

# Other Financial Statements

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## HOUSING REVENUE ACCOUNT FOR YEAR ENDED 31 MARCH 2008

2006/07 £'000		Notes	2007/08 £'000
	<b>Income</b>		
59,778	Dwelling Rents	1	63,529
632	Non-dwelling Rents	2	700
2,536	Charges for Services & Facilities	3	2,530
673	Contributions towards Expenditure	4	1,210
6,647	Housing Revenue Account Subsidy	5	4,806
0	Sums directed by the Secretary of State that are income in accordance with UK GAAP		0
<b>70,266</b>	<b>Total Income</b>		<b>72,775</b>
	<b>Expenditure</b>		
15,610	Repairs & Maintenance	6	16,610
15,193	Supervision & Management	7	15,741
27	Rents, Rates, Taxes and Other Charges	8	26
0	Negative housing revenue account subsidiary payable (inc MRA element)		0
0	Negative housing revenue account subsidiary transferable to the general fund under the transitional arrangements		0
13,957	Depreciation and impairment of Fixed Assets	9	40,426
47	Debt Management Costs	10	41
589	Increase in Bad Debts Provision	11	583
0	Sums directed by the Secretary of State that are expenditure in accordance with UK GAAP		0
0	Transfer to General Fund		0
<b>45,423</b>	<b>Total Expenditure</b>		<b>73,427</b>
<b>-24,843</b>	<b>Net Cost Of HRA Services Per Authority Income and Expenditure Account</b>		<b>652</b>
285	HRA services share of Corporate and Democratic Core		179
0	HRA share of other amounts included in the whole authority Net of Cost of Services but not allocated to specific services		0
<b>-24,558</b>	<b>Net Cost of HRA Services</b>		<b>831</b>
0	Gain (-) or loss on sale of HRA fixed assets		120
15,340	Interest payable and similar charges	12	15,558
0	Amortisation of premiums and discounts		0
-551	Interest and investment income	13	-360
0	Pensions interest cost and expected return on pensions assets		0
<b>-9,769</b>	<b>Surplus (-) or deficit for the year on HRA services</b>		<b>16,149</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

2006/07 £'000		Notes	2007/08 £'000
-9,769	Surplus (-) or deficit for the year on the HRA Income and Expenditure Account		16,149
16,198	Net additional amount required by statute to be debited or (credited) to the HRA balance for the year		-19,366
<b>6,429</b>	<b>Increase (-) or decrease in the Housing Revenue Account Balance</b>		<b>-3,217</b>
-10,766	Housing Revenue Account surplus brought forward	14	-4,337
<b>-4,337</b>	<b>Housing Revenue Account surplus carried forward</b>		<b>-7,554</b>

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

2006/07 £'000		Notes	2007/08 £'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		-
-178	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)	15	-26,644
-	Gain or loss on sale of HRA fixed assets		-120
-	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		-
-178			<b>-26,764</b>
	<b>Items not included in the HRA Income and Expenditure Account but included in the movement on HRA balance for the year</b>		
-124	Transfer to/(from) Major Repairs Reserve	16	-128
-	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	17	-
16,500	Capital expenditure funded by the HRA	18	7,526
16,376			7,398
<b>16,198</b>	<b>Net additional amount required by statute to be debited or (credited) to the HRA Balance for the year</b>		<b>-19,366</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 2007/08 the void property rent loss was 1.18% compared with 1.45% in 2006/07.

### 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 heating, lighting, caretaking, wardens etc.

### 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:

2006/07 £'000		2007/08 £'000
	<b>Expenditure</b>	
32,974	Management & Maintenance	33,274
13,655	Major Repairs Allowance	13,653
8,294	Charges for Capital	8,423
10,984	ALMO Allowance	10,984
29	Admissible Allowance	0
0	Anti Social Behaviour Allowance	0
657	Rental Constraint Allowance	1,717
<b>66,593</b>	<b>Total Expenditure</b>	<b>68,051</b>
	<b>Income</b>	
59,947	Housing Rents	63,153
10	Interest Received	7
<b>59,957</b>	<b>Total Income</b>	<b>63,160</b>
<b>6,636</b>	<b>Housing Subsidy due for the year</b>	<b>4,891</b>
11	Adjustments to previous years claims	-85
<b>6,647</b>	<b>Housing Subsidy shown in the accounts</b>	<b>4,806</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 Leigh Building Services 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 2007/08 are as follows:

	£'000
Depreciation on Operational Assets – Dwellings	13,578
Depreciation on Operational Assets - Other Land & Buildings	55
Depreciation on Non - Operational Assets	74
<b>Total Depreciation</b>	<b>13,707</b>
Impairment	26,719
<b>Total Depreciation and Impairment</b>	<b>40,426</b>

The Impairment charge represents the value of non enhancing capital expenditure on HRA dwellings in 2007/08.

