



Doncaster
Metropolitan Borough Council

Statement of Accounts 2010/11

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Doncaster Metropolitan Borough Council**

Statement of Accounts 2010/11

Contents	Page
Explanatory Foreword	3
An explanatory introduction to the financial statements and a guide to the most significant matters reported in the accounts	
The Statement of Responsibilities for the Statement of Accounts	10
A brief statement of the council's financial responsibilities and those of the Chief Financial Officer	
The Core Financial Statements:	
Comprehensive Income and Expenditure Statement	11
This statement shows the income and expenditure in the year of providing services in accordance with generally accepted accounting practices.	
Movement in Reserves Statement	12
This statement shows the movement in the year on the different reserves held by the Council, analysed into 'usable reserves' and other reserves.	
Balance Sheet	14
The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council. The net assets of the authority (assets less liabilities) are matched by the reserves held by the Council	
Cash Flow Statement	16
The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.	
Notes to the Core Financial Statements	17
Notes identify the nature and value of various entries within the core statements often providing additional information to aid the understanding of the accounts.	
Housing Revenue Account	109
The statement reflects a statutory obligation to account separately for the provision of council housing. It shows the major elements of spending and how these are met from rents, subsidy and other income.	
Collection Fund	114
This shows the transactions of the council as a charging authority in relation to the Council Tax, and how this has been distributed between the council's General Fund and other precepting authorities. It also summarises the transactions relating to the collection of business rates on behalf of the national non-domestic rates pool.	
Group Accounts	118
Doncaster Council accounts incorporating the accounts of St. Leger Homes of Doncaster Limited, The Doncaster Racecourse Management Company Limited and Digital Region Limited	
Glossary	129
An explanation of financial terms used in this statement	
Independent Auditor's Report to the Council	133

Explanatory Foreword

Introduction

This foreword provides a general guide to the significant financial matters in which the Council is involved and summarises the Council's financial performance for 2010/11. It is not the purpose of this foreword to comment on the policies of the Council, rather to explain the financial facts. The Statement of Accounts has been prepared on the basis that the Council is a going concern.

The Statement of Accounts includes all the financial statements and disclosure notes required by statute and a brief financial review for 2010/11.

This year's financial statements represent the first set of accounts produced under International Financial Reporting Standards ('IFRS').

The Code of Practice on Local Authority Accounting on which these accounts have been produced is the first to be based on IFRS and has been developed by the CIPFA / LASAAC Code Board under the oversight of the Financial Reporting Advisory Board. The Code is based on approved accounting standards issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee, except where these are inconsistent with specific statutory requirements.

The Code also draws on approved accounting standards issued by the International Public Sector Accounting Standards Board and the UK Accounting Standards Board where these provide additional guidance. The Code has been prepared on the basis of accounting standards and interpretations in effect for accounting periods commencing on or before 1 January 2010.

The adoption of these accounting standards has resulted in a review and subsequent revision of a number of the council's accounting policies. Where there have been changes to the accounting policies these have been applied to these financial statements. The most significant changes are in respect of the need to accrue for employee benefits at the year end, asset reclassifications, lease classifications and the accounting treatment of government grants. Further details are included in the relevant disclosure notes. Note 52 (Adjustments resulting from the transition to IFRS) shows the movement from UK GAAP to IFRS and the impact on the Council's previous years core financial statements.

Definitions of any technical terms used in this statement can be found in the glossary of terms section (page 129)

Core Financial Statements

The Statement of Accounts of the Council is set out between pages 11 to 132. It consists of the following financial statements that are required to be prepared under the Code:

Explanatory foreword

The purpose of the foreword is to offer an easily understandable guide to the most significant matters reported in the accounts. It provides an explanation in overall terms of the Council's financial position, and assists in the interpretation of the accounting statements. It also contains a commentary on the major influences affecting the Council's income and expenditure and cash flow, and information on the financial needs and resources of the Council.

Statement of Responsibilities for the Statement of Accounts

This explains both the Council's and the Director of Finance and Corporate Services' responsibilities in respect of the Statement of Accounts.

Statement of Accounting Policies

This statement details the legislation and principles on which the financial statements have been prepared and discloses the accounting policies that are significant to the understanding of the Statement of Accounts and the Council's financial position.

The Core Financial Statements

Comprehensive Income and Expenditure Statement

The purpose of this account is to report income and expenditure relating to all services provided by the Council and how the net costs of these services have been financed by local taxpayers and central government grants. The Comprehensive Income and Expenditure Statement is presented using the service expenditure analysis set out in CIPFA's Best Value Accounting Code of Practice (BVACOP).

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Council.

Balance Sheet

This statement summarises the Council's financial position as at 31st March 2010 and 31st March 2011. It shows the balances and reserves available to the Council, fixed and current assets employed in its operations, and its borrowing position.

Cash Flow Statement

This summarises the cash receipts and payments of the Council arising from transactions with third parties for both capital and revenue purposes.

Notes to the Core Financial Statements

The notes provide additional information to support the core statements.

Supplementary Financial Statements

Housing Revenue Account (HRA) Comprehensive Income and Expenditure Statement

This account deals with the provision and maintenance of council housing. There is a statutory requirement to keep this account separate from the account for other council services, as defined in schedule 4 of the Local Government and Housing Act 1989.

Notes to the Housing Revenue Account

The notes provide additional information to support the HRA financial statements.

Collection Fund

The Local Government Finance Act 1992 requires each billing authority to establish and maintain a Collection Fund. It shows the transactions of the Council in relation to national non domestic rates and council tax and illustrates the way in which these have been distributed to the General Fund and precepting authorities. The Collection Fund is managed by the billing authority but its accounts must be kept separate from the Council's accounts.

Group Accounts

The Group Accounts give a full picture of the Council's economic activities, financial position, accountability for resources and exposure to risk by reflecting the full extent of the Council's involvement with its group undertakings (St. Leger Homes of Doncaster Limited, The Doncaster Racecourse Management Company Limited and Digital Region Limited).

Independent Auditor's Report to the Council

This report details the basis of the external auditor's opinion on the financial statements

Financial Performance for 2010/11

Expenditure falls into two broad areas, namely revenue spending (concerning the provision of Council services) and capital spending (the acquisition and improvement of assets)

Revenue spending

General Fund Services

The General Fund represents the costs for the year of the council's major functions (excluding Housing Revenue Account) are charged. Revenue spending is generally on items that are consumed within a year, and is financed from Council Tax, Government grants and other income.

The table below represents General Fund activities only, and therefore the figures differ from those shown in the statements on pages 11 to 12 since those statements include both General Fund and HRA.

	Gross Budget £m	Net Budget £m	Outturn £m	Year-end Variance £m
Adults & Communities	144.8	93.2	92.3	(0.9)
Children & Young People's Service (excludes schools budget)	109.3	46.0	48.7	2.7
Finance & Corporate Services	150.6	30.0	26.0	(4.0)
Regeneration & Environment	104.4	55.4	47.3	(8.1)
Total Service Budgets	509.1	224.6	214.3	(10.3)
General Financing/Treasury Management	18.6	18.4	17.5	(0.9)
Levying Bodies/Parish Precepts	26.3	26.3	26.3	0
Other Centrally Funded	3.7	(25.7)	(27.4)	(1.7)
Total Council Wide	48.6	19.0	16.4	(2.6)
Total General Fund Services	557.7	243.6	230.7	(12.9)
In year carry forward requests				2.5
Total General Fund Services after carry forwards				(10.4)
Provision for the underlying deficit on the Stadium Management Company (see Note 22)				1.1
Final outturn position				(9.3)

The Council has carefully managed the 2010/11 budget to achieve a significant under spend of £9.3m following considerable efficiencies being delivered in this financial year.

This has been achieved by close management of spend to start achieving the efficiencies required in 2011/12 and reflects the hard work across the Council to manage the budgets and maximise income.

Some examples of the efficiencies and additional income generated in 2010/11 are:

- Achieving VAT refunds amounting to over £1.4m which resulted in net additional income for the Council of £1.1m as a result of the Fleming case which allowed the Council to submit backdated VAT claims;
- Achieving significant savings on the cost of waste of £1.4m which has been generated by various recycling initiatives reducing the household and organic waste tonnage and therefore reducing disposal costs. Also reducing costs on specific projects including deferring the vehicle tracking system, improved contact arrangements for bank holiday collections and a deferral of the kerbside recycling collection at flats;
- Rationalisation of the schemes within the work, skills and enterprise programme totalling £3.3m, including Aspiration Doncaster; and
- Actively seeking and obtaining substantial business rates rebates for schools and council properties amounting to £2.7m of additional income for the Dedicated Schools Grant and for Council budgets.

During the year the Council terminated the contracts of a number of employees incurring liabilities of £15.313m. A significant proportion of this (£13.784m) is payable to leavers from the rationalisation of Council services mainly through voluntary redundancy or voluntary early retirement and has been financed from revenue resources (£8.209m) and from a capitalisation direction (£5.575m). This is shown separately as an exceptional item on the face of the Comprehensive Income and Expenditure Statement with further details disclosed in Note 45 to these financial statements.

The Council has also established a provision during 2010/11 to meet the costs of the equal pay claims. This will be financed through a capitalisation direction (£2.463m). The Council has received 525 equal pay claims relating to the pay structure in place prior to the implementation of pay and grading review (December 2009). This is also shown separately as an exceptional item on the face of the Comprehensive Income and Expenditure Statement.

In the Government budget statement on 22nd June 2010 the Chancellor announced that with effect from 1st April 2011 public service pensions would be up-rated in line with the Consumer Prices Index (CPI) rather than the Retail Prices Index (RPI). This has had the effect of reducing the Council's liabilities in the South Yorkshire Local Government Pension Scheme by £57.607m and has been recognised as a past service gain.

The underlying commitments the Council has, in the long run, to pay retirement benefits is shown in Note 47. The total liability of £270.020m (2009/10: £348.658m) has a substantial impact on the net worth of the Council as recorded in the balance sheet. However, current statutory arrangements for funding the deficit mean that the financial position of the Council remains healthy insofar as the deficit on the scheme will be made good by increased contributions over the remaining life of employees, as assessed by the actuary.

The under spend in this financial year will give the Council much needed additional capacity to help achieve the substantial change programme it faces, to fund the redundancies and to provide a greater level of reserves. A report to the Council's Cabinet on the 22nd June 2011 approved the allocation of this to fund, amongst others, the ongoing Change Programme (£1.835m) and further severance costs in 2011/12 (£4.090m) which are still subject to full Council approval in July 2011.

The General Fund uncommitted revenue reserves at the end of this financial year are £5.062m (excluding the in-year under spend). Following the Cabinet meeting on the 22nd June 2011 the level of General Fund uncommitted reserves has increased to £6.385m.

Housing Revenue Account

The Council continues to be a major provider of social housing, but works closely with housing associations and other social landlords to provide affordable housing for all tenants in the Borough. From 1st October 2005, maintenance and administration of the Council's dwellings was transferred to St. Leger Homes Doncaster Limited (SLHD), an Arms Length Management Organisation, limited by guarantee and wholly owned by the Council. The Housing Revenue Account (HRA) is a ring-fenced account for the costs and income of housing people in council-owned accommodation, which ensures that no subsidy can be received from the General Fund.

There has been a reduction in the value of the Council's housing stock of £237.141m resulting from the change in the regional adjustment factor used in the detailed valuation calculation. This is shown in Note 12 Property, Plant and Equipment and in the financial statements under the Housing Revenue Account

In 2010/11 there was a year-end overspend of £1.74m giving an in-year deficit of £1.46m. The in year deficit of £1.46m will reduce the HRA balance from £6.40m as at 1st April 2010 to £4.94m as at 31st March 2011.

The Housing Revenue Account for 2010/11 is set out on pages 109 to 113

Capital spending

Capital spending is broadly defined as that spending which generates assets that have a life beyond the year in which the spending occurs. The Council's total capital spending in the year was £101.8m, which was an increase of £5.6m on the previous year. The main items of capital spending can be found listed in Note 40 and an analysis of capital expenditure is summarised below

Capital Expenditure in 2010/11 £101.8m

	Revised Estimate	Outturn	Variance	Unfinanced adjustment	Total Financing
Capital Programme	£m	£m	£m	£m	£m
Housing	56.9	53.0	3.9	0	53.0
Children and Young People Services	22.3	17.9	4.4	0	17.9
Major Projects	9.4	8.4	1.0	1.1	9.5
Transport	9.7	9.2	0.5	0	9.2
Corporate	11.7	13.3	(1.6)	0	13.3
Total	110.0	101.8	8.2	1.1	102.9

The reduced spending on capital schemes shown above is due in part to revisions to the timing of the work being carried out, and therefore the timing of the expenditure.

Capital Financing is the mechanism used to fund capital expenditure. It is an operation undertaken which ensures that sources of finance that are available are used in the most advantageous manner.

Sources of finance include government supported borrowing, prudential borrowing, receipts from the sale of Property, Plant & Equipment, government grants, contributions from sources external to the Council and contributions from revenue budgets and reserves.

In 2010/11 grants and contributions have continued to provide an important funding source for the capital programme. The Council continues to maximise the use and flexibility of such funding.

In April 2004 a prudential capital finance system was introduced which enables the Council to take out unsupported borrowing called prudential borrowing provided that it can be demonstrated as being affordable. The Council currently uses this facility to fund parts of the Major Projects capital programme. In 2011/12 the Housing capital programme will also utilise this source of funding.

An analysis of capital financing is summarised below:

Capital Financing in 2010/11 £102.9m

	£m
Grants and Contributions (in respect of expenditure incurred in year)	48.0
Supported Capital Expenditure – Revenue	35.6
Prudential Borrowing	12.6
Direct Revenue Funding	3.1
Capital Receipts	2.5
Earmarked Reserves	1.1
Total	102.9

The Council delivers a wide-ranging capital programme including a housing decency programme, school build improvements, the development of school ICT facilities, children's play facilities, investment in the road infrastructure, environmental improvement works and regeneration projects.

Initiatives include the continued progression of the Council's major projects such as Waste Strategy Projects, the Civic and Cultural Quarter and Waterfront (see Note 40 for more details).

Financial Outlook**General Fund – Revenue:**

Public finance and local government services have been the subject of much review and debate recently, particularly in the context of the public sector deficit and the new coalition Government announcement to significantly accelerate the reduction in the structural deficit over the course of the Parliament with the main burden of the deficit reduction borne by reduced spending in public services.

In February 2011 the Council agreed the 2011/12 revenue budget proposals within the context of a four year financial strategy and the national Comprehensive Spending Review (CSR) for the period 2011/12 to 2014/15.

The budget provided for the four year horizon aligned to the CSR period and contains proposals for a greater focus on efficiency and effectiveness achieved amongst other things via productivity improvement and collaboration.

The proposals focused on the effective funding of services and policy objectives; the sustainable funding of the capital programme; freezing the Council Tax for Doncaster residents; and ensuring an adequate level of non-committed revenue reserves.

The key features and assumptions of these budget proposals are summarised below

- The Council received a below average Government settlement for 2011/12, which provided for a reduction in formula grant of 11.3%, compared to the national average of 9.9%. This has been partly mitigated by £2.8m of Transition Grant in 2011/12 which was to ensure that no Council faces a reduction in 'spending power' of more than 8.8% in 2011/12;
- Council Tax to be held at the 2010/11 rate for 2011/12 and assumed increases of 2.5% increases for the 3 years 2012/13 to 2014/15 in line with the Government assumptions for local government set out in the CSR;
- The delivery of £70.6m savings over 2011/12 to 2014/15 by the Council's Change Programme, other efficiencies across council departments and changing the service offer to residents;
- The proposed total revenue expenditure budget for 2011/12 is £460.6m - covering all major funding sources - and represents a 6.3% reduction on the approved budget for 2010/11. Once grant income arising from Council Tax and Housing Benefit claims is excluded, the reduction from the approved budget for 2010/11 is 9.8%.
- The balance on the non-committed General Fund reserve is projected to amount to £4.95m by the 31st March 2012 assuming that all spending reductions for 2011/12 are delivered.

It is recognised that the local government finance settlement arising from October's CSR is extremely challenging and there are significant issues for the Council in delivering the budget proposals for 2011/12.

There is a challenging agenda and programme of service reconfiguration and cost reduction across the Council which requires the Council to deliver proposals of around £61.3m (out of the £70.6m forecast cost reductions required over the next 4 years)

There remain significant uncertainties concerning formula grant settlements for the remaining years of the CSR period and therefore the planning for additional savings must be closely monitored. The timetable for the delivery of the significant savings proposals of £29.8m for 2011/12 remains challenging. The scale of staff reductions are still to be assessed and fully detailed for individual services, however, given the significant level of savings required, they are likely to be substantial. The challenge of these significant budget reductions needs to be addressed while also ensuring the council priorities are delivered and the aspirations and ambitions of the residents are fulfilled

The Capital Programme

In February 2011, the Council reviewed and agreed amendments to the four year Capital Programme from 2010/12 to 2014/15 and included the following key items:

- Finningley and Rossington Regeneration Route Scheme (FARRRS) (£54.0m);
- White Rose Way (£26.8m);
- Civic and Cultural Quarter (£66.5m);
- Housing Decency Work (£90.6m);
- Local Transport plan (LTP) (Highways, bridges and Integrated Transport, Central pot) (£26.6m);
- The Primary Capital Programme (£12.5m);
- Campsmount School (£9.8m);
- Planned Housing Improvements (£7.1m); and

- Achieving Inclusion (£9.2m)

Resourcing the capital programme includes government grant funding, government support and external contributions. The reductions in Government allocations have been factored into the funding projections to enable a balanced programme over the four year period. Projects should only be commenced once the funding has been fully secured.

Recent developments

From the 1st April 2011 the Council has entered into a service concession agreement with Doncaster Culture & Leisure Trust (DCLT) to provide leisure and cultural facilities for use by the public at the Council's leisure facilities. To enable DCLT to provide the services the Council has agreed to transfer the business and the assets and to grant leases of the centres to the Trust on the terms set out in the agreement.

The Council's White Rose Way Improvement Scheme has secured the first part of European Union funding to enable works to start on one of the key routes into Doncaster. The improvements to this major gateway will unlock significant investment opportunities around Lakeside and the town centre encouraging new companies to choose Doncaster as a base for their business operations. The announcement in May 2011 comes on the back of the Government's recent support of the Finningley and Rossington Regeneration Route Scheme (FARRRS) through the Regional Growth Fund.



