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Explanatory Foreword

The Accounts Explained

The following accounts describe the financial performance of East Ayrshire Council for the year ended 31 March 2001. The services provided by the Council fall into distinct areas.

- **General Services**

This encompasses Education, Social Work, Development Services, Community Services, General Fund Housing, Revenue Collection, and Other Miscellaneous Services.

- **Housing Revenue Account**

This shows the cost of managing the Council's housing stock.

- **Central Support Costs**

Support for front line services is provided principally by the departments of Finance, Corporate Resources, Corporate Office Accommodation, and Homes and Technical Services, the costs of which are recharged to the user services.

Constraints on Expenditure

When formulating its annual budget the Council must take cognisance of the level of central government grant income, the impact on council tax levels and the ability to make contributions to the Housing Revenue Account. The government also control the level of Capital Expenditure.

Source of Funds

Each year the Council assesses its expenditure plans for the provision of its services for the forthcoming financial year. The sources of funding for the provision of services in respect of both Revenue and Capital Expenditure are as follows:

Revenue Expenditure

- **General Services**

- (a) **Council Tax**

- The Council sets its levels of Council Tax annually. The level for 2000/2001 was levied at £878.40 for Band 'D' properties.

- (b) **Central Government Grants**

- The Government determines the level of Revenue Support Grant and Specific Grants to be allocated to each Council, largely using statistical methodology which is kept under review jointly by the Scottish Executive and local authorities.

- (c) **Non-Domestic Rates**

- Non-Domestic Rates are collected by the Council but pooled centrally for Scotland and redistributed via the Revenue Support Grant.

- ***Housing Revenue Account***

The running costs are met from the income generated from Housing Rents and other sundry income. The average rent level set for the year amounted to £34.08 per week and compares favourably with other Scottish Councils.

Financial Report by Director of Finance

Capital Expenditure

Central Government sets capital allocations annually to enable the Council to undertake capital works. The net allocations approved by Central Government are borrowed by the Council from various financial institutions to fund the expenditure. Capital programmes, however, may be enhanced by other funds, for example sale of assets or specific grants.

Format of the Accounts

- **Consolidated Revenue Account**

The Consolidated Revenue Account illustrates the net cost for the year of the services provided by the Council, and demonstrates how this cost has been financed from general government grants and income from local taxpayers. Explanatory notes accompany this statement providing further details.

- **Consolidated Balance Sheet**

The Consolidated Balance Sheet shows the balances and reserves at the Council's disposal and its long-term indebtedness, together with the fixed and net current assets employed in its operations. Explanatory notes accompany this statement providing further details.

- **Cash Flow Statement**

The Cash Flow Statement summarises the sources of the Council's funding and how this was spent during the year in terms of the inflows and outflows of cash arising from transactions with third parties for revenue and capital purposes.

- **Common Good Fund, Trusts and Charities Accounts**

These accounts are administered by the Council and are published within the Annual Report giving the financial position and movements of the funds during the year.

Performance for the Year

General Fund

The General Fund surplus for the year of £3.663m includes a surplus on Direct Labour and Direct Service Organisations of £0.671m, a £1.858m surplus on other General Services activities and a £1.134m surplus from the Housing Revenue Account. Taking account of the deficit balance brought forward from 1999/2000 the cumulative position at 31 March 2001 is a surplus of £1.004m.

General Fund Performance	£m
Surplus from DLO and DSOs	0.671
Surplus on other General Services Activities	1.858
Housing Revenue Account Surplus	1.134
Net General Fund Surplus for the Year	3.663
Deficit Balance Brought Forward	2.659
Surplus Balance Carried Forward	1.004

Financial Report by Director of Finance

Housing Revenue Account

The Housing Revenue Account reports a surplus for the year of £1.621m; £1.134m has been applied to the General Fund in order that the 1999/00 HRA deficit of that amount, borne in that year by the General Fund, is recovered. The balance of the surplus, £0.487m, has been appropriated to HRA balances, £0.066m, and the Renewal and Repairs Fund, £0.421m.

Capital Programme

The total borrowing in respect of Capital Expenditure for the year amounted to: £6.353m on General Services and £3.551m on Housing. This was in line with Scottish Executive guidelines which permits a variance of up to 5% on the approved consent.

	Capital Consent £m	Actual Borrowing £m	Variance £m	%
Housing - HRA	3.505	3.551	0.046	1.31%
General Services	6.225	6.353	0.128	2.06%

Actual Expenditure incurred during 2000/2001 in respect of the General Services Capital Programme is as detailed below: -

	Actual Expenditure £m
Development Services	2.476
Community Services	0.662
Education	2.238
General Housing	0.399
Policy & Resources	1.508
Social Work	0.344
Total Capital Expenditure	7.627

The positive financial position of the General Fund, Trading Services and the Housing Revenue Account reflects the Council's commitment to strong financial management. Officers at all levels in service departments are encouraged by the leadership of elected members and the support of finance managers to manage budgets effectively. In line with the Council's commitment to continuous improvement, however, further development of systems of financial management is currently in hand.

Finally, I would take this opportunity to acknowledge the considerable effort which was required to produce these financial statements within the timescale available and to record my thanks to staff for their efforts.

Alexander McPhee, ACMA
Director of Finance
28th June 2001

Statement of Accounting Policies

Principles Adopted in Compiling the Accounts

General

The Accounts relate to the financial year ended 31 March 2001 with relevant figures for 1999/00 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 issued jointly by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Local Authority (Scotland) Accounts Advisory Committee (LASAAC).

Revenue Transactions

Revenue transactions have been recorded on an accruals basis, whereby sums due to or from 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 debtors and creditors as at 31 March 2001.

Pension Costs

The cost of providing pensions for employees is charged to the revenue account in accordance with the statutory requirements governing the particular pension schemes to which the Council contributes. As a result the Council is unable to comply with SSAP 24 or FRS 12 as the revenue account does not include provision for the future pension costs of former employees and the liabilities in the balance sheet exclude those in respect of ongoing pension costs.

Operating Leases

Estimates of the undischarged leasing obligations on new and existing operating leases are recorded in notes to the Consolidated Revenue Account, which also shows the amount charged to revenue. Amounts payable under operating leases are charged to the Revenue Account over the term of the lease.

Central Support Costs

Net expenditure of Central Departments has been fully allocated to service departments with the exception of those costs which have not been apportioned in accordance with CIPFA guidance.

Loans Fund Interest

Loans fund interest has been calculated in accordance with Local Authority (Scotland) Accounts Advisory Committee Guidance Note Number 2. Interest on revenue balances is allocated on the basis of actual 4 weekly balances held on the respective accounts.

Government Grants

Grants made to finance the general activities of the Council or to compensate for loss of income are credited to the revenue account of the financial year to which they relate. Specific government grants are accounted for when the conditions of receipt have been met. Accruals have been made in the revenue accounts for balances known to be receivable for the period to 31 March 2001.

Capital Accounting

The Accounts have been drawn up in accordance with the Code of Practice on Local Authority Accounting in Great Britain. In Scotland the status of this code is derived from the Scottish Office circular 23/1998. As a result, all fixed assets are included in the Balance Sheet at valuations and capital financing charges are made to the revenue accounts of service departments for the use of the assets. The 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.

Statement of Accounting Policies

Fixed Assets

All expenditure on the acquisition, creation or enhancement of fixed assets has been capitalised on an accruals basis. The basis of valuation has been included as a note to the Consolidated Balance Sheet.

Depreciation

Assets, other than land or community assets, are depreciated over their useful economic lives. The period and categories of assets involved are: -

Operational Buildings	20 – 40 years
Infrastructure Assets	25 – 40 years
Operational Equipment	2 – 10 years

Investments

Investments are recorded at cost.