## Stock Numbers & Valuations

	1 <sup>st</sup> April 2007	31 <sup>st</sup> March 2008	Change Number	Change %
<b>Houses</b>				
1 Bedroom	2,411	2,407	-4	-0.17
2 Bedrooms	4,639	4,589	-50	-1.08
3 Bedrooms	10,315	10,187	-128	-1.24
4 or more Bedrooms	278	275	-3	-1.08
<b>Total Houses</b>	<b>17,643</b>	<b>17,458</b>	<b>-185</b>	<b>-1.05</b>
<b>Flats</b>				
1 Bedroom	3,291	3,280	-11	-0.33
2 Bedrooms	2,079	2,069	-10	-0.48
3 or more Bedrooms	80	81	1	1.25
<b>Total Flats</b>	<b>5,450</b>	<b>5,430</b>	<b>-20</b>	<b>-0.37</b>
<b>Total Houses &amp; Flats</b>	<b>23,093</b>	<b>22,888</b>	<b>-205</b>	<b>-0.89</b>



The balance sheet value for HRA assets is as follows

	1 <sup>st</sup> April 2007 £'000	31 <sup>st</sup> March 2008 £'000
Operational Assets – Dwellings	801,723	867,767
Operational Assets – Other	1,398	1,688
Non Operational Assets	6,979	8,214
<b>Total HRA Assets</b>	<b>810,100</b>	<b>877,669</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 1st April 2007 has been assessed at £1.85bn. 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 £583k in 2007/08 compared with £589k in 2006/07.

Cumulative provisions for uncollectable debts are as follows:

	£'000
31 March 2007	3,619
31 March 2008	3,861

Rent Arrears are analysed below:

31 March 2007			31 March 2008	
£'000	%		£'000	%
1,358	4.50	Current Tenants Arrears	1,371	4.28
2,763	9.14	Former Tenants Arrears	2,809	8.77
1,050	3.47	Overpaid Housing Benefit	998	3.11
<b>5,171</b>	<b>17.11</b>	<b>Total Arrears</b>	<b>5,178</b>	<b>16.16</b>

## 12. Interest payable and similar charges

This is interest payable on the HRA debt outstanding. As at 31st March 2008 the amount of HRA debt outstanding was £218 million.

## 13. HRA Interest and Investment Income

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

## 14. Surplus at 31st March 2008

This is the accumulated HRA surplus as at 31st March 2008 and includes part of the additional rental income from 2007/08 in which there were 53 rent weeks.



### 15. 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 government grants deferred.

### 16. 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 2007/08

	£'000
Opening Balance at 1 <sup>st</sup> April 2007	2,604
Transfers INTO the MRR 2007/08	13,782
Transfers FROM the MRR to the HRA in 2007/08	- 128
Expenditure charged TO the MRR in 2007/08	- 16,258
Principal repayments charged TO the MRR in 2007/08	0
<b>Closing Balance at 31<sup>st</sup> March 2008</b>	<b>0</b>

### 17. 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.

### 18. Capital Expenditure funded by the HRA

There have been Revenue Contributions to Capital Expenditure of £7.5m in 2007/08. The sources of funding for the 2007/08 Capital Programme are shown below:

#### Capital Expenditure and Funding 2007/08

	£'000
<b>Capital Expenditure 2007/08</b>	<b>25,933</b>
<b>Funded by:</b>	
Borrowing	0
Usable Capital Receipts	2,149
Other Grants and Contributions	0
Revenue Contributions to Capital Expenditure	7,526
Contributions from the Major Repairs Reserve	16,258
<b>Total Funding 2007/08</b>	<b>25,933</b>

#### Summary of Capital Receipts 2007/08

	£'000
Disposal of Dwellings (Right to Buy)	11,228
Disposal of Land & Other Property	876
<b>Total Capital Receipts 2007/08</b>	<b>12,104</b>