Simon Wiles
Director of Finance and Corporate Services
(section 151 officer)

30th June 2011

The Statement of Responsibilities for the Statement of Accounts

The Council's Responsibilities

The Council 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 council, that officer is the Chief Financial Officer;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- approve the Statement of Accounts.

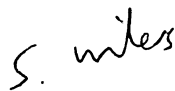
The Director of Finance and Corporate Services' (Chief Financial Officer) Responsibilities

The Director of Finance and Corporate Services as the Chief Financial Officer is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom, the Code.

In preparing this Statement of Accounts, the Director of Finance and Corporate Services has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code;
- kept proper accounting records which were up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

This Statement of Accounts presents a true and fair view of the financial position of the Council at the accounting date and its income and expenditure for the year ended 31st March 2011



Simon Wiles
Director of Finance and Corporate Services
(section 151 officer)

17th October 2011

The Core Financial Statements

Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the year of providing services in accordance with The Code rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

2009/10 (restated)				2010/11		
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£'000	£'000	£'000		£'000	£'000	£'000
			Central services to the public			
25,843	(24,193)	1,650	Local tax collection	27,000	(25,319)	1,681
435	(320)	115	Registration of births, deaths and Marriages	404	(348)	56
669	0	669	Elections	573	(5)	568
362	(11)	351	Emergency Planning	280	(3)	277
177	(198)	(21)	Local land charges	189	(183)	6
885	(414)	471	Court services	952	(421)	531
124,986	(23,981)	101,005	Cultural, environmental, regulatory and planning services	99,417	(23,899)	75,518
359,705	(266,125)	93,580	Education and children's services	358,127	(268,175)	89,952
45,848	(6,300)	39,548	Highways and transport services	40,616	(3,925)	36,691
63,858	(61,742)	2,116	Local authority housing (HRA)	61,230	(62,470)	(1,240)
96,481	(96,105)	376	Other housing services	105,662	(87,474)	18,188
107,569	(41,295)	66,274	Adult social care	115,648	(44,543)	71,105
8,363	0	8,363	Exceptional items			
0	0	0	- Redundancies	13,784	0	13,784
0	0	0	- Equal Pay	2,463	0	2,463
0	0	0	- Past Service Costs (Note 5)	(57,607)	0	(57,607)
0	0	0	- Council Dwelling Impairment (Note 5)	237,141	0	237,141
9,765	(437)	9,328	Corporate and democratic core	8,507	(257)	8,250
			Non distributed costs			
1,310	(522)	788	- past service costs	3,629	(228)	3,401
0	0	0	- surplus properties	18,158	0	18,158
846,256	(521,643)	324,613	Cost of Services	1,036,173	(517,250)	518,923
		63,941	Other operating expenditure (Note 9)			65,606
		39,391	Financing and investment income and expenditure (Note 10)			32,482
		(306,305)	Taxation and non-specific grant income (Note 11)			(309,385)
		121,640	Deficit on Provision of Services			307,626
		(130,102)	Surplus on revaluation of Property, Plant and Equipment assets (Note 24a)			(94,833)
		111,558	Actuarial (gains) / losses on pension assets / liabilities (Note 24e)			(35,020)
		(18,544)	Other Comprehensive Income and Expenditure			(129,853)
		103,096	Total Comprehensive Income and Expenditure			177,773

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves.

The Surplus or (Deficit) on the Provision of Services line shows the economic cost of providing the authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement.

These are different from the statutory amounts required to be charged to the General Fund Balance and the Housing Revenue Account for council tax setting and dwellings rent setting purposes.

The Net Increase / Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance and Housing Revenue Account Balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.

	General Fund Balance £'000	Earmarked General Fund Reserves (Note 8) £'000	Housing Revenue Account £'000	Earmarked HRA Reserves £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Total Usable Reserves £'000	Unusable Reserves (Note 24) £'000	Total Authority Reserves £'000
Balance at 31 March 2009	(7,006)	(33,749)	(6,265)	0	(8,541)	(3,147)	(8,076)	(66,784)	(914,325)	(981,109)
Movement in reserves during 2009/10										
Surplus or (deficit) on the provision of services	110,296	0	11,344	0	0	0	0	121,640	0	121,640
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	0	0	(18,544)	(18,544)
Total Comprehensive Income and Expenditure	110,296	0	11,344	0	0	0	0	121,640	(18,544)	103,096
Adjustments between accounting basis a funding basis under regulations (Note 7)	(111,098)	0	(14,975)	0	(4,857)	2,592	(1,133)	(129,471)	129,471	0
Net Increase/Decrease before Transfers to Earmarked Reserves	(802)	0	(3,631)	0	(4,857)	2,592	(1,133)	(7,831)	110,927	103,096
Transfers to/from Earmarked Reserves (Note 8)	2,643	(2,643)	0	0	0	0	0	0	0	0
Other movement in Reserves	0	0	3,501	0	(885)	0	(3,825)	(1,209)	1,098	(111)
Increase/Decrease in 2010/11	1,841	(2,643)	(130)	0	(5,742)	2,592	(4,958)	(9,040)	112,025	102,985
Balance at 31 March 2010	(5,165)	(36,392)	(6,395)	0	(14,283)	(555)	(13,034)	(75,824)	(802,300)	(878,124)

	General Fund Balance £'000	Earmarked General Fund Reserves (Note 8) £'000	Housing Revenue Account £'000	Earmarked HRA Reserves £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Total Usable Reserves £'000	Unusable Reserves (Note 24) £'000	Total Authority Reserves £'000
Balance at 31 March 2010	(5,165)	(36,392)	(6,395)	0	(14,283)	(555)	(13,034)	(75,824)	(802,300)	(878,124)
Movement in reserves during 2010/11										
Surplus or (deficit) on the provision of services	51,808	0	255,818	0	0	0	0	307,626	0	307,626
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	0	0	(129,853)	(129,853)
Total Comprehensive Income and Expenditure	51,808	0	255,818	0	0	0	0	307,626	(129,853)	177,773
Adjustments between accounting basis a funding basis under regulations (Note 7)	(56,259)	0	(254,363)	0	168	(387)	3,897	(306,944)	306,944	0
Net Increase/Decrease before Transfers to Earmarked Reserves	(4,451)	0	1,455	0	168	(387)	3,897	682	177,091	177,773
Transfers to/from Earmarked Reserves (Note 8)	(4,479)	4,479	0	0	0	0	0	0	0	0
Other movement in Reserves	(352)	0	0	0	28	0	(134)	(458)	272	(186)
Increase/Decrease in 2010/11	(9,282)	4,479	1,455	0	196	(387)	3,763	224	177,363	177,587
Balance at 31 March 2011	(14,447)	(31,913)	(4,940)	0	(14,087)	(942)	(9,271)	(75,600)	(624,937)	(700,537)

Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the authority.

The net assets of the authority (assets less liabilities) are matched by the reserves held by the authority.

Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt).

The second category of reserves is those that the authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'

1 st April 2009 (restated)		31 st March 2010 (restated)		Notes	31 st March 2011	
£'000	£'000	£'000	£'000		£'000	£'000
1,621,953		1,660,841		Property, Plant & Equipment	12	1,427,266
15,330		15,330		Investment Property	13	16,834
0		254		Intangible Assets	14	625
4,908		5,161		Long Term Investments	15	5,161
428		476		Long Term Debtors	15	745
	1,642,619		1,682,062	Long Term Assets		1,450,631
0		0		Assets Held for Sale	20	7,637
994		1,089		Inventories	16	1,103
68,890		71,587		Short Term Debtors	18	59,099
14,104		16,701		Cash & Cash Equivalents	19	32,899
0		0		Short Term Investments	15	1,000
0		0		Landfill Usage Account		850
	83,988		89,377	Current Assets		102,588
(7,138)		(12,643)		Cash & Cash Equivalents	19	(9,058)
(5,681)		(21,246)		Short Term Borrowing	15	(26,066)
(82,065)		(75,538)		Short Term Creditors	21	(72,076)
0		0		Provisions	22	(8,843)
0		(1,575)		Capital Grants and Contributions Receipts in Advance	38	(15,550)
	(94,884)		(111,002)	Current Liabilities		(131,593)
(185)		0		Long Term Creditors		0
(10,961)		(13,252)		Provisions	22	(7,991)
(337,401)		(346,473)		Long Term Borrowing	15	(369,470)
(62,885)		(61,071)		Deferred Liabilities	50	(58,271)
(9,689)		(12,859)		Capital Grants Receipts in Advance	38	(15,337)
(229,493)		(348,658)		Liability related to defined benefit pension scheme	47	(270,020)
	(650,614)		(782,313)	Long Term Liabilities		(721,089)
	981,109		878,124	Net Assets		700,537

1 st April 2009 (restated)		31 st March 2010 (restated)		Notes	31st March 2011	
£'000	£'000	£'000	£'000		£'000	£'000
				Financed by:		
				Usable Reserves	23	
7,006		5,165		General Fund Balance		14,447
33,749		36,392		Earmarked General Fund Reserves	8	31,913
6,265		6,395		Housing Revenue Account		4,940
0		0		Earmarked HRA Reserve		0
8,541		14,283		Capital Receipts Reserve		14,087
3,147		555		Major Repairs Reserve		942
8,076		13,034		Capital Grants Unapplied		9,271
	66,784		75,824			75,600
				Unusable Reserves	24	
65,653		188,209		Revaluation Reserve	24a	256,108
1,090,654		976,809		Capital Adjustment Account	24c	647,840
(1,660)		(1,757)		Financial Instruments Adjustment Account	24d	(1,120)
(229,493)		(348,658)		Pension Reserve	24e	(270,020)
70		50		Deferred Capital Receipts Reserve	24f	29
(82)		233		Collection Fund Adjustment	24g	1,048
(52)		0		Unequal Pay, Back Pay Account	24h	0
(10,765)	914,325	(12,586)	802,300	Accumulated Absences Account	24i	(8,948)
						624,937
	981,109		878,124	Total Reserves		700,537

This balance sheet was completed and authorised for issue on 17th October 2011, the date to which events after the balance sheet date have been considered.

I certify that these accounts present fairly the financial position of Doncaster Metropolitan Borough Council as at 31st March 2011.

S. Wiles

Simon Wiles
Chief Financial Officer
(Section 151 Officer)

17th October 2011

R. Jones

Cllr Ros Jones
Chair of Audit Committee

17th October 2011

Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the authority during the reporting period. The statement shows how the authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the authority are funded by way of taxation and grant income or from the recipients of services provided by the authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the authority.

31 March 2010		31 March 2011
£'000		£'000
(121,640)	Net surplus or (deficit) on the provision of services	(307,626)
195,288	Adjustments to net surplus or deficit on the provision of services for non-cash movements	358,153
(15,773)	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	(11,552)
57,875	Net cash flows from Operating Activities	38,975
(70,855)	Investing Activities (see Note 26)	(51,862)
10,072	Financing Activities (see Note 27)	32,670
(2,908)	Net increase or decrease in cash and cash equivalents	19,783
6,966	Cash and cash equivalents at the beginning of the reporting period	4,058
4,058	Cash and cash equivalents at the end of the reporting period (see Note 19)	23,841

Notes to the Core Financial Statements

1	Accounting Policies
2	Accounting Standards that have been issued but have not yet been adopted
3	Critical judgements in applying accounting
4	Assumptions made about the future and other major sources of estimation uncertainty
5	Material Items of Income & Expense
6	Events after the Balance Sheet date
7	Adjustments between accounting basis and funding basis under regulations
8	Transfers to / from Earmarked Reserves
9	Other Operating Expenditure
10	Financing and Investment Income & Expenditure
11	Taxation and Non-specific Grant Income
12	Property, Plant & Equipment
13	Investment Properties
14	Intangible Assets
15	Financial Instruments
16	Inventories
17	Construction Contracts
18	Debtors
19	Cash & Cash Equivalents
20	Assets Held for Sale
21	Creditors
22	Provisions
23	Usable Reserves
24	Unusable Reserves
24a	Revaluation Reserve
24b	Available for Sale Financial Instrument Reserve
24c	Capital Adjustment Account
24d	Financial Instruments Adjustment Account
24e	Pensions Reserve
24f	Deferred Capital Receipts Reserve
24g	Collection Fund Adjustment Account
24h	Unequal Pay, Back Pay Account
24i	Accumulated Absences Account
25	Cash Flow Statement - Operating Activities
26	Cash Flow Statement - Investing Activities
27	Cash Flow Statement - Financing Activities
28	Amounts reported for resource allocate on decisions
29	Acquired and Discontinued Operations
30	Trading Operations
31	Agency Services
32	Road charging schemes under the Transport Act 2000
33	Pooled Budget Arrangements
34	Members Allowances
35	Senior Officers Remuneration
36	External Audit Costs
37	Dedicated Schools Grant
38	Grant Income
39	Related Parties
40	Capital Expenditure and Capital Financing
41	Leases
42	Private Finance Initiatives and Similar Contracts
43	Impairment Losses
44	Capitalisation of Borrowing Costs
45	Termination Benefits
46	Pension Schemes accounted for as Defined contribution Schemes
47	Defined Benefit Pension Schemes
48	Contingent Assets and Liabilities
49	Nature and extent of risks arising from Financial Instruments
50	Deferred Liabilities
51	Trust Funds
52	Adjustments resulting from the Transition to International Financial Reporting Standards

1 Accounting Policies

General

The Statement of Accounts summarises the Council's transactions for the 2010/11 financial year and its position at the year end of 31st March 2011. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2003. These regulations require the accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting (The Code) in the United Kingdom 2010/11 (the Code) based on International Financial Reporting Standards (IFRS) and the Best Value Accounting Code of Practice 2010/11 (BVACOP). These codes are issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).

These are the first set of accounts prepared under the Code which are based on IFRS. Comparative figures for the year ended 31 March 2010 have been restated to comply with the Code and the Balance Sheet as at 1 April 2009 has also been restated on this basis for the purpose of transition.

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets.

In accordance with the Code, the Council has adopted a number of principles in selecting the accounting policies to be used. To help users to understand these policies and how they have been implemented there are corresponding disclosure notes.

Policies are reviewed regularly and are amended when a new policy more fairly represents the financial position and transactions of the Council. They are changed when a new policy becomes more appropriate to the Council's circumstances – a full disclosure of any such changes will always be provided.

The concepts that the Council has regard to in selecting and applying the most appropriate policies and estimation techniques are:

(i) The qualitative characteristics of financial information

- Relevance
- Reliability
- Comparability
- Comprehensibility
- Materiality

(ii) Common accounting concepts

Accruals;
Going concern; and
Primacy of legislative requirements

Accounting policies can be defined as the rules and practices applied, that specify how the transactions and other events are to be reflected in the financial statements through recognising, selecting measurement bases for, and presenting assets, liabilities, gains, losses and changes in reserves.

Accruals

The financial statements, other than cash flow information, are prepared on an accruals basis. The accruals basis of accounting requires the non-cash effects of the transactions to be reflected in the financial statements for the accounting period in which those effects are experienced and not in the period in which any cash is received or paid. In particular

- Fees, charges and rents due from customers are accounted for as income at the date the Council provides the relevant goods or services
- Supplies are recorded as expenditure when they are consumed - where there is a gap between the date supplies are received and their consumption, they are carried as stocks on the balance sheet
- Where income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet.

Going Concern

The accounts are prepared on a going concern basis, that is, the accounts are prepared on the assumption that the Council will continue in operational existence for the foreseeable future. This means in particular that the income and expenditure account and balance sheet assume no intention to curtail significantly the scale of operation.

Primacy of Legislative Requirements

Local authorities derive their powers from statute and their financial and accounting framework is closely controlled by primary and secondary legislation. To the extent that treatments are prescribed by law the accounting concepts outlined above may not apply in all cases. It is a fundamental principle of the Code that, where specific legislative requirements and accounting principles conflict, legislative requirements shall apply.

The following accounting policies and estimation techniques are consistent with the accounting concepts and, where appropriate, the relevant accounting standards.

Accruals of expenditure and income

The Council's revenue accounts cover the day-to-day running costs of providing services. They are prepared on an accruals basis in accordance with International Accounting Standard (IAS) 37 (IAS37 - Provisions, Contingent Liabilities and Contingent Assets) which means that adjustments are made for sums receivable or payable where the actual transaction has not been completed at the year-end.

Under accounting regulations, interest payable on borrowings and receivable on investments is accounted for on the basis of the effective rate of interest for the relevant financial instrument, rather than the cash flows fixed or determined by the contract. The accrued interest on loans and investments is added to the carrying value of the loan or investment.

Cash and cash equivalents

Cash comprises cash on hand and demand deposits.

Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes to values. Cash equivalents are held for the purpose of meeting short term cash commitments rather than for investment or other purposes.

'Short term' is defined as three months from the date of acquisition of the debt or deposit. Investments or loans with a longer maturity at acquisition do not become cash equivalents once their remaining maturity period falls to three months. This is in accordance with IAS7 - Cash Flow Statements

Collection Fund

Billing authorities in England are required by statute to maintain a separate fund for the collection and distribution of amounts due in respect of Council Tax and National Non-Domestic Rates (NNDR). The fund key features relevant to accounting for Council Tax in the core financial statements are in its capacity as a billing authority the Council acts as agent, it collects and distributes Council Tax income on behalf of the major preceptors and itself.

While the Council Tax income for the year credited to the Collection Fund is the accrued income for the year regulations determine when it should be released from the Collection Fund and transferred to the General Fund of the billing authority or paid out of the Collection Fund to major preceptors.

Up to 2008/09 the Statement of Recommended Practice (the SORP) required that the Council Tax income included in the Income and Expenditure Account was to be that required under regulation i.e. that to be transferred from the Collection Fund to the General Fund of the billing authority. From the year commencing 1 April 2009 the Council Tax income included in the Comprehensive Income and Expenditure Statement for the year shall be the accrued income for the year. The difference between the income included in the Comprehensive Income and Expenditure Statement and the amount required by regulation to be credited to the Collection Fund shall be taken to the Collection Fund Adjustment Account and included as a reconciling item in the Adjustments between Accounting Basis and Funding Basis under Regulations disclosure note.

The collection of Council Tax and NNDR Income is now treated as an agency arrangement:-

Cash collected by the billing authority from Council Tax debtors belongs proportionately to the billing authority and the major preceptors. There will be therefore a debtor/creditor position between the billing authority and each major preceptor to be recognised since the net cash paid to each major preceptor in the year will not be its share of the cash collected from Council Taxpayers;

and

Cash collected from NNDR taxpayers by billing authorities (net of the cost of collection allowance) belongs to the Government and the amount not yet paid to the Government at the Balance Sheet date shall be included in the Balance Sheet as a creditor; similarly, if cash paid to the Government exceeds the cash collected from NNDR taxpayers (net of the billing authority's cost of collection allowance), the excess shall be included in the Balance Sheet as a debtor.

Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the control of the entity.

Contingent assets are not recognised in the accounting statements but are disclosed in notes to the financial statements if an inflow of a receipt or economic benefit is considered more likely than not to occur. Such disclosures indicate the nature of the contingent asset and, when practicable, the estimated financial effects of the contingent asset. When disclosure is impractical, the fact will be stated. This is in accordance with IAS37 - Provisions, Contingent Liabilities and Contingent Assets

Contingent liabilities

A contingent liability is a liability of sufficient uncertainty that it does not qualify for recognition as a provision.

Contingent liabilities are not recognised in the accounting statements but are disclosed in notes to the financial statements unless the likelihood of a payment or a transfer of economic benefits is remote. Disclosures include the nature of the contingency and, when practicable, the estimated financial effect, an indication of the uncertainties and the possibility of any reimbursement. When disclosure is impractical, the fact will be stated. This is in accordance with IAS37 - Provisions, Contingent Liabilities and Contingent Assets

Donated Assets

Where assets are transferred for nil consideration or less than fair value (i.e. donated assets) and any conditions of the transfer have not been met the shortfall of any consideration given against fair value is credited to a Donated Assets Account. Otherwise the credit goes to the Comprehensive Income and Expenditure Statement

Employee Benefits

The Council accounts for benefits payable during employment in accordance with IAS19 - Employee Benefits

Benefits payable during employment

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within 12 months after the year end of the period in which the employee renders the service. Short-term employee benefits include wages, salaries and social security contributions; bonuses and similar payments; non-monetary benefits; and short-term compensated absences

Short-term compensated absences are split into accumulating and non-accumulating.

Accumulating compensated absences are those that can be carried forward for use in future periods if the current period's entitlements are not used in full. This includes annual leave, flexi time and time in lieu arrangements. These absences are either categorised as vesting - where employees are entitled to a cash payment for unused entitlement on leaving - or non-vesting.

Non-accumulating absences are those that cannot be carried forward for use in future periods if the current period entitlement is not used in full. This includes sick leave, maternity leave, paternity leave and jury service.

Short-term accumulating absences are recognised when employees render the services which increase their entitlement to future compensated absences. The obligation exists and is recognised at the balance sheet date.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that do not fall due wholly within 12 months after the end of the period in which the employees render the related services.

They also include long-term compensated absences such as long service or sabbatical leave; other long-service benefits; long-term disability benefits; bonuses payable 12 months or more after the end of the period in which the employees render the related service; and deferred compensation paid 12 months or more after the period in which it is earned.

Statutory provisions have been introduced that allow the council to adjust the effect of accounting for benefits on the General Fund balance. Expenses are posted to the Comprehensive Income and Expenditure Statement in accordance with the Code with adjustments being made in the Movement in Reserves Statement via the Accumulated Absences Account.

Termination benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and when the Council is demonstrably committed to the termination of the employment of an officer or group of officers or making an offer to encourage voluntary redundancy.

Post employment benefits (Pensions)

The Accounts are prepared in accordance with FRS17 on *Retirement Benefits*. The main effect of this is the recognition of the net liability and a pensions reserve in the balance sheet and entries in the Comprehensive Income and Expenditure Statement for movements in the liability relating to the employee pension schemes in which the Council participates with reconciling entries in the Movement in Reserves Statement back to the true cost of pensions for the purposes of grant and local taxation.

FRS17 is a complex accounting standard but has a simple principle;

"An organisation should account for retirement benefits when it is committed to give them, even if the actual giving will be many years in the future"

FRS17 relies on the recognition of the pension liabilities (being the retirements benefits promised measured on an actuarial basis) and assets (being the Council's share of investments (if any))

The Council participates in two pension schemes that meet the needs of employees in particular services. Both schemes provide members with defined benefits related to pay and service which are determined independently of scheme investments and employers must contribute to any deficit where assets are insufficient to meet retirement benefits.

a) Teachers

This is an unfunded scheme administered by the Department for Children, Schools and Families (DCFS). The pension cost charged in the accounts is the contribution rate set by the DCFS on the basis of a notional fund. This rate is affected by scheme surpluses and deficits but the council is unable to identify its scheme assets and liabilities on a reasonable and consistent basis. The scheme is accounted for as a defined contribution scheme as the Council's share of the underlying assets and liabilities cannot be identified.

b) Other Employees

Other employees, subject to certain qualifying criteria, are eligible to join the Local Government Superannuation Scheme, which is a funded scheme administered by the South Yorkshire Pensions Authority (SYPA). The contribution rate is set by the SYPA following actuarial advice and in accordance with government regulations. Further costs arise in respect of certain pensions paid to retired employees on an unfunded basis and these are charged to the Council as they are incurred.

The attributable assets of the scheme, until 2008/09, were measured at their 'fair value' (in effect, their mid-market value) at the balance sheet date. From 2008/09, following a change to the accounting standards, attributable assets of the scheme has been valued at 'realisable values' i.e. bid values.

The attributable scheme liabilities are measured on an actuarial basis using the projected unit method.

The scheme liabilities comprise:

- (i) any benefits promised under the formal terms of the scheme; and
- (ii) any constructive obligations for further benefits where a public statement or past practice by the Council has created a valid expectation in the employees those such benefits will be granted.

The surplus/deficit in a scheme is the excess/shortfall of the value of the assets in the scheme over/below the present value of the scheme liabilities. The Council recognises the liability in its balance sheet to the extent that it reflects its legal or constructive obligation.

In addition further information is included in note 47 to comply with Financial Reporting Standard (FRS17) on Retirement Benefits.

Pensions Reserve

The cost of providing pensions for employees is funded in accordance with the statutory requirements governing the particular pension schemes or funds in which the Council participates.

However, accounting for employees' pensions will be in accordance with FRS17 Retirement Benefits, subject to the interpretations set out in the Code.

Where the pension costs charged to the Comprehensive Income and Expenditure Statement are:

- larger than the amount payable for the year in accordance with the scheme requirements the General Fund balance will be credited with a corresponding debit to the Pensions Reserve;
- smaller than the amount payable for the year in accordance with the scheme requirements the General Fund balance will be debited with a corresponding credit to the Pensions Reserve.

The debit or the credit to the General Fund balance will be shown as a reconciling item in the Movement in Reserves Statements on the General Fund balance.

Events after the Balance Sheet date

The financial statements are adjusted to reflect events that occur after the reporting date but before the financial statements are authorised for issue, if either they provide evidence of conditions that existed at the reporting date (adjusting events).

The financial statements are not adjusted for non-adjusted events. These events are as a result of conditions that arise after the balance sheet date.

This is in accordance with IAS10 - Events after the Balance Sheet Date

Exceptional items and prior period adjustments

The council will present additional line items, headings and totals in the financial statements where such presentation is relevant to the understanding of the council's financial position and where these items of income or expense are material the council will disclose their nature and amount separately.

The council will provide a prior period adjustment in the financial statements for any item where the item arises from a material change in accounting policy or the correction of a material, fundamental error.

Financial Instruments

a) Recognition and Initial Measurement

All financial instruments must be classified, reassessed and shown on the balance sheet at the adjusted figures. All loans and investments are recognised in the accounts on the date the money was received or paid. Transaction costs associated with the acquisition of loans and investments are not material and are written off to the Comprehensive Income and Expenditure Statement in the year in which they are incurred. There are no premiums or discounts associated with any of the existing loans.

b) Classification

All financial instruments have been classified as follows:

- Financial Liabilities – recognised at amortised cost.
- Financial Assets – recognised as loans and receivables

c) Accounting for Financial Liabilities

Financial liabilities have been stated on the balance sheet at the amortised initial cost of the loan plus accrued interest, there being no requirement to perform a calculation of loan value using the effective interest rate method due to the nature of the loans held.

d) Accounting for Financial Assets

Financial assets have been stated on the balance sheet at amortised cost of the investment plus accrued interest, there being no requirement to perform a calculation of loan value using the effective interest rate method due to the nature of the investments made.

e) Impairment

A continual assessment is undertaken of the borrower's financial standing in the market by, amongst other things, credit reference agencies and general market conditions, to determine the ability of the borrower to make full repayment in accordance with their contractual arrangements.

Where impairment is deemed to be likely, it is, under normal circumstances, charged directly to the revenue account in the year of recognition.

During the financial year 2008-09 a number of Icelandic banks suffered difficulties and were unable to meet their commitments, this resulted in the impairment of one of the council's investments. Regulations issued in March 2009 allowed the authority not to charge amounts relating to impaired investments with Icelandic banks to the General Fund. Such amount is instead transferred to the Financial Instruments Adjustment Account, an account that records the timing differences between charging these amounts to the General Fund. The council has taken full advantage of the regulations, and has transferred the net impairment to the Financial Instruments Adjustment Account

f) Bad debt Provision

During the course of each financial year, provision for non-recoverable debts is made as we become aware of the facts. At the end of each financial year an assessment of each category of debt is made by reference to past performance, the current economic climate and any other relevant factors in determining additional provisions.

Government grants and other contributions

Grants and contributions (both revenue and capital) are recognised immediately in the Comprehensive Income & Expenditure Statement unless any conditions have not been met.

Where conditions have not been met, grants and contributions are shown as liabilities (grants and contributions receipts in advance) on the Balance Sheet until outstanding conditions are satisfied. The income will then be moved to grants and contributions unapplied.

Where a grant or contribution has been received and there are no outstanding conditions but the income (or part of) has not been applied as at the year end, the income will be shown as a usable reserve (grants and contributions unapplied)

This is in accordance with IAS20 - Accounting for Government Grants and Disclosure of Government Assistance.

Internal Interest

Interest earned is recorded initially in the Comprehensive Income and Expenditure Statement. Subsequently allocations are made to certain other individual funds, based on individual cash flows and an average rate of interest. Internal interest is eliminated on consolidation.

Inventories and long-term contracts

The council maintain several stores. Stock is valued at the lower of costs and net realisable value. Long term contracts / work in progress is valued at cost plus any profit attributable to the work depending on the status of the job

Investments and Interest

Interest on external investments is credited to the Comprehensive Income and Expenditure Statement when it falls due. Dividend income from investments is recognised when the council has a right to receive the dividend. Investments are carried in the balance sheet at cost plus accrued interest, less provision (where appropriate) for loss in value.

Landfill allowances schemes

The Waste and Emissions Trading Act 2003 placed a duty on waste disposal authorities (WDA) to reduce the amount of biodegradable municipal waste (BMW) to landfill. The Landfill Allowance Trading Scheme (LATS) which was introduced on 1st April 2005, is a 'cap and trade' scheme that has been set up to ensure that England meets its targets under the EU Landfill Directive.

These allowances are accounted for as an asset for allowances held, and a liability for actual BMW usage. Allowances are valued at the lower of cost and net realisable value. The liability arising from actual landfill usage will be recognised as a provision falling within the scope of IAS37 - Provisions, Contingent Liabilities and Contingent Assets

Leases and lease type arrangements

a) Finance leases, Council acting as lessee - Property, Vehicles, Plant and Equipment

An asset identified as a finance lease and where the Council is acting as the lessee will be recognised on the balance sheet at an amount equal to the fair value of the asset or, if lower, the present value of the minimum lease payments determined at the inception of the lease

The asset is matched by a liability for the obligation to pay the lessor. This liability is reduced as lease payments are made. Minimum lease payments are apportioned between the finance charge (interest) and the reduction of the deferred liability

The financing charge is charged to the Comprehensive Income and Expenditure Statement

Finance lease assets recognised on the balance sheet are re-valued and depreciated in the same way as property, plant and equipment owned by the Council. Depreciation is charged over the lease term if this is shorter than the asset's estimated useful life.

b) Finance leases, Council acting as lessor - Property, Vehicles, Plant and Equipment

An asset identified as a finance lease and where the council is acting as the lessor will be recognised on the balance sheet as a debtor at an amount equal to the net investment in the lease. The lease payment is treated as repayment of principal and finance income (interest)

Initial direct costs are included in the initial measurement of the debtor and recognised as an expense over the lease term on the same basis as the income.

Rental income from finance leases entered into after 1st April 2010 is treated as a capital receipt

c) Operating leases, Council acting as lessee - Property, Vehicles, Plant and Equipment

An asset identified as an operating lease and where the Council is acting as the lessee, the rentals will be charged to the Comprehensive Income and Expenditure Statement. Charges are made on a straight line basis over the term of the lease

d) Operating leases, Council acting as lessor - Property, Vehicles, Plant and Equipment

An asset identified as an operating lease and where the Council is acting as the lessor is retained on the balance sheet. Rental income is credited to the Comprehensive Income and Expenditure Statement. Credits are made on a straight line basis over the term of the lease

Under IFRS, the land and buildings elements of a lease of land and buildings require separate identification for both lease classification and subsequent valuation. In most cases, the land element of a lease will be an operating lease.

Non-current assets - Held for Sale

For an asset to be classified as an asset 'held for sale' the asset must meet all of the criteria below as at the balance sheet date;

- (a) The asset must be available for sale in its present condition subject to terms customary in the sale of such an asset;
- (b) The sale must be highly probable, with the appropriate level of management committed to the plan to sell;
- (c) The asset must be actively marketed for a sale price that is realistic in line with the current value; and
- (d) The sale must be expected to qualify for recognition as a completed sale within one year of the date of classification.

Where an asset meets the criteria of held for sale, except for the disposal expected within one year criteria, the asset is still classified as held for sale if it satisfies one of the situations below;

- (a) at the date an entity commits itself to a plan to sell a non-current asset (or disposal group) it reasonably expects that others (not a buyer) will impose conditions on the transfer of the asset (or disposal group) that will extend the period required to complete the sale, and:
 - (i) actions necessary to respond to those conditions cannot be initiated until after a *firm purchase commitment* is obtained, and
 - (ii) a firm purchase commitment is highly probable within one-year.
- (b) an entity obtains a firm purchase commitment and, as a result, a buyer or others unexpectedly impose conditions on the transfer of a non-current asset (or disposal group) previously classified as held for sale that will extend the period required to complete the sale, and:
 - (i) timely actions necessary to respond to the conditions have been taken, and
 - (ii) a favourable resolution of the delaying factors is expected.
- (c) during the initial one-year period, circumstances arise that were previously considered unlikely and, as a result, a non-current asset (or disposal group) previously classified as held for sale is not sold by the end of that period, and:
 - (i) during the initial one-year period the entity took action necessary to respond to the change in circumstances,
 - (ii) the non-current asset (or disposal group) is being actively marketed at a price that is reasonable, given the change in circumstances, and
 - (iii) the criteria under Asset held for sale are all met.

The Council has considered council dwellings sold under the 'Right to Buy' scheme against the asset held for sale criteria and considers that these assets are not transferred to the 'held for sale' asset category since the earliest date that the sale can be deemed probable is the transfer of the asset to the tenant i.e. the sale completion day. Council dwellings are therefore disposed of from within 'Property, Plant & Equipment' as the assets are being sold during the day to day operation of the authority and remain operational as council dwellings until the day of sale completion.

Non-current assets - Investment Property

Investment properties include land or buildings or part of a building or both held solely to earn rentals or for capital appreciation or both, rather than for:

- a) use in the production or supply of goods or services or for administrative purposes; or,

b) sale in the ordinary course of operations.

Where an asset has received full approval for disposal but the sale is delayed until economic recovery of the market these assets are considered to be held for capital appreciation.

Where earning rentals is an outcome of a regeneration policy, the property is leased to an organisation who is delivering a service to the community or rentals are being incurred as a result of the main asset being used in service delivery, the properties will be accounted for as Property, Plant & Equipment.

Non-current assets - Property, Plant and Equipment

a) Recognition & Valuation

Expenditure on the acquisition, creation or enhancement of Property, Plant & Equipment which adds value, and not merely maintains the value of an existing asset is capitalised on an accruals basis in the accounts, provided that the asset yields benefits to the council for a period of more than one year.

Property, Plant & Equipment included in the balance sheet at current value is valued in accordance with a five year rolling programme on bases recommended by CIPFA and in accordance with the Appraisal and Valuation Standards issued by the Royal Institution of Chartered Surveyors (R.I.C.S.). All assets held requiring revaluation are re-valued by the Council's internal valuers with the exception of council dwellings which are valued by the District Valuation Office.

Increases in valuations are credited to the Revaluation Reserve to recognise unrealised gains with the exception of those arising from the reversal of an impairment loss previously charged to the Comprehensive Income and Expenditure Statement.

Where decreases in value are identified they are accounted for by

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of accumulated gains)
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down in the Comprehensive Income and Expenditure Statement

Revaluation gains are depreciated with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Property, Plant & Equipment are classified into the groupings required by the Code of Practice on Local Authority Accounting. The valuation bases are: -

- Council dwellings, other land and buildings, vehicles, plant and equipment are included in the balance sheet at the lower of net current replacement cost or net realisable value in existing use.
- Infrastructure assets are included in the balance sheet at historical cost net of depreciation.
- Community assets are included at nominal value e.g. parks, or historical cost e.g. museum exhibits. It is considered appropriate to value land based assets at nominal value as this facilitates recognition of the nature of the asset and the fact that it is the Council's intention to hold assets in perpetuity.
- Net current replacement cost is assessed as:
 - i) Non-specialised operational properties – existing use value.
 - ii) Specialised operational properties – existing use value or depreciated replacement cost in the absence of an appropriate existing use value.
 - iii) Investment properties and surplus assets – market value.

b) Impairment

The annual impairment review is carried out to determine whether asset values have decreased either due to a decline in the market value, or because of a consumption of economic benefit e.g. physical damage or obsolescence.

Impairment caused by the consumption of economic benefits is considered to be similar to depreciation and is charged fully to the relevant service within the Comprehensive Income and Expenditure Statement. If the asset suffering such impairment has accumulated revaluation gains within the revaluation reserve the amount up to the value of the impairment loss can be released from the Revaluation Reserve and transferred to the Capital Adjustment Account.

Impairment not caused by the consumption of economic benefits should be written off against any revaluation gains held within the revaluation reserve relating to the asset. Any impairment with no associated gains should be charged to the relevant service within the Comprehensive Income and Expenditure Statement.

c) Disposals

Receipts from the disposal of Property, Plant & Equipment are credited to the Usable Capital Receipts Reserve and are used for new capital investment. For the Housing Revenue Account this is split into two elements, reserved and usable. The reserved element is pooled and paid over to the Department for Communities and Local Government (DCLG) under Capital Receipts Pooling Arrangements that were brought in by the Local Government Act 2003.

