at mid-market value and have not been re-measured as permitted by FRS17 (as revised).

History of experience gains and losses

Funded benefits:	Period ending 31 Mar 05 £m's	Period ending 31 Mar 06 £m's	Period ending 31 Mar 07 £m's	Period ending 31 Mar 08 restated £m's	Period ending 31 Mar 09 £m's
Experience gains/(losses) on assets	1.64	5.14	0.14	(6.29)	(10.83)
Experience gains/(losses) on liabilities	1.83	0.02	(0.13)	(1.04)	(0.23)

History of experience gains and losses

Unfunded benefits:	Period ending 31 Mar 05 £m's	Period ending 31 Mar 06 £m's	Period ending 31 Mar 07 £m's	Period ending 31 Mar 08 restated £m's	Period ending 31 Mar 09 £m's
Experience gains/(losses) on liabilities	Unknown	Unknown	Unknown	(0.02)	(0.03)

36. Group Accounts

If the Council has access to benefits or is exposed to the risk of potential loss of another body; or controls the majority of equity capital, voting rights, rights to appoint the board, or exercises a dominant influence over an organisation, then there is a requirement to produce Group Accounts.

The Council has no material influence, benefit, exposure or rights over any other outside organisation and therefore no Group Accounts have been produced for 2008/09.

The Council makes substantial grants to various bodies but the grants do not provide the Council with any controlling influence over the body or expose the Council to potential loss.

The Council appoints Members to a variety of different outside organisations, but these appointees do not have a majority controlling influence within these organisations.

The Council has no wholly owned or partially owned subsidiaries or joint ventures.

In the past the Council has set up two companies to manage the common parts of properties where it has sold off long leases but retained the freeholds. These are: Wootton Road Flat Management Co. Ltd., and Reynolds Way Flat Management Co. Ltd. The Council provides the company officers and the only shareholders are the respective tenants. The intention was that the companies (i.e. the tenants) would assume responsibility for managing the common parts and meet the costs. This has not happened and the Council currently manages the common parts and recharges the tenants through service charges in accordance with their leases. These companies currently have no assets or liabilities and are "dormant".

37. Financial Instruments

The Statement of Recommended Practice (SORP) 2008 requires local authorities to disclose information regarding their financial instruments. A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term 'financial instrument' covers both financial assets and financial liabilities and includes both the most straightforward financial assets and liabilities such as:

- Liabilities
  Trade payables and other payables
  Borrowings
  Financial guarantees
- Assets
  Bank deposits
  Trade receivables
  Loans receivable
  Investments

The purpose of the new disclosures is to provide information that enables readers to evaluate:

- The significance of financial instruments for the authority's financial position and performance;
- The nature and extent of risks arising from financial instruments to which the authority is exposed and how the authority manages those risks.

Categories of Financial Assets and Financial Liabilities
The borrowings and investments disclosed in the Balance Sheet are made up of the following categories of financial instruments:

	Long-Term		Current	
	31 March 08 £000s	31 March 09 £000s	31 March 08 £000s	31 March 09 £000s
Financial liabilities at amortised cost	0		0	(3,000)
Total borrowings	0		0	(3,000)
Loans and receivables (operational debtors & bank deposits)	0		19,168	20,567
Total investments	0		19,168	17,567

A current asset is one that satisfies any of the following criteria:

- It is expected to be realized, or is intended for sale or consumption, in the authority's normal operating cycle.

- It is held primarily for the purpose of being traded.
- It is expected to be realized within 12 months after the Balance Sheet date.
- It is cash or a cash equivalent, unless it is restricted from being exchanged or used to settle a liability at least 12 months after the Balance Sheet date.

Note 23 details the movements on temporary investments.

