

# Other Financial Statements

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## HOUSING REVENUE ACCOUNT FOR YEAR ENDED 31 MARCH 2007

2005/06 £'000		Notes	2006/07 £'000
	<b>Income</b>		
58,021	Dwelling Rents	1	59,778
618	Non-dwelling Rents	2	632
2,477	Charges for Services & Facilities	3	2,536
645	Contributions towards Expenditure	4	673
7,585	Housing Revenue Account Subsidy	5	6,647
<b>69,346</b>	<b>Total Income</b>		<b>70,266</b>
	<b>Expenditure</b>		
13,168	Repairs & Maintenance	6	15,610
15,136	Supervision & Management	7	15,193
28	Rents, Rates, Taxes and Other Charges	8	27
-	Negative housing revenue account subsidiary payable (inc MRA element)		-
-	Negative housing revenue account subsidiary transferable to the general fund under the transitional arrangements		-
13,423	Depreciation and impairment of Fixed Assets	9	13,957
25	Debt Management Costs	10	47
234	Contribution to Bad Debts Provision	11	589
528	Transfer to General Fund	12	-
<b>42,542</b>	<b>Total Expenditure</b>		<b>45,423</b>
<b>-26,804</b>	<b>Net Cost Of HRA Services Per Authority Income and Expenditure Account</b>		<b>-24,843</b>
277	HRA services share of Corporate and Democratic Core		285
<b>-26,527</b>	<b>Net Cost of HRA Services</b>		<b>-24,558</b>
-1,799	(Gain) or loss on sale of HRA fixed assets		-
14,363	Interest payable and similar charges	13	15,340
-1,272	Interest and investment income	14	-551
<b>-15,235</b>	<b>(Surplus) or deficit for the year on HRA services</b>		<b>-9,769</b>

Under section 74 of the Local Government and Housing act 1989, the Council is required to maintain a separate account for transactions relating to the provision of council dwellings. This account shows the income to the Council in respect of rents, housing subsidy (income from the government), interest and charges. It also shows how that money is spent managing and maintaining properties and financing capital expenditure.



## STATEMENT OF MOVEMENT ON THE HOUSING REVENUE ACCOUNT BALANCE

2005/06 £'000		Notes	2006/07 £'000
-15,235	(Surplus) or deficit for the year on the HRA Income and Expenditure Account		-9,769
15,238	Net additional amount required by statute to be debited or (credited) to the HRA balance for the year		16,198
<b>3</b>	<b>(Increase) or decrease in the Housing Revenue Account Balance</b>		<b>6,429</b>
-10,769	Housing Revenue Account surplus brought forward	15	-10,766
<b>-10,766</b>	<b>Housing Revenue Account surplus carried forward</b>		<b>-4,337</b>

### Note to the Statement of Movement on the HRA Balance

2005/06 £'000		Notes	2006/07 £'000
	<b>Items included in the HRA Income and Expenditure Account but excluded from the movement on HRA Balance for the year</b>		
-	Difference between amounts charged to income and expenditure for amortisation of premiums and discounts and the charge for the year determined in accordance with statute		-
57	Difference between any other item of income and expenditure determined in accordance with the SORP and determined in accordance with statutory HRA requirements (if any)	16	-178
1,799	Gain or loss on sale of HRA fixed assets		-
-	Net changes made for retirement benefits in accordance with FRS17		-
-	Sums directed by the Secretary of State to be debited or credited to the HRA that are not income or expenditure in accordance with UK GAAP		-
1,856			<b>-178</b>
	<b>Items not included in the HRA Income and Expenditure Account but included in the movement on HRA balance for the year</b>		
-105	Transfer to/(from) Major Repairs Reserve	17	-124
-	Transfers to/(from) Housing Repairs Account		-
-	Employer's contributions payable to the Greater Manchester Pension Fund and retirement benefits payable direct to pensioners		-
-	Voluntary set aside for debt repayment	18	-
13,487	Capital expenditure funded by the HRA	19	16,500
13,382			16,376
<b>15,238</b>	<b>Net additional amount required by statute to be debited or (credited) to the HRA Balance for the year</b>		<b>16,198</b>



## NOTES TO THE HOUSING REVENUE ACCOUNT

### 1. Dwelling Rents

This is the total income due for the year after allowing for rent lost on void properties. In 2006/07 the void property rent loss was 1.45% compared with 1.31% in 2005/06.