To account for the gain or loss on disposal the balance sheet value of the asset being disposed of is written out to the Comprehensive Income and Expenditure Statement gain/loss on disposal, the disposal receipts are credited to the Comprehensive Income and Expenditure Statement to give the net gain/loss which is then reversed out of the Comprehensive Income and Expenditure Statement as a reconciling item in the Adjustments between Accounting Basis and Funding Basis under Regulations (Note 7). Any revaluation gains in the Revaluation Reserve are transferred to the Capital Adjustment Account.

The de-minimis value set for the capitalisation of receipts is £10,000

d) Calculation of Depreciation

This is provided for on all Property, Plant & Equipment with a finite useful life (which can be determined at the time of acquisition or revaluation) according to the following policy:

- Buildings are depreciated on the basis of valuations provided by the council's property valuers. The council depreciates its assets in accordance with the requirements of the Code. A review of the remaining useful life is included as part of the annual review by Property Services. The table shown below gives an indication of the lives ascribed to the relevant asset category.

Asset Category	Useful Life
Other Land & Building	Dependent upon the asset 30, 40 or 50yrs
Vehicles, Plant & Equipment	3 - 15 years, dependent upon the asset
Infrastructure	40 years
Intangible e.g. surveys	Dependent upon the asset concerned

- Council dwellings – having considered the policy for depreciation of council dwellings the council has decided to continue with its policy of using the Major Repairs Allowance (MRA) as a proxy depreciation charge.
- Assets in the course of construction are not depreciated until they are brought into use.

For Property, Plant & Equipment, other than non-depreciable land, non-operational investment properties and assets held for sale the only ground for not charging depreciation is that the charge would be immaterial.

Depreciation is calculated using the straight-line method.

Where an item of Property, Plant and Equipment has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately. The Council has established a threshold of £0.5million for determining whether an asset needs to be componentised. This has been set at

a level where the componentisation of an asset would have only an insignificant impact upon the level of depreciation charged in the Comprehensive Income and Expenditure Statement.

e) Charges to the Comprehensive Income and Expenditure Statement

General Fund service revenue accounts, support services and trading accounts are charged with depreciation and, where required, any related impairment loss for all Property, Plant & Equipment used in the provision of services. These charges are reversed out in the Adjustments between Accounting Basis and Funding Basis under Regulations (Note 7) and therefore have a neutral impact on the amount required from local taxation. All expenditure on repairs and maintenance relating to Property, Plant & Equipment is charged to the appropriate service revenue account.

The gains or losses resulting from revaluations should be charged to the Comprehensive Income and Expenditure Statement as follows:

- Credited with any revaluation gains that reverse revaluation losses on the same asset that was charged to the services.
- Debited with revaluation losses associated with an impairment related to a clear consumption of economic benefit.
- Debited with revaluation losses not associated with a clear consumption of economic benefit in excess of the balance on the Revaluation Reserve in respect of that asset.

f) Enhancement Expenditure and De-recognition of replaced part of an asset

Enhancement expenditure on Property, Plant & Equipment will increase both the historic cost and carrying amount records. The enhancement expenditure could be in relation to one component, multiple components or for a single asset that has not been componentised.

The de-recognition of the part of the asset that is being replaced is irrespective of whether the replaced part has been separately recognised as a component. Where the carrying amount is not known (i.e. the part of the asset that is being replaced is not separately recorded in the asset register) the cost of the replacement has been used as a basis for determining the carrying amount, taking into consideration when the part would have been replaced previously, impact of inflation.

Where required the new part will be adjusted to take account of depreciation.

Overheads

The costs of overheads and support services are charged to those that benefit from the supply or service in accordance with the costing principles of the CIPFA Best Value Accounting Code of Practice 2009 (BVACOP).

The full cost of overheads and support services are shared between users in proportion to the benefits received, with the exception of:

- Corporate and Democratic Core – costs relating to the council's status as a multi-functional, democratic organisation
- Non-Distributed Costs – the cost of discretionary benefits awarded to employees retiring early and any depreciation and impairment losses chargeable on non-operational properties.

These are not charged or apportioned to service revenue accounts but are classified separately in the Comprehensive Income and Expenditure Statement.

Private Finance Initiatives and Similar Contracts

Private Finance Initiative (PFI) contracts typically involve a private sector entity constructing or enhancing property used in the provision of a council service and operating and maintaining that property for a

specified period of time. The operator is paid for its services (a unitary charge) over the period of the arrangement by the council.

The accounting treatment for such arrangements has changed under the Code. In previous years the unitary charge payment made by the council under contract was charged to the Comprehensive Income & Expenditure Statement to reflect the value of services received in year.

Under the Code property used in a PFI and similar contracts are to be recognised as an asset of the council.

Once recognised, assets are accounted for in the same way as assets acquired under more traditional arrangements in respect of depreciation, revaluation, impairment etc.

A new liability (a finance lease liability) is also recognised at the value of the related asset and is calculated using the same actuarial method as that used for finance leases under the Code.

Under the Code the unitary charge is separated into three parts; a service element which is charged direct to the Comprehensive Income & Expenditure Statement as it is incurred; and a construction element accounted for as if it were a finance lease with a part repayment of the liability and an interest element (using the interest rate implicit in the contract) which is charged to the Comprehensive Income & Expenditure Statement.

PFI and Similar Contracts are accounted for under the international accounting standard, IFRIC12 - Service Concession Arrangements

Provisions (including Bad Debt Provision)

A provision is a liability of uncertain timing or amount.

The council sets aside provisions for liabilities or losses that are likely or certain to be incurred but there is a degree of uncertainty as to the amounts or the dates on which they will arise.

Provisions are used only for the purpose for which they were established and are charged to the Comprehensive Income and Expenditure Statement.

A provision is recognised when there is a legal or constructive obligation arising from past events; it is more likely than not that there will be an outflow of benefits; and the amount can be estimated reliably.

When expenditure is incurred to which a provision relates it is charged direct to that provision.

In addition to the provisions shown in Note 22 a provision is also calculated by estimating the value of existing debtors that may not be paid and need to be written off as bad debts.

During the course of each financial year, provision for non-recoverable debts is made as we become aware of the facts. At the end of each financial year an assessment of each category of debt is made by reference to past performance, the current economic climate and any other relevant factors in determining additional provisions.

This provision is deducted from the total debtors shown in Note 18

Reserves

These are amounts set aside for purposes that fall outside the definition of provisions. They are created from surpluses on the council's trading accounts and under spending on services.

Reserves that are available to meet capital or revenue expenditure can be spent or earmarked at the discretion of the council. Expenditure is not charged direct to any reserve.

For each reserve established, the purpose, usage and the basis of transactions are identified in the notes to the core statements as shown in Notes 23 and 24

Revenue Expenditure Funded from Capital under Statute

The expenditure is charged to the Comprehensive Income and Expenditure Statement in accordance with the general provisions of the Code.

Any statutory provision that allows capital resources to meet the expenditure is accounted for by debiting the Capital Adjustment Account and crediting the General Fund balance.

This is disclosed as a reconciling item in the Adjustments between Accounting Basis and Funding Basis under Regulations Note 7.

Grants used to fund the above expenditure are credited to the Comprehensive Income and Expenditure Statement.

Value Added Tax (VAT)

VAT is included in the accounts only to the extent that it is irrecoverable

2. Accounting Standards that have been issued but have not yet been adopted

The Code of Practice on Local Authority Accounting in the United Kingdom 2011/12 (the Code) has introduced a change in accounting policy in relation to the treatment of heritage assets held by the Authority, which will need to be adopted fully by the authority in the 2011/12 financial statements.

The authority is required to disclose information relating to the impact of the accounting change on the financial statements as a result of the adoption by the Code of a new standard that has been issued, but is not yet required to be adopted by the Council, in this case, heritage assets. As is set out above, full adoption of the standard will be required for the 2011/12 financial statements. However, the Council is required to make disclosure of the estimated effect of the new standard in these financial statements. The new standard will require that a new class of asset, heritage assets, is disclosed separately in the Council's Balance Sheet in the 2011/12 financial statements.

The Council has Fine Art, Decorative Art, Hull-Grundy jewellery and Horseracing collections. A valuation undertaken by 'Tennants Auctioneers' on the silver collection in 2004 valued the collection at approximately £400k, with another £65k on loan to the Council from various churches and on display in the museum. The church silver and racing trophies are on display in secure cases.

The collections are currently insured at £16 million which also includes the civic regalia. This valuation covers the Cusworth Hall Museum and Doncaster Museum and Art Gallery (Chequer Road) assets.

Doncaster Museum and Art Gallery is accredited and must comply with the relevant code of ethics which includes an acquisition and disposal policy. If it were decided that an asset could be sold it would have to follow a set process e.g. be offered back to the donor, to another accredited museum etc before it would be sold on the open market.

These collections are not included in the asset register which only includes exhibits and a few individual assets. These collections are deemed to be held in perpetuity and are currently valued at £1 on the asset register as they do not have a realisable value until a decision is made to dispose of an asset.

The Code requires that heritage assets are measured at valuation in the 2011/12 financial statements (including the 2010/11 comparative information). The Code will permit some relaxations in the valuation requirements of heritage assets and this will mean that the Council is able to recognise more of its collections of heritage assets in the Balance Sheet. It is expected that the Council will be able to recognise its collections on the Balance Sheet using as its base the detailed insurance valuations (which are based on market values) held by the Council in respect of the collections.

The Council is unlikely to be able to recognise the majority of the assets in future financial statements as it is of the view that obtaining valuations for the vast majority of these collections would involve a disproportionate cost of obtaining the information in comparison to the benefits to the users of the Council's financial statements, this exemption is permitted by the 2011/12 Code.

There is no depreciation charged on the heritage assets that are currently classified as community assets because it has been estimated that the assets have a useful life of such length that any depreciation charge on the asset will be negligible and can be ignored on the basis of materiality. The Council considers that the heritage assets held will have indeterminate lives and a high residual value; hence the Council does not consider it appropriate to charge depreciation for the assets. There will therefore be no change to the depreciation charged in the financial statements in relation to the authority's heritage assets.

3 Critical Judgments in Applying Accounting Policies

The Council's accounting policies as set out in Note 1 and Notes to the Financial Statements include descriptions of key judgements management has made in applying the Council's accounting policies.

Areas of judgement that have the most significant effect on the amounts recognised in the Financial Statements (apart from those involving estimations which are dealt with in note 4 include the following:

Private Finance Initiative (PFI) and Similar Arrangements

The Council is deemed to control the services provided through its PFI arrangements and also to control the residual value of the assets at the end of the contract. The accounting policy for PFIs and similar contracts has been applied to these arrangements and the assets are recognised as Property, Plant and Equipment in the Council's Balance Sheet with a corresponding (finance lease) liability.

The operators' model was examined to identify the service element of the unitary charge. The service element of the unitary charge is inflated annually by an agreed indicator (e.g. Retail Price Index (RPI)) as per the contract. The implicit interest rate (IIR) was calculated by discounting the non-service element of the unitary charge at a rate that brings it back to the fair value of the asset. The fair value of the asset is taken as the construction or refurbishment costs of the scheme.

Classification of Leases

The Council has undertaken an analysis to classify the leases it holds, both as a lessee and lessor, as either operating or finance leases. The accounting policy for leases has been applied to these arrangements and additional assets are recognised as Property, Plant and Equipment in the Council's Balance Sheet.

Arrangements Containing a Lease

The Council is deemed to control assets that fall within contractual and other arrangements which involve the provision of a service using specific underlying assets and which therefore are considered to contain a lease. The accounting treatment for leases has been applied to these arrangements to determine whether the lease contained within them is a finance or an operating lease with any additional assets being recognised as Property, Plant and Equipment in the Council's Balance Sheet.

Investment Properties

The Council has reviewed all assets previously classed as investment property in accordance with the accounting policy and as a result some assets have been reclassified as Property, Plant and Equipment

Provisions and Contingent Liabilities

The council identifies a contingent liability when there is a possible liability arising from past events and whose existence will be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Council; or where an economic loss or outflow cannot be measured with sufficient reliability and it is not probable that there will be an outflow of economic benefits. Where a material loss can be identified and reliably estimated a liability is accrued in the financial statements by means of a provision. If the event is not considered sufficiently certain or the loss cannot be accurately estimated it will be disclosed as a contingent liability in a disclosure note to the financial statements.

4 Assumptions made about the future and other major sources of estimation uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Provisions (see Note 22)

Provisions are measured at the Council's best estimate of the expenditure required to settle the obligation at the Balance Sheet date, and are discounted to present value where the effect is material. However, a change in estimates could have a material impact on the carrying amount of these provisions.

Revaluation of Property, Plant and Equipment (PPE) (see Note 12)

Property, Plant and Equipment (with the exception of infrastructure, community assets, assets under construction and small value items of vehicles, plant and equipment) are re-valued on a periodic basis and tested annually for indicators of impairment. Judgements are required to make an assessment as to whether there is an indication of impairment. The impairment tests include examination of capital expenditure incurred in the financial year to ascertain whether it has resulted in an increase in value or an impairment of an asset. Advice has been provided by professional valuers employed by the Council. If the actual results differ from the assumptions the value of PPE will be over or understated. This would be adjusted when the assets are next re-valued.

Depreciation of Property, Plant & Equipment (see Note 12)

Depreciation of Property, Plant and Equipment is charged to write down the value of those assets to their residual value over their respective estimated useful lives. The Council is required to assess the useful economic lives and residual values of the assets so that depreciation is charged on a systematic basis to the current carrying amount. The current economic climate makes it uncertain that the Council will be able to sustain its current spending on repairs and maintenance bringing into doubt the useful lives assigned to assets. If the useful life of assets is reduced depreciation increases and the carrying amount of the asset falls.

Pensions Liability (see Note 47)

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied.

The underlying commitments the Council has, in the long run, to pay retirement benefits is shown in Note 47. The total liability of £270.020m has a substantial impact on the net worth of the council as recorded in the balance sheet. However, current statutory arrangements for funding the deficit mean that the financial position of the council remains healthy insofar as the deficit on the scheme will be made good by increased contributions over the remaining life of employees, as assessed by the actuary.

HR Benefits, Accumulated Absences (see Note 24i)

The Council is required to exercise judgement in calculating the accrual for employee benefits. The accrual has been calculated using a stratified sampling approach, the results of which have been extrapolated to reflect the position for the whole Council workforce.

Landsbanki Islands hf (see Note 49)

The likelihood of recovery of the £3m deposited with Landsbanki Islands hf, an Icelandic bank, has been reviewed and current relevant information indicates that recovery of 95% could be achieved, and the authority has, acting on advice received from our legal advisors, the LGA & CIPFA, assumed recovery at 95% by 2018. The authority has therefore decided to recognise an impaired return on its investment based on it recovering 95p in the pound.

However the recovery is subject to a number of uncertainties and risks.

Digital Region Limited (see Group Accounts and Note 39)

There remains a potential risk to the Council contingent on the future financial performance of Digital Region Limited which remains uncertain. However it is the company Director's view that the company will have adequate resources to continue for the foreseeable future and remain a going concern. This assumption has been used in the production of these financial statements.

De-recognition of the replaced part of an asset

The de-recognition of the part of the asset that is being replaced is irrespective of whether the replaced part has been separately recognised as a component. Where the carrying amount is not known (i.e. the part of the asset that is being replaced is not separately recorded in the asset register) the cost of the replacement has been used as a basis for determining the carrying amount, taking into consideration when the part would have been replaced previously, and the impact of inflation. Where required the new part will be adjusted to take account of depreciation.

5 Material Items of Income and Expense

Under the Code where items are not disclosed on the face of the Comprehensive Income and Expenditure Statement, the nature and amount of material items should be set out in a separate note.

These are considered below

In the UK budget statement on 22nd June 2010 the Chancellor announced that with effect from 1 April 2011 public service pensions would be up-rated in line with the Consumer Prices Index (CPI) rather than the Retail Prices Index (RPI). This has the effect of reducing the Council's liabilities in the South Yorkshire Local Government Pension Scheme by £57.607million and has been recognised as a past service gain in accordance with guidance set down in UITF Abstract 48, since the change is considered to be a change in benefit entitlement.

There has been a reduction in the value of the Council's housing stock of £237.141m resulting from the change in the regional adjustment factor used in the detailed valuation calculation.

6 Events after the Balance Sheet Date

The Statement of Accounts was authorised for issue by the Director of Finance and Corporate Services on 30th June 2011. Events taking place after this date are not reflected in the financial statements or notes.

Where events taking place before this date provided information about conditions existing at 31 March 2011, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

The financial statements and notes have not been adjusted for the following events which took place after 31 March 2011 as they provide information that is relevant to an understanding of the Authority's financial position but do not relate to conditions at that date.

Doncaster Culture & Leisure Trust (DCLT)

From the 1st April 2011, following a detailed options appraisal and stakeholder consultation, the Council has entered into a Service Concession Agreement (SCA) with Doncaster Culture & Leisure Trust (DCLT) to provide leisure and cultural facilities for use by the public at the Councils leisure facilities and to carry out the operation and maintenance of the same. To enable DCLT to provide the Services the Council has agreed to transfer the Business and the Assets and to grant leases of the Centres to the Trust on the terms set out in the SCA.

The Council requires that the Services are delivered to certain standards and levels of service which exceed the levels of potential income derived from the concession and has therefore in furtherance of its powers and functions relating to recreation, entertainment, education and sporting activities resolved to agree to pay a management fee to DCLT in return for the delivery of the Services on the terms set out in the SCA.

The management fee payable in 2011/12 is £2,884,490 (this includes a £396,000 capital commitment).

Stadium Management Company (SMC) - loan of £0.3m

An extension to the £1m overdraft facility guarantee to the SMC was approved by the Council on 2nd March 2011. However there has since been a number of events and management action taken by the SMC which have resulted in adverse cash flow implications. The Council have therefore agreed further financial assistance to the SMC in the form of loans up to £0.3m to cover the next three months of business and support of the cash flow position. The loan, approved by the Council on the 22nd June 2011, has been granted conditional on meeting certain financial and operational criteria.