Financial Instrument Gains/Losses
The gains and losses recognised in the Income and Expenditure Account and Statement of Total Recognised Gains & Losses in relation to financial instruments are made up as follows:

2007/08		**2008/09**		
		Financial Liabilities At amortised cost	**Financial Assets Loans & receivables**	**Total**
£000s		**£000s**	**£000s**	**£000s**
(1)	Interest expense	0	0	0
0	Losses on de-recognition	0	0	0
0	Impairment losses	0	(249)	(249)
(1)	**Interest payable and similar charges**	**0**	(249)	(249)
1,557	Interest income	0	1,581	1,581
0	Gains on de-recognition	0	323	323
1,557	**Interest and investment income**	0	**1,904**	**1,904**
1,556	**Net gain/(loss) for the year**	**0**	**1,655**	**1,655**

Basis of Valuation
The valuation contains details of the investments that comprise the portfolio at the date of the valuation. It may include investments that are the subject of transactions that have been effected but remain unsettled at that date, and income that has been declared ex-dividend but not yet paid.

Investments have been valued using bid-market price information or supplemented by reputable sources when not available. Standard market conventions have been used to calculate accrued interest due on securities.

Nature and Extent of Risks arising from Financial Instruments and how the Authority manages them

The Council is required to disclose the risk to which it is exposed in its dealings with financial instruments and how they are managed. The main risks are:

- Credit risk – the possibility that one party to a financial instrument will fail to meet their contractual obligations, causing a loss for the other party
- Liquidity risk – the possibility that a party will be unable to raise funds to meet its commitments associated with financial instruments.
- Market risk – the possibility that the value of an instrument will fluctuate because of changes in interest rates, market prices, foreign currency exchange rates, etc.

Credit risk
Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the authority's customers. The authority has adopted *CIPFA's Treasury Management in the Public Services: Code of Practice* and has set treasury management indicators to control key financial instrument risks in accordance with CIPFA's Prudential Code. The Treasury Management and Investment Strategy is agreed by the Council's Executive at the start of each financial year.

The following analysis summarises the authority's potential maximum exposure to credit risk, based on experience of default and uncollectability over the last five financial years, adjusted to reflect current market conditions.

Maximum exposure to credit risk:

	Amount at 31 March 2009	Historical experience of default	Historical experience adjusted for market conditions at 31 March 2009	Estimated maximum exposure to default and uncollectability
	£000s	%	%	£000s
Deposits with banks and financial institutions	20,567	0%	0.95%	458
Bonds	0	0	0	0
Customers	10,028	18%	21.3%	2,138

The authority does not generally allow credit for customers and a provision is made for bad debt based on the debtors information as at year end.

Provision for Bad Debts

The Council recognises that, for a variety of reasons, it will be not be successful in collecting all of the debts that are owed to it and makes a provision in the accounts to reflect this. The provision is calculated by analysing, for each type of debt, the period they have been outstanding and applying a percentage based on experience as to the likely collection rate. As a consequence of the change of systems during 2008/09 the provision for bad debt has been completely reviewed and a provision of 21% of the total debtors amount has been provided (27% in 2007/08).

The amount of the provision is shown as a credit against the total debtors position in note 22. Please note that the total debtors position includes costs and reconciling items which are excluded for the purposes of calculating the provision. This note provides a detailed breakdown of how the figures has been arrived at as different criteria are applied to different types of debt. Provisions are round to the nearest £1,000.

Council Tax – provision of £767,000 on outstanding net debt of £1,991,775. (Collection Fund p43)

The total debt is analysed by the year it was raised and a percentage applied as follows:

Year tax due	Debt outstanding £	% applied	Amount of provision £
Up to 1 year	984,365	16.72%	164,624
1 - 2 years	410,087	38.13%	156,367
2 - 3 years	288,632	51.58%	148,878
3 - 4 years	152,941	92.18%	140,984
Over 5 years	155,750	100.00%	155,751
	1,991,775		766,604

Business Rates – provision of £543,799 on outstanding debt of £1,388,348

The total debt is analysed by the year it was raised and a percentage applied as follows:

Period outstanding	Debt outstanding £	% applied	Amount of provision £
Up to 1 year	743,134	15.0%	111,471
1 - 2 years	352,589	50.0%	176,295
2 - 3 years	151,561	80.0%	121,248
3 - 4 years	62,795	90.0%	56,515
Over 4 years	78,266	100.0%	78,270
	1,388,345		543,799

Housing Benefits - provision of £557,455 on outstanding debt of £1,023,045

This represents overpayment of Housing Benefit where a claimant has not told the Council about a change in circumstances that will affect their benefit entitlement. Where the claimant is still receiving benefit the overpayments are recovered by deduction from benefit. Where the claimant is no longer entitled to benefit the normal debt recovery process is used. The provision calculation recognises that there is a greater chance of recovery in the former case than in the latter.