Stocks

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

Covenant Scheme

During 1991/92 Kilmarnock and Loudoun District Council entered into a Parallel Loan and Covenant Scheme Agreement, effective from 31 March 1992, to provide finance of £3m for a town centre improvement scheme within Kilmarnock. Commencement of the repayment of the capital sum began in 1994/95. Annual covenant repayments are made to Morgan Grenfell (Local Authority Finance) Ltd and are charged against the Capital Programme in the year in which they are made.

Redemption of Debt

The Council operates a Loans Fund into which all loans raised are paid. This is in accordance with the statutory requirement contained within the Local Government (Scotland) Act 1975 to maintain a Loans Fund. All of the Council's income and expenditure is either credited or debited to the Loans Fund throughout the financial year. Departmental expenditure is met from this fund and all income generated by departments is credited to the fund. Advances are made to departments to finance capital expenditure during the year and the advances are repaid by annual instalments of principal spread over the appropriate permitted period.

Capital Reserves

The accounts reflect capital accounting requirements and include the following reserves: -

A fixed asset restatement reserve which represents the difference between the valuation of the assets under the previous system of capital accounting and their initial revaluation 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 reserve which represents the accumulated balance of capital receipts applied, capital receipts set aside and capital funded from current revenue, less the difference between loans fund principal repayments and depreciation.

The usable capital receipts reserve which represents the capital receipts available to finance capital expenditure in future years.

Statement of Accounting Policies

Provisions

The Council has made provision based on Accounting Code Of Practice (ACOP) guidance for the loss of taxation income arising from bad and doubtful debts. Provision has also been made for bad and doubtful debts for all other items of income.

Consolidated Revenue Account – Service Summary

1999-00 Actual	Notes	Committee	2000-01 Actual		
			Expenditure £000s	Income £000s	Net £000s
74,283		Education	91,090	8,545	82,545
(558)		Housing Revenue Account	31,066	32,687	(1,621)
1,752		General Fund Housing	25,055	23,651	1,404
25,128		Social Work	36,898	9,457	27,441
37,073		Community Services	43,826	3,341	40,485
14,360		Development Services	18,941	3,779	15,162
-	1	Homes and Technical Services	5,132	5,132	-
-	1	Central Services & Corporate Resources	16,773	16,773	-
4,111		Miscellaneous Services	1,840	64	1,776
45		Urban Aid	-	-	-
360	16	Other Specific Budget Items	65	2,719	(2,654)
-	17	Corporate & Democratic Core	3,578	396	3,182
-	18	Unapportionable Central Overheads	1,254	-	1,254
3,701	1	Unallocated Central Services and Corporate Resources	2,461	113	2,348
160,255		Net Cost of Services	277,979	106,657	171,322
(633)		Net (Surplus) / Deficit on DSOs and DLOs			(671)
(6,092)	2	Asset Management Revenue Account			(1,553)
26		Interest on Revenue Balances			34
279	15	Premiums arising from Debt Restructure written off			314
153,835		Net Operating Expenditure			169,446
		Appropriations			
-		Transfer to / (from) HRA Balances			66
4,206		Transfer to Capital Financing Reserve			(8,869)
973		Contribution to / (from) Insurance Fund			900
-	19	Contribution to / (from) Renewal and Repairs Fund			421
159,014		Amount to be met from Government Grants and Council Tax			161,964
		Sources of Finance			
81,329		Revenue Support Grant			80,297
34,270		Non-Domestic Rate Income			39,336
11,463		Specific Grants			14,607
1,000		Provision for Community Charge Arrears			-
30,735		Council Taxpayers			31,387
158,797		Income from Government Grants and Council Tax			165,627
217		Net General Fund (Surplus) / Deficit for the year			(3,663)
2,442		Balances on General Fund Brought Forward			2,659
2,659		(Surplus) / Deficit on General Fund Carried Forward			(1,004)

Consolidated Revenue Account - Notes

Note 1 ~ Unallocated Central Support Costs

Although not part of the Central Services and Corporate Resources Committees, Contracting and Technical Services, Property Services and the Central Repairs Account, which form the Department of Homes and Technical Services, are treated as Central Support Costs.

Support Costs have been allocated in accordance with the Best Value Accounting Code of Practice (BVACOP).

The costs of Central Services and Corporate Resources have been fully allocated over other services, other than for those elements relating to front line services, that is Cost of Collection, District Court/Licencing Board, Administration of Housing Benefit and Children's Panel.

Support Costs within Service Departments have been allocated to front line service units within those departments, in accordance with BVACOP.

Capital charges are included in the full allocation of Central Support Costs.

	Gross Expenditure £000s	Gross Income £000s	Net £000s
Central Services & Corporate Resources			
Central Services			
Finance	5,711	5,711	-
Democratic Process	590	590	-
Corporate Office Accommodation	1,920	1,920	-
Cost of Collection	847	-	847
Administration of Housing Benefits	1,351	-	1,351
	10,419	8,221	2,198
Corporate Resources			
Central Management Support	117	117	-
Chief Executive Office	464	464	-
Administration & Legal Services	1,791	1,683	108
Personnel Services	1,092	1,092	-
Information Technology	3,551	3,551	-
Corporate Development & Communication	602	602	-
Childrens Panel	42	-	42
	7,659	7,509	150
TOTAL	18,078	15,730	2,348

* Balance represents District Court/Licencing Board.

	Gross Expenditure £000s	Gross Income £000s	Net £000s
Homes & Technical Services			
Contracting & Technical Services	-	-	-
Property Services	387	387	-
Central Repairs Account	2,245	2,245	-
TOTAL	2,632	2,632	-

Consolidated Revenue Account – Notes

Note 2 ~ Asset Management Revenue Account

1999-00 £000s		2000-01 £000s
1,784	Depreciation	16,284
13,905	Loans Fund Interest	12,697
297	Loans Fund Expenses	188
15,986	Total Expenditure	29,169
1,472	Direct Loan Charges	1,848
(23,508)	Capital Charges	(32,537)
(43)	Notional Interest on DLO/DSO Stock Balance	(33)
(22,078)	Total Income	(30,722)
(6,092)	Total Net Expenditure / Income	(1,553)

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. This is a requirement of the Local Authority Accounting Code of Practice. The effect is to charge services as follows:-

	Total Assets Utilised £000s	Capital Charges Made £000s	Loan Charges Paid £000s
Housing Revenue Account*	210,488	9,731	9,731
General Fund Housing	-	-	901
Education	166,617	13,950	2,458
Social Work	11,891	1,107	731
Community Services	22,395	2,018	2,437
Development Services	44,622	4,173	5,003
Policy & Resources	6,813	1,380	1,142
DLOs and DSOs	1,021	211	93
	463,847	32,570	22,496

* For the Housing Revenue Account capital charges equate to loan charges, including Capital Funded from Current Revenue (CFCR).

Consolidated Revenue Account - Notes

Note 3 ~ Pension Costs

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. This being a 'final salary' based scheme it is not possible for these accounts to fully comply with all the disclosure requirements of the Accounting Code of Practice. The scheme is supported by contributions from both employees and employers. During 2000/01 the Council contributed £5.172m (or 11.57% of total pensionable pay) to the scheme. In addition, contributions totalling £1.254m (or 2.81% of total pensionable pay) were made in respect of added years.

The Funds Actuary has advised that the total cost over future years of discretionary increases in pensions payments are £18.780m; £1.694m in respect of 2000/01 and £17.086m in respect of previous years.

£1.341m has been remitted to the Strathclyde Pension Fund during 2000/01 in order to meet future pension liabilities, in respect of added years and early retirals. 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 last actuarial valuation of the fund took place as at 31 March 1999.

(2) Teachers

The Teachers Pension scheme is administered by the Scottish Executive. Contributions by East Ayrshire Council during 2000/01 amounted to £2.284m (or 6.9% of pensionable pay). The employers contribution is set at 6.9%. In addition contributions totalling £0.087m (or 0.3% of pensionable pay) were made in respect of added years.