7 Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total income and expenditure recognised by the Council in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure

2010/11							
	General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Earmarked Reserves (Note 8) £'000	Capital Grants Unapplied £'000	Movements in Unusable Reserves £'000
Adjustments primarily involving the Capital Adjustment Account:							
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement							
Charges for depreciation and impairment of non-current assets	(35,440)	(2,585)	0	0	0	0	38,025
Revaluation losses on Property Plant and Equipment	(44,649)	(240,412)	0	0	0	0	285,061
Movements in the market value of Investment Properties	1,504	0	0	0	0	0	(1,504)
Amortisation of intangible assets	(84)	0	0	0	0	0	84
Capital grants and contributions applied	22,737	2,776	0	0	0	0	(25,513)
Movement in the Donated Assets Account	0	0	0	0	0	0	0
Revenue expenditure funded from capital under statute	(16,170)	(3,508)	0	80	0	0	19,598
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(51,691)	(14,354)	0	0	0	0	66,045
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:							
Statutory provision for the financing of capital investment	7,657	0	0	0	0	0	(7,657)
Former SYCC debt	918	0	0	0	0	0	(918)
PFI Finance lease - principal repayment	1,397	0	0	0	0	0	(1,397)
Finance leases - principal repayments	0	0	0	0	0	0	0
Capital expenditure charged against the General Fund and HRA balances	3,614	611	0	0	0	0	(4,225)
Transfer of surplus / deficit for year on HRA	0	0	0	0	0	0	0
Net transfer to / from earmarked reserves	0	0	0	0	0	0	0
Differences between amounts debited / credited to the CI&ES and amounts payable / receivable to be recognised under statutory provisions relating to soft loans and premiums and discounts on early repayment of debt	0	(67)	0	0	0	0	67

Adjustments primarily involving the Capital Grants Unapplied Account:							
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	4,429	1,718	0	0	0	(6,147)	0
Application of grants to capital financing transferred to the Capital Adjustment Account	0	0	0	0	0	10,044	(10,044)
Adjustments primarily involving the Capital Receipts Reserve:							
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	676	1,124	(1,800)	0	0	0	0
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	2,482	0	0	0	(2,482)
Contribution from the Capital Receipts Reserve towards administrative costs of non-current asset disposals	0	0	0	0	0	0	0
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool.	(291)	0	291	0	0	0	0
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	0	0	0	0	0	0	0
Unattached capital receipts	450	334	(805)	0	0	0	21
Adjustments primarily involving the Deferred Capital Receipts Reserve (England and Wales):							
Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	0	0	0	0	0	0	0
Adjustment primarily involving the Major Repairs Reserve:							
Reversal of Major Repairs Allowance credited to the HRA	0	0	0	(12,819)	0	0	12,819
Use of the Major Repairs Reserve to finance new capital expenditure	0	0	0	12,352	0	0	(12,352)
Adjustment primarily involving the Financial Instruments Adjustment Account:							
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	614	0	0	0	0	0	(614)
Adjustments primarily involving the Pensions Reserve:							
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (See Note 47)	14,189	0	0	0	0	0	(14,189)

Employer's pensions contributions and direct payments to pensioners payable in the year	29,429	0	0	0	0	0	(29,429)
Adjustments primarily involving the Collection Fund Adjustment Account:							
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	814	0	0	0	0	0	(814)
Adjustment primarily involving the Unequal Pay Back Pay Adjustment Account:							
Amount by which amounts charged for Equal Pay claims to the Comprehensive Income and Expenditure Statement are different from the cost of settlements chargeable in the year in accordance with statutory requirements	0	0	0	0	0	0	0
Adjustment primarily involving the Accumulated Absences Account:							
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	3,638	0	0	0	0	0	(3,638)
Total Adjustments	(56,259)	(254,363)	168	(387)	0	3,897	306,944

Comparator information for 2009/10

	General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Earmarked Reserves (Note 8) £'000	Capital Grants Unapplied £'000	Movements in Unusable Reserves £'000
Adjustments primarily involving the Capital Adjustment Account:							
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:							
Charges for depreciation and impairment of non-current assets	(47,989)	(5,295)	0	0	0	0	53,284
Revaluation gains / losses on Property Plant and Equipment	(38,623)	(8,052)	0	0	0	0	46,675
Movements in the market value of Investment Properties	0	0	0	0	0	0	0
Amortisation of intangible assets	0	0	0	0	0	0	0
Capital grants and contributions applied	31,837	1,767	0	0	0	0	(33,604)
Movement in the Donated Assets Account	0	0	0	0	0	0	0
Revenue expenditure funded from capital under statute	(3,837)	(3,612)	0	0	0	0	7,449
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(69,633)	(975)	0	0	0	0	70,608
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:							
Statutory provision for the financing of capital investment	7,816	0	0	0	0	0	(7,816)
Former SYCC debt	834	0	0	0	0	0	(834)
PFI Finance lease - principal repayment	1,532	0	0	0	0	0	(1,532)
Finance leases - principal repayments	68	0	0	0	0	0	(68)
Capital expenditure charged against the General Fund and HRA balances	616	800	0	0	0	0	(1,416)
Transfer of surplus / deficit for year on Housing Revenue Account	0	0	0	0	0	0	0
Net transfer to / from earmarked reserves	0	0	0	0	0	0	0
Differences between amounts debited / credited to the CI&ES and amounts payable / receivable to be recognised under statutory provisions relating to soft loans and premiums and discounts on early repayment of debt	0	(36)	0	0	0	0	36

Adjustments primarily involving the Capital Grants Unapplied Account:							
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	7,749	0	0	0	0	(7,749)	0
Application of grants to capital financing transferred to the Capital Adjustment Account	0	0	0	0	0	6,616	(6,616)
Adjustments primarily involving the Capital Receipts Reserve:							
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	7,279	790	(8,069)	0	0	0	0
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	3,212	0	0	0	(3,212)
Contribution from the Capital Receipts Reserve towards administrative costs of non current asset disposals	0	0	0	0	0	0	0
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool.	0	0	0	0	0	0	0
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	0	0	0	0	0	0	0
Unattached capital receipts	100	0	0	0	0	0	(100)
Adjustments primarily involving the Deferred Capital Receipts Reserve (England and Wales):							
Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	0	0	0	0	0	0	0
Adjustment primarily involving the Major Repairs Reserve:							
Reversal of Major Repairs Allowance credited to the HRA	0	0	0	(12,616)	0	0	12,616
Use of the Major Repairs Reserve to finance new capital expenditure	362	(362)	0	15,208	0	0	(15,208)
Adjustment primarily involving the Financial Instruments Adjustment Account:							
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	(97)	0	0	0	0	0	97
Adjustments primarily involving the Pensions Reserve:							
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 47)	(37,369)	0	0	0	0	0	37,369
Employer's pensions contributions and direct payments to pensioners payable in the year	29,762	0	0	0	0	0	(29,762)

Adjustments primarily involving the Collection Fund Adjustment Account:							
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	316	0	0	0	0	0	(316)
Adjustment primarily involving the Unequal Pay Back Pay Adjustment Account:							
Amount by which amounts charged for Equal Pay claims to the Comprehensive Income and Expenditure Statement are different from the cost of settlements chargeable in the year in accordance with statutory requirements	0	0	0	0	0	0	0
Adjustment primarily involving the Accumulated Absences Account:							
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(1,821)	0	0	0	0	0	1,821
Total Adjustments	(111,098)	(14,975)	(4,857)	2,592	0	(1,133)	129,471

8 Transfers To / From Earmarked Reserves

This note sets out the amounts set aside from the General Fund balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund and HRA expenditure in 2010/11

	Balance at 1 April 2009 £'000	Transfers Out (*) 2009/10 £'000	Transfers In (*) 2009/10 £'000	Balance at 31 March 2010 £'000	Transfers Out (*) 2010/11 £'000	Transfers In (*) 2010/11 £'000	Balance at 31 March 2011 £'000
General Fund:							
Balances held by schools under a scheme of delegation	8,487	(1,769)	79	6,797	(79)	4,010	10,728
City Learning Centres	334	(70)	0	264	(89)	0	175
Borough Investment Fund	1,433	(3,088)	5,621	3,966	(923)	3,969	7,012
Landfill Allowance Trading Scheme	0	0	0	0	0	92	92
Council IT Fund	1,241	(328)	33	946	(586)	0	360
Invest to Save	400	(77)	0	323	(210)	30	143
Capital Flexible Budget - Neighbourhoods	213	(112)	0	101	(19)	0	82
Job Evaluation, Equal Pay	8,074	(8,074)	0	0	(92)	92	0
Work, Skills & Enterprise Programme	7,809	(3,031)	7,166	11,944	(10,025)	2,493	4,412
Flood Restoration Fund	1,020	(570)	49	499	(89)	0	410
2012 Olympics	1,000	(453)	0	547	(437)	0	110
White Rose Way	0	(314)	1,675	1,361	(310)	0	1,051
Supporting People	0	0	3,316	3,316	(3,316)	0	0
CYPS Contingency (for placements)	0	0	1,250	1,250	(1,250)	0	0
Pre Tenancy Support (Pilot Scheme)	0	0	433	433	(119)	0	314
Estimated loss on Icelandic Bank Deposit	0	0	614	614	(614)	0	0
CYPS VER costs	0	(351)	1,010	659	(592)	112	179
Adult Services Assistive Technology	0	0	0	0		306	306
Severance Costs	0	0	0	0	(4,918)	7,700	2,782
Change Programme Costs	0	0	0	0	(120)	600	480
Adaptations	0	0	0	0		350	350
Highways - Pot Holes	0	0	0	0		455	455
Other	3,738	(2,590)	2,224	3,372	(2,607)	1,707	2,472
Total	33,749	(20,827)	23,470	36,392	(26,395)	21,916	31,913
Movement in year				2,643			(4,479)

* includes movements between both general and earmarked reserves

Schools Balances

This reserve represents balances held by schools under delegated schemes. The Scheme of Financing Schools, prepared in accordance with the School Standards and Framework Act 1998, provides that under-spending and over-spending will accrue to the school and be added to any balance brought forward from a previous year and as a consequence balances from school budgets have been built up over many years.

City Learning Centres

One of the key elements of the Excellence in Cities programme was the establishment of a network of school-based City Learning Centres. These provide state of the art I.C.T. based learning opportunities for the pupils of the host school, for pupils at a network of surrounding schools and for the wider community. The earmarked reserve represents the under-spend being carried forward for use in future years.

Borough Investment Fund

This reserve was established in 2002 to provide funding for the delivery of the Transformational Projects Investment Programme (T.P.I.P.) over a 25 year timeframe.

Council I.T. Fund

This reserve has been established to ensure that high priority I.T. projects are delivered and is managed by the Council's E-Delivery Board. It is anticipated that this reserve will be utilised over a number of years.

Invest to Save

The council operate an Invest to Save fund to provide a pool of upfront funding to support investment and to enable step changes in service delivery / performance to be achieved. Initiatives are those that will reduce net budgeted expenditure either through increasing income, reducing costs and/or increasing efficiency to deliver cashable efficiencies whilst supporting the council in meeting its corporate objectives. A scheme should normally repay the advance within a period of three years.

Capital Flexible Budget – Neighbourhoods

This reserve was established as part of the 2007/08 budget setting process to provide the Neighbourhood Areas with a specific capital funding allocation and to ensure that the specific needs of the Neighbourhoods can be met.

Job Evaluation / Equal Pay

This reserve was established to enable the council to implement its Pay and Rewards agenda and backdate payments to 1st April 2007. Job Evaluation was implemented and the reserve has been fully utilised.

Work, Skills & Enterprise Programme

This reserve was established from Local Enterprise Growth Initiative (L.E.G.I.) and Working Neighbourhoods Funds (W.N.F.) elements of the Area Based Grant that were not fully spent. This reserve will fund the elongation of the work, skills and enterprise programme, which supports the delivery of the Economic Strategy and closure of the output gap by delivering a customised approach to the needs of businesses, communities and individuals and also deliver worklessness targets.

Flood Restoration Fund

This reserve was established from funding the council received from the Government's Restoration Fund following the U.K. Government's successful application for funding from the E.U. Solidarity Fund. The reserve is to provide funding for highways drainage maintenance, land drainage work and to complete repairs to bridges and related structures damaged during the June 2007 floods.

2012 Olympics Fund

This reserve was established to ensure that the council has adequate and fit for purpose training and development facilities for the 2012 Olympics.

White Rose Way

This reserve is to provide an integral part of the funding for the delivery of Phase 1 of the White Rose Way scheme. It provides match funding with funding from the local transport programme and ERDF. The White Rose Way scheme provides investment in transport infrastructure and will help expand the growth potential of central and southern Doncaster and make it part of the long term focus of Doncaster's economic development.

Supporting People

This reserve was formed from previous years under spends on the supporting people programme. It has been fully utilised in 2010/11.

CYPS Contingency (Placements)

This reserve was set up as part of the approval of the 2010/11 Revenue Budget. It was agreed that an under spend of £1.25m on Supporting People be allocated to CYPS as a one off contingency. This reserve has been fully utilised in 2010/11.

Pre Tenancy Support Pilot Scheme

This reserve has been created, from an under spend on Supporting People, in order to enter into a contract with M25 Housing & Support Group for the provision of a Pre-Tenancy Support Pilot Scheme for 16-25 year olds. It is expected that this reserve will be fully used by the end of 2011/12.

Estimated loss on Icelandic Bank Deposit

This reserve was created to reflect the best estimate of the most likely loss on the council's £3m deposit in a failed Icelandic Bank. This earmarked reserve has now been fully utilised in 2010/11 in accordance with note 49.

CYPS VER costs

This reserve was used to fund redundancy / VER costs for employees that left in 2009/10 and 2010/11 in order to ensure that CYPS had a manageable budget for 2010/11. The remainder of this reserve will be used over the years 2011/12 and 2012/13.

Adult Services Assistive Technology

This reserve has been established from grant funding to assist people to live independently in their own homes through the purchase and installation of equipment e.g. monitors linked to central control of smoke alarms, gas alarms and flood alarms etc.

Severance Costs

This reserve is for the second and third year costs to be paid to the South Yorkshire Pension Fund for pension 'strain' costs arising from early retirements granted in 2010/11

Change Programme Costs

This reserve is to be used towards the funding of the change programme. The change programme is looking at changing the way the Council works to help contribute towards the £71m savings target i.e. Transforming Customer services, improving procurement, IT systems etc

Adaptations

This reserve provides additional resources to manage the adaptations budget pressures in the 2011/12 financial year and achieve the key priority of helping people to live independently.

Highways - Pot Holes

This reserve is to assist in the repair of pot holes and maintenance of the borough's highways network

Others

A number of other minor reserves are earmarked for specific purposes.

9 Other Operating Expenditure

2009/10		2010/11
£'000		£'000
1,732	Parish Council Precepts	1,799
0	Levies	0
(330)	(Surplus) / Deficit on Trading Undertakings not in Net Cost of Services (Note 30)	(729)
0	Payments to the Government Housing Capital Receipts Pool	291
62,539	Gains/Losses on the disposal of non-current assets	64,245
63,941	TOTAL	65,606

10 Financing and Investment Income and Expenditure

2009/10		2010/11
£'000		£'000
19,917	Interest payable and similar charges	20,254
20,402	Pensions interest cost and expected return on pensions assets	14,854
(828)	Interest receivable and similar income	(338)
0	Income in relation to investment properties and changes in their fair value (Note 13)	(1,504)
(100)	Other investment income	(784)
39,391	TOTAL	32,482

11 Taxation And Non Specific Grant Incomes

2009/10		2010/11
£'000		£'000
(92,198)	Council tax income	(95,626)
(112,835)	Non domestic rates	(125,058)
(2,256)	Transfer of Collection Fund Surplus	(1,906)
(57,663)	Non-ring fenced government grants (Note 38)	(55,135)
(41,353)	Capital grants and contributions (Note 38)	(31,660)
(306,305)	TOTAL	(309,385)

12 Property, Plant and Equipment

2009/10	2010/11									
Total Property, Plant and Equipment		Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant and Equipment	PFI Assets Included in Property, Plant and Equipment
£'000	Cost or Valuation	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
1,767,074	At 1 April	776,450	730,993	50,872	173,464	6,783	81,480	17,501	1,837,543	24,286
88,166	Additions	44,073	13,554	3,373	9,078	382	260	10,746	81,466	129
0	Donations	0	0	0	0	0	0	0	0	0
109,849	Revaluation increases/ (decreases) recognised in the Revaluation Reserve	(30,131)	88,743	0	0	0	5,903	0	64,515	0
(46,675)	Revaluation increases/ (decreases) recognised in the Surplus/Deficit on the Provision of Services	(249,750)	(25,910)	0	0	(3,875)	(18,135)	0	(297,670)	0
(81,667)	De-recognition – disposals	(572)	(47,438)	(372)	0	0	0	0	(48,382)	0
0	De-recognition – other	(13,953)	(4,313)	(105)	(2,653)	(4)	0	(7)	(21,035)	(116)
(7,048)	Assets reclassified (to)/from Held for Sale	0	(214)	0	0	0	(7,917)	0	(8,131)	0
7,844	Other movements in cost or valuation	(899)	(491)	475	(11,756)	(312)	20,221	(7,238)	0	0
1,837,543	At 31 March	525,218	754,924	54,243	168,133	2,974	81,812	21,002	1,608,306	24,299
(145,121)	Depreciation & Impairment at 1 April	(18,024)	(83,339)	(28,007)	(39,438)	(177)	(7,391)	(326)	(176,702)	(624)
(44,281)	Depreciation charge	(12,819)	(26,730)	(5,277)	(3,978)	(29)	(7)	0	(48,840)	(606)
33,733	depreciation written out to the Revaluation Reserve	0	32,655	0	0	0	594	0	33,249	0
0	depreciation written out to the Surplus/Deficit on the Provision of Services	12,616	0	0	0	0	0	0	12,616	0
(13,480)	impairment losses/(reversals) recognised in the Revaluation Reserve	0	(2,148)	0	0	0	(783)	0	(2,931)	0
(21,619)	impairment losses/(reversals) recognised in the Surplus/ Deficit on the Provision of Services	(1,988)	(154)	0	(265)	0	0	(20)	(2,427)	0
14,935	De-recognition – disposals	0	2,473	91	0	0	0	0	2,564	0
0	De-recognition – other	364	262	2	456	0	0	7	1,091	0
(869)	other movements in depreciation and impairment	(7)	226	59	368	13	(606)	287	340	0
(176,702)	At 31 March	(19,858)	(76,755)	(33,132)	(42,857)	(193)	(8,193)	(52)	(181,040)	(1,230)
	Net Book Value									
	at 31 March 2011	505,360	678,169	21,111	125,276	2,781	73,619	20,950	1,427,266	23,069
	at 31 March 2010	758,426	647,654	22,865	134,026	6,606	74,089	17,175	1,660,841	23,662
1,621,953	at 1 April 2009	688,994	692,235	19,244	135,953	9,402	63,702	12,423	1,621,953	48,071

Depreciation

Depreciation is provided for on all Property, Plant & Equipment with a finite useful life according to the accounting policy detailed in Note 1

Capital Commitments

At 31 March 2011, the Authority has entered into a number of contracts for the construction or enhancement of Property, Plant and Equipment in 2011/12 and future years budgeted to cost £40.98m. Similar commitments at 31 March 2010 were £965K. The major commitments are detailed in the table below

	£'000
CCQ Civic Office & Fit Out Contract	18,519
CCQ Public Realm and Infrastructure Contract	4,331
PCP Kirk Sandall Junior New Hall & Refurbishment	1,227
PCP Saltergate Junior New Hall & Refurbishment	2,308
PCP Owston Park Primary Remodelling & Refurbishment	1,874
Ridgewood Post 16 Development	2,661
Campsmount School	10,019
	40,939

Revaluations

The Authority carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at fair value is re-valued at least every five years. The policy is shown under accounting policies in Note 1.