Provision for debt subject to recovery from entitlement:

Basis of recovery	Debt outstanding £	% applied	Amount of provision £
Subject to recovery via ongoing benefit entitlement	281,858	40%	112,743
Not subject to ongoing recovery	741,187	60%	444,712
	1,023,045		557,455

Sundry Debtors - provision of £174,000 on outstanding debt of £917,165.

Period outstanding	Debt outstanding £	% applied	Amount of provision £
Up to 1 year	729,645	5%	36,482
1 - 3 years	92,376	50%	46,188
3 - 6 years	10,117	75%	7,588
Over 6 years	1,330	100%	1,330
Parchment Limited	83,698	100%	83,698
	917,165		175,286

Temporary Accommodation - provision of £68,191 on outstanding debt of £74,992

This represents rents due on temporary accommodation provided by the Council to homeless persons. The rent accounting system, which is operated by the Housing Section, does not provide an aged debt analysis so the percentage applied is dependent on whether the debt relates to clients still in receipt of a service or not.

Period outstanding	Debt outstanding £	% applied	Amount of provision £
Current clients	13,602	50%	6,801
Former clients	61,390	100%	61,390
	74,992		68,191

Garden waste wheeled containers (Brown Bins) - provision of £27,000 on outstanding debt of £89,183.

The Council makes a charge for the hire/emptying of brown bins. New customers pay for the first year before a bin is delivered by cash, cheque, credit card or direct debit. Those not paying by direct debit should then receive an invoice near to the anniversary date for collections to continue.

In early 2008 the decision was made to transfer all invoicing for brown bins to the Agresso debtors system. As a result a large number of invoices were raised in March and April 2008. Normally these would have been included as part of the sundry debtor provision but as many of these related to 2006/07 it was considered prudent to exclude them from the sundry debtor calculation and to make a separate provision. Recognising the potential difficulty in recovering these smaller amounts (£29) relating to 2007/08 and prior, a provision of 100% has been applied.

Period outstanding	Debt outstanding £	% applied	Amount of provision £
2008/09	69,550	10%	6,955
2007/08	19,633	100%	19,633
	89,183		26,588

Liquidity risk
The authority has no debt to finance and is currently able to meet all its ongoing commitments, all trade and other payables due to be paid in less than one year, from cash balances.

Market risk
The authority is exposed to some risk in terms of its exposure to interest rate movements on its investments. In the current financial climate the council's balances are deposited at a range of between 0.25% to 1.2% return. For this reason the Council has a diversified investment holding in property and temporary investment and maintains a level of reserve at least equal to 5% of the annual budget requirement.

The treasury management team has an active strategy for assessing interest rate exposure that feeds into the setting of the annual budget and which is used to update the budget quarterly during the year. This allows any adverse changes to be accommodated. The analysis will also advise whether new borrowing taken out is fixed or variable.

Price risk
The authority does not invest in equity shares owns no shareholdings in joint ventures or local industry and consequently has no exposure to loss arising from movements in the prices of shares.

Foreign Exchange risk
The authority has no financial assets or liabilities denominated in foreign currencies and thus has no exposure to loss arising from movements in exchange rates.