### 2. Non Dwelling Rents

Rents from garages, shops, and miscellaneous parcels of land.

### 3. Charges for Services and Facilities

Amounts charged to tenants in respect of items such as utilities, caretaking and wardens.

### 4. Contributions Towards Expenditure

Various contributions including:

- Tenants rechargeable repairs.
- Settlement of insurance claims.
- Defective Dwellings Loan Charge Grant from Central Government.

### 5. Housing Subsidy and Rent Rebates

This is the central government subsidy based on the deficit on the Notional Housing Revenue Account as analysed below:

2005/06 £'000		2006/07 £'000
	<b>Expenditure</b>	
30,391	Management & Maintenance	32,974
13,375	Major Repairs Allowance	13,655
8,440	Charges for Capital	8,294
10,984	ALMO Allowance	10,984
59	Admissible Allowance	29
-	Anti Social Behaviour Allowance	-
-	Rental Constraint Allowance	657
<b>63,249</b>	<b>Total Expenditure</b>	<b>66,593</b>
	<b>Income</b>	
55,662	Housing Rents	59,947
16	Interest Received	10
<b>55,678</b>	<b>Total Income</b>	<b>59,957</b>
<b>7,571</b>	<b>Housing Subsidy due for the year</b>	<b>6,636</b>
14	Adjustments to previous years claims	11
<b>7,585</b>	<b>Housing Subsidy shown in the accounts</b>	<b>6,647</b>



## 6. Repairs & Maintenance

This is the cost of undertaking programmed and day to day responsive repairs to the properties within the HRA partially offset by an apportionment of the surplus earned by the Building DLO on providing the repairs service to the HRA.

## 7. Supervision & Management

This is the cost of managing and delivering services to all of the properties within the Housing Revenue Account. The main cost is the Management Fee charged by Wigan and Leigh Housing.

## 8. Rents, rates and other charges

This includes the cost of Council Tax on empty properties and various minor charges relating to properties within the HRA.

## 9. Depreciation and Impairment Charges

The depreciation and impairment charges for 2006/07 are as follows:

	<b>£'000</b>
Depreciation on Operational Assets – Dwellings	13,583
Depreciation on Operational Assets - Other Land & Buildings	50
Depreciation on Non - Operational Assets	74
<b>Total Depreciation</b>	<b>13,707</b>
Impairment	250
<b>Total Depreciation and Impairment</b>	<b>13,957</b>

The Impairment charge represents the loss in value to the HRA of flats at Durham Street that have been demolished in 2006/07.

## Stock Numbers & Valuations

	1 <sup>st</sup> April 2006	31 <sup>st</sup> March 2007	Change Number	Change %
<b>Houses</b>				
1 Bedroom	2,412	2,389	-23	-0.95
2 Bedrooms	4,691	4,639	-52	-1.11
3 Bedrooms	10,508	10,315	-193	-1.84
4 or more Bedrooms	280	278	-2	-0.71
<b>Total Houses</b>	<b>17,891</b>	<b>17,621</b>	<b>-270</b>	<b>-1.51</b>
<b>Flats</b>				
1 Bedroom	3,326	3,313	-13	-0.39
2 Bedrooms	2,099	2,079	-20	-0.95
3 or more Bedrooms	80	80	-	0.00
<b>Total Flats</b>	<b>5,505</b>	<b>5,472</b>	<b>-33</b>	<b>-0.60</b>
<b>Total Houses &amp; Flats</b>	<b>23,396</b>	<b>23,093</b>	<b>-303</b>	<b>-1.30</b>



The balance sheet value for HRA assets is as follows

	1 <sup>st</sup> April 2006 £'000	31 <sup>st</sup> March 2007 £'000
Operational Assets – Dwellings	722,395	801,723
Operational Assets – Other	1,880	1,398
Non Operational Assets	3,788	6,979
<b>Total HRA Assets</b>	<b>728,063</b>	<b>810,100</b>

The dwelling values within the above table are on the basis of Social Housing Use.