	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Carried at Historical Cost			21,111	125,276			20,950	167,337
Valued at Fair Value:								
2010/11	505,360	275,143			327	40,881		821,711
2009/10		176,482			1,684	6,121		184,287
2008/09		61,514			484	26,470		88,468
2007/08		78,971						78,971
2006/07		86,059			286	147		86,492
Net Book Value	505,360	678,169	21,111	125,276	2,781	73,619	20,950	1,427,266

13 Investment Properties

The following items of income and expense have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement

	2009/10	2010/11
	£'000	£'000
Rental income from investment property	34	34
Direct operating expenses arising from investment property	0	0
Net gain/(loss)	34	34

There are no restrictions on the Authority's ability to realise the value inherent in its investment property or on the council's right to the remittance of income and the proceeds of disposal. The council has no contractual obligations to purchase, construct or develop investment property or repairs, maintenance or enhancement.

The following table summarises the movement in the fair value of investment properties over the year:

	2009/10	2010/11
	£'000	£'000
Balance at start of the year	15,330	15,330
Additions:		
Purchases	0	0
Construction	0	0
Subsequent expenditure	0	0
Disposals		
Net gains/losses from fair value adjustments	0	1,504
Transfers:		
to/from Inventories	0	0
to/from Property, Plant and Equipment	0	0
Other changes	0	0
Balance at end of the year	15,330	16,834

14 Intangible Assets

The Authority accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware, item of Property, Plant and Equipment. The intangible assets include both purchased licenses and internally generated software.

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Authority.

The useful lives assigned to the major software suites used by the Authority are:

	Internally Generated Assets	Other Assets
0-3 years	None	Oneworld upgrade (Anite), Verisecure cash receipting system, Trustmarque Solutions.
4-5 years	None	E-Learning Platform, Strategic Intelligent Transport System (SITS), Highways and Transport Asset Management Programme (HAMP/TAMP), Technology Forge Asset Management Programme.

The carrying amount of intangible assets is amortised on a straight-line basis. Of the £84k amortisation, £26k was charged to revenue in 2010/11 to the IT Administration cost centre and then absorbed as an overhead across all the service headings in the Net Expenditure of Services.

It is not possible to quantify exactly how much of the amortisation is attributable to each service heading.

The movement on Intangible Asset balances during the year is as follows:

	2009/10		2010/11	
	Others Assets	Total	Others Assets	Total
	£'000	£'000	£'000	£'000
Balance at start of year				
- Gross carrying amounts	13	13	260	260
- Accumulated amortisation	(3)	(3)	(6)	(6)
Net carrying amount at start of year	10	10	254	254
Additions:				
- Internal development	0	0	0	0
- Purchases	247	247	455	455
- Acquired through business combinations	0	0	0	0
Assets reclassified as held for sale	0	0	0	0
Other disposals	0	0	0	0
Revaluations increases or decreases	0	0	0	0
Impairment losses recognised or reversed directly in the Revaluation Reserve	0	0	0	0
Impairment losses recognised in the surplus/deficit on the provision of services	0	0	0	0
Amortisation for the period	(3)	(3)	(84)	(84)
Other changes		0		0
Net carrying amount at end of year	254	254	625	625
Comprising:				
- Gross carrying amounts	260	260	715	715
- Accumulated amortisation	(6)	(6)	(90)	(90)
	254	254	625	625

The Council does not revalue its software assets as they are currently of immaterial value and have a life of no more than 5 years.

15 Financial Instruments

The following categories of financial instrument are carried in the Balance Sheet:

	Long Term			Current		
	01/04/09 £'000	31/03/10 £'000	31/03/11 £'000	01/04/09 £'000	31/03/10 £'000	31/03/11 £'000
Investments						
Loans and receivables	2,538	2,386	2,386	0	0	1,000
Unquoted equity investment at cost (2)	2,370	2,775	2,775	0	0	0
Total investments	4,908	5,161	5,161	0	0	1,000
Debtors						
Loans and receivables	0	0	0	0	0	0
Financial assets carried at contract amount (trade debt)	0	0	0	22,669	18,941	18,029
Total Debtors	0	0	0	22,669	18,941	18,029
Borrowings						
Financial liabilities at amortised cost (1)	337,401	346,473	369,470	5,681	21,246	26,066
Total borrowings	337,401	346,473	369,470	5,681	21,246	26,066
Other Long Term Liabilities						
PFI lease liabilities (Note 42)	45,817	44,423	42,801	1,532	1,394	1,622
Finance lease liabilities (Note 41)	0	270	163	0	104	107
Metropolitan debt (SYCC)	17,010	16,092	15,083	834	918	1,009
Other	58	286	224	0	0	0
Total other long term liabilities	62,885	61,071	58,271	2,366	2,416	2,738
Creditors						
Financial liabilities at amortised cost	0	0	0	0	0	0
Financial liabilities carried at contract amount (trade credit)	0	0	0	9,362	9,674	7,841
Total creditors	0	0	0	9,362	9,674	7,841

Note 1 - Under accounting requirements the carrying value of the financial instrument is shown in the balance sheet which includes the principal amount borrowed or lent and further adjustments for breakage costs or stepped interest loans (measured by an effective interest rate calculation) including accrued interest. The effective interest rate is effectively accrued interest receivable under the instrument, adjusted for the amortisation of any premiums or discounts reflected in the purchase price.

Note 2 - Unquoted equity investment at cost. Shares held by the council are unquoted and there is no readily available market on which to value them. Whilst there are a variety of methods to value unquoted shares, none of them provide reliable fair values and therefore the shares have not been re-valued and are included in the accounts at open book value

Income, Expense, Gains and Losses

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments are made up as follows:-

	2009/10					2010/11				
	Financial Liabilities measured at amortised cost £'000	Financial Assets: Loans and receivables £'000	Financial Assets: Available for sale £'000	Assets and Liabilities at Fair Value through Profit and Loss £'000	Total £'000	Financial Liabilities measured at amortised cost £'000	Financial Assets: Loans and receivables £'000	Financial Assets: Available for sale £'000	Assets and Liabilities at Fair Value through Profit and Loss £'000	Total £'000
Interest expense (Note 10)	(19,917)	0	0	0	(19,917)	(20,254)	0	0	0	(20,254)
Losses on de-recognition	0	0	0	0	0	0	0	0	0	0
Reductions in fair value (Note 24b)	0	0	0	0	0	0	0	0	0	0
Impairment losses (1)	0	(297)	0	0	(297)	0	(614)	0	0	(614)
Fee expense	0	0	0	0	0	0	0	0	0	
Total expense in surplus or Deficit on the Provision of Services	(19,917)	(297)	0	0	(20,214)	(20,254)	(614)	0	0	(20,868)
Interest income (Note 10)	828	0	0	0	828	338	0	0	0	338
Interest income accrued on impaired financial assets	0	145	0	0	145	0	0	0	0	0
Increases in fair value (Note 24b)	0	0	0	0	0	0	0	0	0	0
Gains on de-recognition	0	0	0	0	0	0	0	0	0	0
Fee income	0	0	0	0	0	0	0	0	0	0
Total income in Surplus or Deficit on the Provision of Services	828	145	0	0	973	338	0	0	0	338
Gains on revaluation	0	0	0	0	0	0	0	0	0	0
Losses on revaluation	0	0	0	0	0	0	0	0	0	0
Amounts recycled to the Surplus or Deficit on the Provision of Services after impairment	0	0	0	0	0	0	0	0	0	0
Surplus/deficit arising on revaluation of financial assets in Other Comprehensive Income and Expenditure	0	0	0	0	0	0	0	0	0	0
Net gain/(loss) for the year	(19,089)	(152)	0	0	(19,241)	(19,916)	(614)	0	0	(20,530)

Note 1- Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to the Comprehensive Income and Expenditure Statement. Any gains and losses that arise on the derecognition of the asset are credited/debited to the Comprehensive Income and Expenditure Statement.

During 2008/09 a number of Icelandic banks had difficulty in meeting their obligations and this council has, in respect of the investment in default, made appropriate provision for reduced repayment and this is reflected in the fair value.

Fair Values of Assets and Liabilities

Financial liabilities and financial assets represented by loans and receivables are carried in the balance sheet at amortised cost. Their fair value can be assessed by calculating the present value of cash flows that will take place over the remaining term of the instruments. The council's advisor has provided fair value calculations for financial instruments other than PWLB loans and the PWLB has provided fair value calculations for loans acquired through them. The Council's advisers valuations use the Net Present Value approach, which provides an estimate of the value of payments in the future in today's terms. This is a widely accepted valuation technique commonly used in the private sector.

The Discount rate used in the NPV calculation should be equal to the current rate in relation to the same instrument from a comparable lender. This will be the rate applicable in the market on the date of valuation, for an instrument with the same duration i.e. equal to the outstanding period from valuation date to maturity. The structure and terms of the comparable instrument should be the same, although for complex structures it is sometimes difficult to obtain the rate for an instrument with identical features in an active market. In such cases, we have used the prevailing rate of a similar instrument with a published market rate, as the discount factor. In providing their fair value calculations the discount rate used by the PWLB is taken from the 'premature repayment' set of rates in force at close of business on the last working day of the financial year.

The estimated range of interest rates at 31st March 2011 are between 1.87% and 5.32% for loans from the PWLB, other market loans payable were generally not available at the 31st March and between 0.8% and 0.85% for loans receivable. No early repayment is recognised. An investment with an Icelandic bank has been treated as impaired

The fair values calculated are as follows:

	31/03/10		31/03/11	
	Carrying amount £'000	Fair value £'000	Carrying amount £'000	Fair value £'000
Financial liabilities	367,719	416,362	395,536	450,740

The fair value is greater than the carrying amount because the council's portfolio of investments includes a number of fixed rate loans where the interest rate payable is higher than the rates available for similar loans at the balance sheet date.

The PWLB, in calculating the fair value, have used penalty rates in their calculation on the assumption that all debt due to them is prematurely repaid on 31st March 2011. This combined with the commitment to pay interest above current market rates increases the amount that the council would have to pay if the lender requested or agreed early repayment of the loans.

	31/03/10		31/03/11	
	Carrying amount £'000	Fair value £'000	Carrying amount £'000	Fair value £'000
Loans and receivables	0	0	1,000	1,000

The fair values for loans and receivables have been determined by reference to similar practices, as above, which provide a reasonable approximation for the fair value of a financial instrument, and includes accrued interest. The comparator market rates prevailing have been taken from indicative investment rates at each balance sheet date. In practice rates will be determined by the size of the transaction and the counterparty, but it is impractical to use these figures, and the difference is likely to be immaterial.

The carrying amount of short-term trade receivables is considered to be a reasonable approximation of fair value. With regard to the unquoted equity investments these are carried at cost as are the shares with unquoted companies where there are no commercial share dealings to enable fair value to be calculated.

Short term debtors and creditors are carried at cost as this is a fair approximation of their value

The Council currently provides overdraft facility guarantees for the Stadium Management Company (see Note 22) of £1.000m and Doncaster Chamber of Commerce (see Note 48) of £0.150m. In addition the Council also guarantees the full amount of the St Leger Homes of Doncaster Limited pensions' deficit (Note 48) of £9.204m.

16 Inventories

2010/11	Consumable Stores Building and Civil Engineer Works £'000	ICT £'000	Inpress £'000	Grounds Maintenance £'000	Education incl Canteens £'000	Transport £'000	Other £'000	TOTAL £'000
Balance outstanding at start of year	440	48	13	24	129	268	167	1,089
Purchases	1,645	30	106	20	2,962	1,638	451	6,852
Recognised as an expense in the year	(1,629)	(32)	(107)	(24)	(2,961)	(1,640)	(421)	(6,814)
Written off balances	0	(10)	0	0	(3)	0	(24)	(37)
Reversals of write-offs in previous years	9	0	0	0	0	4	0	13
Balance outstanding at year-end	465	36	12	20	127	270	173	1,103

Comparative 2009/10

	Consumable Stores Building and Civil Engineer Works £'000	ICT £'000	Inpress £'000	Grounds Maintenance £'000	Education incl Canteens £'000	Transport £'000	Other £'000	TOTAL £'000
Balance outstanding at start of year	402	54	13	24	137	212	151	993
Purchases	1,633	108	80	24	3,101	1,538	211	6,695
Recognised as an expense in the year	(1,606)	(114)	(80)	(24)	(3,100)	(1,470)	(195)	(6,589)
Written off balances	0	0	0	0	(9)	(12)	0	(21)
Reversals of write-offs in previous years	11	0	0	0	0	0	0	11
Balance outstanding at year-end	440	48	13	24	129	268	167	1,089

17 Construction Contracts

This note applies only to construction contracts in the financial statements of contractors and therefore only applies to construction that the council is undertaking for its customers.

This disclosure note does not apply to assets under construction (i.e. the authority is the customer rather than the contractor).

	Campsmount Technology College £'000	Kirk Sandall Junior School £'000
Cost Incurred to date	789	291
Revenue recognised:		
- before 1 April 2010	0	(13)
- during 2010/11	(789)	(278)
Profit / (loss)	0	0
Advances received	(1,536)	(1,359)
Gross amount due	1,536	1,359
Comprising:		
- amounts not billed	1,536	1,359
- retentions	0	0

Campsmount Technology College

An advance of £2,300k was received from the Department for Education via Partnerships for Schools for the rebuilding of Campsmount Technology College. Of this advance, £764k was used to finance the physical rebuilding costs incurred and recognised as revenue. The balance of the advance, £1,536k, will be used in 2011/12. The remaining £25k was financed through CYPS capital resources.

The contract has a defined milestones list and payment is made when one of the milestones has been completed i.e. there are no part payments. In addition to the invoices there was an element of work in progress at the site and the company physically completed the build have estimated the progress toward milestones in percentage terms. These figures were applied to the cost of the milestone to determine an accrual amount.

Kirk Sandall Junior School

Advances of £10,837k were received from the Department for Education via Partnerships for Schools for the Primary Capital Programme. £1,650k was approved for a new hall and refurbishment at Kirk Sandall Junior School. However, the school converted to trust status 1st September 2010 with the trust assuming control over the school and all its assets from that date. The cost incurred to date of £291k includes £151k incurred prior to the transfer of assets to the trust.

18 Debtors

	31 March 09 £'000	31 March 10 £'000	31 March 11 £'000
Central Government	29,633	35,671	22,015
Other local authorities	885	2,089	750
NHS bodies	0	0	360
Public corporations and trading funds	20	0	0
Other entities	31,337	30,031	30,304
	61,875	67,791	53,429
Payments in advance	7,015	3,796	5,670
Total	68,890	71,587	59,099

19 Cash and Cash Equivalents

The balance of Cash and Cash Equivalents is made up of the following elements:

	31 March 2009	31 March 2010	31 March 2011
	£'000	£'000	£'000
Cash and bank balances held by the authority	1,124	2,951	7,849
Bank overdraft	(7,138)	(12,643)	(9,058)
Cash investments regarded as cash equivalents (bank current accounts and short-term deposits with bank, building societies and other banking sector)	12,980	13,750	25,050
Total Cash and Cash Equivalents	6,966	4,058	23,841

Cash and cash equivalents include bank overdrafts that are an integral part of an authority's cash management

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

The council has adopted a policy in determining the composition of cash equivalents which includes short term deposits for a period of less than or equal to three months. Investments or loans with a longer maturity at acquisition do not become cash equivalents once their remaining maturity period falls to three months.

20 Assets Held For Sale

For an asset to be classified as being 'held for sale', the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale must be highly probable.

For the sale to be highly probable the council must be committed to a plan to sell the asset and an active programme to locate a buyer and complete the plan must have been initiated. Further, the asset must be actively marketed for sale at a price that is reasonable in relation to its current fair value. In addition, the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification

Currently the council does not hold any non-current assets which met the above classification requirements

	Current	
	2009/10 £'000	2010/11 £'000
Balance outstanding at start of year	0	0
Assets newly classified as held for sale:		
Property, Plant and Equipment	7,022	7,893
Revaluation losses	(35)	0
Revaluation gains	61	0
Impairment losses	0	0
Assets declassified as held for sale:		
Property, Plant and Equipment	0	0
Assets sold	(7,048)	(256)
Transfers from non-current to current	0	0
Other movements	0	0
Balance outstanding at year-end	0	7,637

21 Creditors

	31 March 09	31 March 10	31 March 11
	£'000	£'000	£'000
Central Government	(21,501)	(15,135)	(12,086)
Other local authorities	(1,579)	(4,265)	(993)
NHS bodies	(1,150)	(362)	(929)
Public corporations and trading funds	(1,728)	(1,490)	(82)
Other entities	(41,846)	(46,000)	(47,811)
	(67,084)	(67,252)	(61,901)
Receipts in Advance	(14,261)	(8,286)	(10,175)
Total	(82,065)	(75,538)	(72,076)

22 Provisions

Provisions are included in the accounts for potential liabilities that are likely or certain to be incurred but there is a degree of uncertainty as to the amount concerned or the dates on which these may arise

	Balance at 1 April 2009	Balance at 1 April 2010	Additional provisions made in 2010/11	Amounts used in 2010/11	Balance at 31 March 2011
	£'000	£'000	£'000	£'000	£'000
Insurance	4,831	6,952	189	(381)	6,760
SY Trading Standards	3,007	3,007	0	0	3,007
Provision for claw back of grant	2,000	2,000	0	0	2,000
Section 117 Mental Health Act	871	788	0	(157)	631
Provision for 53 rd week payment	200	400	200	0	600
Unequal pay compensation claims	52	105	0	0	105
Retrospective Outfall License	0	0	39	0	39
Pension Compensation	0	0	129	0	129
Equal Pay Capitalisation	0	0	2,463	0	2,463
Provision for Stadium Management Company (SMC)	0	0	1,100	0	1,100
Total	10,961	13,252	4,120	(538)	16,834

Insurance

The insurance provision covers the estimated value of insurance claims for which the council estimates that it has a potential legal liability.

