

**East Ayrshire**  
COUNCIL

# Financial Statements 2005/06



Unaudited Statement – 22 June 2006

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

In discharging this accountability, members and senior officers are responsible for putting in place proper arrangements for the governance of the Council's affairs and the stewardship of the resources at its disposal. To this end, the Council has approved and adopted a Code of Corporate Governance which is consistent with the principles and recommendations of the CIPFA/SOLACE Framework for Corporate Governance in Local Government : A Keystone for Community Governance. A copy of the code, the update on the 2005-06 Action Plan and the 2006-07 Action Plan can be downloaded from the Council's website at [www.east-ayrshire.gov.uk](http://www.east-ayrshire.gov.uk) or can be obtained from Council Headquarters, London Road, Kilmarnock (01563) 576000.

During 2005-06, East Ayrshire Council continued to put in place appropriate management and reporting arrangements to enable it to be satisfied that its approach to corporate governance is both adequate and effective in practice. Specifically, a further review of governance arrangements was undertaken and the conclusion from this review was that the Council complies in all major aspects with the terms of the Framework for Corporate Governance in Local Government. Demonstrating its commitment to ensuring that these arrangements are improved on a continuous basis, the Council has agreed an Improvement Action Plan that will be implemented over the course of 2006-07.

As part of the review of the Council's corporate governance arrangements, Service Directors have reviewed their own areas of specific responsibility and have each confirmed that they are satisfied that these arrangements are robust and operating effectively.

The Council will continue to review its corporate governance arrangements and take any further steps as are required to further enhance these arrangements and will review their implementation and operation as part of the next annual review.



**Fiona Lees**  
Chief Executive  
22 June 2006



**Councillor John Knapp**  
Chair Corporate Governance Committee  
22 June 2006



## Foreword by Executive Head of Finance

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### Contents of the Financial Statements

This foreword gives a brief summary of the Council's financial position for the financial year ended 31 March 2006 which is set out in detail in these Financial Statements.

The Statements have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom and the accounting treatment of transactions is set out in the Statement of Accounting Policies on Pages 6 to 8.

Expenditure on Council Housing is financed entirely from rents and related Housing income. The details of this are shown in the Housing Revenue Account on Page 18. Other Council services which are funded by government grant and Council Tax are included in the General Fund.

### Consolidated Revenue Account

The Consolidated Revenue Account on Page 9 brings together the revenue expenditure and income for all Council services for the financial year. The statement highlights the Cost of Services for the year and the cumulative balance carried forward. For 2005-06 there was a surplus of £0.041m.

When added to the balance brought forward from 2004/05 there is a cumulative surplus of £16.887m of which £8.541m is already earmarked for individual departments in terms of the Council's budgetary arrangements. This leaves a cumulative uncommitted balance of £8.346m. This is within the range set out in the Council's reserves strategy which sets an optimum level of between 2% and 4% of net budgeted expenditure and this equates to between £5.631m and £11.263m.

Income from Council Tax was £43.083m and the Band 'D' tax level was £1,116.27. The largest source of funds was government grant which amounted to £128.640m.

### Housing Revenue Account

The Housing Revenue Account shows a surplus of £0.381m which is transferred to the Renewal and Repairs Fund for future investment in Council Housing. The average weekly rent charge for the year based on 52 weeks was £43.20.

### Trading Operations

The Statement on Page 13 summarises the financial performance of each of the Council's Trading Operations. There is a requirement for each of these to break-even over a three-year rolling period with 2003-04 being the first of the three years. The Catering and Cleaning of Buildings Trading Operations show cumulative deficits over the three year period due to the inclusion of the cost of compensation payments made in respect of Equal Pay claims as required by proper accounting practice.

### Equal Pay Compensation

Equal pay compensation is an issue which affects all local authorities including East Ayrshire Council and during 2005/06 the Council made equal pay compensation payments to employees working in catering, cleaning and care services. These payments totalled £7.457m and a relatively small number of claims remain outstanding.

### Pension Fund

Pension Fund reporting regulations require an annual valuation by fund actuaries. The calculation at 31 March 2006 disclosed a deficit position for the Council of £89.989m. It is important to note that this is simply a snapshot of the position at that time. The calculation is prepared only for the purposes of FRS17 reporting requirements and is not relevant for funding purposes. The latest long term triennial funding valuation of the Fund for the purposes of setting employers' actual contributions was at 31 March 2005 and contributions to the Fund continue in line with current actuarial advice. The next formal valuation of the Fund is due at March 2008.

### Group Accounts

The Code of Practice on Local Authority Accounting in the United Kingdom requires the Council to produce group financial statements where it has an interest in entities meeting the definition of subsidiary, associate or joint venture. Details of the associated entities incorporated within the Council's Financial Statements are shown on Page 36.

The Group Financial Statements show East Ayrshire Council's share of the assets and liabilities of the group entities with the Group Balance Sheet incorporating the significant pension liabilities of Strathclyde Police and Strathclyde Fire & Rescue Joint Boards.



## Foreword by Executive Head of Finance

### Financial Performance

The overall financial position is summarised in the table below. The use of balances in reserve accounts is governed by the Council's reserves strategy.

	General Fund Balance £000	HRA Balance £000	Renewals & Repairs Fund £000	Insurance Fund £000	Capital Fund £000	Total Balances £000
<b>Fund Balances &amp; Reserves</b>						
Balance as at 1 April 2005	16,846	-	2,311	1,446	5,255	<b>25,858</b>
Net Surplus for the year	41	381	-	-	-	<b>422</b>
Transfers from Fund	-	( 381)	( 118)	-	-	<b>( 499)</b>
Transfers to Fund	-	-	656	1,743	413	<b>2,812</b>
Annual Interest	-	-	98	61	222	<b>381</b>
<b>Balance as at 31 March 2006</b>	<b>16,887</b>	<b>-</b>	<b>2,947</b>	<b>3,250</b>	<b>5,890</b>	<b>28,974</b>

### Capital Expenditure

The Prudential Code for Capital Finance in Local Authorities governs the level of capital expenditure taking into account affordability, sustainability, the management of assets and the achievement of strategic objectives. Capital spending in 2005-06 on General Fund Services was £14.434m. Housing capital spending was £9.976m. This was partly financed by government grants and capital receipts. The level of Council borrowing repayable after 12 months moved from £191.522m at 31 March 2005 to £191.217m at 31 March 2006.

Expenditure	£000	Financed by	£000
Education Services	3,522	Government Grants	( 5,543)
Housing Services	9,976	Capital Receipts	( 9,464)
Cultural & Related Services	430	Capital Financed from Revenue	( 1,250)
Environmental Services	1,780	Borrowing	( 8,153)
Roads & Transportation	4,536		<b>( 24,410)</b>
Planning & Development	35	<b>Represented by</b>	<b>£000</b>
Social Work	507	General Fund Services	14,434
Central Services to the Public	3,040	Housing	9,976
Corporate & Democratic Core	584		
	<b>24,410</b>		<b>24,410</b>

### Acknowledgements

The work of elected members and officers in all departments who have monitored and managed the financial resources under their control over the year has contributed to the favourable financial position that the Council is now in. I also want to acknowledge the considerable input of those in the Finance Service who supported those efforts. Finally I want to express my gratitude to those in Finance who worked exceptionally hard to ensure that these Financial Statements could be completed to a high standard within the statutory timescale.

**Alexander McPhee ACMA**  
**Executive Head of Finance**  
**22 June 2006**

## The Authority's Responsibilities

The authority is required: -

- ◆ To manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- ◆ To make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. For East Ayrshire Council, that officer is the Executive Head of Finance.

## The Executive Head of Finance's Responsibilities

The Executive Head of Finance is responsible for the preparation of the authority's statement of accounts which, in terms of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom, is required to present fairly the financial position of the authority at 31 March 2006 and its income and expenditure for the year.

In preparing this statement of accounts, the Executive Head of Finance has: -

- ◆ Selected suitable accounting policies and applied them consistently;
- ◆ Made judgements and estimates that were reasonable and prudent;
- ◆ Complied with the Code of Practice unless otherwise indicated;
- ◆ Kept proper accounting records and introduced procedures to ensure that these are kept up-to-date;
- ◆ Taken reasonable steps for the prevention and detection of fraud and other irregularities.



This statement is given in respect of the statement of accounts for East Ayrshire Council. We acknowledge our responsibility for ensuring that effective systems of internal control is maintained and operated in connection with the resources concerned.

Any system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, that transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

The Council's system of internal financial control throughout the financial year 2005-06 is based on a framework of regular management information, financial regulations, administrative procedures, management supervision and a system of delegation and accountability. Development and maintenance of the system is undertaken by managers within the Council. In particular, the system includes: -

- ◆ Comprehensive budgeting systems;
- ◆ Setting targets to measure financial and other performance;
- ◆ Regular reviews of periodic and annual financial reports which indicate financial performance against the forecasts and targets;
- ◆ Clearly defined capital expenditure guidelines; and
- ◆ Formal project management disciplines, as appropriate.

Internal Audit within East Ayrshire Council is responsible directly to the Chief Executive for the independent appraisal of the Council's systems of internal control. The Chief Auditor has planned and undertaken audit work in order to derive sufficient and appropriate audit evidence as to the adequacy and effectiveness of the Council's systems of internal controls. Based on the evidence collected, Internal Audit is of the opinion that reasonable assurance can be placed upon the systems of internal control in operation.

The Council's review of the effectiveness of the system of internal financial control is informed by: -

- ◆ The work of managers within the Council;
- ◆ The work of the internal auditors as described above; and
- ◆ The external auditors in their annual audit letter and other reports.

To ensure the adequacy of the systems of internal control within the Council, agreed improvement plans are identified with the appropriate Council officers at the conclusion of all audits throughout the year. An ongoing review process is in place to monitor the progress on the implementation of these issues and to assist managers in the performance of their duties and responsibilities in these areas. Planned improvement areas include further development of systems of performance management and progressing the Council's Corporate Asset Management Strategy.

**Fiona Lees**  
Chief Executive  
22 June 2006

**Alexander McPhee ACMA**  
Executive Head of Finance  
22 June 2006

## Group Accounts

Assurance on the internal financial controls in place within the entities noted on Page 36 is provided by the Statements on the Systems of Internal Financial Control included within the annual financial statements of the individual organisations which are subject to external audit in the normal way.



## General

The Financial Statements relate to the financial year ended 31 March 2006 with relevant figures for 2004-05 shown as appropriate for the purposes of comparison.

The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2005: A Statement of Recommended Practice issued jointly by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Local Authority (Scotland) Accounts Advisory Committee (LASAAC).

## Accounting Policies

In accordance with FRS 18: Accounting Policies, the Council regularly reviews its accounting policies to ensure that they remain the most appropriate to its particular circumstances such that the Council's accounts give a true and fair view. Where a new policy becomes more appropriate to the Council's particular circumstances that policy is implemented in order to give a true and fair view.

## Corporate Governance

The Council has approved and adopted a code of corporate governance which is consistent with the principals and reflects the requirements of the CIPFA/SOLACE Framework for Corporate Governance in Local Government: A Keystone for Community Governance. A Corporate Governance Statement of Assurance is included within the Financial Statements.

## Statement on the System of Internal Financial Control

A Statement on the System of Internal Financial Control is incorporated within the Financial Statements setting out the framework within which financial control is managed and reviewed and the main components of the system, including arrangements for internal audit.

## Revenue Transactions

Revenue transactions have been recorded on an accruals basis in accordance with the Code of Practice. Accordingly, sums due to or by the Council during the year are included whether or not the cash has actually been received or paid in the year, with provision being made on an actual or estimated basis for all specific debtors and creditors as at 31 March 2006.

Provisions for liabilities of uncertain timing or amount have been recognised in accordance with Financial Reporting Standard (FRS) 12: Provisions, Contingent Liabilities and Contingent Assets. All such provisions are reviewed annually in order to reflect current best estimate.

## Deferred Charges

Deferred Charges represent expenditure which can be treated as capital for financing purposes but which does not result in assets controlled by the local authority, e.g. improvement grants and historic buildings grants for the improvement of a private dwelling. All deferred charges are written off to the revenue account in the year in which they are incurred.

## Central and Support Services Costs

Central and Support Services Costs have been allocated to service departments and divisions of service in accordance with the Best Value Accounting Code of Practice, other than for Cost of Collection, Administration of Housing Benefits, District Court and the Children's Panel.