Note 4 ~ Local Government (Scotland) Act 1973, Section 83

The Council's expenditure under this statute, which is for the benefit of local residents, is limited to the product of £3.80 and the population of the Council's area. For 2000/01 the limit was £0.471m. Expenditure amounted to £0.403m (1999/00; £0.428m) and is included within service spending.

Note 5 ~ Local Government Act 1986 – Separate Publicity Account

Section 5 of this Act requires the Council to maintain a separate account for publicity. Expenditure of £0.295m was incurred during 2000/01 (1999/00; £0.321m) and is included within service spending.

Note 6 ~ Skills Training Schemes

These are principally funded by grants from the Training Agency. £0.954m was spent on the schemes in 2000/01 (1999/00; £0.935m) but only the net cost appears in the Consolidated Revenue Account.

Note 7 ~ Operating Lease Rentals

The Council leases a variety of assets by operating leases. The assets involved are mainly vehicles, computers, photocopying equipment and items of plant. The cost of leases is shown as service spending but no asset appears in the balance sheet. Operating leases cost £2.508m in 2000/01 (1999/00; £2.663m). The unexpired commitment on these at 31 March 2001 is £10.655m.

Consolidated Revenue Account - Notes

Note 8 ~ Items of Income and Expenditure

The service summary at page 7 is presented below on a subjective basis.

What the money was spent on:-			
1999-00 Actual £000s		2000-01 Actual £000s	2000-01 Budget £000s
85,677	Employee Costs	87,989	90,647
26,012	Property Costs	27,154	26,554
5,437	Transport Costs	5,453	5,426
15,203	Supplies & Services	16,802	15,629
4,198	Administration Costs	4,136	3,439
53,024	Payments to Other Bodies	56,613	54,390
191	Bad Debts	456	110
18,306	Central Support Costs	22,020	21,410
23,307	Funding Costs	32,359	32,620
22,303	Housing Benefit Payments	24,997	24,547
253,658	Cost of Council Services	277,979	274,772
(633)	Trading Services (Surplus) / Deficit	(671)	(291)
973	Contribution to / (from) Insurance Fund	900	900
-	Contribution to / (from) Renewal and Repairs Fund	421	-
-	Transfer to / (from) HRA Balances	66	-
(1,581)	Capital Accounting Adjustment	(10,074)	(9,240)
252,417	Total Expenditure	268,621	266,141

Where the money came from:-			
28,771	Housing Rents	31,631	31,596
64,632	Other Income	75,026	70,043
93,403	Income Related to Council Services	106,657	101,639
81,329	Revenue Support Grant	80,297	80,297
11,463	Specific Grants	14,607	14,681
34,270	Non-Domestic Rates	39,336	39,391
1,000	Community Charge Arrears	-	-
30,735	Council Tax	31,387	32,200
252,200	Total Income	272,284	268,208

217	General Fund Surplus for Year	(3,663)	(2,067)
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Consolidated Revenue Account - Notes

Note 9 ~ Officers Emoluments

An analysis of Council officers whose total emoluments for 2000/2001 exceeded £40,000 is detailed below.

	Total Officers within this band
£40,000 - £49,999	23
£50,000 - £59,999	12
£60,000 - £69,999	6
£70,000 - £79,999	1
£80,000 - £89,999	1
£90,000 - £99,999	-
£100,000 +	-
TOTAL	43

Note 10 ~ Members Allowances and Interests

The total Members' Allowances paid during 2000/01 amounted to £0.434m.

The public record of Members' Expenses for 2000/01 is available for inspection during normal working hours at the Department of Finance, Council Offices, Greenholm St, Kilmarnock.

The Register of General Notice of Members' Registerable Interests is available for inspection during normal working hours at the Department of Corporate Resources, Council Headquarters, London Road, Kilmarnock.

Note 11 ~ Local Authority (Goods and Services) Act 1970

The Council is empowered by this Act to provide goods and services to other public bodies. The Council provided maintenance to Trunk Roads within the boundaries of East Ayrshire Council. Income from these services amounted to £0.683m in 2000/01 as compared with related expenditure of £0.678m.

Note 12 ~ Redundancy Payments

Included in service gross expenditure, as detailed in the Consolidated Revenue Account, are redundancy payments totalling £0.054m.

Note 13 ~ 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. As at 31 March 2001 the balance on the fund amounted to £0.971m, a revenue contribution of £0.900m having been made in 2000/01.

Consolidated Revenue Account - Notes

Note 14 ~ Related Party Transactions

During 2000/01 transactions arose with related parties as follows:

	Income £000s	Expenditure £000s
Central Government & Government Agencies		
Revenue Grants		
Revenue Support Grant	80,297	
Non-Domestic Rates	39,336	
Housing Benefit Subsidy	23,643	
Council Tax Benefit Subsidy	7,158	
Specific Grants	14,607	
Enterprise Ayrshire	650	
Homeless Persons	406	
Social Inclusion Programme	963	
Capital Grants		
New Deal for Schools	646	
Social Inclusion Programme	79	
Housing - Energy Efficiency	74	
Related Companies		
Galleon Centre		1,248
West of Scotland Loans Fund		140
Related Bodies		
Strathclyde Police Joint Board		15,968
Strathclyde Fire Brigade Joint Board		3,754
Strathclyde Passenger Transport Authority		1,923
Ayrshire Valuation Joint Board		532
Authorities Buying Consortium		39
Social Inclusion Programme		65
Ayrshire Electronic Community		150
Strathclyde Pension Fund		6,426
Scottish Office Pensions Agency		2,371

Note 15 ~ Restructuring of Debt

During 2000/01 the Council entered into further transactions in respect of the repurchase of loans maturing between 1 and 11 years; the resultant movement in long term prepayments from 1999/2000 is as follows:-

		£000	£000
Balance as at 1 April 2000			10,576
Premiums / (Discounts) during year		796	
Less balance written off during year		(314)	482
			11,058
Represented by:	Prior Years £000	2000/01 £000	Total £000
Premiums arising from debt restructure	10,855	796	11,651
Less premium written off in previous years	(279)	-	(279)
Less premium written off during current year	(279)	(35)	(314)
	10,297	761	11,058

Consolidated Revenue Account - Notes

Note 16 ~ Proceeds arising from Rental Agreement

A receipt of £2.719m in relation to the Council's rental interest in a commercial property has been included in the accounts for 2000/2001.

Note 17 ~ Corporate and Democratic Core

In accordance with the Best Value Accounting Code of Practice costs have been identified in respect of Corporate and Democratic Core comprising £1.202m in respect of Corporate Management and £1.980m in respect of Democratic Representation and Management. Corporate Management concerns those activities which relate to the general running of the authority; Democratic Representation and Management concerns policy making and all other Member-based activities.

Note 18 ~ Unapportionable Central Overheads

In accordance with the Best Value Accounting Code of Practice charges for added years and early retirement totalling £1.254m, remitted to the Strathclyde Pension Fund, have been separately identified as Unapportionable Central Overheads.

Note 19 ~ Renewal and Repairs Fund

The Policy and Resources Committee of 10 February 2000 approved the establishment of a Renewal and Repairs Fund, under the terms of the Local Government Scotland Act 1975.

Collection Accounts

Non-Domestic Rate Income Account

1999-00 £000s		2000-01 £000s
27,895	Gross Rates levied and contributions in lieu	30,406
	Less	
(2,903)	Reliefs and other reductions	(4,761)
(1,109)	Provision for bad and doubtful debts	(1,153)
23,883		24,492
(470)	Prior Years-Pool	(1,147)
10,853	Contribution from National Non-Domestic Rate Pool	16,046
34,266	Net Income	39,391
4	Adjustments and Pre-Pool Years	(55)
34,270		39,336

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

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 2000/01 was £0.458.