## THE COLLECTION FUND 2007/08

2006/07 £'000		Notes	2007/08 £'000	2007/08 £'000
	<b>Income</b>			
	<b>Council Tax</b>			
96,999	Net Council Tax Receivable	1	101,399	
-1	Add : Transfers from General Fund			
19,455	Transitional Relief Grant		-3	
	Council Tax Benefit		20,084	
<b>116,453</b>				<b>121,480</b>
	<b>Community Charge</b>			
3	Adjustment of Previous Years Community Charges	2		0
	<b>National Non Domestic Rates (NNDR)</b>			
64,100	Income from Business Ratepayers	3		66,200
<b>180,556</b>				<b>187,680</b>
	<b>Expenditure</b>			
101,130	Wigan Council General Fund		105,360	
4,362	GM Fire Precept		4,544	
10,407	GM Police Precept		10,998	120,902
399	Distribution of previous years surplus			280
391	NNDR Cost of Collection Allowance			388
63,709	NNDR Contribution to National Pool	3		65,812
507	Increase in Bad Debts Provision	4		482
<b>180,905</b>				<b>187,864</b>
<b>-349</b>	<b>Change in Fund Balance for Year</b>			<b>-184</b>
<b>927</b>	<b>Balance B/fwd</b>			<b>578</b>
<b>578</b>	<b>Balance C/fwd</b>			<b>394</b>

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## 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 £1,276.49. This was based on a Band D equivalent tax base of 94,661 properties, set by the Executive Director of Business Support Services in January 2007 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
36,721	20,566	17,845	10,230	6,085	2,306	874	34	94,661

## 2. Community Charge

Adjustments of previous years' Community Charges include: -

2006/07 £'000		2007/08 £'000
34	Gross Charge	88
-34	Less : Write-offs	-88
-		-
3	Provision for Bad Debts Reduction	-
<b>3</b>	<b>Total Adjustment for Previous Years</b>	<b>-</b>

During 2007/08 the remaining uncollected Community Charge was written off.

## 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:

2006/07 £'000	2006/07 £'000		2007/08 £'000	2007/08 £'000
7,442	72,271	Gross Debit for the year		75,385
729	8,171	Less: Allowances and reliefs	8,624	
	<b>64,100</b>	Less: Provision for Bad Debts	561	9,185
		Income from Business Ratepayers		<b>66,200</b>
	391	Less: Costs of Collection		388
	<b>63,709</b>	<b>Contribution to NNDR Pool</b>		<b>65,812</b>

The total non-domestic rateable value at the year-end was £181,675,042. 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 2007/08 are 44.1p for Qualifying Small Businesses and 44.4p 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 SORP 2007 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 and Leigh Sports Village 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 and Leigh Sports Village participate 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 58 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. 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-FRS17 profit of £48,246 and a post FRS17 loss of £357,754 for the financial year 2007/08. 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. 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 £6,217 for the financial year 2007/08. 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. The Company was formed at the end of 2004/05 and 2007/08 was the first year of trading. The Company manages the sports facilities at the Leigh Sports Village site. Copies of the accounts are available at Wigan Investment Centre, Waterside Drive, Wigan, Lancs. WN3 5OA.



## GROUP INCOME AND EXPENDITURE ACCOUNT

2006/07 Net Expenditure		Notes	2007/08 Gross Expenditure	2007/08 Income	2007/08 Net Expenditure
£'000			£'000	£'000	£'000
	<b>Expenditure On Services</b>				
3,362	Central Services To The Public		30,334	25,929	4,405
148	Court Services		538	16	522
47,271	Cultural, Environmental & Planning Services		81,052	27,966	53,086
26,457	Children and Young Peoples Services		274,731	248,293	26,438
32,237	Highways, Roads & Transport Services		44,123	11,224	32,899
-23,190	Housing Services (inc. HRA)		139,299	138,221	1,078
88,795	Adult Services		149,774	60,164	89,610
8,067	Corporate & Democratic Core		8,958	629	8,329
725	Non Distributed Costs	1	3,254	1,741	1,513
8,500	Exceptional Item - Equal Pay		0	0	0
<b>192,372</b>	<b>Net Cost Of General Fund Services</b>		<b>732,063</b>	<b>514,183</b>	<b>217,880</b>
-6,173	Gain Or Loss On Disposal Of Fixed Assets				-1,383
67	Parish Precepts				69
-576	(Surpluses)/Deficits On Trading Undertakings Not Included In Net Cost Of Services				-1,822
25,500	Interest Payable And Similar Charges – External Interest				31,251
9,428	Contribution Of Housing Capital Receipts To Government Pool				7,693
-5,406	Interest & Investment Income				-4,915
201	Pension Interest Costs And Expected Return				-1,374
-	Taxation				13
<b>215,413</b>	<b>Net Operating Expenditure</b>		<b>737,521</b>	<b>514,183</b>	<b>247,412</b>
	<b>Financed by</b>				
-101,130	Council Tax Income				-105,360
-91,064	Non Domestic Rates				-96,242
-17,579	Government Grants				-17,479
-368	Collection Fund Surplus				-249
<b>5,272</b>	<b>Net Income and Expenditure Account (Surplus) / Deficit For The Year</b>				<b>28,082</b>