## Capital Accounting

All fixed assets are included in the Balance Sheet and capital financing charges are made to departmental revenue accounts for the use of assets. Total capital charges made are compared to the actual loan charges incurred by the Council in the Asset Management Revenue Account with the resultant charge or credit being taken to the Consolidated Revenue Account.

## Redemption of Debt

In accordance with the statutory requirement contained within the Local Government Scotland Act 1975 the Council operates a Loans Fund into which all loans raised are paid. All of the Council's income and expenditure is posted to the Loans Fund throughout the financial year. Departmental expenditure is met from the Fund and all income generated by departments is credited to the Fund. Advances are made to departments to finance capital expenditure during the year, with all such advances being repaid by annual instalments of principal spread over the appropriate period.



## Loans Fund Interest

Loans Fund interest has been calculated in accordance with the LASAAC Guidance Note 2; the Guidance Note details the method of calculation in respect of average interest rates and expense rates and requires the separate identification of interest on revenue and capital balances. Interest on revenue balances is allocated on the basis of actual four weekly balances.

## Pension Costs

In accordance with the requirements of FRS 17: Retirement Benefits the actuarial costs of providing pensions for employees is charged to the revenue account and the net pension asset or liability is reflected on the Balance Sheet. Full disclosure in respect of pensions is contained within the notes to the Consolidated Revenue Account, Balance Sheet and Statement of Total Movement in Reserves.

## Government Grants

Aggregate External Finance, comprising Revenue Support Grant and Non Domestic Rates Income, is credited to the revenue account of the financial year to which it relates.

Specific government grants are accounted for when the conditions of receipt have been met and are included within the net cost of service.

Appropriate accruals are made in the revenue account for balances known to be due for the period to 31 March 2006 with unutilised income carried forward where appropriate.

Capital grants are credited initially to the Government Grants Deferred Account. Amounts are released to the Asset Management Revenue Account over the useful life of the asset to match the depreciation charge in respect of the assets to which the grant relates.

## Leases

All new leases from 1 April 2004 are categorised as 'finance' or 'operating' leases in accordance with the requirements of SSAP 21 Accounting for Leases and Hire Purchase Contracts. Leases taken out prior to 1 April 2004 have all been treated as operating leases.

**Finance Leases:** Assets acquired under finance leases have been recognised as fixed assets at the present value of the minimum lease payments. A matching liability for payments in relation to the acquisition of the assets has been recognised in the Balance Sheet. Assets acquired under finance leases are depreciated over the term of the lease. The obligations relating to finance leases are disclosed in the notes to the Consolidated Balance Sheet.

**Operating Leases:** Amounts payable under operating leases are charged to the revenue account over the period of the lease.

## Intangible Assets

The Code of Practice on Local Authority Accounting has introduced the concept of intangible assets into local government accounting. Expenditure which provides assets of a non-physical nature which East Ayrshire Council is able to control is now classified under intangible assets. Such expenditure is amortised to revenue over the economic life of the asset.

## Fixed Assets

All expenditure on the acquisition, creation, or enhancement of fixed assets has been capitalised on an accruals basis. The Council has in place a rolling five year revaluation programme. The basis of valuation is as follows:

**Council Dwellings:** The valuation of Council dwellings has been adjusted to reflect the average discounted market value. The stock was revalued at 1 April 2003 by members of the Council's Property Service, who are qualified members of the Royal Institute of Chartered Surveyors (RICS).

**Other Land & Buildings, Surplus Property:** These are valued on the basis of open market value for existing use, assessed on either a comparative or depreciated replacement cost basis. The valuations have been compiled by RICS professional staff under the direction of the Executive Director of Development and Property Services and represent values as at 31 March 2003 adjusted for any material changes arising from subsequent revaluations.

**Vehicles, Plant & Equipment and Infrastructure Assets:** Are valued at depreciated historical cost, other than vehicles which are valued at depreciated replacement cost.

**Community Assets:** Assets are valued at depreciated historical cost. Land held as open space or common ground is valued at nil for the purposes of the accounts.

**Assets Under Construction:** Assets are valued at historic cost. Depreciation is not charged until the asset becomes operational.

## Investments

Investments are recorded within the Consolidated Balance Sheet at cost and comprise mainly investment properties and short-term investments.



## Depreciation

Depreciation, where charged, with the exception of infrastructure assets has been applied on a straight line methodology based on the asset valuation, its remaining useful life and any residual value an asset is calculated to have. The useful economic lives over which assets are depreciated are as follows:

Council Dwellings	25 years
Operational Buildings	20-40 years
Community Assets	20-25 years
Investment Properties	20-25 years
Operational Equipment	2-10 years

Infrastructure assets are depreciated in line with loan principal repayments over 25-40 year periods.

## Stock

Consumable Stocks and Work-In-Progress are valued on a cost price basis, except in the case of the Building & Works where average cost is used. Although the use of average cost is not strictly in accordance with the Code of Practice it is recognised as an acceptable methodology.

## Capital Accounts & Reserves

The following capital funds are included in the Council's financial statements:

A Fixed Asset Restatement Account, which represents the difference between the initial valuation of assets under capital accounting, plus the surpluses or deficits on any subsequent revaluations, less the net book value of any assets as they are disposed of.

A Capital Financing Account, which represents the accumulated balance of capital receipts applied, capital receipts set aside and capital funded from revenue, less the difference between loans fund principal repayments and depreciation.

A Usable Capital Receipts Reserve, from which capital receipts available to finance capital expenditure in future years have been transferred to the capital fund.

A Government Grant Deferred Account, against which all Capital Grants are initially credited. Amounts are released to the Asset Management Revenue Account over the useful life of the asset to match the depreciation charge in respect of the assets to which the grant relates.

## Insurance Fund

The Council operates an internal Insurance Fund with the balances as at 31 March being carried forward to provide funds for future insurance premiums and uninsured losses.

## Pension Reserves

As a result of the full implementation of FRS17: Retirement Benefits, local authorities in Scotland have been given powers to establish a pension reserve (SS1 2003 580) in relation to 2003-04 and future years' accounts.

Where the payments made for the year in accordance with the scheme requirements do not match the change in the Authority's recognised asset or liability for the same period, the recognised cost of pensions will not match the amount required to be raised in taxation. This difference is represented by an appropriation to or from the pensions reserve which equals the net charge in the pension liability recognised in the Consolidated Revenue Account.

## Capital Fund

The Council operates a Capital Fund. The Council may decide to pay into this fund:-

- (a) any sums derived from the sale of any property of the local authority, except those held on the Housing Revenue Account
- (b) such sums as the Council may from time to time, by resolution, direct.

## Renewals & Repairs Fund

The Council operates a Renewals & Repairs Fund to which Trading Services are able to transfer a proportion of any surplus in excess of the budgeted surplus in any given year. Any surplus balance on the HRA at year end is transferred to the Fund for use in future years.

## Carry Forward of Departmental Variances - Year End Flexibility

Departments which generate managed savings are permitted to carry forward such balances into the next financial year. Under the terms of FRS 12 any balances so identified will be included in the overall General Fund cumulative balance detailed in the Financial Statements.

In respect of Trading Operations, the Council has given approval for the ability to carry forward sums for use in future years. The sums available for transfer to the Renewals and Repairs Fund are limited to the lower of £0.100m or 50% of any surplus in excess of the budgeted surplus included in the Business Plan and the Council's Annual Estimates, the remaining balance being transferred to the General Fund Revenue Account.

# Consolidated Revenue Account



The Consolidated Revenue Account reports the net revenue expenditure for the year for all Council services and the funding of this expenditure by government grants and local taxation.

2004-05 Net £000	Notes	Committee	2005-06 Expenditure £000	2005-06 Income £000	2005-06 Net £000
102,899		Education Services	124,361	( 18,352)	106,009
977		Housing Services	71,885	( 70,428)	1,457
10,949		Cultural & Related Services	11,972	( 898)	11,074
10,344		Environmental Services	14,668	( 3,779)	10,889
6,110		Fire Services	6,386	-	6,386
10,196		Police Services	22,444	( 11,384)	11,060
15,492		Roads & Transportation	21,720	( 3,748)	17,972
2,194		Planning & Development Services	9,712	( 5,997)	3,715
40,404		Social Work	61,914	( 17,012)	44,902
4,926		Central Services to the Public	4,939	( 1,424)	3,515
4,670		Corporate & Democratic Core	4,718	-	4,718
477		Non Distributed Costs	1,304	-	1,304
-	11	Exceptional Item - Equal Pay Compensation	4,674	-	4,674
<b>209,638</b>		<b>Net Cost of Services</b>	<b>360,697</b>	<b>( 133,022)</b>	<b>227,675</b>
( 2,400)	9	Trading Operations Net Surplus			( 451)
( 2,969)	8	Asset Management Revenue Account			490
437	12	Premiums arising from Debt Restructure written off			2,922
( 682)		Interest on Revenue Balances			( 1,098)
( 2,131)	10	Pension Interest Cost & Expected Return on Pensions Assets			574
<b>201,893</b>		<b>Net Operating Expenditure</b>			<b>230,112</b>
		<b>Appropriations :</b>			
174		Contribution to Insurance Fund			1,743
647		Contribution to Renewals and Repairs Fund			538
( 6,390)		Transfer to Capital Financing Account			( 13,437)
450	10	Transfer to/(from) Pension Reserve			( 2,487)
<b>196,774</b>		<b>Amount to be met from Government Grants and Council Tax</b>			<b>216,469</b>
		<b>Sources of Finance :</b>			
120,443		Revenue Support Grant			128,640
44,865		Non-Domestic Rate Income			44,787
40,402		Council Tax			43,083
<b>205,710</b>		<b>Income from Government Grants and Council Tax</b>			<b>216,510</b>
<b>( 8,936)</b>		<b>Net General Fund Surplus for the year</b>			<b>( 41)</b>
( 7,910)		Balance on General Fund Brought Forward			( 16,846)
<b>( 16,846)</b>		<b>Surplus on General Fund Carried Forward</b>			<b>( 16,887)</b>



## Note 1 ~ Local Authority (Goods & Services) Act 1970

This Act allows the Council to provide goods and services to other public bodies and requires the Council to keep a separate account of agreements entered into under this legislation.

2004-05 Surplus £000		2005-06 Income £000	2005-06 Expenditure £000	2005-06 Surplus £000
16	Onsite Services	162	131	31
-	Roads	20	18	2
1	Outdoor Amenities	5	4	1
4	Refuse Collection	12	12	-
26	Street Cleansing	8	-	8
<b>47</b>		<b>207</b>	<b>165</b>	<b>42</b>

## Note 2 ~ Leases

The Council leases a variety of assets by finance and operating leases. The assets involved are mainly property, vehicles, computers, photocopying equipment and items of plant.

### Finance Leases

The rentals payable under finance leases in 2005-06 were £0.079m (2004-05: £0.079m), charged to the Consolidated Revenue Account as £0.019m (2004-05: £0.022m) finance costs and £0.060m (2004-05: £0.057m) relating to the write-down of obligations to the lessor.

### Operating Leases

The cost of operating leases is shown as service expenditure but no asset appears on the Balance Sheet. Operating leases cost £3.412m in 2005-06 (2004-05: £3.003m).

	Finance Costs £000	Lease Costs £000	2005-06 Total Finance Leases £000	2005-06 Operating Leases £000
Vehicles & Plant	19	60	79	1,614
Central Heating Leases	-	-	-	1,038
IT Equipment	-	-	-	165
Property	-	-	-	595
	<b>19</b>	<b>60</b>	<b>79</b>	<b>3,412</b>

The Council is committed at 31 March 2006 to make payments under operating leases in 2006-07 as follows :-

	Vehicles & Plant £000	Central Heating £000	IT Equipment £000	Property £000	Total Operating Leases £000
Leases expiring in 2006-07	77	307	165	56	605
Leases expiring between 2007-08 & 2011-12	1,210	329	-	297	1,836
Leases expiring after 2011-12	15	-	-	228	243
<b>Total Liabilities at 31 March 2006</b>	<b>1,302</b>	<b>636</b>	<b>165</b>	<b>581</b>	<b>2,684</b>



## Note 3 ~ 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, that have not been disclosed elsewhere in the accounts.