38. Reconciliation of Net Revenue Deficit to Cashflow from Revenue Activities

2007/08 £'000	Restated 2007/08 £'000		£'000 £'000	£'000 £'000
2,339	2,229	Deficit on Income & Expenditure Account	15,463	
(659)	(371)	Collection Fund	(339)	
1,680	1,858			15,124
		Non Cash Transactions		
(198)	(198)	Contribution to Provision for Bad Debts	(419)	
328	328	Government Grants Deferred	267	
30	30	Gain on sale of assets	254	
(1,538)	(1,538)	Depreciation of Fixed Assets	(1,501)	
0	0	Impairment of Fixed Assets	(13,168)	
0	0	Reversal of Impairment of Lansbanki investment	(249)	
0	0	Capital grants income reversal from general fund	707	
(1,590)	(457)	Write down of revenue expenditure funded from capital under statute (deferred charges)	(721)	
(704)	(594)	Net Charges for Retirement Benefits	(330)	
3	3	Pooling of Capital Receipts	0	
(4)	(4)	Other adjustments	(10)	
0	0	Compound interest on VAT reimbursement	109	
(243)	(243)	Transfer to Funds and Reserves	77	
(3,916)	(2,673)			(14,900)
		Items Classified elsewhere in the Cashflow Statement		
1,557	1,557	Add interest received	1,904	1,904
1,557	1,557			
		Items Accrued		
11	11	(Decrease) / increase of Stock and Work in Progress	(2)	
(1,875)	(2,163)	Decrease / (increase) in Creditors	(1,713)	
(1,527)	(1,527)	(Decrease) / increase in Debtors	2,174	459
(3,391)	(3,679)			
(4,070)	(2,937)	Net cash flow from revenue activities		2,503

39. Movement in Cash

	Balance at 01/04/08 £'000	Balance at 31/03/09 £'000	Movements in year £'000
Cash in hand	(20)	363	383

40. Movement in Liquid Resources

	Balance at 01/04/08 £'000	Balance at 31/03/09 £'000	Movements in year £'000
Short Term Deposits	1,831	5,535	3,704

An explanation of what the authority includes in the liquid resources and any changes in its policy

As in previous years, the above figures comprise cash balances held in call and short term notice deposit accounts, as well as fixed term cash investments with a maturity date not greater than one year from the balance sheet date.

41. Analysis of Government Grants (actual cash received)

	£'000
Community Strategy – Stronger, Safer Community	120
Assisted Transport	272
Council Tax Benefit	4,638
Restoration Grant for Flooding	34
Council Tax Admin Grant	685
Homelessness	75
Performance Reward Grant	18
Disabled Facility Grant	510
Area Based Grant	22
Cost of Collection Grant	4
Housing and Planning Delivery Grant	344
Housing Act 1985	133
Section 13A Flood Relief Grant	21
Local Authority Business Growth Incentive	343
Total Revenue Grants received	7,219

COLLECTION FUND 2008/09

Income and Expenditure Account

2007/08 £'000	Income	£'000	£'000
(59,636)	Council Tax Payers		(62,769)
	Transfers from General Fund		
(4,248)	Council Tax Benefits		(4,531)
(46,079)	Income from Business Ratepayers		(51,809)
	Adjustments		
(7)	Council Tax Transitional Reduction Scheme grant		(5)
(109,970)	**Total Income**		**(119,114)**
	Expenditure		
	Precepts		
49,976	- Oxfordshire County Council	51,759	
6,631	- Thames Valley Police Authority	6,875	
7,044	- Vale of White Horse D C (inc. Parishes)	7,484	66,118
	Business Rates		
45,883	- Payment to National Pool	51,614	
196	- Cost of Collection	195	51,809
95	Provision for bad debts - Council Tax		42
	Contribution towards previous year's estimated Collection Fund surplus		
(404)	- Previous years estimated surplus\(deficit) on CT OCC	(69)	
(53)	- Previous years estimated surplus\(deficit) on CT TVPA	(9)	
(57)	- Previous years estimated surplus\(deficit) on CT VWHDC	(9)	(87)
109,311	**Total Expenditure**		**117,882**
(659)	(Surplus)/deficit for the year		(1,232)
724	Balance on the Collection Fund brought forward		65
65	Balance on the Collection Fund carried forward		**(1,167)**

NOTES TO THE NON-CORE FINANCIAL STATEMENTS

NOTES TO THE COLLECTION FUND

1. Any surplus or deficit in respect of council tax at the year end is, during the next year, apportioned between the Council, Oxfordshire County Council and the Thames Valley Police Authority in proportion to their precepts in the year the surplus or deficit occurred.