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

2006 / 07 £'000		Note	2007 / 08 £'000
4,608	Surplus (-) / deficit on the authority's single entity Income & Expenditure Account		27,697
936	Adjustments for transaction with other group entities		0
<b>5,544</b>	<b>Surplus in the Group Income &amp; Expenditure A/C attributable to the authority</b>		<b>27,697</b>
	Surplus (-) / deficit in the Group Income & Expenditure Accounts attributable to group entities (adjusted for intra-group transactions)		
-272	Subsidiaries		385
0	Associates		0
0	Joint ventures		0
<b>5,272</b>	<b>Group Account surplus (-) or deficit for the year</b>		<b>28,082</b>

## GROUP STATEMENT OF TOTAL RECOGNISED GAINS & LOSSES

2006 / 07 £'000		Note	2007 / 08 £'000
5,272	Net surplus (-) or deficit for the year		28,082
-132,267	Surplus (-) or deficit on revaluation of fixed assets		-137,492
-48,056	Actuarial gains and losses on pension fund asset and liabilities		-46,855
-3,141	Any other gains or losses recognised in the STRGL		-581
<b>-178,192</b>	<b>Total recognised gains (-) and losses for the year</b>		<b>-156,846</b>



## GROUP BALANCE SHEET

31.03.07 £'000		Notes	31.03.08 £'000
	<b>Fixed Assets</b>		
1,985	Intangible Fixed Assets	1	1,918
	Tangible Fixed Assets		
	Operational Assets		
801,723	Council Dwellings		867,767
341,589	Other land and buildings		366,071
4,817	Vehicles, Plant and Equipment		4,842
95,907	Infrastructure		98,479
4,455	Community Assets		4,610
	Non Operational Assets		
82,362	Investment Properties		44,694
	Assets under Construction		44,812
	Surplus Assets		23,304
10,765	Long - Term Investments		10,766
9,455	Long - Term Debtors		9,241
<b>1,353,058</b>	<b>Total Long-Term Assets</b>	<b>2</b>	<b>1,476,504</b>
	<b>Current Assets</b>		
2,493	Intangible Current Assets		216
1,082	Stocks and Work in Progress		1,180
44,739	Debtors and Payments in Advance	3	45,733
26,805	Investments	4	45,301
6,193	Cash in Hand		10,612
	<b>Current Liabilities</b>		
1,077	Short Term Borrowing		11,324
-	Overdraft		-
73,898	Creditors and Receipts In Advance	5	82,575
<b>1,359,395</b>	<b>Total Assets less Current Liabilities</b>		<b>1,485,647</b>
	<b>Liabilities</b>		
368,210	Long Term Borrowing		360,843
158,249	Liability related to defined benefit pension scheme	6	110,582
97,125	Government Grants Deferred/Unapplied		133,146
21,565	Deferred Liabilities		18,388
18,259	Provisions	7	9,855
<b>695,987</b>	<b>Total Assets less Liabilities</b>		<b>852,833</b>
	<b>Financed by</b>		
801,017	Capital Adjustment Account		797,142
-	Financial Instruments Adjustment Account		-
-	Revaluation Reserve		103,967
-	Usable Capital Receipts Reserve		-
-158,249	Pension Reserve	6	-110,582
2,604	Major Repairs Reserve		-
22,564	Earmarked Reserves	8	24,861
21,489	General Fund Balances	8	27,898
505	Collection Fund Balance		343
4,337	Housing Revenue Account		7,554
1,720	Retained Profit & Loss Reserves	9	1,650
<b>695,987</b>	<b>Total Net Worth</b>		<b>852,833</b>