	2005-06 Income £000	2005-06 Expenditure £000
<b>Central Government &amp; Government Agencies</b>		
<b>Revenue Grants</b>		
Housing Benefit Subsidy	29,540	
Council Tax Benefit Subsidy	9,356	
Specific Scottish Executive Revenue Grants	18,233	
Enterprise Ayrshire	663	
Housing Support Grant	225	
Community Regeneration Fund	3,558	
<b>Scottish Executive Capital Grants</b>		
School Sports Facilities	1,058	
Schools Fund	2,366	
Private Sector Housing Grants	2,024	
Contaminated Land	121	
Dean Castle	34	
Equipment & Adaptations	125	
Flood Prevention	1,129	
Speed Safety Measures	256	
Public Transport Fund	987	
Cycling, Walking & Safer Streets	194	
Western Corridor	118	
Newmilns Townscape	2	
North West Neighbourhood Centre	2,326	
Westrans	115	
<b>Related Companies</b>		
Kilmarnock Leisure Centre Trust		90
<b>Related Bodies</b>		
Strathclyde Joint Police Board		22,444
Strathclyde Fire & Rescue Joint Board		6,386
Strathclyde Passenger Transport Authority		4,590
Ayrshire Valuation Joint Board		655
Authorities Buying Consortium		35
East Ayrshire North Challenge Fund		65

## Note 4 ~ Local Government Act 1986 – Section 5

Section 5 of this Act requires the Council to maintain a separate account for publicity. Expenditure of £0.652m was incurred during 2005-06 (2004-05: £0.544m) and is included within service spending.



## Note 5 – Members’ Allowances and Interests

The Local Authorities Etc. (Allowances) (Scotland) Regulations 1995 require the Council to keep a record of payments made to Members and to publish the information for the preceding year by 1 June. The public record of Members’ Expenses for 2005-06 and the Register of General Notice of Member’s Registerable Interests are available for inspection during normal working hours at the Finance Service, Council Offices, Greenholm Street, Kilmarnock as well as on the Council’s website [www.east-ayrshire.gov.uk](http://www.east-ayrshire.gov.uk) and being shown below. The List of Member’s Appointments to Outside Bodies is also available for inspection.

2004-05 £000		2005-06 £000
213	Basic Allowances	219
224	Responsibility Allowances	238
<b>437</b>		<b>457</b>
19	Subsistence	18
47	Travel Expenses	44
6	Telephone Expenses	6
<b>72</b>		<b>68</b>
<b>509</b>		<b>525</b>

## Note 6 – Audit Costs

2004-05 £000		2005-06 £000
92	Fees Payable to Audit Scotland with regard to External Audit Services :- Audit Scotland Recharge	106
212	External Audit Fee	207
16	Fees Payable in respect of other services provided by the appointed auditor	24
<b>320</b>		<b>337</b>

## Note 7 – Officers’ Emoluments

An analysis of Council officers whose total emoluments exceeded £40,000 is detailed below:-

2004-05 Total		2005-06 Officers	2005-06 Teachers	2005-06 Total
93	£40,000 - £49,999	16	107	123
20	£50,000 - £59,999	3	6	9
8	£60,000 - £69,999	14	4	18
1	£70,000 - £79,999	2	-	2
3	£80,000 - £89,999	3	-	3
1	£90,000 - £99,999	2	-	2
<b>126</b>	<b>Total</b>	<b>40</b>	<b>117</b>	<b>157</b>



## Note 8 ~ Asset Management Revenue Account

In line with the requirements of the Local Authority Accounting Code of Practice, this account shows the surplus arising from the capital charges made to services for the use of assets on the basis of the replacement cost or depreciation of the asset rather than simply the cost of repaying loans taken out to finance the assets.

2004-05 £000		2005-06 £000
18,019	Depreciation	19,949
10,528	Loans Fund Interest	10,551
210	Loans Fund Expenses	191
<b>28,757</b>	<b>Total Expenditure</b>	<b>30,691</b>
( 31,706)	Capital Charges	( 30,179)
( 21)	Notional Interest on Trading Services Stock Balance	( 22)
<b>( 31,727)</b>	<b>Total Income</b>	<b>( 30,201)</b>
<b>( 2,970)</b>	<b>Total Net Expenditure / (Income)</b>	<b>490</b>

## Note 9 ~ Trading Operations Summary Statements

The Local Government in Scotland Act 2003 effectively repealed the legislation covering Compulsory Competitive Tendering and the disclosure requirements which previously existed under this regime are no longer applicable.

In line with the guidance published by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Local Authority (Scotland) Accounts Advisory Committee (LASAAC) the services below require trading accounts to be disclosed. The financial objective over the 3-year rolling period beginning 2003-04 is to break even after taking account of capital charges.

The actual results for each of the services are set out below:-

	2005-06 Turnover £000	2005-06 Expenditure £000	2005-06 Actual £000	2004-05 Actual £000	2003-04 Actual £000	3 Year Actual £000
Catering	( 5,157)	6,494	<b>1,337</b>	( 23)	( 43)	<b>1,271</b>
Cleaning of Buildings	( 5,614)	6,980	<b>1,366</b>	( 103)	( 68)	<b>1,195</b>
School Crossing Patrols	( 355)	341	<b>( 14)</b>	( 11)	( 6)	<b>( 31)</b>
Leisure Management	( 1,277)	1,267	<b>( 10)</b>	( 8)	( 35)	<b>( 53)</b>
Refuse Collection	( 2,885)	2,860	<b>( 25)</b>	( 9)	( 81)	<b>( 115)</b>
Street Cleansing	( 2,048)	1,990	<b>( 58)</b>	( 64)	( 36)	<b>( 158)</b>
Outdoor Amenities	( 5,255)	5,362	<b>107</b>	( 123)	( 35)	<b>( 51)</b>
Vehicle Maintenance	( 1,519)	1,460	<b>( 59)</b>	( 31)	( 38)	<b>( 128)</b>
Roads	( 6,997)	6,962	<b>( 35)</b>	( 12)	( 110)	<b>( 157)</b>
Building & Works	( 22,080)	19,020	<b>( 3,060)</b>	( 2,016)	( 1,051)	<b>( 6,127)</b>
<b>Net Surplus</b>	<b>( 53,187)</b>	<b>52,736</b>	<b>( 451)</b>	<b>( 2,400)</b>	<b>( 1,503)</b>	<b>( 4,354)</b>

The Catering and Cleaning of Buildings Trading Operations show cumulative deficits over the three year period due to the inclusion of the cost of compensation payments made in respect of Equal Pay claims.

The Outdoor Amenities Trading Operation utilised a transfer from the Renewals and Repairs Fund of £0.118m during 2005/06. This amount is an appropriation and is not included in the figures above.



## Note 10 – Pension Costs

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

### (1) The Local Government Superannuation (Scotland) Scheme

This scheme, the Strathclyde Pension Fund, is administered by Glasgow City Council on behalf of the scheduled and admitted bodies in the West of Scotland. This is the main scheme for administrative and manual staff employed by the Council being a funded defined benefits scheme. The scheme is supported by contributions from both employees and employers. The employer's contribution rate is set at a level to meet all other future liabilities and is subject to a tri-annual actuarial review.

The disclosures required in relation to the implementation of FRS17 Retirement Benefits are detailed in the table below and in Note 8 on Page 23.

The cost of retirement benefits under FRS 17 is recognised in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge made against council tax is based on the cash payable in the year, so the real cost of retirement benefits is reversed out of the Consolidated Revenue Account after Net Operating Expenditure. The following transactions have been made in the Consolidated Revenue Account during the year:-

2004-05 £000	Pension Costs	2005-06 £000
	<b>Net Cost of Services</b>	
11,377	Current Service Cost	12,403
92	Past Service Cost	893
405	Curtailments	466
	<b>Net Operating Expenditure</b>	
16,238	Interest Cost	21,303
( 18,369)	Expected Return on Assets in the Scheme	( 20,729)
	<b>Amounts to be Met from Government Grants and Local Taxation</b>	
450	Movement on Pension Reserve	( 2,487)
<b>10,193</b>	<b>Actual Amount Charged Against Council Tax for Pensions in the year: Employers' Contributions Payable to Scheme</b>	<b>11,849</b>

Note 8 to the Consolidated Balance Sheet on Page 23 contains details of the assumptions made in determining the figures included in this note. The Statement of Total Movement in Reserves details the movements that have arisen in the year, as a result of variances from actuarial estimates made in preparing previous figures.

### (2) The Scottish Teachers' Superannuation Scheme

The Scottish Teachers' Superannuation Scheme is administered by the Scottish Executive. The Scheme is supported by contributions from both employers and employees. It provides teachers with defined benefits upon their retirement and the Council contributes towards the costs by making contributions based on a percentage of members' pensionable salaries. Contributions by East Ayrshire Council during 2005-06 amounted to £5.516m (or 12.5% of pensionable pay). In addition, contributions totalling £0.347m (or 0.54% of pensionable pay) were made in respect of discretionary payments.

Unlike the Local Government Scheme in (1) above the Council is not required to apply FRS17 disclosures in respect of the Teachers Superannuation Scheme as the liability for payment of pensions rests ultimately with the Scottish Executive. Therefore the costs recorded within the consolidated revenue account in respect of this scheme are the actual contributions made during the year.



## Consolidated Revenue Account – Notes

### Note 11 ~ Equal Pay Compensation

During 2005-06 Equal Pay Compensation payments of £7.457m were made. Of this £2.783m is included within the Trading Operations with the remaining £4.674m included within the Net Cost of Services on the Consolidated Revenue Account.

### Note 12 ~ Restructuring of Debt

			£000
Balance as at 1 April 2005			15,712
Less: balance written off during year			( 2,922)
<b>Balance as at 31 March 2006</b>			<b>12,790</b>
Represented by:	Prior Years	2005-06	Total
	£000	£000	£000
Premiums arising from debt restructure	17,758	-	17,758
Less: premiums written off	( 2,046)	( 2,922)	( 4,968)
	<b>15,712</b>	<b>( 2,922)</b>	<b>12,790</b>



Occupiers of domestic property are liable to pay Council Tax. This is a tax levied by Local Authorities on domestic properties within their area.

Dwellings fall within a valuation band between 'A' and 'H' which is determined by the Assessor, employed by Ayrshire Valuation Joint Board (AVJB). In setting its budget the Council determines the Council Tax level each year. Charges for other Bands are proportionate to the Band 'D' figure. The Band 'D' Council Tax for 2005-06 was £1,116.27.

Properties can be exempt if they are unoccupied or occupied by certain categories of occupant. A reduction may be applied if a resident is disabled and the property adapted. A discount of 25% is available for properties occupied by one liable person aged 18 years or over. The discount is 50% where the property is not the sole or main residence of any person.

BAND	2005-06 £ per year
A	744.18
B	868.21
C	992.24
D	1,116.27
E	1,364.33
F	1,612.39
G	1,860.45
H	2,232.54

## Council Tax Income

2004-05 £000		2005-06 £000
47,558	Gross Council Tax levied, contributions in lieu and penalties	50,182
	<b>Less :</b>	
170	Council Tax Benefits (Net of Government Grant)	196
( 5,647)	Discounts and Reductions	( 6,024)
( 1,985)	Provision for bad and doubtful debts	( 2,095)
246	Previous Years	710
60	Community Charge	114
<b>40,402</b>	<b>Total</b>	<b>43,083</b>

During 2005-06 Community Charge arrears totalling £0.114m were collected. As there is no longer a balance sheet debtor for these arrears, this amount and any further amounts collected result in a credit to the Council Tax income account.

## The Calculation of the Council Tax Base

The figures shown in the table below indicate the number of properties as at 18 October 2005.