Analysis of Rateable Values at 1st April 2000:	Number	£000s
Shops (inc. restaurants)	1,103	16,526
Offices	461	4,040
Hotels, Boarding Houses etc.	46	554
Industrial and Freight Transport Subjects	561	15,233
Formula Valued	10	4,224
Miscellaneous Subjects	1,072	15,677
Other	934	7,520
Total	4,187	63,774

Community Charge Account

During 2000/01 Community Charge (Poll Tax) arrears of £0.371m have been collected, being offset against the balance sheet debtor brought forward from 1999/00.

Collection Accounts

Council Tax Account

1999-00 £000s		2000-01 £000s
36,055	Gross Council Tax levied and contributions in lieu and penalties	37,821
	Less	
(319)	Council Tax Benefits (Net of Government Grant)	(434)
(3,681)	Discounts and Reductions	(4,095)
(1,045)	Provision for bad and doubtful debts	(1,667)
(275)	Previous Years	(238)
30,735	Total Income from Council Tax	31,387

The Calculation of the Council Tax Base

1999-00 Total	Bands	Disabled A	A	B	C	D	E	F	G	H	2000-01 Total
52,060	Properties		27,420	9,555	3,933	4,876	4,546	1,793	392	35	52,550
(893)	Exemptions		(757)	(108)	(35)	(27)	(11)	(7)	(2)	(1)	(948)
-	Disabled relief	16	66	(55)	19	(3)	(30)	(6)	(6)	(1)	-
(17,332)	Discounts (25%)	(5)	(12,087)	(2,878)	(1,075)	(909)	(748)	(188)	(37)	(1)	(17,928)
(489)	Discounts (50%)		(415)	(86)	(57)	(35)	(34)	(9)	(3)	(2)	(641)
46,590	Total equivalent	15	23,500	8,630	3,620	4,601	4,301	1,729	373	32	46,801
	Ratio	5/9	6/9	7/9	8/9	1	11/9	13/9	15/9	18/9	
38,329	Band 'D' equivalents	8	15,667	6,712	3,218	4,601	5,257	2,497	622	64	38,646
(1,916)	Bad Debt provision										(1,932)
11	Class 18 Dwellings										8
36,424	COUNCIL TAX BASE										36,722

The figures shown in the table above indicate the number of properties as at 31 October 2000.

The Nature and Actual Amount of Each Charge Fixed

Dwellings fall within a valuation band between 'A' to 'H' which is determined by the Assessor. The Council Tax charge is calculated using the Council Tax Base, i.e. Band 'D' Equivalents. This value is then decreased/increased dependant on the band. The Band 'D' Charge for 2000/01 was £878.40.

BAND	2000-01
	£ per year
A	585.60
B	683.20
C	780.80
D	878.40
E	1,073.60
F	1,268.80
G	1,464.00
H	1,756.80

Housing Revenue Account

This statement gives an indication of the amount that the Council spent in fulfilling its statutory requirements in the provision, improvement and management of housing to suit all housing needs.

1999-00	Housing Revenue Account	2000-01	
Actual £000s		Actual £000s	Budget £000s
	Expenditure		
2,899	Supervision and Management	3,088	3,236
10,302	Repairs and Maintenance	10,979	10,944
9,478	Capital Charges	9,731	10,481
473	Homeless Persons	520	525
191	Increase in Provision for Bad Debts	456	110
5,918	Other Expenditure	6,292	5,878
29,261	Total Expenditure	31,066	31,174
	Income		
28,771	Rents - Council Houses	31,631	31,596
631	Rents - Other	600	682
335	Housing Support Grant	406	328
19	Interest	15	11
63	Miscellaneous	35	24
29,819	Total Income	32,687	32,641
(558)	(Surplus) / Deficit for the Year	(1,621)	(1,467)
-	HRA (Surplus)/Deficit brought forward from Previous Year	-	1,467
-	Appropriation to HRA Balances	66	-
-	Appropriation to Renewal & Repairs Fund	421	-
(558)	Net (Surplus) / Deficit Charged To General Fund	(1,134)	-

£1.134m of the Housing Revenue Account surplus of £1.621m has been applied to the General Fund in order that the 1999/00 HRA deficit of that amount, borne in that year by the General Fund, is recovered. The balance of the surplus £0.487m, has been appropriated to HRA balances, £0.066m, and the Renewal and Repairs Fund, £0.421m.

Statistical Information

1999-00		2000-01		
		Flat	House	Total
3,157	One Bedroom	2,122	954	3,076
9,002	Two Bedroom	4,256	4,413	8,669
5,591	Three Bedroom	743	4,590	5,333
400	Four Bedroom	29	354	383
2	Five Bedroom	2	-	2
18,152		7,152	10,311	17,463

Rental Information

1999-00	Rental Information	2000-01
£29.94	Average Weekly Rent (52 weeks)	£34.15
12.6%	Current Rent Arrears (as % of Rent Collectable)	14.3%
£1.938m	Total Rent Arrears	£2.654m
£0.924m	Provision for Bad Debts	£1.380m

DLO and DSO Summary Statement

The Direct Service Organisations (DSOs) and Direct Labour Organisations (DLOs) are set up by the Council to compete for work under the Government's Compulsory Competitive Tendering arrangements. The statutory financial objective is to break even after taking account of capital charges. In addition, various services have a non-statutory element. A summary of the services income and expenditure is set out below:-

	STATUTORY			NON-STATUTORY			TOTAL		
	Income £000s	Expend £000s	(Surplus)/ Deficit £000s	Income £000s	Expend £000s	(Surplus)/ Deficit £000s	Income £000s	Expend £000s	(Surplus)/ Deficit £000s
Catering DSO	3,084	2,930	(154)	768	753	(15)	3,852	3,683	(169)
Cleaning of Buildings DSO	2,059	2,049	(10)	2,589	2,512	(77)	4,648	4,561	(87)
School Crossing Patrols	283	276	(7)			-	283	276	(7)
Roads DLO	4,407	4,399	(8)			-	4,407	4,399	(8)
Vehicle Maintenance DSO	1,183	1,132	(51)			-	1,183	1,132	(51)
Refuse Collection DSO	2,344	2,309	(35)			-	2,344	2,309	(35)
Street Cleansing DSO	1,359	1,327	(32)			-	1,359	1,327	(32)
Leisure Management DSO	1,060	1,044	(16)			-	1,060	1,044	(16)
Grounds Maintenance DSO	2,898	2,866	(32)			-	2,898	2,866	(32)
Building & Works DLO	11,302	11,068	(234)			-	11,302	11,068	(234)
TOTAL	29,979	29,400	(579)	3,357	3,265	(92)	33,336	32,665	(671)

Note: The accounts of the Council's DLOs and DSOs are published separately, and are available on request from the Director of Finance, Council Offices, Greenholm St, Kilmarnock, KA1 4DJ.

Consolidated Balance Sheet

31 March 2000	Consolidated Balance Sheet		31 March 2001	
£000s	as at 31 March 2001		£000s	£000s
		Balance Sheet Note		
	FIXED ASSETS			
218,941	Council Dwellings	1	208,541	
163,623	Other Land and Buildings		206,861	
26,093	Infrastructure		26,273	
6,176	Vehicles, Plant and Equipment		7,097	
600	Community Assets		450	
415,433	Operational Assets			449,222
14,494	Investment Properties		13,095	
1,505	Surplus Assets		1,530	
15,999	Non Operational Assets			14,625
10,576	Long-Term Prepayment	CRA 15		11,058
442,008	Total Assets			474,905
	CURRENT ASSETS			
590	Stocks and Work in Progress		739	
25,800	Debtors	2	26,046	
35	Cash		34	
26,425				26,819
	LESS:			
	CURRENT LIABILITIES			
22,455	Creditors	3	25,092	
17,702	Temporary Borrowing	4	2,076	
2,367	Bank Overdraft		1,148	
42,524				28,316
(16,099)	NET CURRENT LIABILITIES			(1,497)
425,909	TOTAL			473,408
	REPRESENTED BY			
181,641	Borrowing Repayable after 12 months	4		193,481
172,593	Fixed Asset Restatement Reserve	5		204,428
73,270	Capital Financing Reserve			73,017
(1,595)	Fund Balances and Other Reserves	6		2,482
425,909	TOTAL			473,408

Alexander McPhee, ACMA
Director of Finance
28th June 2001

Consolidated Balance Sheet – Notes

The Consolidated Balance Sheet brings together all the assets and liabilities of the Council's General Fund, Direct Labour and Service Organisations and Loans Fund and should be read in conjunction with the Statement of Accounting Principles. It is a snapshot of the Council's financial position at 31 March 2001.