The Vacant Possession Value of the dwellings within the Housing Revenue Account as at 1<sup>st</sup> April 2006 has been assessed at £1.72bn. The vacant possession value and balance sheet value of the dwellings within the HRA show the economic cost to Government of providing council housing at less than open market value.

#### 10. Debt Management Expenses

This is the HRA proportion of the total cost of managing the Wigan Council debt portfolio.

#### 11. Contribution to Bad Debts Provision

Contributions towards the HRA Bad Debt Provision amounted to £589k in 2006/07 compared with £233k in 2005/06.

Cumulative provisions for uncollectible debts are as follows:

	£'000
31 March 2006	3,172
31 March 2007	3,619

Rent Arrears are analysed below:

31 March 2006			31 March 2007	
£'000	%		£'000	%
1,581	5.38	Current Tenants Arrears	1,358	4.50
2,310	7.86	Former Tenants Arrears	2,763	9.14
996	3.39	Overpaid Housing Benefit	1,050	3.47
<b>4,887</b>	<b>16.63</b>	<b>Total Arrears</b>	<b>5,171</b>	<b>17.11</b>

#### 12. Transfer to General Fund

With effect from 1<sup>st</sup> April 2004 the responsibility for the payment of Rent Rebates has been transferred from the Housing Revenue Account to the General Fund. The transfer for 2005/06 relates to the cost of Rent Rebates in excess of the limit set by the Secretary of State. In 2006/07 the rents were within the limits set by the Secretary of State.

#### 13. Interest payable and similar charges

This is Interest payable on the HRA debt outstanding. As at 31<sup>st</sup> March 2007 the amount of HRA debt outstanding was £218 million.

#### 14. HRA Interest and Investment Income

This comprises interest on cash balances and interest from HRA mortgage loans.



**15. Surplus at 31<sup>st</sup> March 2007**

This is the accumulated HRA surplus as at 31st March 2007 and includes part of the additional rental income from 2003/04 in which there were 53 rent weeks.

**16. Difference between any other item of income and expenditure determined in accordance with the SORP and determined in accordance with statutory requirements**

This comprises the reversal of the charge for impairment partially offset by the writing back of governments grants deferred.

**17. Transfer to / (from) Major Repairs Reserve**

This transfer from the Major Repairs Reserve is in respect of depreciation on non-dwelling assets.

Major Repairs Reserve Movements 2006/07

	£'000
Opening Balance at 1 <sup>st</sup> April 2006	2,119
Transfers INTO the MRR 2006/07	13,779
Transfers FROM the MRR to the HRA in 2006/07	- 124
Expenditure charged TO the MRR in 2006/07	- 13,170
<b>Closing Balance at 31<sup>st</sup> March 2007</b>	<b>2,604</b>

**18. Voluntary set aside for debt repayment**

The statutory requirement to make a provision for the repayment of debt was removed in 2004/05. In 2005/06 the Council made the decision not to make a voluntary repayment of debt for the financial years 2005/06, 2006/07 and 2007/08.