2004-05 Total	Bands	Disabled									2005-06 Total
		A	A	B	C	D	E	F	G	H	
53,677	Properties	-	26,829	9,361	4,253	5,320	5,199	2,367	491	38	53,858
( 888)	Exemptions	-	( 845)	( 142)	( 63)	( 35)	( 44)	( 13)	( 2)	( 2)	( 1,146)
-	Disabled relief	114	( 26)	( 44)	5	17	( 40)	( 20)	( 5)	( 1)	-
( 20,993)	Discounts (25%)	( 37)	( 13,828)	( 3,422)	( 1,359)	( 1,185)	( 955)	( 309)	( 45)	( 3)	( 21,143)
( 798)	Discounts (50%)	-	( 348)	( 103)	( 63)	( 58)	( 44)	( 29)	( 4)	( 2)	( 651)
<b>47,141</b>	<b>Total equivalent</b>	<b>105</b>	<b>22,327</b>	<b>8,268</b>	<b>3,824</b>	<b>4,977</b>	<b>4,854</b>	<b>2,242</b>	<b>471</b>	<b>33</b>	<b>47,101</b>
	Ratio	5/9	6/9	7/9	8/9	1	11/9	13/9	15/9	18/9	
<b>39,663</b>	<b>Band 'D' equivalents</b>	<b>58</b>	<b>14,885</b>	<b>6,431</b>	<b>3,399</b>	<b>4,977</b>	<b>5,933</b>	<b>3,238</b>	<b>785</b>	<b>66</b>	<b>39,772</b>
( 1,983)	Bad Debt provision										( 1,987)
<b>37,680</b>											<b>37,785</b>



## Non-Domestic Rate Account

Occupiers of non-domestic property are liable to pay Non-Domestic Rates. This is a tax levied by Local Authorities on the occupiers of commercial property within their area.

The amount paid for Non-Domestic Rates is determined by the rateable value placed on the property by the Assessor multiplied by the Rate per £ announced each year by the Scottish Executive. The national Non-Domestic Rate poundage set by the Scottish Executive for 2005-06 was £0.461.

### Non-Domestic Rates Income

2004-05 £000		2005-06 £000
32,233	Gross Rates levied and contributions in lieu	32,556
( 4,186)	<b>Less :</b> Reliefs and other reductions	( 5,533)
( 840)	Provision for bad and doubtful debts	( 809)
<b>27,207</b>		<b>26,214</b>
( 132)	Prior Years Pool	( 224)
17,837	Contribution from National Non-Domestic Rate Pool	18,847
<b>44,912</b>	<b>Net Income</b>	<b>44,837</b>
( 47)	Adjustments and Pre-Pool Years	( 50)
<b>44,865</b>	<b>Total</b>	<b>44,787</b>

### Analysis of Rateable Values at 1 April 2005:

	Number	£000
Shops	1,020	20,579
Public Houses	114	1,934
Offices (including Banks)	478	5,110
Hotels, Boarding Houses etc.	33	738
Industrial & Freight Transport Subjects	915	14,900
Leisure, Entertainment, Caravans & Holiday Sites	114	1,906
Garages and Petrol Stations	161	1,352
Cultural	25	315
Sporting Subjects	82	1,636
Education & Training	78	5,432
Public Service Subjects	187	3,254
Communications (Non-Formula)	16	1,922
Quarries, Mines	20	4,167
Petrochemical	2	141
Religious	102	872
Health Medical	69	3,043
Other	155	888
Care Facilities	47	1,322
Advertising	39	73
	<b>3,657</b>	<b>69,584</b>

The Housing Revenue Account shows the income and expenditure incurred by the Council in fulfilling its statutory requirements for the provision, management and improvement of housing to suit all housing needs. The figures below are included within Housing Services on the Consolidated Revenue Account on Page 9.

2004-05 £000		2005-06 £000
32,628	Rents - Council Houses	32,003
819	Rents - Other	891
221	Housing Support Grant	225
358	Other Government Grants	303
103	Recharges	121
11	Interest	-
597	Miscellaneous	523
<b>34,737</b>	<b>Income</b>	<b>34,066</b>
12,606	Repairs and Maintenance	13,216
4,257	Supervision and Management	4,315
9,504	Capital Financing Costs	8,758
762	Homeless	790
2,256	Bad or Doubtful Debts and Voids	1,688
5,137	Other Expenditure	5,063
( 87)	Pension Interest Costs and Expected Return on Pension Assets	23
( 42)	Transfer to/(from) Pension Reserve	( 168)
<b>34,393</b>	<b>Expenditure</b>	<b>33,685</b>
<b>( 344)</b>	<b>(Surplus) / Deficit for the Year</b>	<b>( 381)</b>
344	Appropriation to Renewals & Repairs Fund	381
<b>-</b>	<b>Net (Surplus) / Deficit Charged To General Fund</b>	<b>-</b>

## Housing Stock:

2004-05 Total	House Type	Flat	House	2005-06 Total
2,786	One Bedroom	1,787	869	<b>2,656</b>
7,323	Two Bedroom	3,561	3,373	<b>6,934</b>
4,282	Three Bedroom	707	3,334	<b>4,041</b>
311	Four Bedroom	14	270	<b>284</b>
2	Five Bedroom	2	-	<b>2</b>
<b>14,704</b>	<b>Total</b>	<b>6,071</b>	<b>7,846</b>	<b>13,917</b>

## Rental Information:

2004-05		2005-06
£41.93	Average Weekly Rent (52 weeks)	£43.20
4.56%	Current Rent Arrears (as % of Rent Collectable)	4.29%
£1.110m	Total Rent Arrears	£0.823m
£0.677m	Provision for Bad Debts	£0.432m

The Consolidated Balance Sheet details the Council's assets, liabilities and the level of balances and reserves as at 31 March 2006.

2005 £000		Notes	2006 £000	2006 £000
-	<b>Intangible Assets :</b> Software Licences		21	21
-				
185,011	<b>Operational Assets :</b> Council Dwellings		176,586	489,663
272,148	Other Land and Buildings		271,930	
2,877	Vehicles, Plant and Equipment		3,848	
36,552	Infrastructure		37,299	
<b>496,588</b>				
16,085	<b>Non-Operational Assets :</b> Investment Properties		15,546	24,034
4,310	Surplus Assets		5,263	
-	Assets Under Construction		3,225	
<b>20,395</b>				
15,712	Long-Term Prepayment	CRA 12	12,790	12,919
154	Long-Term Debtors		129	
<b>15,866</b>				
<b>532,849</b>	<b>Total Long-Term Assets</b>			<b>526,637</b>
1,108	<b>Current Assets</b> Stocks and Work in Progress		1,058	72,413
19,789	Debtors	4	22,562	
39,800	Short-Term Investments	3	48,750	
43	Cash		43	
<b>60,740</b>				
( 43,761)	<b>Less : Current Liabilities</b> Creditors	5	( 45,217)	( 47,611)
( 301)	Borrowing repayable in less than 12 months		( 215)	
( 4,023)	Bank Overdraft		( 2,179)	
<b>( 48,085)</b>				
<b>12,655</b>	<b>Net Current Assets</b>			<b>24,802</b>
( 191,522)	Less : Borrowing repayable after 12 months	6		( 191,217)
( 347)	Less : Deferred Liability Finance Leases	10		( 284)
( 98,174)	Less : Net Pension Liability	8		( 89,989)
<b>255,461</b>	<b>TOTAL ASSETS LESS LIABILITIES</b>			<b>269,949</b>
240,266	<b>Represented by :-</b> Fixed Asset Restatement Account			232,961
87,511	Capital Financing Account			92,868
-	Government Grants Deferred			5,135
( 98,174)	Pension Reserve			( 89,989)
1,446	Insurance Fund			3,250
5,255	Capital Fund			5,890
2,311	Renewals & Repairs Fund			2,947
16,846	General Fund Surplus			16,887
<b>255,461</b>	<b>TOTAL EQUITY</b>			<b>269,949</b>

Alexander McPhee ACMA  
Executive Head of Finance  
22 June 2006



## Note 1 ~ Fixed Assets

Fixed Assets are included in the Balance Sheet at their current asset value as at 31 March 2006. The basis of valuation is disclosed separately in the Statement of Accounting Policies, Pages 6-8.

### Movement in Assets during 2005-06 :-

Category	Opening Position £000	+	-	+	-	=
		Acquisitions £000	Disposals £000	Revaluation £000	Depreciation £000	Closing Position £000
Council Dwellings	185,011	9,976	( 6,320)	( 4,054)	( 8,027)	176,586
Other Land & Buildings	272,147	7,246	( 711)	481	( 7,233)	271,930
Vehicles, Plant & Equip	2,877	1,825	( 18)	( 267)	( 569)	3,848
Infrastructure	36,552	4,284	-	( 81)	( 3,456)	37,299
Community Assets	-	104	-	( 104)	-	-
Investment Properties	16,085	669	( 140)	( 140)	( 928)	15,546
Surplus Assets	4,311	16	( 670)	1,646	( 40)	5,263
Assets Under Construction	-	151	-	3,074	-	3,225
<b>Total Fixed Assets</b>	<b>516,983</b>	<b>24,271</b>	<b>( 7,859)</b>	<b>555</b>	<b>( 20,253)</b>	<b>513,697</b>

### Information on Assets Held:

The numbers of main assets held by the Council as at 31 March 2006 are as follows: -

<b>Council Dwellings</b>	13,917	<b>Operational Buildings</b>	
		Pre-5 Schools	22
		Primary Schools	46
<b>Operational Equipment</b>		Secondary Schools	9
Vehicles	84	Special Schools	5
		Community Education Centres	69
<b>Infrastructure Assets</b>		Day Centres	3
Principal Roads (Km's)	115	Car Parks	36
Non-Principal Roads (Km's)	404	Social Work Homes	9
Unclassified Roads (Km's)	595	Assessment Centres	5
Highway Bridges	786	Depots	9
Street Lighting Units	17,960	Sports Centres	8
Illuminated Signs	1,481	Swimming Pools	1
		Halls	18
<b>Community Assets</b>		Public Conveniences	3
Parks (Acres)	144	Council Offices	21
Cemeteries (Acres)	129	Industrial Units	92
Playing Fields/Open Spaces (Acres)	1,911	Shops	41
		Libraries	27
		Museums	6



## Funding of Capital Expenditure: -

Capital Expenditure during the year was funded as follows:-

	Housing Revenue Account £000	General Fund £000	Total £000
Borrowing	-	8,153	8,153
Usable Capital Receipts	8,830	634	9,464
Specific Grants and Other Income	-	5,543	5,543
Capital Funded From Current Revenue (CFCR)	1,146	104	1,250
<b>Gross Capital Expenditure</b>	<b>9,976</b>	<b>14,434</b>	<b>24,410</b>

## Finance Leases:

The following value of assets held under finance leases by the Council is included within fixed assets:-

	Vehicles, Plant & Equipment £000	Total Finance Leases £000
<b>Value at 1 April 2005</b>	407	407
Additions	-	-
Revaluations	-	-
Depreciation	( 60)	( 60)
Disposals	-	-
<b>Value at 31 March 2006</b>	<b>347</b>	<b>347</b>

## Note 2 ~ Intangible Assets

	Software Licences £000	Total Intangible Assets £000
Original Cost	-	-
Amortisation to 1 April 2005	-	-
<b>Balance at 1 April 2005</b>	<b>-</b>	<b>-</b>
Expenditure in Year	26	26
Written Off to Revenue in Year	( 5)	( 5)
<b>Balance at 31 March 2006</b>	<b>21</b>	<b>21</b>

## Note 3 ~ Short-Term Investments

Short-Term investments represent amounts deposited with banks and building societies for periods of less than one year in accordance with the authority's Treasury Management policies.



## Note 4 ~ Debtors

2004-05 Debtor £000		2005-06		
		Gross Debtor £000	Provision £000	Debtor £000
1,688	Arrears of Local Taxation : Council Tax	22,459	21,541	918
1,172	Non-Domestic Rates	6,102	5,288	814
433	Housing Rents	823	432	391
2,758	Accounts Receivable	5,872	2,451	3,421
3,259	VAT and Income Tax Recoverable	3,374	-	3,374
10,479	Other Income Due	13,644	-	13,644
<b>19,789</b>		<b>52,274</b>	<b>29,712</b>	<b>22,562</b>

## Note 5 ~ Creditors

2004-05 £000		2005-06 £000
10,729	Accounts Payable	14,183
5,947	Payroll Creditors	5,679
1,947	Loan Interest Due	1,968
25,138	Other	23,387
<b>43,761</b>		<b>45,217</b>

## Note 6 ~ Borrowing repayable after 12 months

2004-05 £000	Due	1-2 Yrs £000	2-5 Yrs £000	5-10 Yrs £000	Over 10 Yrs £000	2005-06 £000
52,886	Banks/Monetary Sector	-	-	-	52,600	52,600
1,000	Building Societies	-	-	-	1,000	1,000
500	Financial Institutions	500	-	-	-	500
123,363	Public Works Loan Board	22	80	619	122,621	123,342
-	Public Corporations	-	-	-	-	-
13,000	Other Sources	-	-	-	13,000	13,000
<b>190,749</b>		<b>522</b>	<b>80</b>	<b>619</b>	<b>189,221</b>	<b>190,442</b>
200	Investment by Common Good					206
573	Investment by Trusts & Bequests					569
<b>191,522</b>		<b>522</b>	<b>80</b>	<b>619</b>	<b>189,221</b>	<b>191,217</b>



## Note 8 – FRS 17 – Pension Assets and Liabilities

In order to comply with Financial Reporting Standard 17: Retirement Benefits (FRS 17), the Council is required to disclose certain information concerning assets, liabilities, income and expenditure related to pension schemes for its employees. As detailed in Note 10 to the Consolidated Revenue Account the Council participates in two formal schemes, the Local Government Superannuation (Scotland) Scheme as administered by the Strathclyde Pension Fund and the Teachers Pension Scheme which is administered by the Scottish Executive. Both schemes are defined benefit schemes, however, for the purposes of this statement of accounts the Teachers Pension Scheme is treated on the same basis as a defined contribution scheme since it is not possible for the Council to identify a share of the underlying liabilities in the scheme attributable to its own employees.