Note 1 ~ Fixed Assets

Fixed Assets are included in the Balance Sheet at their current asset value as at 31 March 2001.

Assets are valued as follows:

Council Dwellings – The valuation of Council Dwellings has been adjusted to reflect the Average Discounted Market Value. Depreciation equates to capital expenditure incurred during the year, where that expenditure does not materially enhance asset valuations.

Other Land and Buildings, Surplus Property - Open Market Value for existing use or depreciated replacement cost basis as appropriate. A few minor properties have been valued at historic cost or net realisable value. Depreciation has been applied on a straight-line basis, over periods of between 20 - 40 years, depending on the nature of the asset.

Vehicles, Plant, Furniture and Fittings - Depreciated Historic Cost. Depreciation has been applied on a straight-line basis, over periods of between 2 – 10 years, depending on the nature of the asset.

Infrastructure - Depreciated Historic Cost. Depreciation has been applied on a straight-line basis, over periods of between 25 – 40 years, depending on the nature of the asset.

The asset valuations for land and buildings used in the accounts are based upon the professional advice of members of the Royal Institution of Chartered Surveyors, working under the direction of the Director of Development Services. Land and Buildings valuations are based on a 5 year rolling programme. Vehicle valuations are based on the professional advice of the Director of Development Services.

INFORMATION ON ASSETS HELD

The main assets held by the Council as at 31 March 2001 are as follows:

	Numbers as at 31 March 2001		Numbers as at 31 March 2001
Council Dwellings	17,463	Operational Equipment	
		Vehicles	410
Operational Buildings			
Pre-5 Schools	22		
Primary Schools	46	Infrastructure Assets	
Secondary Schools	10	Trunk Roads	2
Special Schools	5	Principal Roads (Km's)	115
Community Education Centres	70	Non-Principal Roads (Km's)	404
Day Centres	3	Unclassified Roads (Km's)	578
Car Parks	36	Highway Bridges	584
Social Work Homes	9	Street Lighting Units	17,000
Assessment Centres	6		
Depots	9		
Sports Centres	8	Community Assets	
Swimming Pools	2	Parks (Acres)	114
Halls	18	Cemeteries (Acres)	108
Public Conveniences	9	Playing Fields/Open Spaces (Acres)	1,848
Council Offices	20		
Industrial Units	115		
Shops	42		
Libraries	28		
Museums	6		

Consolidated Balance Sheet – Notes

Funding Of Capital Expenditure

Capital Expenditure during 2000/01 was funded as follows:

	Housing Revenue Account £000s	General Fund £000s	Total £000s
Borrowing	3,505	6,225	9,730
Usable Capital Receipts	1,842	534	2,376
Specific Grants	74	740	814
Capital Funded From Current Revenue (CFCR)	3,947	-	3,947
Gross Capital Expenditure	9,368	7,499	16,867

Movement in Assets during 2000/01

Category	Opening Position	+	-	-	+	=
	£000s	Acquisitions £000s	Disposals £000s	Depreciation £000s	Revaluation £000s	Closing Position £000s
Council Dwellings	218,941	8,647	(7,465)	(8,647)	(2,935)	208,541
Other Land & Buildings	163,623	-	(12)	(5,085)	48,335	206,861
Vehicles, Plant & Equipment	6,176	1,237	(33)	(1,094)	811	7,097
Infrastructure Assets	26,093	1,029	-	(865)	16	26,273
Surplus Assets	1,505	-	(121)	(55)	201	1,530
Work in Progress	-	-	-	-	-	-
Community Assets	600	-	-	-	(150)	450
Investment Properties	14,494	-	(144)	(538)	(717)	13,095
TOTALS	431,432	10,913	(7,775)	(16,284)	45,561	463,847

Service Analysis

	Opening Position £000s	+	-	-	+	=
	£000s	Acquisitions £000s	Disposals £000s	Depreciation £000s	Revaluation £000s	Closing Position £000s
Housing Revenue Account	220,821	8,647	(7,465)	(8,719)	(2,835)	210,449
General Fund Services	209,266	2,266	(285)	(7,453)	48,591	252,385
Trading Services	1,345	-	(25)	(112)	(195)	1,013
TOTALS	431,432	10,913	(7,775)	(16,284)	45,561	463,847

Disposal values for all assets are shown as sale proceeds rather than net book values.

Note 2 ~ Debtors

1999-00 £000s		2000-01		
		Gross Debtor £000s	Less Provision £000s	Debtor £000s
6,922	Arrears of Local Taxation - Council Tax	18,231	11,023	7,208
2,392	Arrears of Local Taxation - Non-Domestic Rates	6,028	3,301	2,727
1,755	Arrears of Local Taxation - Community Charge	9,816	8,432	1,384
1,014	Housing Rents	2,654	1,380	1,274
1,709	VAT and Income Tax Recoverable	2,633	-	2,633
12,008	Other Income Due	11,334	514	10,820
25,800	Total			26,046

Included in Debtors is an amount of £2.712m in respect of Housing Benefits monies due from the Department of Social Security; as this claim is not due for completion until 30 September 2001 the audit of the claim is as yet outstanding and accordingly the debtor may be subject to change.

Consolidated Balance Sheet – Notes

Note 3 ~ Sundry Creditors

(Repayable on demand or within 12 months)

1999-00 £000s		2000-01 £000s
2,400	Loan Interest accrued	2,473
20,055	Other	22,619
22,455	Total	25,092

Note 4 ~ Outstanding Borrowing

	Short-Term	Long-Term Borrowing - time to maturity					OVERALL	Percentage
	<365 Days	Under 1 Yr	1-5 Yrs	5-10 Yrs	Over 10 Yrs	Total	TOTAL	
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	
Banks/Monetary Sector	60	-	-	-	-	-	60	0.03%
Building Societies	-	-	1,403	-	-	1,403	1,403	0.72%
Financial Institutions	-	-	150	500	6,000	6,650	6,650	3.42%
Local Authorities	1,250	-	-	-	-	-	1,250	0.64%
Public Works Loan Board	-	13	404	122	183,682	184,221	184,221	94.79%
Public Corporations	-	-	-	-	-	-	-	0.00%
Central Government	500	2	-	-	-	2	502	0.26%
Other Sources	250	1	-	-	-	1	251	0.13%
	2,060	16	1,957	622	189,682	192,277	194,337	100%
Investment in Common Good							168	
Investment in Trusts & Bequests							602	
Covenant Scheme							450	
Total							195,557	

Note 5 ~ Fixed Asset Restatement Reserve

Refer to Statement of Total Movement in Reserves (Page 28)

1999-00 £000s		2000-01 £000s
172,593	Balance at 31 March 2001	204,428

Note 6 ~ Fund Balances and Other Reserves

1999-00 £000s		2000-01 £000s
1,044	Insurance Fund	971
(2,659)	General Fund Surplus / (Deficit)	1,004
20	Baird Institute Reserve	20
-	Renewal & Repairs Fund	421
-	Housing Revenue Account Surplus/(Deficit)	66
(1,595)	Total	2,482

Consolidated Balance Sheet – Notes

Note 7 ~ Commitments and Guarantees

The Council has a commitment to indemnify and reimburse the trustees of the Kilmarnock Leisure Centre Trust to the extent of any loss incurred.