**19. Capital Expenditure funded by the HRA**

There have been Revenue Contributions to Capital Expenditure of £16.5m in 2006/07. The sources of funding for the 2006/07 Capital Programme is shown below:

Capital Expenditure and Funding 2006/07

	£'000
<b>Capital Expenditure 2006/07</b>	<b>31,279</b>
<b>Funded by:</b>	
Borrowing	-
Usable Capital Receipts	1,609
Other Grants and Contributions	-
Revenue Contributions to Capital Expenditure	16,500
Contributions from the Major Repairs Reserve	13,170
<b>Total Funding 2006/07</b>	<b>31,279</b>

Summary of Capital Receipts 2006/07

	£'000
Disposal of Dwellings (Right to Buy)	13,429
Disposal of Land & Other Property	767
<b>Total Capital Receipts 2006/07</b>	<b>14,196</b>



## THE COLLECTION FUND 2006/07

2005/06 £'000		Notes	2006/07 £'000	2006/07 £'000
	<b>Income</b>			
	<b>Council Tax</b>			
93,148	Net Council Tax Receivable	1	96,999	
-1	Add : Transfers from General Fund		-1	
18,701	Transitional Relief Grant		19,455	
	Council Tax Benefit			
<b>111,848</b>				<b>116,453</b>
	<b>Community Charge</b>			
6	Adjustment of Previous Years Community Charges	2		3
	<b>National Non Domestic Rates (NNDR)</b>			
59,983	Income from Business Ratepayers	3		64,100
<b>171,837</b>				<b>180,556</b>
	<b>Expenditure</b>			
97,016	Wigan Council General Fund		101,130	
4,164	GM Fire Precept		4,362	
9,814	GM Police Precept		10,407	115,899
-	Distribution of previous years surplus			399
394	NNDR Cost of Collection Allowance			391
59,589	NNDR Contribution to National Pool	3		63,709
384	Increase in Bad Debts Provision	4		507
<b>171,361</b>				<b>180,905</b>
<b>476</b>	<b>Change in Fund Balance for Year</b>			<b>-349</b>
<b>451</b>	<b>Balance B/fwd</b>			<b>927</b>
<b>927</b>	<b>Balance C/fwd</b>			<b>578</b>

## NOTES TO THE COLLECTION FUND

### Introduction

The Collection Fund is a statutory account introduced under the Local Government Finance Act 1988 (as amended by the Local Government Finance Act 1992). The fund records the collection and distribution of amounts due in respect of Council Tax and National Non-Domestic Rates (NNDR). A separate balance sheet is not required as collection fund balances are consolidated into the Council's Balance Sheet.

The year-end surplus or deficit, on the Collection Fund is distributed between billing and precepting authorities in a future financial year.

### 1. Council Tax

The average (Band D, 2 adult equivalent) Council Tax for the area of the billing authority was £1,231.74. This was based on a Band D equivalent tax base of 94,040 properties, set by the Director of Finance & IT in January 2006 in accordance with section 84 of the Local Government Act 2003 and regulation 3 of the Local Authorities (Calculation of Tax Base) Regulations 1992. The calculation of the tax base contains a provision of 1% losses on collection arising from bad debts and appeals against valuation etc.



### Tax Base (Band D equivalents):

A	B	C	D	E	F	G	H	TOTAL
36,725	20,388	17,717	10,115	5,951	2,245	865	34	94,040

## 2. Community Charge

Adjustments of previous years' Community Charges include: -

2005/06 £'000		2006/07 £'000
2	Gross Charge	34
-2	Less: Write-offs	-34
-		-
6	Provision for Bad Debts Reduction	3
<b>6</b>	<b>Total Adjustment for Previous Years</b>	<b>3</b>

## 3. National Non-Domestic Rates (NNDR)

Under the arrangements for uniform business rates, the Council collects non-domestic rates for its area based on local rateable values multiplied by a uniform rate. The total amount, less certain relief and other deductions, is paid back to a central pool (the NNDR pool) managed by Central Government. This pool in turn pays back to Authorities their share based on a standard amount per head of the local adult population (i.e. NNDR Contribution from Pool).