The Local Government Superannuation (Scotland) Scheme is a funded scheme to which the Council and its employees contribute at a rate determined by actuaries to the scheme such that the pensions liabilities are balanced with investment assets.

In 2005-06 pension costs have been charged to the Consolidated Revenue Account on the basis of contributions payable for the year to Strathclyde Pension Fund based on the last formal actuarial valuation as at 31 March 2005.

As at 31 March 2006, the Council had the following assets and liabilities for pensions within the Strathclyde Pension Fund that have been included in the balance sheet: -

2005 £000		2006 £000
289,040	Share of assets in Strathclyde Pension Fund	376,785
( 387,214)	Estimated Liabilities in Strathclyde Pension Fund	( 466,774)
<b>( 98,174)</b>	<b>Net Pension Asset/(Liability) and Pension Reserve</b>	<b>( 89,989)</b>

The liabilities show the underlying commitments that the Council has in the long-run to pay retirement benefits. The net liability of £89.989m has an impact on the net worth of the Council as recorded in the Consolidated Balance Sheet. It should be noted that these book entries are based only on the snapshot position at 31 March 2006 for reporting purposes only. The long term funding valuation of 2005 is not affected with contribution rates set at the time continuing in line with actuarial advice.

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, and other factors. The liabilities of the Strathclyde Pension Fund have been assessed by Hymans Robertson, an independent firm of actuaries. The main assumptions used in their calculations have been:-

2005 %		2006 %
2.9	Rate of Inflation	3.1
4.4	Rate of Increase in Salaries	4.6
2.9	Rate of Increase in Pensions	3.1
5.4	Rate of Discounting Scheme Liabilities	4.9

Assets held by Strathclyde Pension Fund are valued at fair value, principally market value for investments, and consist of the following categories, by proportion of the total assets held by the fund:-

2005			2006	
%	Long Term Return		%	Long Term Return
74	7.7	Equity Investments	76	7.4
13	4.8	Bonds	10	4.6
10	5.7	Property	9	5.5
3	4.8	Cash	5	4.6
<b>100</b>			<b>100</b>	



## Note 9 ~ Capital Commitments

The Council has commitments in respect of capital schemes in excess of £20,000 at 31 March 2006 as follows :-

General Fund	£000	Housing	£000
Dick Institute	172	Gas Central Heating	348
Cemetery Extensions	82	External Enhancements	120
Energy Saving	276	Kitchens, Bathrooms, Rewiring	1,990
Hurlford Community Centre	20	Sheltered Housing	412
Cairns Nursery	24		
School Window Replacements	80		
DDA / Care Commission	57		
Welltrees Bridge	391		
Cumnock Footbridge	200		
North West Neighbourhood Centre	2,945		
	<b>4,247</b>		<b>2,870</b>

## Building Learning Communities Schools PPP Project

The Council intends to enter into a Public Private Partnership contract during 2006-07 to enable the creation of :-

- ◆ a new St Joseph's Campus incorporating the present twin St Joseph's Academy campuses in Kilmarnock and Cumnock and the amalgamation of the present St Columba's and St Matthew's primary schools;
- ◆ a new Grange Campus incorporating the present Grange Academy, Annanhill Primary and Park School;
- ◆ a new Shortlees Campus incorporating the present Shortlees Primary School and Community Learning facilities; and
- ◆ the extension and complete refurbishment of Mauchline Primary School.

## Note 10 ~ Finance Lease Liabilities

Outstanding obligations to make payments under finance leases at 31 March 2006 are as follows :-

	Vehicles, Plant & Equipment £000	Total Finance Leases £000
Obligations payable in 2006-07	63	63
Obligations payable between 2007-08 and 2011-12	284	284
Obligations payable after 2011-12	-	-
<b>Total Liabilities at 31 March 2006</b>	<b>347</b>	<b>347</b>

Of the above £0.063m is included within creditors and the £0.284m is disclosed as a long-term liability on the Consolidated Balance Sheet.

## Note 11 ~ Contingent Liabilities

East Ayrshire Council is a constituent member of the West of Scotland Loans Fund Ltd. As at 31 March 2006 the Council's involvement stands at £1.685m. In the event of the Fund being wound up, a contingent liability of £0.499m exists in respect of European Development Fund Grants. The Fund exists to co-ordinate the 12 former Strathclyde Regional Council authorities in respect of the relationship with the European Regional Development Fund. East Ayrshire Council does not have an interest in the share capital of any of the companies dealt with by the West of Scotland Loans Fund Ltd.

The Council has an obligation to indemnify and reimburse any cumulative deficit sustained by the Kilmarnock Leisure Centre Trust up to a maximum of £0.200m in each financial year once the reserves held by the Trust have been depleted.



## Consolidated Balance Sheet – Notes

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### **Note 12 ~ Reserves**

The General Fund Balance of £16.887m contains both earmarked and uncommitted funds. The earmarked funds comprise Departmental Balances of £7.979m and Schools Carry Forwards of £0.562m.

### **Note 13 ~ Post Balance Sheet Events**

No significant post balance sheet events requiring additional provision or disclosure have transpired post 31 March 2006.

### **Note 14 ~ Authorisation**

These financial statements were issued following approval by East Ayrshire Council on 22 June 2006.

# Statement of Total Movement in Reserves



## Funds Balances & Reserves

	General Fund Balance £000	HRA Balance £000	Renewals & Repairs Fund £000	Insurance Fund £000	Total Revenue Balances £000	Pension Reserve £000
Balance as at 1 April 2005	16,846	-	2,311	1,446	20,603	( 98,174)
Net Surplus/(Deficit)	41	-	538	1,743	2,322	8,185
Interest	-	-	98	61	159	-
<b>Balance as at 31 March 2006</b>	<b>16,887</b>	<b>-</b>	<b>2,947</b>	<b>3,250</b>	<b>23,084</b>	<b>( 89,989)</b>

## Capital Reserves

	Fixed Asset Restatement Account £000	Capital Financing Account £000	Usable Capital Receipts Reserve £000	Capital Fund £000	Government Grants Deferred £000
Balance as at 1 April 2005	240,266	87,511	-	5,255	-
Capital Expenditure - Not Enhancing Value (Note A)	( 2,548)	-	-	-	-
Unrealised Gains/(Losses) on Revaluation of Assets	3,102	-	-	-	-
Value of Assets Disposed of	( 7,859)	-	-	-	-
Net Proceeds from Asset Disposals	-	-	17,957	-	-
Grants Received in Year	-	-	-	-	5,443
Grants Amortised in Year	-	-	-	-	( 308)
Depreciation for Year	-	( 13,437)	-	-	-
Capital Financed by Revenue Contribution	-	1,250	-	-	-
Financing of Fixed Assets	-	9,464	( 9,464)	-	-
Applied to Repay Debt	-	8,080	( 8,080)	-	-
Transferred to Capital Fund	-	-	( 413)	413	-
Interest	-	-	-	222	-
<b>Balance as at 31 March 2006</b>	<b>232,961</b>	<b>92,868</b>	<b>-</b>	<b>5,890</b>	<b>5,135</b>

Note A	
Gross Capital Expenditure General Fund	14,434
Gross Capital Expenditure HRA	9,976
	24,410
Less Enhancing Value	( 21,862)
	<b>2,548</b>

The actuarial gain included as part of the movement on the Pensions Reserve can be analysed into the following categories measured as absolute amounts and percentages of assets and liabilities.

2004-05			2005-06	
£000	%		£000	%
9,745	3.4	Differences between the expected and actual return on assets	59,469	15.8
( 1,235)	( 0.3)	Differences between actuarial assumptions about liabilities and actual experience	6,477	1.4
( 72,432)	( 18.7)	Changes in the demographic and financial assumptions used to estimate liabilities	( 55,274)	( 11.8)
<b>( 63,922)</b>		<b>Actuarial (Loss)/Gain in Pension Fund</b>	<b>10,672</b>	

2004-05 £000		Notes	2005-06 £000	2005-06 £000
	<b>Revenue Activities :</b>			
	<b>Expenditure</b>			
117,684	Employment Costs		134,711	
143,920	Other Operating Costs		148,873	
9,270	Housing Benefit Paid Out		9,798	
23,855	NDRI Contributable to Pool		25,948	
<b>294,729</b>			<b>319,330</b>	
	<b>Income</b>			
( 12,884)	Rents (after rebates)		( 9,652)	
( 32,544)	Council Tax Income		( 34,613)	
( 26,853)	Non-Domestic Rates		( 26,298)	
( 44,912)	NDRI Distributable from Pool		( 44,837)	
( 122,633)	Revenue Support Grant		( 129,160)	
( 9,115)	DWP Grants for Rebates		( 9,212)	
( 45,600)	Other Government Grants	4	( 47,335)	
( 39,388)	Fees, Charges and Other Income		( 37,493)	
<b>( 333,929)</b>			<b>( 338,600)</b>	
<b>( 39,200)</b>	<b>Net Cash In-flow from Revenue Activities</b>	<b>1</b>		<b>( 19,270)</b>
	<b>Servicing Of Finance :</b>			
11,840	Interest Paid		11,028	
22	Interest Element of Finance Leases		19	
( 13)	Interest Received		( 2,234)	
<b>11,849</b>	<b>Net Cash Out-flow from Servicing Finance</b>			<b>8,813</b>
	<b>Capital Activities :</b>			
	<b>Expenditure</b>			
14,130	Purchase of Fixed Assets		24,531	
13,541	Other Capital Cash Payments		170	
<b>27,671</b>			<b>24,701</b>	
	<b>Income</b>			
( 11,627)	Sale of Fixed Assets		( 16,845)	
( 6,953)	Capital Grants Received		( 7,463)	
( 663)	Other Capital Cash Payments/Income		( 1,180)	
<b>( 19,243)</b>			<b>( 25,488)</b>	
<b>8,428</b>	<b>Net Cash Out-flow from Capital Activities</b>			<b>( 787)</b>
<b>( 18,923)</b>	<b>Net Cash (In-flow) / Out-flow before Financing</b>			<b>( 11,244)</b>
	<b>Financing :</b>			
	<b>Expenditure</b>			
21,770	Repayments of Amounts Borrowed		10,090	
57	Capital Element of Finance Lease		60	
431,100	New Short-Term Deposits		373,699	
<b>452,927</b>			<b>383,849</b>	
	<b>Income</b>			
( 21,501)	New Loans Raised		( 9,700)	
( 413,950)	Short-Term Deposits Repaid		( 364,749)	
<b>( 435,451)</b>			<b>( 374,449)</b>	
<b>17,476</b>	<b>Net Cash (In-flow) / Out-flow from Financing</b>	<b>3</b>		<b>9,400</b>
<b>( 1,447)</b>	<b>(Increase) / Decrease in Cash</b>	<b>2</b>		<b>( 1,844)</b>

## Note 1 ~ Cash Flow – Reconciliation of Consolidated Revenue Account to Revenue Activities Cash Flow

2004-05 £000		2005-06 £000	2005-06 £000
( 8,936)	(Surplus)/Deficit per the Financial Statement		( 41)
( 17,637)	Financing Expenses		( 18,723)
	<b>Non Cash Transactions :</b>		
( 821)	Contributions to Reserves	( 2,281)	
( 4,164)	Contributions to Capital	( 1,250)	
( 4,985)			( 3,531)
	<b>Movements in Working Capital :</b>		
( 260)	(Decrease) in Stock & Work in Progress	( 50)	
( 4,042)	(Decrease)/Increase in Debtors	2,773	
( 1,551)	(Increase) in Creditors	( 1,456)	
( 1,789)	Other Movements	1,758	
( 7,642)			3,025
( 39,200)			( 19,270)