## GROUP CASH FLOW STATEMENT

2006/07 £'000		Notes	2007/08 £'000	2007/08 £'000
-47,993	<b>Net Cash Inflow (-) / Outflow from Revenue Activities</b>	1		-65,275
	<b>Returns on Investments and Servicing of Finance</b>			
	<i>Cash outflows</i>			
26,392	Interest paid		29,801	
	<i>Cash inflows</i>			
-2,912	Interest received		-2,083	
<b>23,480</b>	<b>Net Cash Outflow from Servicing of Finance</b>			<b>-37,557</b>
20	<b>Taxation</b>			71
	<b>Capital Activities</b>			
	<i>Cash outflows</i>			
82,629	Purchase of fixed assets		71,752	
12,618	Deferred charges		21,154	
	<i>Cash inflows</i>			
-24,524	Sale of fixed assets		-20,007	
-37,225	Capital grants received		-54,460	
-428	Other capital cash receipts		-424	
<b>33,070</b>	<b>Net Cash Outflow from Capital Activities</b>			<b>18,015</b>
<b>8,577</b>	<b>Net Cash Outflow Before Financing</b>			<b>-19,471</b>
	<b>Management of Liquid Resources</b>			
-5,583	Net increase / decrease in short-term deposits			18,551
	<b>Financing</b>			
	<i>Cash outflows</i>			
1,899	Repayments of amounts borrowed		6,812	
	<i>Cash inflows</i>			
-	New long term loans raised		-	
-	New short term loans raised		-10,246	
<b>1,899</b>	<b>Net Cash Outflow from Financing</b>			<b>-3,434</b>
<b>4,893</b>	<b>Net increase (-) / decrease in cash</b>			<b>-4,354</b>

## Notes To The Group Income And Expenditure Account

### 1. Non Distributed Costs

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

2006/07 £'000		2007/08 £'000
625	Wigan Council	1,513
100	Wigan & Leigh Housing Ltd	0
<b>725</b>		<b>1,513</b>



## 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 and Leigh Sports Village. 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 short term deposits 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 :-

2006/07 £'000		2007/08 £'000
150,497	Wigan Council	107,270
7,752	Wigan & Leigh Housing Ltd	3,312
<b>158,249</b>		<b>110,582</b>

It should be noted that whilst Wigan Metropolitan Development Company Ltd and Leigh Sports Village participate 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 statements.

### 7. Provisions

These include the single entity provisions contained in the main statements in Note 22 together with a deferred tax provision of £0.125m from the Wigan Metropolitan Development Company Ltd.



## 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 £2m to the Wigan Metropolitan Development Company Ltd, 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. Retained Profit and Loss Reserves

This represents the accumulated reserves of the three companies included as subsidiaries as follows :-

2006/07 £'000		2007/08 £'000
1,646	Wigan Metropolitan Development Company Limited	1,572
74	Wigan & Leigh Housing Limited	111
0	Leigh Sports Village	-33
<b>1,720</b>		<b>1,650</b>

## Notes To The Group Cash Flow Statement

### 1. Revenue Activities

The Net Cash Flow can be reconciled to the Income & Expenditure Account as follows :-

2006/07 £'000		2007/08 £'000
<b>-387</b>	<b>Deficit/(-) Surplus for the Year</b>	<b>-4,273</b>
-	Corporation Tax	-
47	Government Grant	47
-155	Depreciation	-155
-16,758	Revenue Contribution to Capital	-9,295
-24,993	Repayment of Debt	-25,380
7,608	Payment to Capital Receipts Pool	6,041
-1,576	Use of Reserves and Provisions	4,261
116	Profit / Loss on disposals	51
6,429	Movement on HRA Balances	-3,217
2,043	Removal of Government Grants Deferred	2,844
-26,392	Interest Paid	-29,801
2,866	Interest Received	2,015
	<b>Items on accruals basis</b>	
-	Work in Progress	-
514	Stocks	98
-1,699	Creditors	-8,531
4,344	Debtors	319
	Intangible Current Assets	-299
<b>-47,993</b>	<b>Revenue Activities Net Cash Flow</b>	<b>-65,275</b>