Insurance claims are covered by external insurance policies, currently with Zurich Municipal, which limit the council's maximum liability on individual claims.

These limits are:

Employers / Public Liability: £250,000

Fire: £500,000 for schools, £275,000 for housing properties and £100,000 for general buildings

Schools balance of risk claims: £50,000

Flood: £500,000

The council's self-insurance provision at 31 March 2011 of £6,760k consists of the following:

- a) for claims other than legal liability and employer liability 100% of outstanding claims is included;
- b) for legal liability and employer liability claims; in the years 2009/10 & 2010/11 a percentage of outstanding claims has been included which is based on the average percentage of previous claims paid, for years 2007/08 & 2008/09 75% of the value of claims outstanding has been included and for all other years 100% of the outstanding value has been included.

The movement in the total value of the provision during 2010/11 was due to the cost of settling claims to the value of £6,116k from the provision, of which £4,085k was previously provided for in the self-insurance provision at 31 March 2010.

In order to meet the level of funding required as at 31st March 2011 for the insurance provision, an additional contribution of £189k was required.

South Yorkshire Trading Standards

In February 2006 the South Yorkshire Trading Standards Organisation was reviewed and found to be not financially viable and was subsequently closed down. Doncaster's share of the cost of recovering the financial losses incurred as well as the closure costs has been estimated at £3.007m. It is expected that the matter will be settled in 2011/12.

Provision for claw back of grant

Over a number of years, predominantly during the 1990's, the council applied for and received approval for Derelict Land Grant from English partnerships or Land Reclamation Programme grant from Yorkshire Forward for a number of projects throughout the borough.

The approved projects had specific outcomes that mainly were the reclamation of council owned land and for an agreed after use for the land, e.g. industrial development site, public open space. The grant intervention rate was 100%.

As part of the grant conditions, on disposal or appropriation of the land or its bringing into use, the council had to repay grant based on the 'after value' of the land. The provision has been created to enable the council to fund potential repayment of grant of £2m. It is expected that the matter will be settled in 2011/12.

Section 117 Mental Health Act

The Government, via the High Courts, have decided that local authorities cannot charge any person receiving aftercare service under Section 117 of the Mental Health Act. The Assistant Director of Legal Services has advised that the council is required to take all reasonable measures to contact current and former service users who may have been charged for services under S117 of the Mental Health Act and to reimburse, with interest, those who have paid for such services.

The Council has ceased charging for such services. An initial provision of £2.223m was made to cover the estimate of the total amount due to be refunded.

The Council must retain adequate sums available to cover the necessary reimbursements. During 2010/11 the sum of £72k was reimbursed. The amount of the provision required has been reviewed and reduced by £83k to leave enough to cover all necessary remaining reimbursements, and any new clients who have been identified that were not originally accounted for.

Due to the complexity of the issues involved settlement is likely to go on beyond 2011/12.

Provision for 53rd week payment

The provision has been established for the purpose of meeting costs that occur every five years but the impact of which should be reflected in the council's revenue account on an equal basis each year. A 53rd payment is made every five years and impacts on the fees payable to all independent care contractors, out of authority children placements as well as weekly paid employees who are paid on a Friday.

The last 53rd payment was made in 2007/08 and the next is scheduled for 2012/13.

Tax / NI on Equal Pay compensation Claims (1st Generation)

This provision has been established for the purpose of meeting any costs relating to the compensation paid to employees who had potential equal pay claims arising from the Single Settlement Agreement 1997. This represents likely income tax and National Insurance costs associated with claims settled in previous financial years.

It is expected that this will be settled in 2011/12.

Retrospective Outfall Licence

The provision has been established for the purpose of meeting the net costs of retrospective outfall licences that the Council is due to pay to the British Waterways Board. Only the net cost has been provided for as some of the cost can be recovered from Doncaster College.

Pension Compensation

The provision has been established to meet costs relating to the transfer of benefits between pension schemes and relates to staff employed in the financial year 2010/11 and previous years.

It is expected that this will be settled in 2011/12.

Equal pay Capitalisation

The provision has been established to meet the costs of the equal pay claims. The Council has received 525 equal pay claims relating to the pay structure in place prior to the implementation of pay and rewards (December 2009). This is the likely amount based on the current defence strategy.

It is expected that this will be settled in 2011/12.

Provision for Stadium Management Company (SMC)

The provision has been established to meet the costs of the SMC with regard to past and current operating costs and other trade creditors should the SMC breach its current overdraft facility guarantee of £1m.

The latest cash flow forecasts provided by the SMC suggest that this may occur by the end of June 2011 in the worst case scenario.

This provision replaces the previous year's contingent liability.

23 Usable Reserves

Movements in the Authority's usable reserves are detailed in the Movement in Reserves Statement.

Specific reserves are available to fund capital or revenue expenditure following approval by Cabinet.

Expenditure is charged to the revenue or capital account when it is incurred and is financed by an appropriation from the reserve through the Movement in Reserves Statement.

Details of the Council's usable reserves are given in the table below

Usable Reserve	Balance 31st March 2010 (restated) (£'000's)	Balance 31st March 2011 (£'000's)	Purpose of Reserve
General Fund	5,165	14,447	Resources available to meet future running costs for non-housing services
Earmarked General Fund Reserves (see Note 8)	36,392	31,913	Voluntarily set aside to meet specific future spending plans
Housing Revenue Account	6,395	4,940	Resources available to meet future running costs for council housing
Capital Receipts Reserve	14,283	14,087	Proceeds of fixed asset sales available to meet future capital investment
Major Repairs Reserve	555	942	Resources available to meet capital investment in council housing
Capital grants and contributions unapplied	13,034	9,271	Resources available to meet future capital investment

24 Unusable Reserves

31 March 2010		31 March 2011
£'000		£'000
188,209	Revaluation Reserve (Note 24a)	256,108
0	Available for Sale Financial Instruments Reserve (Note 24b)	0
976,809	Capital Adjustment Account (Note 24c)	647,840
(1,757)	Financial Instruments Adjustment Account (Note 24d)	(1,120)
(348,658)	Pension Reserve (Note 24e)	(270,020)
50	Deferred Capital Receipts Reserve (Note 24f)	29
233	Collection Fund Adjustment (Note 24g)	1,048
0	Unequal Pay Back pay Account (Note 24h)	0
(12,586)	Accumulated Absences Account (Note 24i)	(8,948)
802,300	Total Unusable Reserves	624,937

24a Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- re-valued downwards or impaired and the gains are lost;
- used in the provision of services and the gains are consumed through depreciation; or
- disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created.

Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

2009/10			2010/11
£'000			£'000
65,653	Balance at 1 April		188,209
143,582	Upward revaluation of assets	137,540	
(13,480)	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	(42,707)	
130,102	Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services		94,833
(1,231)	Difference between fair value depreciation and historical cost depreciation	(3,101)	
(6,315)	Accumulated gains on assets sold or scrapped	(23,833)	
(7,546)	Amount written off to the Capital Adjustment Account		(26,934)
188,209	Balance at 31 March		256,108

24b Available for Sale Financial Instruments Reserve

This account is intended to store gains on revaluation of investments not yet realised through sales. The shares held by the council are unquoted and there is no readily available market on which to value them. The shares have not, therefore, been re-valued and are included in the accounts at open book value.

24c Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and enhancement. The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Authority. The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains. Note 7 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

2009/10 £'000		2010/11 £'000	
1,090,654	Balance at 1 April		976,809
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:			
(31,665)	Charges for depreciation of non-current assets	(35,787)	
(12,616)	Charges for depreciation on council dwellings	(12,819)	
(68,294)	Charges for impairment of non-current assets	(287,493)	
(3)	Amortisation of intangible assets	(84)	
(7,449)	Revenue expenditure funded from capital under statute	(19,678)	
(70,608)	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(66,045)	
(190,635)			(421,906)
7,546	Adjusting amounts written out of the Revaluation Reserve		26,969
(183,089)	Net written out amount of the cost of non-current assets consumed in the year		(394,937)
Capital financing applied in the year:			
3,212	Use of the Capital Receipts Reserve to finance new capital expenditure	2,482	
15,208	Use of the Major Repairs Reserve to finance new capital expenditure	12,432	
33,604	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	25,514	
6,616	Application of grants to capital financing from the Capital Grants Unapplied Account	10,044	
7,816	Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	7,657	
1,294	Capital expenditure charged against the General Fund and HRA balances	4,225	
67,750			62,354
1,532	Write down of PFI Finance Liabilities		1,397
109	Write down of Finance Lease Liabilities		48
834	Former South Yorkshire County Council debt repayment		918
(981)	Other		(253)
0	Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement		1,504
976,809	Balance at 31 March		647,840

24d Financial Instruments Adjustment Account

2009/10		2010/11
£'000		£'000
(1,660)	Balance at 1 April	(1,757)
55	Premiums and discounts incurred in the year and charged to the Comprehensive Income and Expenditure Statement	23
145	Landsbanki Islands accrued interest in year	0
(297)	Landsbanki Islands impairment of investment in year	614
(1,757)	Balance at 31 March	(1,120)

This account initially arose as a requirement from the SORP 2007 and was intended to be a balancing account to allow for differences in statutory requirements and proper practices for borrowings and investments.

The opening balance comprises the premiums and discounts associated with debt restructuring exercises prior to 2007/08 that resulted in premiums and discounts in relation to the debt repaid. These gains and losses made will be charged to revenue in accordance with the regulations applicable at the time the repurchase took place.

Following problems experienced by a number of Icelandic banks regulations issued in March 2009 allow the council not to charge amounts relating to impaired investments to the General Fund. Such amounts are instead transferred to the Financial Instruments Adjustment Account, an account that records the timing differences between charging these amounts to the General Fund in accordance with proper practice and in accordance with the regulations. The council has taken advantage of the regulations and has transferred the following amounts to the Financial Instruments Adjustment Account.

Under regulations the council must transfer the balance on the Financial Instruments Adjustment Account in respect of Landsbanki impairment to the General Fund no later than 31 March 2011, and must also credit the Financial Instruments Adjustment Account with interest earned until such time as the balance has been transferred to the General Fund. The council estimates that the following credits will be made to the Financial Instruments Adjustment Account in future years.

	Balance on FIAA 31/3/09 £'000	Transfers during 2009/10 £'000	Balance on FIAA 31/3/10 £'000	Transfers during 2010/11 £'000	Balance on FIAA 31/3/11 £'000
Landsbanki Islands	(462)	(152)	(614)	614	0

24e Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions.

The council accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the council makes employer's contributions to pension funds or eventually pay any pensions for which it is directly responsible.

The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2009/10		2010/11
£'000		£'000
(229,493)	Balance at 1 April	(348,658)
(111,558)	Actuarial gains or losses on pensions assets and liabilities	35,020
(37,369)	Reversal of items relating to retirement benefits debited or credited to the surplus or Deficit on the Provision of services in the Comprehensive Income and Expenditure Statement (see Note 47)	14,189
29,762	Employer's pensions contributions and direct payments to pensioners payable in the year (see Note 47)	29,429
(348,658)	Balance at 31 March	(270,020)

24f Deferred Capital Receipts Reserve (England and Wales)

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non current assets but for which cash settlement has yet to take place. Under statutory arrangements, the Authority does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve.

2009/10		2010/11
£'000		£'000
70	Balance at 1 April	50
0	Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the comprehensive Income and Expenditure Statement	0
(20)	Transfer to the capital Receipts Reserve upon receipt of cash	(21)
50	Balance at 31 March	29

24g Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of council tax income in the Comprehensive Income and Expenditure Statement as it falls due from council tax payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

2009/10		2010/11
£'000		£'000
(82)	Balance at 1 April	233
315	Amount by which council tax income credited to the comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	815
233	Balance at 31 March	1,048

24h Unequal Pay Back Pay Account

The Unequal Pay Back Pay Account compensates for the differences between the rate at which the council provides for the potential costs of back pay settlements in relation to Equal Pay cases and the ability under statutory provisions (Regulation 30A) to defer the impact on the General Fund Balance until such time as cash might be paid out to claimants.

2009/10		2010/11
£'000		£'000
(52)	Balance at 1 April	0
0	Increase in provision for back pay in relation to Equal Pay cases	0
52	Cash settlements paid in the year	0
0	Amount by which amounts charged for Equal Pay claims to the Comprehensive Income and Expenditure statement are different from the cost of settlements chargeable in the year in accordance with statutory requirements	0
0	Balance at 31 March	0

24i Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave, flexi leave and time off in lieu (TOIL) entitlement carried forward at 31 March 2011. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the council.

2009/10		2010/11
£'000		£'000
(10,765)	Balance at 1 April	(12,586)
10,765	Settlement or cancellation of accrual made at the end of the preceding year	12,586
(12,586)	Amounts accrued at the end of the current year	(8,948)
(1,821)	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	3,638
(12,586)	Balance at 31 March	(8,948)

25 Cash Flow Statement – Operating Activities

The cash flows for operating activities include the following items:

2009/10 £'000		2010/11 £'000
835	Interest received	349
(14,876)	Interest paid	(19,991)
(405)	Dividends received	405

26 Cash Flow Statement – Investing Activities

2009/10 £'000		2010/11 £'000
(87,954)	Purchase of property, plant and equipment, investment property and intangible assets	(81,922)
0	Purchase of short-term and long-term investments	(1,000)
(777)	Other payments for investing activities	(400)
8,323	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	3,275
0	Proceeds from short-term and long-term investments	0
9,553	Other receipts from investing activities	28,185
(70,855)	Net cash flows from investing activities	(51,862)

27 Cash Flow Statement – Financing Activities

2009/10 £'000		2010/11 £'000
316,850	Cash receipts of short- and long-term borrowing	110,730
(11,321)	Other receipts from financing activities	7,812
(1,394)	Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	(1,729)
(293,658)	Repayments of short- and long-term borrowing	(84,143)
(405)	Other payments for financing activities	0
10,072	Net cash flows from financing activities	32,670

28 Amounts Reported For Resource Allocation Decisions

The disclosure note for Amounts Reported for Resource Decisions has been included within the group section of these accounts.

29 Acquired and Discontinued Operations

This disclosure note shows where operations have been acquired or discontinued in the year, the nature of the acquired or discontinued operations and details of any outstanding liabilities in respect of discontinued operations.

During the 2010/11 financial year there were no acquired or discontinued operations

30 Trading Operations

The council has established 7 trading units where the service manager is required to operate in a commercial environment and balance their budget by generating income from other parts of the authority or other organisations. Details of those units for 2010/11 are as below

Trading operations are incorporated into the Comprehensive Income and Expenditure Statement.

The trading operations are separated into two groups, those which are an integral part of the council's services to the public and those that are support services to the council's services to the public (e.g. schools catering).

The expenditure of these operations is allocated or recharged to headings in the Net Operating Expenditure of Continuing Operations.

	2009/10 £'000	2010/11 £'000
Net (surplus) / deficit on trading operations	(330)	(729)
Services to the public included in Expenditure of Continuing Operations	108	(285)
Support services recharged to Expenditure of Continuing Operations	(438)	(444)
Net (surplus) / deficit charged to Other Operating Expenditure (Note 9)	(330)	(729)

Services to the public included in Expenditure of Continuing Operations

Markets

The Markets undertaking is regarded as one of the foremost in the region. It includes three retail sites providing a wide range of produce and goods as well as a Wholesale Market supplying local businesses.

	2009/10 £'000		2010/11 £'000	
Turnover	(1,684)		(1,792)	
Expenditure	1,792		1,507	
(Surplus) / Deficit		108		(285)

Support Services recharged to Expenditure of Continuing Operations**Highways**

This section carries out work on capital construction schemes and the repair and maintenance of highways, street lighting and drainage.

	2009/10 £'000		2010/11 £'000	
Turnover	(11,662)		(13,995)	
Expenditure	11,742		13,756	
(Surplus) / Deficit		80		(239)

Metro Clean

Metro Clean is the Council's in-house building cleaning service responsible for the cleaning of 425 sites throughout the borough, including 115 schools.

	2009/10 £'000		2010/11 £'000	
Turnover	(6,013)		(6,314)	
Expenditure	6,121		6,345	
(Surplus) / Deficit		108		31

Print Unit (Inpress)

Using the latest technology, Inpress are equipped to place great emphasis on service, quality and performance delivery.

The combination of these elements enables them to provide a complete service: Pre-press, Litho Printing, Digital Copying and Finishing.

	2009/10 £'000		2010/11 £'000	
Turnover	(927)		(789)	
Expenditure	892		825	
(Surplus) / Deficit		(35)		36

Public Building Maintenance

The Public Building Maintenance team carry out electrical, mechanical and general building repairs and maintenance to schools and public buildings throughout the Doncaster Borough. A Help Desk is in operation, which includes provision of an emergency response team.

Adaptation work in partnership with British Red Cross to private dwellings throughout Doncaster is carried out.

The team deliver medium new builds and refurbishment work. The section also manages the stores function for Doncaster Council.

	2009/10 £'000		2010/11 £'000	
Turnover	(7,963)		(6,917)	
Expenditure	7,819		6,976	
(Surplus) / Deficit		(144)		59

Catering (formerly Simply Catering)

Under the direction of Facilities Management delivers the Council's internal catering requirements at the Council House Skyline Restaurant, Carr House Garden Restaurant and Mansion House planned events. Buffets are available on request at these locations.

	2009/10 £'000		2010/11 £'000	
Turnover	(376)		(310)	
Expenditure	362		374	
(Surplus) / Deficit		(14)		64

Transport

The service is responsible for the acquisition and management of the Council's and St Leger Homes Ltd fleet of vehicles, plant and equipment, inclusive of statutory compliance with the goods vehicle operators licence requirements.

It operates a fully equipped vehicle body repair workshop, vehicle and plant maintenance and repair workshop which are located at North Bridge and Sunnyside Depots. The service also operates a passenger transport service which involves taking older people into day centres and day-care, people to social education centres and arranging transport for children that are in the care of the Council.

	2009/10 £'000		2010/11 £'000	
Turnover	(8,569)		(8,966)	
Expenditure	8,136		8,571	
(Surplus) / Deficit		(433)		(395)

31 Agency Services

The council is allowed to undertake certain work on behalf of other bodies and authorities. The nature and amount of any significant agency income and expenditure is required to be disclosed under the Code.