## Note 2 ~ Cash Flow - Analysis of Balances of Cash

	2005-06 £000	2004-05 £000	Movement £000
Cash	43	43	-
Bank Overdraft	( 2,179)	( 4,023)	( 1,844)
<b>(Increase) / Decrease in Cash</b>	<b>( 2,136)</b>	<b>( 3,980)</b>	<b>( 1,844)</b>

## Note 3 ~ Cash Flow – Movement in Financing

	2005-06 £000	2005-06 £000
<b>Loans Repaid</b>		
PWLB	301	
Mortgages	9,700	
Other Loans	89	
Capital Element of Finance Lease	60	
Short-Term Deposits	( 364,749)	
		( 354,599)
<b>New Loans</b>		
Mortgages	( 9,700)	
Other Loans	-	
Short-Term Deposits Repaid	373,699	
		363,999
<b>Cash Outflow from Financing</b>		<b>9,400</b>



## Note 4 ~ Cash Flow – Analysis of Government Grants

	2005/06 £000
<b>Specific Grants</b>	
Excellence Fund	5,006
Mental Health Grant	321
Other Government Grants	1,269
Police	11,384
Sheltered Employment Grant	14
Specific Grant - Gaelic	131
Social Work Training Grant	108
<b>Other Grants</b>	
DWP Grants - Housing & Council Tax	29,102
<b>Cash Flow From Government Grants</b>	<b>47,335</b>

The Council administers a number of Common Good Funds relating to the areas of the former burghs together with a variety of Charitable Trusts and Bequests. These funds do not represent assets available to the Council and as such are not included in the Council's Consolidated Balance Sheet.

A summary of these is as follows :-

## Summary of Common Good Funds

	Darvel £	Cumnock £	Kilmarnock £	Newmilns £	Stewarton £	Total £
Capital Balance 01/04/05	-	1,000.00	153,159.46	-	-	154,159.46
Revenue Balance 01/04/05	1,092.38	1,470.20	38,898.25	2,330.73	1,652.24	45,443.80
	<b>1,092.38</b>	<b>2,470.20</b>	<b>192,057.71</b>	<b>2,330.73</b>	<b>1,652.24</b>	<b>199,603.26</b>
<b>Expenditure During Year :</b>						
Capital	-	-	-	-	-	-
Revenue	-	-	2,000.00	-	-	2,000.00
<b>Income During Year :</b>						
Capital	-	-	-	-	-	-
Revenue	46.36	104.84	8,159.99	98.92	70.13	8,480.24
Capital Balance 31/03/06	-	1,000.00	153,159.46	-	-	154,159.46
Revenue Balance 31/03/06	1,138.74	1,575.04	45,058.24	2,429.65	1,722.37	51,924.04
<b>Closing Balances 31/03/06</b>	<b>1,138.74</b>	<b>2,575.04</b>	<b>198,217.70</b>	<b>2,429.65</b>	<b>1,722.37</b>	<b>206,083.50</b>

## Summary of Trusts and Bequests

2004-05 Revenue Fund £	2004-05 Capital Fund £	2004-05 Total Funds £	Fund Balances	2005-06 Revenue Fund £	2005-06 Capital Fund £	2005-06 Total Funds £
528,843.44	64,754.88	593,598.32	<b>Opening Balances 01/04/05</b>	522,383.09	63,875.70	586,258.79
35,254.67	879.18	36,133.85	Expenditure	28,035.29	152.76	28,188.05
28,794.32	-	28,794.32	Income	24,908.27	-	24,908.27
( 6,460.35)	( 879.18)	( 7,339.53)	<b>Surplus/(Deficit)</b>	( 3,127.02)	( 152.76)	( 3,279.78)
<b>522,383.09</b>	<b>63,875.70</b>	<b>586,258.79</b>	<b>Closing Balances 31/03/06</b>	<b>519,256.07</b>	<b>63,722.94</b>	<b>582,979.01</b>

2004-05 £	Balance Sheet as at 31 March 2006	2005-06 £
13,378.60	Investments - External	13,680.45
572,880.19	Investments - Loans Fund	569,298.56
<b>586,258.79</b>		<b>582,979.01</b>
	<b>Financed By:-</b>	
63,875.70	Capital Funds	63,722.94
522,383.09	Revenue Funds	519,256.07
<b>586,258.79</b>		<b>582,979.01</b>



## Trusts and Bequests

Origin & Purpose	To Provide:-	Funds Invested in :		
		Loans Fund £	Other £	Type
Robert Crawford's Bequest	Books for Public Library	7,126.81	1,600.00	Govt. Stock
Robert Cumming's Bequest	Annuity for Testator's Legatee and Maintenance of Indigent Orphans of Ayrshire	2,235.37	-	
John Fulton's Soup Kitchen Trust	Soup to the Poor	9,424.17	100.00	Govt. Stock
Murdoch's Trust	Annual Payment to One Poor Aged Deserving Person of Kilmarnock	3,414.27	-	
Misses Parker's Bequest	Payments to Females Suffering from Incurable Diseases	2,003.03	-	
Tannock's Trust	Annuities to Females	3,340.29	-	
Archibald Taylor Fund	Special Nursing, Convalescent Treatment or Holiday during Convalescence for Certain Class of Spinsters	402,472.13	-	
Matthew L. Cochran's Bequest	Holidays for Elderly Deserving People Resident in Kilmarnock	15.22	-	
Mair Bequest	Relief to Deserving Poor Natives or Inhabitants of Newmilns	94,373.57	-	
B.C. Roxburgh Bequest	Benefits to the Citizens of Darvel	20,214.45	-	
Newmilns Benevolent Association	Grants for the alleviation of illness to Persons Residing in Newmilns and Greenholm	2,456.81	-	
East Ayrshire Emergency Relief Trust	Assistance for any organisation, body, resident or person suffering hardship, poverty or distress as a consequence of emergency, natural disaster, flood, subsidence, severe weather or fire, or for such other reason as the trustee may agree	-	8,084.45	Bank Deposit
Graham Ramage Trust	Cumnock Senior Citizens Club	522.24	1,367.00	Govt. Stock
Sommerville Trust	Relief to Poor - Sorn Parish	609.76	-	
Misses Murray Legacy Trust	Relief to Poor - Old Cumnock Parish	1,606.76	500.00	Govt. Stock
D Smith Trust	Maintenance of Burial Grounds	983.38	-	
Mrs E McWhirter Trust	Maintenance of Dalmellington Burial Grounds	323.14	824.00	Govt. Stock
Dalmellington Cemetery Trust	Maintenance of Burial Grounds	84.12	-	
R Mitchell Trust	Upkeep of Lair - Mauchline Cemetery	19.51	50.00	Govt. Stock
Mrs H S Wilson Trust	Upkeep of Lair - New Cumnock Cemetery	61.44	122.00	Govt. Stock
Dalrymple Cemetery Trust	Maintenance of Burial Grounds	45.21	100.00	Govt. Stock
Polish Patients Fund	Upkeep of Memorial Stone - Mauchline	4.41	11.00	Govt. Stock
Miss A Stevenson Trust	Upkeep of Lair - Mauchline Cemetery	145.03	-	
Mrs C Gordon Trust	Upkeep of Lair/Headstone - Auchinleck Cemetery	145.03	-	
Miss J Leiper Young Trust	Upkeep of Lair/Headstone - Mauchline Cemetery	145.03	-	
Miss J.M.M. Cuthbert Executory	Upkeep of Lair/Headstone - Stair Cemetery	145.03	-	
GAA Trust	Maintenance of Burial Grounds	3,657.33	922.00	Heritable Property
Gavin Memorial Fund	Prizes for Schools in Dalmellington	1,296.13	-	
Brown Prize Fund	Prizes for Dux Boy & Girl at Cumnock Academy	286.99	-	
Hon. Alex Shaw Prize	Prizes at Kilmarnock Academy	114.29	-	
Morton Steven Dux Medal	Dux Medal at Kilmarnock Academy	355.49	-	
Latta Dux Medal	Dux Medal at Cumnock Academy	142.87	-	
Jas. Mackie Memorial Prize	Prizes at Kilmarnock Academy	100.00	-	
Hunter Stewart Fund	Dux Medal at Doon Academy	75.92	-	
Hood Endowment	Prizes at Loudoun Academy	49.15	-	
Arch. Hood Prize	Prizes at Loudoun Academy	127.39	-	
A.B. Carswell Prize	Prizes at Loudoun Academy	315.09	-	
William Wilson Memorial Prize	Cash prize for leadership (Girl) at Auchinleck Academy	136.33	-	
Margaret Wilson Memorial Prize	Cash prize for leadership (Boy) at Auchinleck Academy	39.42	-	
McKenzie Prizes	Prize for Nature Study at Auchinleck Academy	107.32	-	
Galston Town Council Dux Medal	Dux medals at Galston Juniors & St Sophia's RCS	175.41	-	
George Mason Prize Fund	Prize for Art at Grange Academy	45.99	-	
Robert C Grant Prize Fund	Prizes at Kilmarnock Academy	138.98	-	
Miss Mary C Smith Memorial Prize	Prizes at Loanhead Primary School	25.74	-	
Marion Hamilton Memorial Prize	Bursaries at Auchinleck Academy	8.30	-	
Sarah B Campbell	Bursaries at Bellsbank Primary School	2,249.26	-	
Jean G Glennie	Prizes at Auchinleck Academy	43.88	-	
John Minto Prize Fund	Prizes at Loanhead Primary	123.40	-	
W S Oughton Memorial Prize Fund	Prizes at Doon Academy	65.18	-	
Sir Alexander Fleming Prize Fund	Prize for Science at Loudoun Academy	256.73	-	
John C Kennedy Trust	Prizes at Bellsbank Primary School	6,896.26	-	
Agnes Smith Campbell Prize Fund	Prizes at Doon Academy	467.42	-	
T K Stevenson Memorial Prize	Prizes at Greenmill Primary	82.08	-	
		<b>569,298.56</b>	<b>13,680.45</b>	<b>582,979.01</b>