The Council guarantees the deposits taken by Cumnock Municipal Bank. As at 31 March 2001 the funds deposited with the Bank amounted to £0.060m. These are invested by the Bank on short-term deposit with East Ayrshire Council.

The Council, together with the successor authorities to Strathclyde Regional Council has a continuing commitment to meet its share of any residual liabilities of that authority. The Council has inherited a number of applications for equal pay at various stages of completion. In addition the Council has received a number of writs for damages by individuals claiming to have suffered various forms of child abuse whilst resident in a children's home during the life-span of Strathclyde Regional Council. The final outcome of these items is not certain at this time, although there is the possibility that the Council may lose at least some of the individual cases involved. No financial provision has been made in the 2000/2001 Accounts for these potential losses given the uncertainties which surround both the final outcome and the level of settlement.

The commitments in respect of capital schemes in excess of £20,000 are as follows:

General Fund	£000s	Housing	£000s
Dalmellington Local Office	276	Replacement Doors	25
Kilmarnock / Cumnock Bus Stations	106	Central Heating	36
		Reroofing	56
		Painterwork	31
		Electrical Rewiring	124
		Environment Works	30
		Other - General Works	179
		Total	382

Note 8 ~ Investments in Related Businesses and Companies

East Ayrshire Council provides a capital grant contribution to the West of Scotland Loans Fund Ltd. As at 31 March 2001 the Council's involvement stands at £0.543m. In the event of the Fund being wound up a contingent liability of £0.326m exists in respect of European Development Fund Grants. The Fund exists to co-ordinate the 12 former ex-SRC 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.

Note 9 ~ European Monetary Union

At present the participation of the United Kingdom in the European Monetary Union has yet to be confirmed. The integrated financial system currently being installed by the Council to replace the current suite of systems is BASDA EMU accredited in accordance with the BASDA EMU advanced checklist and BASDA EMU specification. In the event that the UK enters the EMU in future years the new financial system of the Council will be fully Euro compliant.

Consolidated Balance Sheet – Notes

Note 10 ~ Year 2000 Costs

A systematic and comprehensive check has been made of all computer hardware, software, and pieces of equipment which contain embedded micro-chips and where necessary remedial action has been taken.

The Accounts Commission report on Year 2000 compliance, accordingly, awarded the Council 'Blue Status', indicating that the Commission identified no risk of material disruption to the infrastructure process at the Millennium. No such disruption was experienced by the Council, at or around 1 January 2000, or subsequent to that date, as at 31 March 2001.

No expenditure was incurred in 2000/2001.

Note 11 ~ Movement in Provisions

The 1999/2000 Accounts included a provision of £0.307m for severance costs approved as at 31 March 2000 arising from a restructure of the Council on 1 July 2000. As at 31 March 2001 a balance of £0.042m has been retained in respect of costs that will be incurred during 2001/2002.

Note 12 ~ Amounts held by Schools under DMR Scheme

£0.124m is held in respect of schools under the terms of the scheme of delegation of management of resources. This money is committed to be spent on Educational services.

Note 13 ~ Award of Trunk Road Maintenance Contract to Amey Highways

As a result of the Scottish Executive's decision to award the trunk road maintenance contract in respect of the A76 and A77 to Amey Highways, with effect of 1 April 2001, the Council may incur a liability arising from the consequential impact on its Roads DLO. The extent and nature of any such liability is uncertain; given these uncertainties no provision for any such liability has been made in the 2000/01 Accounts.

Cash Flow Statement

1999-00 £000s		2000-01 £000s	2000-01 £000s
	REVENUE ACTIVITIES		
	Expenditure		
82,914	Employment Costs	87,792	
116,494	Other Operating Costs	111,107	
7,028	Housing Benefit Paid Out	7,619	
24,338	NDRI Contributable to Pool	22,586	
10,942	Precept Paid	17,730	
241,716		246,834	
	Income		
(13,286)	Rents (after rebates)	(14,251)	
(30,735)	Council Tax Income	(31,387)	
(92,271)	Revenue Support Grant/NDRI	(98,027)	
(34,266)	NDRI Distributable from Pool	(39,336)	
(24,342)	Precept Income	(22,586)	
(28,022)	DSS Grants for Rebates	(23,643)	
(11,463)	Other Government Grants	(14,607)	
(14,355)	Fees, Charges and Other Income	(32,088)	
(248,740)		(275,925)	
(7,024)	Net Cash In-flow from Revenue Activities		(29,091)
	Servicing of Finance		
14,829	Interest and Leasing Charges	12,687	
(67)	Interest Received	(83)	
14,762	NET CASH OUTFLOW FROM SERVICING OF FINANCE		12,604
	CAPITAL ACTIVITIES		
	Expenditure		
3,306	Purchase of Fixed Assets	10,914	
-	Purchase of Long-Term Investments	-	
11,855	Other Capital Cash Payments	6,394	
15,161		17,308	
	Income		
(7,997)	Sale of Fixed Assets	(7,775)	
(646)	Capital Grants Received	(720)	
(193)	Other Capital Cash Payments/Income	(335)	
(8,836)		(8,830)	
6,325	NET CASH OUTFLOW FROM CAPITAL ACTIVITIES		8,478
14,063	Net Cash (In-flow) / Out-flow before Financing		(8,009)
	Financing		
	Expenditure		
210,302	Repayments of Amounts Borrowed	67,834	
-	Capital element of Finance Lease Rentals Payments	-	
-	New Short-Term Deposits	-	
210,302		67,834	
	Income		
(96,820)	New Loans Raised	(17,653)	
(128,140)	New Short-term Loans	(6,000)	
-	Short-term Deposits Repaid	(37,390)	
(224,960)		(61,043)	
(14,658)	NET CASH OUTFLOW FROM FINANCING		6,791
(595)	(Increase) / Decrease in Cash		(1,218)

Cash Flow Statement – Notes

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

	2000-01 £000s	2000-01 £000s	1999-00 £000s
(Surplus)/Deficit per the Financial Statement		(3,663)	217
Non Cash Transactions			
Contributions to Reserves	(414)		(973)
Contributions to Capital	(3,947)		(1,380)
Non Cash Movements Relating to Loans Fund	(18,476)		(19,824)
Other Movements	(831)	(23,668)	973
		(27,331)	(21,204)
Movements in Working Capital			
Increase in Stock and Work in Progress	149		(182)
Increase in Debtors	246		6,355
Increase in Deferred Charge	482		10,576
Increase in Creditors	(2,637)	(1,760)	(2,786)
			13,963
Net Cash Flow from Revenue Activities		(29,091)	(7,024)

Note 2 ~ Analysis of Balances of Cash

	As at 31 March 01 £000s	As at 31 March 00 £000s	Movement £000s
Cash	34	35	1
Bank Overdraft	(1,148)	(2,367)	(1,219)
(Increase) / Decrease in Cash	(1,114)	(2,332)	(1,218)

Note 3 ~ Analysis of Government Grants

	£000s
Specific Grants	
Police Board	8,150
Civic Defence	57
Sheltered Employment	14
Council Tax / Housing / Benefit Administration	416
In Service Teacher Training	93
Education - Gaelic Language	89
Social Work - Mental Illness Specific Grant	289
Social Work - Child Care Training Grant	56
Excellence Fund	3,188
New Community Schools	200
Modern Languages	776
Additional Resources for Schools	1,176
Child Care Strategy	103
	14,607
Other Grants	
Revenue Support Grant	98,027
DSS Grants - Housing	30,801
	128,828
Cash Flow From Government Grants	143,435

Cash Flow Statement – Notes

Note 4 ~ Movement in Financing

	£000s
Loans Repaid	
Temporary Loans	48,896
PWLB	4,538
Local Bonds	-
Market Loans	14,250
Other Loans	-
Covenant Repaid	150
Short-term Deposits	-
	67,834
New Loans	
PWLB	(17,653)
Market Loans	(6,000)
Short-term loans	(37,390)
	(61,043)
Cash Outflow from Financing	6,791

Statement of Total Movement in Reserves

	General Fund Balance £000s	Baird Institute Reserve Fund £000s	Insurance Fund £000s	Renewal & Repairs Fund £000s	HRA Balance £000s	Total £000s
Fund Balances & Revenue Reserves						
Balance as at 1 April 2000	(2,659)	20	1,044	-	-	(1,595)
Net Surplus/(Deficit)	3,663	-	(73)	421	66	4,077
Balance as at 31 March 2001	1,004	20	971	421	66	2,482

The Council operates an Internal Insurance Fund with the balance being carried forward to provide for future insurance premiums and uninsured losses.