The Income from Business Ratepayers includes:

2005/06 £'000	2005/06 £'000		2006/07 £'000	2006/07 £'000
	68,734	Gross Debit for the year		72,271
8,239		Less: Allowances and reliefs	7,442	
512	8,751	Less: Provision for Bad Debts	729	8,171
	<b>59,983</b>	Income from Business Ratepayers		<b>64,100</b>
	394	Less: Costs of Collection		391
	<b>59,589</b>	<b>Contribution to NNDR Pool</b>		<b>63,709</b>

The total non-domestic rateable value at the year-end was £176,890,003. From 2005/06, the Government introduced a new scheme of relief for small businesses which included the concept of two national non-domestic rate multipliers. The rates for 2006/07 are 42.6p for Qualifying Small Businesses and 43.3p for Non-qualifying Small Businesses and all Other Businesses.

## 4. Bad Debts Provision

Changes in the provision for bad debts reflect movements in the rate of collection and outstanding arrears.



## GROUP FINANCIAL STATEMENTS

### Introduction

The 2006 Accounting Code of Practice requires Local Authorities to consider all their interests and where they have a material interest in subsidiaries, associates and joint ventures a full set of group accounts is required. The aim of these statements is to provide an overall picture of the Council's financial activities and the resources employed in carrying out those activities.

### Accounting Policies

The accounting policies adopted for the production of the group statements are in line with recommended practice and in the main follow those that apply to the Council's primary statements.

- Alignment of accounting policies includes alignment of valuation policies for fixed assets. It may be necessary to assign current values to the fixed assets of subsidiaries. These valuations would need to be carried out in accordance with the Statement of Recommended Practice.
- The Council's operational and non-operational assets are included in the balance sheet at the lower of net current replacement cost and net realisable value, with the exception of infrastructure and community assets, which are valued at historical cost net of depreciation. Wigan Metropolitan Development Company Assets are stated at purchase cost. However as there are significant adverse cost-benefit implications for valuations to be carried out by the subsidiary and the immaterial effect of revaluation, the alignment has not been undertaken.
- Subsidiaries have been consolidated on a line by line basis.
- FRS 17 Accounting for Pensions - This requirement has been adopted for the Wigan & Leigh Housing Company Ltd. Wigan Metropolitan Development Company Ltd participates in the Greater Manchester Pension fund which is a defined benefit scheme however, it is unable to identify its share of the underlying assets and liabilities. Therefore, the scheme is treated as a defined contribution scheme for the purposes of the group statements.

### The Wigan Council Group

The Council has relationships with a number of companies over which it has varying degrees of control or influence. However, it has been assessed in line with accounting requirements that only three companies are to be included in the Group Accounts contained within.

Details of the other companies and their relationship with the Council are shown on page 55 of the statement.



The three companies included in the group statements as Subsidiaries are :-

- Wigan and Leigh Housing Company Limited (WALH)
- Wigan Metropolitan Development Company Limited
- Leigh Sports Village Limited

### **Wigan and Leigh Housing Company Limited**

This is a company limited by guarantee and the liability of the Council is limited. The Council is the sole member of the company and has the right to appoint 4 out of 12 Directors. The Company has a contractual relationship with the Council and is responsible for the management of the Council's housing stock.

The company returned a pre-FRS 17 profit of £44,865 and a loss of £890,135 post FRS 17 for the financial year 2006/07. Copies of the accounts are available at Unity House, Westwood Park Drive, Wigan, Lancs. WN3 4HE.

### **Wigan Metropolitan Development Company Limited**

This is also a company limited by guarantee and the Council has no direct liability for any losses. The Council is entitled to appoint 14 out of 17 members of the Company. The Company either directly or through its subsidiaries (Wigan Metropolitan Development Company (Property) Ltd and Wigan Metropolitan Development Company (Investment) Ltd) manages offices and industrial units and promotes regeneration within the borough of Wigan.

The company returned a profit of £226,178 for the financial year 2006/07. Copies of the accounts are available at Wigan Investment Centre, Waterside Drive, Wigan, Lancs. WN3 5OA.