## Trusts and Bequests

Capital & Revenue Accounts	01-Apr-05		Expenditure in Year		Income in Year		31-Mar-06	
	Capital £	Revenue £	Capital £	Revenue £	Capital £	Revenue £	Capital £	Revenue £
Robert Crawford's Bequest	2,650.00	5,740.27	-	-	-	336.54	2,650.00	6,076.81
Robert Cumming's Bequest	2,325.80	-	(90.43)	(94.57)	-	94.57	2,235.37	-
John Fulton's Soup Kitchen Trust	1,443.00	13,971.59	-	(7,000.00)	-	1,109.58	1,443.00	8,081.17
Murdoch's Trust	100.00	3,175.57	-	-	-	138.70	100.00	3,314.27
Misses Parker's Bequest	1,365.00	556.66	-	-	-	81.37	1,365.00	638.03
Tannock's Trust	2,255.00	949.60	-	-	-	135.69	2,255.00	1,085.29
Archibald Taylor Fund	17,599.00	372,426.82	-	(3,984.42)	-	16,430.73	17,599.00	384,873.13
Matthew L. Cochran's Bequest	13.91	0.69	-	-	-	0.62	13.91	1.31
Mair Bequest	15,378.00	89,182.59	-	(14,311.49)	-	4,124.47	15,378.00	78,995.57
B. C. Roxburgh Bequest	10,796.00	9,921.70	-	(1,351.89)	-	848.64	10,796.00	9,418.45
Newmilns Benevolent Association	-	2,200.94	-	-	-	255.87	-	2,456.81
East Ayrshire Emergency Relief Trust	-	7,782.60	-	-	-	301.85	-	8,084.45
Graham Ramage Trust	1,837.00	1,103.34	-	(1,143.75)	-	92.65	1,837.00	52.24
Sommerville Trust	119.00	465.99	-	-	-	24.77	119.00	490.76
Misses Murray Legacy Trust	500.00	1,523.15	-	-	-	83.61	500.00	1,606.76
D. Smith's Trust	100.00	843.43	-	-	-	39.95	100.00	883.38
Mrs E. McWhirter Trust	824.00	281.76	-	-	-	41.38	824.00	323.14
Dalmellington Cemetery Trust	58.00	22.70	-	-	-	3.42	58.00	26.12
R Mitchell Trust	50.00	17.01	-	-	-	2.50	50.00	19.51
Mrs H S Wilson Trust	122.00	53.83	-	-	-	7.61	122.00	61.44
Dalrymple Cemetery Trust	100.00	39.18	-	-	-	6.03	100.00	45.21
Polish Patients Fund	11.00	3.78	-	-	-	0.63	11.00	4.41
Miss A. Stevenson Trust	100.00	39.14	-	-	-	5.89	100.00	45.03
Mrs C. Gordon Trust	100.00	39.14	-	-	-	5.89	100.00	45.03
Miss J. Leiper Young Trust	100.00	39.14	-	-	-	5.89	100.00	45.03
Miss J.M.M. Cuthbert Executory	100.00	39.14	-	-	-	5.89	100.00	45.03
GAA Trust	922.00	3,508.76	-	-	-	148.57	922.00	3,657.33
Gavin Memorial Fund	1,040.00	203.48	-	-	-	52.65	1,040.00	256.13
Brown Prize Fund	216.00	48.57	-	-	-	22.42	216.00	70.99
Hon. Alex Shaw Prize	100.00	9.65	-	-	-	4.64	100.00	14.29
Morton Steven Dux Medal	207.00	197.73	-	(65.00)	-	15.76	207.00	148.49
Latta Dux Medal	143.00	33.25	(0.13)	(39.87)	-	6.62	142.87	-
Jas. Mackie Memorial Prize	65.00	30.94	-	-	-	4.06	65.00	35.00
Hunter Stewart Fund	87.53	-	(11.61)	(3.39)	-	3.39	75.92	-
Hood Endowment	47.15	-	-	-	-	2.00	47.15	2.00
Arch. Hood Prize	100.00	51.61	-	(30.00)	-	5.78	100.00	27.39
A.B. Carswell Prize	216.00	83.94	-	-	-	15.15	216.00	99.09
William Wilson Memorial Prize	109.00	21.79	-	-	-	5.54	109.00	27.33
Margaret Wilson Memorial Prize	68.68	-	(29.26)	(2.24)	-	2.24	39.42	-
McKenzie Prizes	44.00	58.96	-	-	-	4.36	44.00	63.32
Galston Town Council Dux Medal	150.00	18.28	-	-	-	7.13	150.00	25.41
George Mason Prize Fund	42.05	2.07	-	-	-	1.87	42.05	3.94
Robert C. Grant Prize Fund	133.33	-	-	-	-	5.65	133.33	5.65
Miss Mary C Smith Memorial Prize	34.49	-	(8.75)	(1.25)	-	1.25	25.74	-
Marion Hamilton Memorial Prize	17.76	-	(9.46)	(0.54)	-	0.54	8.30	-
Sarah B Campbell	259.00	1,898.89	-	-	-	91.37	259.00	1,990.26
Jean G Glennie	47.00	-	(3.12)	(1.88)	-	1.88	43.88	-
John Minto Prize Fund	100.00	18.39	-	-	-	5.01	100.00	23.40
W S Oughton Memorial Prize Fund	30.00	32.53	-	-	-	2.65	30.00	35.18
Sir Alexander Fleming Prize Fund	200.00	51.20	-	(5.00)	-	10.53	200.00	56.73
John C Kennedy Trust	1,000.00	5,616.11	-	-	-	280.15	1,000.00	5,896.26
Agnes Smith Campbell Prize Fund	400.00	48.43	-	-	-	18.99	400.00	67.42
T K Stevenson Memorial Prize	50.00	28.75	-	-	-	3.33	50.00	32.08
	<b>63,875.70</b>	<b>522,383.09</b>	<b>(152.76)</b>	<b>(28,035.29)</b>	<b>-</b>	<b>24,908.27</b>	<b>63,722.94</b>	<b>519,256.07</b>



2004-05 Net £000	Notes	Committee	2005-06 Expenditure £000	2005-06 Income £000	2005-06 Net £000
95,225		Education	116,133	( 18,352)	97,781
( 1,283)		Housing Services	74,455	( 70,428)	4,027
10,110		Cultural & Related Services	10,987	( 898)	10,089
10,283		Environmental Services	14,564	( 3,779)	10,785
6,110		Fire Services	6,386	-	6,386
10,196		Police Services	22,444	( 11,384)	11,060
13,723		Highways, Roads & Transport	19,362	( 3,748)	15,614
1,780		Planning & Development	9,258	( 5,997)	3,261
39,923		Social Services	61,412	( 17,012)	44,400
4,670		Corporate & Democratic Core	4,718	-	4,718
477		Non Distributed Costs	1,304	-	1,304
4,926		General Services to the Public	4,939	( 1,424)	3,515
-		Exceptional Item	4,674	-	4,674
<b>196,140</b>		<b>Net Cost of General Fund Services</b>	<b>350,636</b>	<b>( 133,022)</b>	<b>217,614</b>
220		Share of the Operating Results of Associates	2,475	( 187)	2,288
( 3,232)		Profit or Losses on Disposal of Assets	4	( 9,511)	( 9,507)
<b>193,128</b>		<b>Net Cost of Services</b>	<b>353,115</b>	<b>( 142,720)</b>	<b>210,395</b>
( 2,400)		Surplus / Deficit of Trading Undertakings or Other Operations (including dividends from companies not consolidated as subsidiaries, associates or joint ventures)			( 451)
10,528		Interest Payable			10,551
792		Share of Interest Payable of Associates			747
437		Gains and Losses on the Repurchase or Early Settlement of Borrowing			2,922
( 682)		Interest & Investment Income			( 1,098)
( 302)		Share of Interest & Investments Income of Associates			( 311)
5,064		Pension Interest Cost and Expected Return on Pension Assets			9,948
<b>206,565</b>		<b>Net Expenditure before Reserves Movements</b>			<b>232,703</b>
450		Contributions to / from Pensions Reserve			( 2,487)
3,224		Reversal of Profits / losses on Disposal of Fixed Assets			9,507
647		Contributions to Renewal & Repair Reserve			538
174		Contributions to Insurance Fund			1,743
( 6,390)		Contributions to / from Capital Financing Reserve			( 13,437)
( 7,896)		Appropriation to Group Reserve			( 12,098)
<b>196,774</b>		<b>Amount to be met from Government Grants and Council Tax</b>			<b>216,469</b>
120,443		Revenue Support Grant			128,640
44,865		Non-Domestic Rate Income			44,787
40,402		Council Tax			43,083
<b>205,710</b>		<b>Income from Government Grants and Council Tax</b>			<b>216,510</b>
<b>( 8,936)</b>		<b>Surplus / Deficit to be met from Balances Brought Forward</b>			<b>( 41)</b>
( 7,910)		Balance on General Fund Brought Forward			( 16,846)
<b>( 16,846)</b>		<b>Surplus on General Fund Carried Forward</b>			<b>( 16,887)</b>



2005 £000		Notes	2006 £000	2006 £000
-	<b>Intangible Assets</b>			
-	Software Licences		21	21
185,011	<b>Operational Assets</b>			
272,148	Council Dwellings		176,586	
2,877	Other Land and Buildings		271,930	
36,552	Vehicles, Plant and Equipment		3,848	
	Infrastructure		37,299	
<b>496,588</b>				<b>489,663</b>
16,085	<b>Non-Operational Assets</b>			
4,310	Investment Properties		15,546	
-	Surplus Assets		5,263	
	Assets Under Construction		3,225	
<b>20,395</b>				<b>24,034</b>
15,712	Long-Term Prepayment		12,790	
154	Long-Term Debtors		129	
<b>15,866</b>				<b>12,919</b>
<b>532,849</b>	<b>Total Fixed Assets</b>			<b>526,637</b>
1,108	<b>Current Assets</b>			
19,789	Stocks and Work in Progress		1,058	
39,800	Debtors		22,562	
43	Investments		48,750	
	Cash and bank		43	
<b>60,740</b>				<b>72,413</b>
( 301)	<b>Less : Current Liabilities</b>			
( 43,761)	Borrowing repayable on demand or within 12 months		( 2,179)	
( 4,023)	Creditors		( 45,217)	
	Bank Overdraft		( 215)	
<b>( 48,085)</b>				<b>( 47,611)</b>
<b>12,655</b>	<b>Net Current Assets</b>			<b>24,802</b>
( 191,522)	Less : Borrowing repayable after 12 months			( 191,217)
( 347)	Less : Deferred Liability Finance Leases			( 284)
( 98,174)	Less : Net Pension Liability			( 89,989)
( 165,742)	Less : Investments in Associates			( 196,293)
<b>89,719</b>	<b>TOTAL ASSETS LESS LIABILITIES</b>			<b>73,656</b>
240,266	<b>Capital Reserves</b>			
87,511	Fixed Asset Restatement Account		232,961	
-	Capital Financing Account		92,868	
5,255	Government Grants Deferred		5,135	
449	Capital Fund		5,890	
	Revaluation Reserve - Associate		307	
<b>333,481</b>				<b>337,161</b>
( 98,174)	<b>Revenue Provisions and Reserves</b>			
16,846	Pensions Reserve		( 89,989)	
1,446	General Fund		16,887	
2,311	Insurance Fund		3,250	
( 166,191)	Repair & Renewal Reserve		2,947	
	Group Reserve		( 196,600)	
<b>( 243,762)</b>				<b>( 263,505)</b>
<b>89,719</b>	<b>Net Worth</b>			<b>73,656</b>

Alexander McPhee ACMA  
Executive Head of Finance  
22 June 2006

# Statement of Total Movement in Group Reserves



## Capital Reserves

	Fixed Asset Restatement Account £000	Capital Financing Account £000	Usable Capital Receipts £000	Government Grants Deferred Account £000	Capital Fund £000	Revaluation Reserve KLCT £000
Balance as at 1/4/05	240,266	87,511	-	-	5,255	449
Net Surplus/(Deficit)	( 7,305)	5,357		5,135	635	( 142)
<b>Balance as at 31/3/06</b>	<b>232,961</b>	<b>92,868</b>	<b>-</b>	<b>5,135</b>	<b>5,890</b>	<b>307</b>

## Revenue Reserves

	General Fund Balance £000	Insurance Fund £000	Renewals & Repairs £000	HRA Balances £000	Pension Reserve £000	Group Reserve £000
Balance as at 1/4/05	16,846	1,446	2,311	-	( 98,174)	( 166,191)
Net Surplus/(Deficit)	41	1,804	636	-	8,185	( 30,409)
<b>Balance as at 31/3/06</b>	<b>16,887</b>	<b>3,250</b>	<b>2,947</b>	<b>-</b>	<b>( 89,989)</b>	<b>( 196,600)</b>

## Notes to the Group Accounts

### Note 1 ~ Combinations Occurring in the Financial Year

The Council has an interest in an Associated Company and several Joint Boards. Full details are disclosed below.

The Associated Company that has been consolidated is:

- ◆ Kilmarnock Leisure Centre Trust (KLCT)

The Joint Boards which have been incorporated are :

- ◆ Strathclyde Joint Police Board
- ◆ Strathclyde Fire & Rescue Joint Board
- ◆ Strathclyde Passenger Transport Authority
- ◆ Strathclyde Concessionary Travel Scheme Joint Committee
- ◆ Ayrshire Valuation Joint Board

The Trust and Joint Boards noted above were incorporated as Associates using the acquisitions method with the date of acquisition being 1 April 2005.

### Note 2 ~ Kilmarnock Leisure Centre Trust (KLCT)

This company was set up as a Charitable Trust on 30 October 1985 to provide leisure services within the Kilmarnock area. Five councillors from East Ayrshire are members of the Board and sit as Trustees. The Council's share of the net assets of the Trust has been based on the Council's contribution to revenue costs and results in 5.42% of the net assets being attributable to the Council. The Council has an obligation to indemnify and reimburse any cumulative deficit sustained by the Trust up to a maximum of £200,000 in each financial year once the reserves held by the Trust have been depleted.

A copy of the financial statements for the Trust can be obtained from the General Manager, Kilmarnock Leisure Centre Trust, 99 Titchfield Street, Kilmarnock KA1 1QY.