   The following amounts are included within debtors/creditors in respect of the share of the deficit /(surplus) due to the major precepting authorities:-

2007/08 £'000		2008/09 £'000
51	Oxfordshire County Council	(914)
7	Thames Valley Police Authority	(121)
58	**Debtors/Creditors**	**(1,035)**
7	The Balance appears in the Council's reserves	(132)
65		**(1,167)**

2. The total non-domestic rateable value at the 31st March 2009 was £132,263,937. The standard non domestic rate multiplier for 2008/09 was 46.2 pence in the pound. The small business non domestic rate multiplier was 45.8 pence in the pound.

3. The number of chargeable dwellings in each Council Tax Band after adjustment for exemption, discounts etc:

	No of Properties	Weighting	Band D Equivalent
Band A	1,532	6/9	1,021
Band B	4,809	7/9	3,740
Band C	14,428	8/9	12,825
Band D	11,210	1	11,210
Band E	8,586	11/9	10,494
Band F	4,692	13/9	6,777
Band G	3,723	15/9	6,205
Band H	388	2	776
			53,048
Discounts and exemptions			(5,819)
Class O exempt properties			975
Year end adjustment, appeals and losses on collection			(708)
Council Tax Base (properties)			47,496
i.e. a levy of £1 would raise			£47,496

4. Precepts payable to parishes in 2008/09 amounted to £2,393,885 (2007/08 £2,181,141). Parish precepts are minor precepts and are deemed to be part of the precept levied on the Collection Fund by the District Council.

5. **The average band D Council Tax for the year was made up as follows:-**

	2007/08 £	2008/09 £
Oxfordshire County Council	1,049.10	1,089.75
Vale of White Horse District Council	102.07	107.16
Thames Valley Police Authority	139.19	144.76
	1,290.36	1,341.67
Parish Council (Average)	45.79	50.41
	1,336.15	1,392.08

STATEMENT OF TOTAL MOVEMENT IN RESERVES

	Capital Adjustment Account	Revaluation Reserve	Deferred Capital Receipts	Capital Receipts Reserve	Earmarked Reserves	Pension Reserve	Financial Instruments adjustment Account	General Fund	Collection Fund	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 1 April 2008	(77,461)	--	(40)	(11,691)	(830)	19,119	--	(2,954)	7	(73,850)
Correction/restatement 1 April 2008 see notes	(707)					191		707		191
Repayments in year			8							8
Additions/contributions	(1,070)	(308)			(354)	10,680		(3)	(139)	8,806
Disposals of fixed assets	60			(263)						(203)
Reductions/use of funds	2,938			815	477		249			4,479
Financing of fixed assets (see notes)	(815)									(815)
Impairment of fixed assets	13,168									13,168
Balance as at 31 March 2009	(63,887)	(308)	(32)	(11,139)	(707)	29,990	249	(2,250)	(132)	(48,216)

TRADING STATEMENT FOR INVESTMENT PROPERTIES
2008/09

		2007/08		2008/09
	£'000	£'000	£'000	£'000
Income				
Rent due		(1,944)		(1,869)
Expenditure				
Running costs	103		108	
less Recharged to tenants	(37)	66	(92)	16
Professional fees and charges		23		18
Provision for bad debts				84
Surplus in year		(1,855)		(1,751)
Surplus from developing plots at mobile home parks		(51)		--
Total surplus from trading shown on Income & Expenditure Account		(1,906)		(1,751)

List of investment properties

Bury Street precinct, Abingdon	site only, shops let by tenant
Charter Complex, Abingdon	offices and day centre
Emcor House, Hatfield	offices
Napier Court, Abingdon	offices
Old Abbey House, Abingdon	offices
Old Magistrates Court, Abingdon	offices
8 & 9 The Parade, Canterbury	3 shop units
1 & 2 Roysse Court, Abingdon	offices
Telfer House, Range Road, Witney	offices and warehouse
Upper Reaches Hotel site, Abingdon	hotel site
West Way, Botley	26 shop units, some with flats over