### **Leigh Sports Village Limited**

This is a company limited by shares. The Council is the only shareholder and does not have a direct liability for any losses of the company. The Company was formed at the end of 2004/05 and has not commenced trading.

The Company will commence trading for the purposes of managing sports facilities at the Leigh Sports Village site in 2007/08.



## GROUP INCOME AND EXPENDITURE ACCOUNT

2005/06 Net Expenditure		Notes	2006/07 Gross Expenditure	2006/07 Income	2006/07 Net Expenditure
£'000			£'000	£'000	£'000
	<b>Expenditure On Services</b>				
2,145	Central Services To The Public		27,740	24,378	3,362
362	Court Services		406	258	148
39,306	Cultural, Environmental & Planning Services		71,047	23,776	47,271
174,188	Childrens and Young Peoples Services		272,401	245,944	26,457
28,042	Highways, Roads & Transport Services		40,133	7,896	32,237
-23,806	Housing Services (inc. HRA)		118,830	142,020	-23,190
81,071	Adult Services		140,110	51,315	88,795
7,413	Corporate & Democratic Core		8,744	677	8,067
1,901	Non Distributed Costs	1	727	2	725
-	Exceptional Item - Equal Pay		8,500	-	8,500
<b>310,622</b>	<b>Net Cost Of General Fund Services</b>		<b>688,638</b>	<b>496,266</b>	<b>192,372</b>
3,960	Gain Or Loss On Disposal Of Fixed Asset		-	6,173	-6,173
62	Parish Precepts		67	-	67
-1,324	(Surpluses)/Deficits On Trading Undertakings Not Included In Net Cost Of Services		-111	465	-576
26,937	Interest Payable And Similar Charges – External Interest		25,500	-	25,500
11,229	Contribution Of Housing Capital Receipts To Government Pool		9,428	-	9,428
-3,699	Interest & Investment Income		-	5,406	-5,406
2,834	Pension Interest Costs And Expected Return		201	-	201
3	Taxation		-	-	-
<b>350,624</b>	<b>Net Operating Expenditure</b>		<b>723,723</b>	<b>508,310</b>	<b>215,413</b>
	<b>Financed by</b>				
-97,016	Council Tax Income				-101,130
-101,254	Non Domestic Rates				-91,064
-158,645	Revenue Support Grant				-17,579
-	Collection Fund Surplus				-368
<b>-6,291</b>	<b>Net Income and Expenditure Account (Surplus) / Deficit For The Year</b>				<b>5,272</b>



## RECONCILIATION OF THE SINGLE ENTITY SURPLUS OR DEFICIT FOR THE YEAR TO THE GROUP SURPLUS OR DEFICIT

2005 / 06 £'000		Note	2006 / 07 £'000
-6,751	(Surplus)/deficit on the authority's single entity Income & Expenditure A/C		4,608
560	Adjustments for transaction with other group entities		936
<b>-6,191</b>	<b>Surplus in the Group Income &amp; Expenditure A/C attributable to the authority</b>		<b>5,544</b>
	(Surplus)/deficit in the Group Income & Expenditure Accounts attributable to group entities (adjusted for intra-group transactions)		
-100	Subsidiaries		-272
-	Associates		-
-	Joint ventures		-
<b>-6,291</b>	<b>Group Account surplus or deficit for the year</b>		<b>5,272</b>

## GROUP STATEMENT OF TOTAL RECOGNISED GAINS & LOSSES

2005 / 06 £'000		Note	2006 / 07 £'000
-6,291	Net surplus or deficit for the year		5,272
57,077	Surplus or deficit on revaluation of fixed assets		-132,267
13,668	Actuarial gains and losses on pension fund asset and liabilities		-48,056
-	Any other gains or losses recognised in the STRGL		-2,605
<b>64,454</b>	<b>Total recognised gains and losses for the year</b>		<b>-177,656</b>