	Fixed Asset Restatement Reserve £000s	Capital Financing Reserve £000s	Usable Capital Receipts Reserve £000s
Capital Reserves			
Balance as at 1 April 2000	172,593	73,270	-
Revaluation of Assets During the Year	45,561	-	-
Effects of Fixed Assets Disposals			
Value of Assets Disposed of	(7,775)	-	-
Proceeds from Asset Disposals	-	-	8,466
Capital Receipts Applied / Capital Income	-	8,466	(8,466)
Depreciation of Assets	-	(16,284)	-
Debt Redemption During Year	-	3,468	-
Expenditure Not Increasing Asset Values During Year	(5,951)	-	-
Covenant Scheme Repayments During Year	-	150	-
Capital Expenditure Financed From Revenue	-	3,947	-
Balance as at 31 March 2001	204,428	73,017	-

Common Good, Trusts and Charities Accounts

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. A summary of these is as follows: -

Summary of Common Good Funds –

	Darvel £000s	Cumnock £000s	Kilmarnock £000s	Newmilns £000s	Stewarton £000s	Total £000s
Capital Balance 1 April 2000	-	1	153	-	-	154
Revenue Balance 1 April 2000	1	1	5	2	1	10
	1	2	158	2	1	164
Expenditure During Year						
Capital	-	-	-	-	-	-
Revenue	-	-	8*	-	-	8
Income During Year						
Capital	-	-	-	-	-	-
Revenue	-	-	12	-	-	12
Capital Balance at 31 March 2001	-	1	153	-	-	154
Revenue Balance at 31 March 2001	1	1	9	2	1	14
	1	2	162	2	1	168

* The expenditure incurred during 2000/01 was in relation to a contribution towards the cost of Christmas lights within Kilmarnock town centre.

Summary of Charities and Bequests

1999-00	Revenue Account	2000-01 £000s
15	Expenditure	27
32	Income	34
17	Surplus/(Deficit)	7
520	Balance B/Fwd	537
537	Balance C/Fwd	544

1999-00 £000s	Balance Sheet as at 31 March 2001	2000-01 £000s
16	Investments - External	16
639	Investments - Loans Fund	602
655		618
	Financed By:-	
111	Capital Funds	67
544	Revenue Funds	551
655		618

Charities and Trusts – Capital and Revenue Accounts

Name of Fund	Origin and Purpose	Manner Invested		
		Loans Fund £s	OTHER £s	
Robert Crawford's Bequest	To Provide Books For Public Library	5,601	1,600	Govt. Stock
Robert Cumming's Bequest	To Provide annuity For Testators Legatee Remainder For Maintenance Of Indigent Orphans Natives Of Kilmarnock/Ayrshire	24,805	-	
John Fulton's Missionary Trust	To Provide A Missionary For The Poor	758	-	
John Fulton's Soup Kitchen Trust	To Distribute Soup To The Poor	40,646	100	Govt. Stock
Murdoch's Trust	To Provide An Annual Payment To One Poor Aged Deserving Person Resident In Kilmarnock	2,788		
Misses Parker's Bequest	To Provide Payments To Females Suffering From Incurable Diseases	1,634		
Tannock's Trust	To Provide Annuities To Females	2,726		
Archibald Taylor Fund	To Provide Special Nursing Or Convalescent Treatment Or A Holiday During Convalescence For Certain Class Of Spinsters	341,059		
Matthew L. Cochran's Bequest	To Provide Holidays For Elderly Deserving People Resident in Kilmarnock	1,903		
Mair Bequest	To Provide Relief To Deserving Poor Natives Or Inhabitants Of Newmilns	139,988		
Kay Park Trust	Maintenance of Kay Park	-		
B.C. Roxburgh Bequest	To Be Used For The Benefit Of The Of Citizens Of Darvel	23,175		
Kilmarnock & Loudoun Emergency Relief Trust	To provide assistance within the District of Kilmarnock & Loudoun for any organisation, body, individual resident or person within the district suffering, or affected by hardship, poverty or distress as a consequence of any emergency, natural disaster, flood, subsidence, severe weather, or fire, or for such other reason as the trustees may agree	-	7,064	Bank Deposit
Graham Ramage Trust	For Cumnock Senior Citizens Club	1,741	1,367	Govt. Stock
Sommerville Trust	Relief of Poor - Sorn Parish	498	-	
Misses Murray Legacy Trust	Relief of Poor - Old Cumnock Parish	1,227	500	Govt. Stock
D Smiths Trust	To Maintain Burial Grounds	803	-	
Mrs E McWhirter Trust	To Maintain Burial Grounds - Dalmellington Burial Grounds	134	824	Govt. Stock
Dalmellington Cemetery Trust	To Maintain Burial Grounds	69	-	
R Mitchell Trust	Upkeep of Lair - Mauchline Cemetery	8	50	Govt. Stock
Mrs H S Wilson Trust	Upkeep of Lair - New Cumnock Cemetery	26	122	Govt. Stock
Dalrymple Cemetery Trust	To Maintain Burial Grounds	18	100	Govt. Stock
Polish Patients Fund	Upkeep of Memorial Stone - Mauchline	2	11	Govt. Stock
Miss A Stevenson Trust	Upkeep of Lair - Mauchline Cemetery	119	-	
Mrs C Gordon Trust	Upkeep of Lair/Headstone Auchinleck Cemetery	119	-	
Miss J Leiper Young Trust	Upkeep of Lair/Headstone Mauchline Cemetery	119	-	
Miss J.M.M. Cuthbert Executory	Upkeep of Lair/Headstone Stair Cemetery	119	-	
GAA Trust	To Maintain Burial Grounds	3,018	922	Heritable Property
Gavin Memorial Fund	To Provide Prizes for Schools in Dalmellington	18	1,040	Govt. Stock
Brown Prize Fund	To Provide Prizes for Dux Boy & Girl at Cumnock Academy	27	216	Govt. Stock
Hon. Alex Shaw Prize	To provide prizes at Kilmarnock Academy	8	100	Govt. Stock
Morton Steven Dux Medal	To provide A Dux Medal at Kilmarnock Academy	399	-	
Latta Dux Medal	To provide A Dux Medal at Cumnock Academy	239	-	
Jas. Mackie Memorial Prize	To provide prizes at Kilmarnock Academy	102	-	
Hunter Stewart Fund	To provide A Dux Medal at Doon Academy	6	101	Govt. Stock
Hood Endowment	To provide prizes at Loudoun Academy	132	-	
Arch. Hood Prize	To provide prizes at Newmilns Loudoun Academy	138	-	
A.B. Carswell Prize	To provide prizes at Loudoun Academy	40	216	Govt. Stock
William Wilson Memorial Prize	To provide a cash prize for leadership (Girl) at Auchinleck Academy	22	109	Govt. Stock
Margaret Wilson Memorial Prize	To provide a cash prize for leadership (Boy) at Auchinleck Academy	22	109	Govt. Stock
McKenzie Prizes	To provide prizes for nature study at Auchinleck Academy	62	44	Govt. Stock
Galston Town Council Dux Medal	To provide Dux medals at Galston junior secondary & St Sophia's RCS	22	150	Govt. Stock
George Mason Prize Fund	To provide a prize for Art at Grange Academy	2	50	Govt. Stock
Robert C Grant Prize Fund	To provide prizes at Kilmarnock Academy	236	-	
Miss Mary C Smith Memorial Prize	To provide prizes at Loanhead Primary School	2	50	Govt. Stock
Marion Hamilton Memorial Prize	To provide bursaries at Auchinleck Academy	16	50	Govt. Stock
Sarah B Campbell	To provide bursaries for Bellsbank Primary School	1,577	259	Govt. Stock
Jean G Glennie	To provide prizes at Auchinleck Academy	59	-	
John Minto Prize Fund	To provide a prize at Loanhead Primary	16	100	Govt. Stock
W S Oughton Memorial Prize Fund	To provide a prize at Doon Academy	53	-	
Sir Alexander Fleming Prize Fund	To provide a prize for science at Loudoun Academy	228	-	
John C Kennedy Trust	To provide a prize at Bellsbank Primary School	5,629	-	
Agnes Smith Campbell Prize Fund	To provide a prize at Doon Academy	54	370	Govt. Stock
T K Stevenson Memorial Prize	To provide prizes at Greenmill Primary	18	50	Govt. Stock
		602,230	15,674	