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VALE OF WHITE HORSE DISTRICT COUNCIL

Opinion on the financial statements

1 I have audited the Authority accounting statements and related notes of Vale of White Horse District Council for the year ended 31 March 2009 under the Audit Commission Act 1998. The accounting statements comprise the Income and Expenditure Account, the Statement of the Movement on the General Fund Balance, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Cash Flow Statement, the Collection Fund and the related notes. These accounting statements have been prepared under the accounting policies set out in the Statement of Accounting Policies.

2 This report is made solely to the Members of Vale of White Horse District Council in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 49 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by the Audit Commission.

Respective responsibilities of the Head of Finance and auditor

3 The Chief Finance Officer's responsibilities for preparing the financial statements in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2008 are set out in the Statement of Responsibilities for the Statement of Accounts.

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

5 I report to you my opinion as to whether the accounting statements present fairly, in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2008 the financial position of the Authority and its income and expenditure for the year.

6 I review whether the governance statement reflects compliance with 'Delivering Good Governance in Local Government: A Framework' published by CIPFA/SOLACE in June 2007. I report if it does not comply with proper practices specified by CIPFA/SOLACE or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the governance statement covers all risks and controls. Neither am I required to form an opinion on the effectiveness of the Authority's corporate governance procedures or its risk and control procedures

7 I read other information published with the accounting statements, and consider whether it is consistent with the audited accounting statements. This other information comprises the Explanatory Foreword. I consider the implications for my report if I become aware of any apparent misstatements or material

inconsistencies with the accounting statements. My responsibilities do not extend to any other information.

Basis of audit opinion

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

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

Opinion

10 In my opinion the Authority financial statements present fairly, in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2008, the financial position of the Authority as at 31 March 2009 and its income and expenditure for the year then ended.

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

Authority's Responsibilities

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

Auditor's Responsibilities

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

securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Conclusion

13 I have undertaken my audit in accordance with the Code of Audit Practice and having regard to the criteria for principal local authorities specified by the Audit Commission and published in May 2008 and updated in February 2009, and the supporting guidance, I am satisfied that, in all significant respects, Vale of White Horse District Council made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2009.

Certificate

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

Maria Grindley

District Auditor,
Audit Commission

Unit 5, Isis Business Centre, Horspath Road, Oxford, OX4 2RD
September 2009

EXPLANATION OF FINANCIAL TERMS

ACOP – Accounting Code of Practice

ACCRUAL - An amount included in the accounts to cover income or expenditure for goods and services received within the accounting period but for which payment has not been received/made.

ASSET - The creation or purchase of an item/building that has a monetary value. Those assets of the Council which are readily marketable are valued at market value. Those which have a specialised use, such as leisure centres, are valued at depreciated replacement cost, which assesses the cost of providing a similar facility as a replacement but also allows a discount for the age of the asset. Plant, equipment and community assets are valued at historic cost.

CAPITAL FINANCING - Assembling the money to pay for capital expenditure. The majority of the resources necessary to finance this Council's capital programme is capital receipts. Other significant sources are Government grants and contributions from developers. Also available are revenue monies and borrowing. The Authority does not currently borrow to finance capital expenditure.

CAPITAL RECEIPTS - Proceeds from the sale of an asset, e.g. land, buildings, equipment, vehicles.

CENTRAL SUPPORT SERVICES - The costs of providing those central functions which are concerned with the whole range of services and undertakings of the Council and are not in the main identifiable with any particular service, e.g. the cost of office accommodation.

CONTINGENT LIABILITY – A potential liability that has arisen from past events. It will be confirmed by the occurrence of an event in the future that is not wholly within the Council's control.

COUNCIL TAX - A charge levied by all councils on domestic property values to contribute to the cost of providing local services. Council tax for the County Council, the Police Authority and local parishes is collected by this Authority and paid over to them throughout the year.