## GROUP BALANCE SHEET

31.03.06 £'000		Notes	31.03.07 £'000
	<b>Fixed Assets</b>		
2,127	Intangible Fixed Assets	1	1,985
	Tangible Fixed Assets		
	Operational Assets		
722,396	Council Dwellings		801,723
288,999	Other land and buildings		341,589
5,064	Vehicles, Plant and Equipment		4,817
87,527	Infrastructure		95,907
3,275	Community Assets		4,455
53,794	Non Operational Assets		82,362
-	Deferred Charges		-
10,765	Long - Term Investments		10,765
9,399	Long - Term Debtors		8,919
<b>1,183,346</b>	<b>Total Long-Term Assets</b>	<b>2</b>	<b>1,352,522</b>
	<b>Current Assets</b>		
-	Intangible Current Assets		2,493
4,095	Stocks and Work in Progress		1,082
40,857	Debtors and Payments in Advance	3	44,739
32,388	Investments	4	26,805
11,113	Cash in Hand		6,193
	<b>Current Liabilities</b>		
757	Short Term Borrowing		1,077
36	Overdraft		-
72,469	Creditors and Receipts In Advance	5	73,898
72,518	Government Grants Deferred/Unapplied		97,125
<b>1,126,019</b>	<b>Total Assets less Current Liabilities</b>		<b>1,261,734</b>
369,127	Long Term Borrowing		368,210
200,406	Liability related to defined benefit pension scheme	6	158,249
23,565	Deferred Liabilities		21,565
15,126	Provisions	7	18,259
<b>517,795</b>	<b>Total Assets less Liabilities</b>		<b>695,451</b>
	<b>Financed by</b>		
424,572	Fixed Asset Restatement Account		537,390
233,971	Capital Financing Account		263,091
-	Usable Capital Receipts Reserve		-
-200,406	Pension Reserve	6	-158,249
2,119	Major Repairs Reserve		2,604
21,996	Earmarked Reserves	8	22,564
23,328	General Fund Balances	8	21,489
-	Collection Fund Balance		505
10,766	Housing Revenue Account		4,337
1,449	Retained P&L Reserves	9	1,720
<b>517,795</b>	<b>Total Net Worth</b>		<b>695,451</b>



## GROUP CASH FLOW STATEMENT

2005/06 £'000		Notes	2006/07 £'000	2006/07 £'000
-74,102	<b>Net Cash Inflow / Outflow from Revenue Activities</b>	1		-47,993
	<b>Returns on investments and servicing of finance</b>			
	<i>Cash outflows</i>			
27,231	Interest paid		26,392	
	<i>Cash inflows</i>			
-3,449	Interest received		-2,912	
<b>23,782</b>	<b>Net Cash Outflow form Servicing of Finance</b>			<b>23,480</b>
27	<b>Taxation</b>			<b>20</b>
	<b>Capital expenditure and financial investments</b>			
	<i>Cash outflow</i>			
118,339	Purchase of fixed assets		82,629	
13,451	Deferred charges		12,618	
	<i>Cash inflows</i>			
-20,342	Sale of fixed assets		-24,524	
-21,121	Capital grants received		-37,225	
-656	Other capital receipts		-428	
<b>89,671</b>	<b>Net Cash Outflow from Capital Activities</b>			<b>33,070</b>
<b>39,378</b>	<b>Net Cash Outflow before financing</b>			<b>8,577</b>
	<b>Management of liquid resources</b>			
5,403	Net increase / decrease in short-term deposits			-5,583
	<b>Financing</b>			
	<i>Cash outflows</i>			
5,331	Repayments of amounts borrowed long term		936	
	Repayments of amounts borrowed deferred purchase		245	
	Repayments of amounts borrowed transferred debt		1,038	
	Repayments of amounts borrowed short term		-320	
	<i>Cash inflows</i>			
-52,500	New long term loans raised		-	
	New short term loans raised		-	
<b>-47,169</b>	<b>Net Cash Outflow from Financing</b>			<b>1,899</b>
<b>-2,388</b>	<b>Net increase (-) / decrease in cash</b>			<b>4,893</b>