The 2005/06 statements show the following:

	£000
Net Assets	5,327
Results of Operations and other financial transactions - (Surplus) / Deficit	16

### Note 3 ~ Strathclyde Joint Police Board

The Board is a statutory corporate body established under the Strathclyde Combined Police Area Amalgamation Scheme Order 1995 and to which all local government functions relating to the police area have been delegated from the 12 constituent councils which comprise the Strathclyde Force area. The 34 members of the Board are elected councillors of the 12 councils and are appointed by the councils to the Board in proportions specified in the Amalgamation Scheme. East Ayrshire Council has two elected members on the Joint Police Board. The Council's share of the net assets / liabilities of the Board has been based on the precept requisition of 4.55%.

A copy of the financial statements for the Joint Board can be obtained from the Treasurer to the Strathclyde Joint Police Board, Glasgow City Council, City Chambers, Glasgow G2 1DU.

The 2005/06 statements show the following:

	£000
Net Assets	173,005
Results of Operations and other financial transactions - (Surplus) / Deficit	2,997



## Note 4 ~ Strathclyde Fire & Rescue Joint Board

The Board is a statutory body with the 33 members of the Board being elected councillors of the 12 councils. East Ayrshire Council has two elected members on the Board and the Council's share of the net assets / liabilities of the Board has been based on the precept requisition of 4.77%

A copy of the financial statements for the Joint Board can be obtained from the Treasurer to the Strathclyde Fire & Rescue Joint Board. South Lanarkshire Council, County Buildings, Almada Street, Hamilton ML3 0AB.

The 2005/06 statements show the following:

	<b>£000</b>
Net Assets	183,915
Results of Operations and other financial transactions - (Surplus) / Deficit	398

## Note 5 ~ Strathclyde Passenger Transport Authority

Strathclyde Passenger Transport Authority is a statutory body set up under the provisions of the 1968 Transport Act. SPT is made up of two linked bodies: the Strathclyde Passenger Transport Authority, comprising 34 elected members from the area's 12 councils and is responsible for forming Strathclyde's public transport policies; and Strathclyde Passenger Transport Executive, which provides the statutory strategic public transport planning expertise to the Executive and implements the Authority's policies. East Ayrshire Council has two elected members on the board and the Council's share of the net assets / liabilities of the Authority has been based on the precept requisition of 5.18%

A copy of the financial statements for SPTA can be obtained from the Head of Finance, Strathclyde Passenger Transport Authority, Consort House, 12 West George Street, Glasgow G2 1HN.

The 2005/06 statements show the following:

	<b>£000</b>
Net Assets	73,242
Results of Operations and other financial transactions - (Surplus) / Deficit	1,340

## Note 6 ~ Strathclyde Concessionary Travel Scheme Joint Committee

The Committee comprises the 12 councils within the designated Strathclyde Passenger Transport area. The costs of the scheme are met by the 12 councils and by the Scottish Executive via a section 70 grant. Strathclyde Passenger Transport Executive administers the Scheme on behalf of the Strathclyde Concessionary Travel Scheme Joint Committee. The Council's share of the net assets / liabilities of the Joint Committee has been based on the precept requisition of 5.65%.

A copy of the financial statements for SPTA can be obtained from the Head of Finance, Strathclyde Passenger Transport Authority, Consort House, 12 West George Street, Glasgow G2 1HN.

The 2005/06 statements show the following:

	<b>£000</b>
Net Assets	11,070
Results of Operations and other financial transactions - (Surplus) / Deficit	( 3,430)



## Note 7 ~ Ayrshire Joint Valuation Board

The Ayrshire Valuation Joint Board is an independent public body formed in 1996 at local government reorganisation by Act of Parliament. The Council has no shares in, nor ownership of, the Board. The Board's running costs are met by the three councils of East, North, and South Ayrshire. Surpluses or deficits on the Board's operation are shared between the three member councils. The Board maintains the electoral, council tax and non-domestic rates registers for the three councils of East, North and South Ayrshire. The allocation is based on the percentage share of revenue and capital requisitions. East Ayrshire' Council's allocation is 30.33% and the following additional information relating to the Board is provided below.

A copy of the financial statements for the Joint Board can be obtained from the Treasurer to the Ayrshire Valuation Joint Board, South Ayrshire Council, County Buildings, Wellington Square, Ayr KA7 1DR.

The 2005/06 statements show the following:

	£000
Net Assets	177
Results of Operations and other financial transactions - (Surplus) / Deficit	( 58)
Fixed Assets	511
Current Assets	139

## Note 8 ~ Reporting Adjustments to align to UK GAAP

A number of adjustments are required to enable the details contained within the Council's Consolidated Revenue Account (Page 9) to align with the UK GAAP requirements for Group Accounting arrangements. These can be summarised as follows:

- ◆ The notional interest rate applied by local authorities to account for the "economic" costs of tying up capital in fixed assets has been removed from the net cost of service analysis. To this end £10.061m has been removed from the capital charges incorporated within service departments net cost of service with a corresponding removal from the Asset Management Revenue Account.
- ◆ The profit and loss on the disposal of assets to a net value of £9.507m has now been included within net operating expenditure.
- ◆ The overall impact on the Asset Management Revenue Account is the removal of all entries except external interest payable which now features on the face of the Group Income and Expenditure Account.

## Note 9 ~ Alignment of Accounting Policies

Details of the Accounting Policies used in compiling the single entity East Ayrshire Council financial statements are contained on Pages 6 to 8. The accounting policies of the Council and Associates noted above are aligned with the exception of those relating to the useful lives of some fixed assets.

## Note 10 ~ Audit Opinion

The financial statements for each of the associates will be subject to audit in the coming months.

The following definitions are intended to be of assistance to the reader: -

## Accruals

The concept that income and expenditure are recognised as they are earned or incurred, not as money received or paid.

## Actuarial Gains and Losses (Pensions)

The changes in actuarial deficits or surpluses that arise because:

- ◆ events have not coincided with the actuarial assumptions made for the last valuation (experience gains or losses) or
- ◆ the actuarial assumptions have changed.

## Asset Management Revenue Account

The Asset Management Revenue Account is used to administer technical accounting adjustments requiring to be made within the accounts in relation to fixed assets, such that there is no impact on the Council Tax.

## Average Discounted Market Value

The market value of a particular Council dwelling less the average discount entitlement under the Right to Buy legislation.

## Capital Charges

A charge to service revenue accounts to reflect the cost of fixed assets used in the provision of services.

## Capital Expenditure

Expenditure on the acquisition of a fixed asset or expenditure which adds to, and not merely maintains, the value of an existing fixed asset.

## Capital Financed from Current Revenue (CFCR)

This relates to revenue income which is used to pay for capital projects.

## Capital Financing Cost

This represents the annual cost of financing the sums borrowed by the Council to fund capital programmes, being the repayment of debt, interest on monies borrowed and expenses incurred in managing the debt portfolio.

## Community Assets

Assets that the local authority intends to hold in perpetuity which have no determinable useful life and which may have restrictions on their disposal. Examples of community assets are parks and historic buildings.

## Contingency

A condition which exists at the balance sheet date where the outcome will be confirmed only on the occurrence, or non-occurrence, of one or more uncertain future events.

## Corporate and Democratic Core

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

## Current Service (Pensions) Cost

The increase in the present value of a defined benefit scheme's liabilities expected to arise from employee service in the current period.

## Curtailments (Pensions)

An event that reduces the expected years of future service of present employees or reduces for a number of employees the accrual of defined benefits for some or all of their future service.

## Depreciation

The measure of the wearing out, consumption or other reduction in the useful economic life of a fixed asset whether arising from use, passage of time or obsolescence through technological or other changes.

## Depreciated Historic Cost

The historic cost of a particular asset less the depreciation written off over the life of that asset to date.

## Depreciated Replacement Cost

The replacement cost of a particular asset less the depreciation written off over the life of that asset to date.

## Emoluments

All sums paid to or receivable by an employee and sums due by way of expenses allowances (as far as those sums are subject to UK Income Tax). Employers' Pension contributions are excluded.

## Exceptional Items

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

## Expected Return on Pension Assets

The average rate of return, including both income and changes in fair value but net of scheme expenses, expected over the remaining life of the related obligation on the actual assets held by the scheme.

## Financial Reporting Standard (FRS)

Financial Reporting Standards are issued by the Accounting Standards Board and define proper accounting practice for a given transaction or event.

## Fixed Assets

Tangible assets that yield benefits to the local authority and the services it provides for a period of more than one year.

## Group Accounts

The purpose of group accounts is to show the Council's interest in organisations and companies within the Financial Statements. The Council's shares of the assets and liabilities of these other entities are shown in the Group Income & Expenditure Account and Group Balance Sheet.

## Government Grants

Assistance by government and inter-government agencies and similar bodies, whether local, national or international, in the form of cash or transfers of assets to an authority in return for past, or future, compliance with certain conditions relating to the activities of the authority.

## Impairment

A reduction in the value of a fixed asset below the valuation held on the balance sheet.

## Infrastructure Assets

Fixed assets that are inalienable, expenditure on which is recoverable only by continued use of the asset created. Examples of infrastructure assets are highways and footpaths.

## Intangible Assets

Non-financial assets which do not have physical substance but are identifiable and are controlled by the Council.

## Interest Cost (Pensions)

The expected increase during the period in the present value of the scheme liabilities because the benefits are one period closer to settlement.

## National Non-Domestic Rates Pool

All non domestic rates collected by local authorities are remitted to the national pool and, thereafter, distributed to councils by the Scottish Executive.

## Net Book Value

The amount at which fixed assets are included in the balance sheet, i.e. their historical cost or current value less cumulative amounts provided for depreciation.

## Net Realisable Value

The open market value of the asset in its existing use, or open market value in the case of non-operational assets, less the expenses to be incurred in realising the asset.

## Non-Operational Assets

Fixed assets held by a local authority but not directly occupied, used or consumed in the delivery of services. Examples of non-operational assets are investment properties and assets that are surplus to requirements, pending sale or redevelopment.

## Operating Leases

A lease other than a finance lease, i.e. a lease which does not transfer the risks and rewards of ownership to the lessee.

## Operating Assets

Fixed assets held and occupied, used or consumed by the Council in the direct delivery of those services for which it has a statutory or discretionary responsibility.

## Past Service Costs (Pensions)

The increase in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits.

## Prior Year Adjustments

Those material adjustments applicable to prior years arising from changes in accounting policies or from the correction of fundamental errors. They do not include normal recurring corrections or adjustments of accounting estimates made in prior years.

## Public Private Partnerships (PPP)

These partnerships enable the public sector to purchase services from the private sector and pay a fee based on pre-defined output criteria. The private sector uses this fee to repay loans taken out to finance the initial building or refurbishment of the asset. Typical contracts run for up to 30 years.

## Related Party Transactions

A related party transaction is the transfer of assets or liabilities, or the performance of services, by, to, or for a related party irrespective of whether a charge is made.

## Service Expenditure Analysis (SEA)

The Service Expenditure Analysis groups together expenditure on services within headings or divisions as defined in the Best Value Accounting Code of Practice.

## Specific Government Grants

These are grants received from Central Government in respect of a specific purpose or service.

## Stocks

Stock may comprise the following:

- ◆ Goods or other assets purchased for resale;
- ◆ Consumable stores;
- ◆ Raw materials and components purchased for incorporation into products for sale;
- ◆ Products and services in intermediate stages of completion;
- ◆ Long-term contract balances; and
- ◆ Finished goods.

## Trading Operations

The term Trading Operations is used to cover both Direct Labour Organisations (DLOs) established under the Local Government, Planning and Land Act 1980 and Direct Service Organisations (DSOs) established under the Local Government Act 1988.

## Useful Life

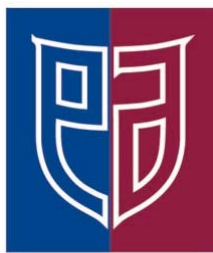
The period over which the local authority will derive benefits from the use of a fixed asset.



## Independent Auditors' Report

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The audit of East Ayrshire Council's Accounts for 2005-06 will be carried out by PricewaterhouseCoopers between July and September 2006 and the figures contained herein are subject to audit. The Auditors' certificate relative to the accounts is expected in October 2006 and the audited accounts will be presented to the Council for approval thereafter.



**East Ayrshire**  
COUNCIL  
[www.east-ayrshire.gov.uk/finance](http://www.east-ayrshire.gov.uk/finance)