CREDITOR - The amount owed by an Authority for work done, goods received or services rendered to the Authority within the accounting period but for which payment has not been made.

DEBTOR - An amount due to an Authority within the accounting period but not received by the end of the financial year.

DEBT REDEMPTION - The repayment of loans raised to finance capital expenditure.

DIRECT REVENUE FINANCING - The financing of capital expenditure from the current year's revenue income.

DIRECT SERVICE ORGANISATION (DSO) - An internally organised structure that manages a particular service area for the Authority. With the extension of competitive tendering there is an increasing trend to manage whole areas of the Council's activities along these lines with a clearer definition of 'client' and 'customer' being established. At the time of writing the Council does not have any statutory DSOs as the Housing Maintenance DSO transferred to the Vale Housing Association upon LSVT and the Grounds Maintenance DSO was wound up at the end of its first, unprofitable, year. The Council operates a non statutory team of technical operatives which it calls its "DSO".

FINANCE LEASE – This is a lease, usually of land or buildings, which is treated as capital borrowing.

FRS 17 – Financial Reporting Standard 17 requires the Authority to account for assets and liabilities in the pension fund administered by Oxfordshire County Council, but relating to this authority, in the accounts of this authority.

GENERAL FUND - The main revenue account of the Authority incorporating all those services that make up the cost of the Council Tax.

HOUSING REVENUE ACCOUNT - The main revenue account dealing with an Authority's housing activities with its tenants. This Authority's HRA was closed on 31 March 1995 after its housing stock had been disposed of.

INTANGIBLE FIXED ASSETS – Some capital expenditure does not give rise to a physical asset but the benefits last a number of years. These can be carried in the balance sheet as assets and written off over their useful life. An example is computer software.

OPERATING LEASE – This is a lease where ownership of the fixed asset remains with the lessor.

PRECEPT – The levy made by precepting authorities on billing authorities, requiring the latter to collect income from council taxpayers on their behalf. Precepts are paid from the Collection Fund.

REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE – (formerly known as a deferred charge) arises where capital expenditure has been incurred but there is no tangible asset. A good example is house renovation grants. Since there are no long-term economic benefits in the control of the Council, these are written off to revenue in the year incurred and no longer feature as assets in the balance sheet.

SSAP – Statement of Standard Accounting Practice

SORP – Statement of Recommended Practice. Part of the accounting standards

TRADING ACCOUNT – A method of matching income and expenditure for a particular activity or group of activities. An example of this is Building Control.

EXPLANATION OF FUNDS AND RESERVES

The purpose of each of the Council's earmarked funds and reserves is explained below.

AFFORDABLE HOUSING, COMMUTED SUMS – Funds received from developers, who are unable to meet their obligations to provide affordable housing, which will be used to support local housing associations to provide instead.

COMMUNITY GRANTS AWARDS FUND – To meet the cost of grants awarded in the current year that will not be paid to the beneficiaries until later years

DSO REPLACEMENT VEHICLE RESERVE – This is to provide resources for the future purchases of vehicles and plant used by the Council's DSO.

ELECTION EQUALISATION FUND – To even out the expenditure peaks and troughs created by Council elections being held every 4 years.

LOCAL DEVELOPMENT FRAMEWORK FUND – To even out the expenditure peaks and troughs created by the work involved in producing the Local Plan which is the framework against which planning applications will be judged.

RENT DEPOSIT GUARANTEE FUND – Resources to provide a bond for private tenants on low income who otherwise could not raise a deposit to rent accommodation.

RESERVOIR FUND - To meet sudden and unexpected costs arising from Thames Water's plan to create a new reservoir in the Vale.

SELF INSURANCE FUND – Built up from recharges to service areas, this provides resources to meet small compensation claims not covered under the Council's insurance policies and to meet the voluntary excess on insurance cover.

SUPERANNUATION (REVALUATION) FUND – Resources to meet increases in the cost of employer pension contributions arising from the 3-yearly revaluation of the fund.