## Notes To The Group Income And Expenditure Account

### 1. Non Distributed Costs

This heading includes costs of holding surplus assets together with costs associated with past service costs of pensionable employees. The past service costs include the total for the Group as follows:

2005/06 £'000		2006/07 £'000
1,854		625
47	Wigan Council	100
<u>1,901</u>	Wigan & Leigh Housing Ltd	<u>725</u>

## Notes To The Group Balance Sheet

### 1. Intangible Assets

All the companies contained within the group were established by the Council, therefore goodwill is not applicable.

### 2. Fixed Assets – Other Land & Buildings and Vehicles, Plant & Equipment

This figure includes the fixed assets of the Wigan Metropolitan Development Company Limited. The Wigan and Leigh Housing Company Limited holds no assets.

### 3. Debtors & Payments in Advance

Debtors of the Group have been incorporated into this figure. In addition, intra group balances have also been removed.

### 4. Investments

This figure includes investments held by the Wigan Metropolitan Development Company Limited.

### 5. Creditors

Creditors of the Group have been incorporated into this figure. In addition, intra group balances have also been removed.



## 6. Liability relating to Defined Pension Scheme / Pension Reserve

This figure includes the recognised net pension liability for the Wigan Council Group, and it is matched by a pension reserve. The Liability shown in this case relates to :-

2005/06 £'000		2006/07 £'000
190,934	Wigan Council	150,497
9,472	Wigan & Leigh Housing Ltd	7,752
<b>200,406</b>		<b>158,249</b>

It should be noted that whilst Wigan Metropolitan Development Company Ltd participates in the Greater Manchester Pension fund, which is a defined benefit scheme, it is unable to identify its share of the underlying assets and liabilities. Therefore the scheme is treated as a defined contribution scheme for the purposes of the group accounts.

## 7. Provisions

Include the single entity provisions contained in the main statements in Note 22 together with a deferred tax provision of £100k from the WMDC.

## 8. Earmarked Reserves and General Fund Balances

As part of consolidating the Wigan Council Group any intra group transactions need to be removed. In this instance, the Council made a contribution from balances of £2.0m to the WMDC - this transaction has been eliminated from the statement. In the event of the company winding up, the company is required to repay the Council, to the extent that the resources are available, the full value of the contribution.

## 9. Income and Expenditure Reserve

This represents the accumulated reserves of the Wigan Council Group as follows :-

2005/06 £'000		2006/07 £'000
1,453	Wigan Metropolitan Development Company Limited	1,646
29	Wigan & Leigh Housing Limited	74
<b>1,482</b>		<b>1,720</b>



## Notes To The Group Cash Flow Statement

### 1. Revenue Activities

The Net Cash Flow can be reconciled to the Consolidated Revenue Account as follows :-

2005/06 £'000		2006/07 £'000
-8,068	<b>Deficit/(-) Surplus for the Year</b>	-387
3	Corporation Tax	-
52	Government Grant	47
-171	Depreciation	-155
-13,486	Revenue Contribution to Capital	-16,758
-31,169	Repayment of Debt	-24,993
8,589	Payment to Capital Receipts Pool	7,608
-28	Use of Reserves and Provisions	-1,576
-	Profit / Loss on disposals	116
2	Movement on HRA Balances	6,429
9,413	Removal of Deferred Charges	2,043
-27,217	Interest Paid	-26,392
3,433	Interest Received	2,866
	<b>Items on accruals basis</b>	
-241	Work in Progress	-
312	Stocks	514
-13,232	Creditors	-1,699
-2,294	Debtors	4,344
<b>-74,102</b>	<b>Revenue Activities Net Cash Flow</b>	<b>-47,993</b>