Charities and Trusts – Origins and Purpose

	Amount of Fund at 1 April 2000		Expenditure During Year		Income During Year		Amount of Fund at 31 March 2001	
	Capital £s	Revenue £s	Capital £s	Revenue £s	Capital £s	Revenue £s	Capital £s	Revenue £s
Robert Crawford's Bequest	2,650	4,229	-	-	-	322	2,650	4,551
Robert Cumming's Bequest	3,080	23,982	-	3,600	-	1,343	3,080	21,725
John Fulton's Missionary Trust	-	715	-	-	-	43	-	758
John Fulton's Soup Kitchen Trust	1,443	45,995	-	9,089	-	2,397	1,443	39,303
Murdoch's Trust	100	2,546	-	-	-	142	100	2,688
Misses Parker's Bequest	1,365	186	-	-	-	83	1,365	269
Tannock's Trust	2,255	333	-	-	-	138	2,255	471
Archibald Taylor Fund	17,599	305,655	-	-	-	17,805	17,599	323,460
Matthew L. Cochran's Bequest	1,948	1,334	-	1,514	-	135	1,948	(45)
Mair Bequest	15,378	123,954	-	6,797	-	7,453	15,378	124,610
Kay Park Trust	43,428	3,422	43,428	4,838	-	1,416	-	-
B. C. Roxburgh Bequest	10,796	11,965	-	783	-	1,197	10,796	12,379
Kilmarnock & Loudoun Emergency Relief Trust	-	6,818	-	-	-	246	-	7,064
Sommerville Trust	119	353	-	-	-	26	119	379
Graham Ramage Trust	1,837	1,125	-	-	-	146	1,837	1,271
Misses Murray Legacy Trust	500	1,147	-	-	-	80	500	1,227
D. Smith's Trust	100	662	-	-	-	41	100	703
Mrs E. McWhirter Trust	824	99	-	-	-	35	824	134
Dalmellington Cemetery Trust	58	7	-	-	-	4	58	11
R Mitchell Trust	50	6	-	-	-	2	50	8
Mrs H S Wilson Trust	122	20	-	-	-	6	122	26
Dalrymple Cemetery Trust	100	13	-	-	-	5	100	18
Polish Patients Fund	11	1	-	-	-	1	11	2
Miss A. Stevenson Trust	100	13	-	-	-	6	100	19
Mrs C. Gordon Trust	100	13	-	-	-	6	100	19
Miss J. Leiper Young Trust	100	13	-	-	-	6	100	19
Miss J.M.M. Cuthbert Executory	100	13	-	-	-	6	100	19
GAA Trust	922	2,900	-	36	-	154	922	3,018
Gavin Memorial Fund	1,040	17	-	-	-	1	1,040	18
Brown Prize Fund	216	15	-	-	-	12	216	27
Hon. Alex Shaw Prize	100	5	-	-	-	3	100	8
Morton Steven Dux Medal	207	172	-	-	-	20	207	192
Latta Dux Medal	143	84	-	-	-	12	143	96
Jas. Mackie Memorial Prize	65	32	-	-	-	5	65	37
Hunter Stewart Fund	101	3	-	-	-	3	101	6
Hood Endowment	100	25	-	-	-	7	100	32
Arch. Hood Prize	100	31	-	-	-	7	100	38
A.B. Carswell Prize	216	31	-	-	-	9	216	40
William Wilson Memorial Prize	109	18	-	-	-	4	109	22
Margaret Wilson Memorial Prize	109	19	-	-	-	3	109	22
McKenzie Prizes	44	59	-	-	-	3	44	62
Galston Town Council Dux Medal	150	21	-	-	-	1	150	22
George Mason Prize Fund	50	2	-	-	-	-	50	2
Robert C. Grant Prize Fund	164	60	-	-	-	12	164	72
Miss Mary C Smith Memorial Prize	50	1	-	-	-	1	50	2
Marion Hamilton Memorial Prize	50	15	-	-	-	1	50	16
Sarah B Campbell	259	1,497	-	-	-	80	259	1,577
Jean G Glennie	52	4	-	-	-	3	52	7
John Minto Prize Fund	100	13	-	-	-	3	100	16
W S Oughton Memorial Prize Fund	30	20	-	-	-	3	30	23
Sir Alexander Fleming Prize Fund	200	16	-	-	-	12	200	28
John C Kennedy Trust	1,000	4,343	-	-	-	286	1,000	4,629
Agnes Smith Campbell Prize Fund	400	13	-	-	-	11	400	24
T K Stevenson Memorial Prize	50	14	-	-	-	4	50	18
	110,190	544,049	43,428	26,657	-	33,750	66,762	551,142

The Statement of Responsibilities for the Statement of Accounts

The Authority's Responsibilities

The authority is required:

To make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Director of Finance;

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

The Director of Finance's Responsibilities

The Director of Finance is responsible for the preparation of the authority's statement of accounts which, in terms of the CIPFA/LASSAC 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 2001 and its income and expenditure for the year.

In preparing this statement of accounts, the Director 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.

Glossary of Terms

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.

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.

Community Assets

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

Deferred Charges

Expenditure which may properly be deferred, but which does not result in, or remain matched with, tangible assets.

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.

Glossary of Terms

Direct Service Organisation (DSO)

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

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). Pension contributions payable by either employer or employee 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.

Fixed Assets

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

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.

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; that is a lease which does not transfer the risks and rewards of ownership to the lessee.

Glossary of Terms

Operational Assets

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

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.

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.

Stocks

Comprise the following categories:

- (a) goods or other assets purchased for resale;
- (b) consumable stores;
- (c) raw materials and components purchased for incorporation into products for sale;
- (d) products and services in intermediate stages of completion;
- (e) long-term contract balances; and
- (f) finished goods.

Unapportionable Central Overheads

These are overheads for which no user directly benefits and should not be apportioned to services.

Useful Life

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

Audit Certificate

The audit of East Ayrshire Council's Accounts for 2000/01 is not yet complete and the figures contained therein are subject to audit. The auditors's certificate relative to pages 4 to 35 of the accounts is expected in October 2001 and the audited accounts will be presented to the Council for approval thereafter.

AGENDA