No significant agency services have been identified in 2010/11 (nil 2009/10)

32 Road Charging Schemes under the Transport Act 2000

The council does not currently operate a road charging or workplace charging scheme

33 Pooled Budget Arrangements

The council has not entered into pooled budget arrangements under section 31 of the Health Act 1999

34 Members' Allowances

The Code requires the disclosure of the total amount of members' allowances paid under the Local Authorities (Members' Allowances) Regulations 2003.

2009/10		2010/11
£		£
803,003	Basic allowance	795,756
241,620	Special responsibility allowance	234,515
658	Travel	288
17,319	Co-opted members	16,570
1,062,600	Total	1,047,129

35 Senior Officers Remuneration

The Accounts and Audit Regulations 2003 require the disclosure of certain information relating to officers' remuneration.

This means all amounts paid to or receivable by an employee and includes sums due by way of termination benefits, expenses, allowances and the estimated money value of any other benefits received by an employee otherwise than in cash.

The inclusion of termination payments has had the effect of certain employees being in a higher band than would otherwise be the case.

Regulation 4 of the Accounts and Audit (Amendment No 2) (England) Regulations 2009 introduced a new legal requirement to disclose additional information relating remuneration of senior employees.

The amended Regulations introduced a new requirement to disclose individual remuneration details for senior employees in respect of their employment by the Council (on a permanent or temporary basis).

For senior employees whose salary is £50,000 or more per year but less than £150,000 they are required to be listed individually by way of job title.

Persons whose salary is £150,000 or more per year must also be identified by name

A senior employee is an employee whose salary is more than £150,000 per year or one whose salary is at least £50,000 and who is:

- a) the designated head of paid service, a statutory chief officer or a non-statutory chief officer of a relevant body, as defined under the Local Government and Housing Act 1989
- b) the head of staff for a relevant body which does not have a designated head of paid service; or
- c) any person having responsibility for the management of the relevant body, to the extent that the person has power to direct or control the major activities of the body, in particular activities involving the expenditure of money, whether solely or collectively with other persons.

Senior employees are typically an authority's Chief Executive (or equivalent), their direct reports (other than administration staff), statutory chief officers and potentially any employee that the authority considers having responsibilities and powers indicated in c) above.

Disclosure will be made for each financial year under the following categories:

- salary, fees and allowances;
- bonuses;
- expenses allowance;
- compensation for loss of employment;
- employers pension contribution; and any other emoluments

The remuneration paid to the Authority's senior employees for 2009/10 and 2010/11 is as follows:

Senior Officer Remuneration 2009/10

Title / Name	Gross Salary	Allowances & Expenses	Additional payments	Compensation for loss of office	Employer Pension Contribution	Total
	£	£	£	£	£	£
Chief Executive – Paul Hart (Apr 2009 – Jan 2010)	141,695	0	18,772	41,261	26,001	227,729
Feb 2010 – Mar 2010 (Note 1)	26,862	0	0	0	4,674	31,536
Director of Neighbourhoods & Communities	116,537	2,561	0	0	20,277	139,375
Director of Resources (Note 2)	68,149	20	0	0	11,586	79,755
Director of Development	127,011	2,561	12,623	0	24,296	166,491
Director of Adult Services	116,477	2,561	0	0	20,277	139,315
Director of People & Performance Improvement	101,169	2,561	0	0	17,603	121,333
Director of Children & Young People's Services (Note 3)	21,344	427	0	0	3,713	25,484
Chief Financial Officer (Note 4)	88,359	0	0	0	14,816	103,175
Monitoring Officer 4 th Feb to 31 st March (Note 5)	13,927	0	0	0	2,355	16,282
Head, Danum School – Kelvin Simmons	152,224	312	0	0	21,463	173,999

Note 1

Chief Executive. Annualised salary £161,172

Note 2

This post was held by an employee from 1st April 2009 to 17th April 2009 and then by two different employees from 7th September 2009 to 31st March 2010. For the period in-between the post was covered on a consultancy basis and the figures above exclude the costs of the consultant. The annualised salary for this post is £96,300.

Note 3

This post was covered on a consultancy basis from 1st April 2009 to 31st January 2010. The current employee in post since 1st February 2010 receives an annualised salary of £130,624.

Note 4

Chief Financial Officer -This post covers the role of Section 151 Officer.

Note 5

The role of Monitoring Officer was undertaken by the Director of Resources until 3rd February 2010 and then by the Assistant Director of Resources (Legal Services) from 4th February 2010 to date. The annualised salary of the Assistant Director Resources (Legal Services) was £88,363.

Senior Officer Remuneration 2010/11

Title / Name	Gross Salary	Allowances & Expenses	Additional payments	Compensation for loss of office	Employer Pension Contribution	Total
	£	£	£	£	£	£
Chief Executive T Leader left 02/04/10	911	0	0	68,508	160	69,579
Chief Executive J Miller to July 2010 - Note 1 & Note 7	44,546	65	4,494	0	10,393	59,498
Chief Executive R Vincent from July 2010 - Note 2	132,120	0	0	0	25,896	158,016
Director of Children & Young People's Services	128,063	2,561	0	0	22,539	153,163
Director of Neighbourhoods & Communities (left WEF 26/01/11) to Dec 2010- Note 3	98,378	2,420	0	91,255	17,371	209,424
Director of Adult Services to Dec 2010	87,403	2,561	0	0	15,383	105,347
Director of Adults and Communities from Jan 2011	32,976	0	0	0	5,804	38,780
Director of Resources (Acting) to Dec 2010 - Note 4	83,027	2,665	0	0	14,631	100,323
Director of Finance & Corporate Services from Jan 2011 - Note 5	16,770	381	0	0	2,952	20,103
Chief Financial Officer - Note 6	76,593	2,390	0	0	13,476	92,459
Director of Development to Dec 2010	96,047	2,561	0	0	16,904	115,512
Director of Regeneration & Environment from Jan 2011	32,016	0	0	0	5,635	37,651
Director of People & Performance Improvement to Dec 2010	78,758	2,561	0	0	13,861	95,180
Monitoring Officer	89,644	2,561	0	0	15,777	107,982
Director of Change from Jan 2011	28,484	0	0	0	5,013	33,497
Head, Danum School - Kelvin Simmons	155,692	239	0	0	21,958	177,889

Note 1

On secondment from the Local Government Association

Note 2

On secondment from Kirklees Council. It was agreed between the authorities that Doncaster should include the remuneration in their notes

Note 3

Includes January's salary as this post was excluded from the new structure.

Note 4

Includes January's salary as this post was excluded from the new structure.

Note 5

Post filled from WEF 07/02/11

Note 6

Was Section 151 Officer until the Director of Finance & Corporate Services was appointed in February 2011

The Authority's other employees receiving more than £50,000 remuneration for the year (excluding employer's pension contributions), expressed in bands of £5,000, is as follows:

2009/10			Salary banding	2010/11		
DMBC	Schools	Total	£	DMBC	Schools	Total
35	89	124	50,000 - 54,999	75	80	155
36	52	88	55,000 - 59,999	51	61	112
10	26	36	60,000 - 64,999	29	31	60
3	9	12	65,000 - 69,999	22	16	38
4	9	13	70,000 - 74,999	16	7	23
5	5	10	75,000 - 79,999	13	5	18
5	0	5	80,000 - 84,999	13	3	16
0	2	2	85,000 - 89,999	4	2	6
0	2	2	90,000 - 94,999	6	1	7
4	0	4	95,000 - 99,999	3	2	5
1	0	1	100,000 - 104,999	0	0	0
0	1	1	105,000 - 109,999	2	1	3
0	0	0	110,000 - 114,999	2	0	2
0	0	0	115,000 - 119,999	2	0	2
0	0	0	120,000 - 124,999	1	0	1
0	0	0	125,000 - 129,999	0	0	0
1	0	1	130,000 - 134,999	0	0	0
0	0	0	135,000 - 139,999	0	0	0
1	0	1	140,000 - 144,999	1	0	1
0	0	0	145,000 - 149,999	0	0	0
0	0	0	150,000 - 154,999	0	0	0
0	0	0	155,000 - 159,999	0	0	0
0	0	0	160,000 - 164,999	1	0	1
0	0	0	165,000 - 169,999	0	0	0
0	0	0	170,000 - 174,999	0	0	0
0	0	0	175,000 - 179,999	0	0	0
1	0	1	180,000 - 184,999	0	0	0

The inclusion of termination payments has had the effect of certain employees being in a higher band for 2010/11 than would otherwise be the case.

36 External Audit Costs

The Authority has incurred the following costs in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections and to non-audit services provided by the Authority's external auditors, the Audit Commission.

	2009/10	2010/11
	£'000	£'000
Fees payable to the Audit Commission with regard to external audit services carried out by the appointed auditor for the year	473	391
Fees payable to the Audit Commission in respect of statutory inspections	17	17
Fees payable to the Audit Commission for the certification of grant claims and returns for the year	130	122
Fees payable in respect of other services provided by the Audit Commission during the year	0	62
Total	620	592

37 Dedicated Schools Grant

Education authorities in England are required by the Code to include a note demonstrating whether the Dedicated Schools Grant (DSG) has been deployed in accordance with the Accounts and Audit Regulations 2003 (as amended).

The council's expenditure on schools is funded primarily by DSG provided by the Department for Education. DSG is ring-fenced and can only be applied to meet expenditure properly included in the Schools Budget, as defined in the School Finance (England) Regulations 2008.

The Schools Budget includes elements for a range of educational services provided on a council-wide basis and for the Individual Schools Budget, which is divided into a budget share for each maintained school.

Details for the deployment of DSG receivable for 2010/11 are as follows:

	Central Expenditure £'000	Individual Schools Budget £'000	Total £'000
Final DSG for 2010/11	24,915	146,012	170,927
Brought forward from 2009/10 (overspend)	(685)	(162)	(847)
Carry forward to 2011/12 agreed in advance (overspend)	75	859	934
Agreed budgeted distribution in 2010/11	24,305	146,709	171,014
Less			
Actual central expenditure	(24,815)	0	(24,815)
Actual ISB deployed to schools	0	(145,576)	(145,576)
Carry Forward to 2011/12 (underspend on budget)	(510)	1,133	623
Less overspend carried forward to 2011/12 referred to above	(75)	(859)	(934)
Net carry forward to 2011/12	(585)	274	(311)

38 Grant Income

The Authority credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2010/11:

	2009/10	2010/11
	£'000	£'000
Credited to Taxation and Non Specific Grant Income Note 11		
Housing Market Renewal Fund (HMRF)	7,103	5,791
Standards Fund - Capital	14,534	2,878
Ridgewood Post 16	702	2,446
Sure Start	1,574	2,257
Local Transport Plan (LTP) Central Pot	3,208	1,973
Section 106 Contributions	625	1,933
Civic & Cultural Quarter (CCQ) Yorkshire Forward	586	1,708
Regional Housing Board (RHB) Grant	1,690	1,617
Housing Growth Fund	0	1,573
Local Transport Plan (LTP) Department For Transport	2,248	1,536
S31 Primary Route Network (PRN) Grant	442	1,352
Local Enterprise Growth Initiative (LEGI) Capital Grant	1,214	1,154
Department of Environment (DOE) - Improvement Grants	600	698
Insurance Contribution Housing	0	691
Waste Performance & Efficiency	360	605
CCQ Arts Council	0	568
Football Foundation	0	385
Natural Play Programme	548	376
Energy Efficiency Contribution	1,287	280
Yorkshire Forward Finningley and Rossington Regeneration Route	1,085	0
LPSA 2 Reward Grant Capital	518	0
Other Grants	3,029	1,839
TOTAL	41,353	31,660
Non-Ring fenced Government Grants		
Area Based Grant	30,626	36,975
Revenue Support Grant	26,044	18,160
Local Public Service Grant	518	0
Local Authority Business Growth Incentive Scheme	206	0
Housing and Planning Delivery Grant (revenue)	161	0
Other	108	0
Total	57,663	55,135
Credited to Services		
Dedicated Schools Grant (DSG)	171,793	170,927
Mandatory Rent Allowances: subsidy	40,538	46,821
Mandatory Rent Rebates: subsidy	36,853	37,560
Standards Fund Grant (DFES)	18,167	24,177
Council Tax Benefit: subsidy	21,437	22,698
Young People's Learning Agency	16,795	21,909
Sure Start	10,825	12,127
School Standards Grant	9,025	9,080
European Regional Development Fund	213	3,648
PFI Annuity Grant	3,478	3,478
Benefits Admin Grant	3,044	3,143
Housing Subsidy	2,058	1,772
Local Transport Plan	0	1,399
New Deal Grant	2,253	1,300
DFE Change Grant	501	1,295
Future Jobs Fund	25	1,266
Child Young People Grant	1,202	1,252
Graduate Teacher Programme	801	787
Home Office - Asylum Seekers Grant	1,181	719
Department of Health	401	491
Ecotec Grant	0	487
Skills Funding Agency Grant	0	445
Department For Transport - Winter Damage Fund	0	437

NNDR Costs of Collection Allowance	391	379
Local Delivery Support Grant	3	359
Pathfinder	263	348
Home Office Grant	423	328
Communities for Health	59	292
Diploma Grant	265	272
My Place	0	266
Training Development Agency	445	224
Home Office - Homelessness Grant	462	161
Youth Justice Board	1,081	154
Department of Culture, Media and Sport	309	92
Supporting People Grant	16,263	0
Other Grants	3,844	4,106
Total	364,398	374,199

The Authority has received a number of grants, contributions and donations that have yet to be recognised as income as they have conditions attached to them that will require the monies or property to be returned to the giver. The balances at the year-end are as follows:

	2008/09	2009/10	2010/11
	£'000	£'000	£'000
Capital Grants Receipts in Advance			
Standards fund	0	0	14,065
Section 106	9,689	10,146	9,592
Ridgewood	0	0	3,747
Transport Supplementary Grant	0	1,709	1,682
Green Corridor	0	0	0
Hesley Court	0	0	535
BSF Insurance Inc	0	0	384
Gypsy/Traveller grant - Housing	0	374	0
Waste Performance & Efficiency	0	420	0
Liveability	0	602	0
Other Grant & Contribution	0	1,183	882
Total	9,689	14,434	30,887

39 Related Parties

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

Members and Officers

During the year the Council transacted with the following organisations which were related parties due to their connection with the council and council members, chief officers of the Council and other related parties.

2009/10 £'000	Organisation	General Nature of Transactions	2010/11 £'000
Income			
5,332	Transform South Yorkshire	Pathfinder Grant	4,280
Expenditure			
1,034	Muse Developments Ltd	Reimbursement Costs and Management fees in relation to CCQ development.	7,189
649	Doncaster College	Funding from Young Peoples Learning Agency passed through DMBC	3,729
3,173	Doncaster Central Development Trust	New Deal for Communities funding	2,526
1,389	North Doncaster Development Trust	Various schemes to support Work Skills and Enterprise Programme supporting delivery of the Economic strategy	2,012
624	Doncaster Chamber of Commerce	Funding for Projects	614
589	Doncaster Community Transport	Costs incurred for School Escort Service	469
381	Doncaster & Bassetlaw Hospital	Funding contributions to NHS Health Act Section 28A and the Coroners Service.	465
330	Doncaster Arts (DARTS)	Various grant contributions to support projects such as "Success Doncaster", "Otherwise creative..." and "Art adventures Out & About".	417
358	Citizens Advice Bureau	Core Funding for Citizens Advice Bureau across the borough.	347
190	Dawson & Burgess	Legal Fees	187
79	Local Government Association	Annual subscription fees	157
53	SY Centre for Inclusive Living (SYCIL)	Charges in relation to social services inclusive living	108

Central government

Central government has effective control over the general operations of the council, it is responsible for providing the statutory framework within which the council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the council has with other parties (e.g. council tax bills, housing benefits).

Grants received from government departments are set out in the subjective analysis in Note 28 on reporting for resources allocation decisions. Grant receipts outstanding at 31 March 2011 are shown in Note 38.

The council maintains involvement with a number of related businesses and companies. The assets and liabilities of these companies are not included in the council's accounts.

Information has been provided about the shareholding, general purposes of the companies, the proportion of the council's shareholding and the sum of any dividends received where applicable.

Unless otherwise stated there were no significant debts between the council and the companies listed as at 31st March 2011

Other Public Bodies

Arthur Street (Doncaster) Developments Limited

The Council holds 19.9% (£100,000) of the ordinary share capital and preference shares of £266,000.

Donbac, Doncaster Chamber of Commerce and Industry and Barnsley and Doncaster Training and Enterprise Council formed the company in 1992 to purchase land and build offices for use. The offices were completed in 1994 and the company receives rental income. The company has developed a new site that is rented and used as a business innovation centre.

The audited accounts for the year ended 31st July 2010 show net assets valued at £1,398,391 (£982,688 in 2008/09). The company made a profit for the year of £91,334 before tax, £90,703 after tax (a profit of £116,311 before tax, £112,400 after tax in 2008/09). The Council has waived its right to dividends on preference shares since 2004/05, however, no such waiver has been made since 2007/08 so the dividends are due. Preference dividend of £95,760 for the years 2000/01, 2001/02, 2002/03 and 2003/04 remains unpaid as a result of preference shareholders agreeing to defer the dividends.

The accounts of the company may be obtained from The Company Secretary, Doncaster Business Innovation Centre, Ten Pound Walk, Doncaster DN4 5HX.

BDR Property Limited (Formerly called Arpley Gas Ltd)

The Council has 8.15% of the share capital.

The Company's principal activity is the management of the Thurcroft landfill site.

The audited accounts for the year ended 31st December, 2009 show net assets of £4,975,000. The Company made a loss of £72,000 before and after tax in 2009. No dividends were paid in 2009.

The company was dormant during the financial year ended 31st December, 2007. On 27th February, 2008 the Company by way of a special resolution, changed its name with effect from 16th March, 2008 to BDR Property Limited. On 27th February, 2008, a Joint Venture agreement was entered into between the Company's shareholders, Waste Recycling Group Limited, Barnsley Metropolitan Borough Council, Doncaster Metropolitan Borough Council and Rotherham Metropolitan Borough Council (the 'shareholders'), whereby the Company, subject to certain conditions would acquire from BDR Waste Disposal Limited the freehold and leasehold property known as Thurcroft landfill site. This transaction had not been completed at the year end.

The council owes £405,037 in relation to the shares acquisition.

The accounts of the company may be obtained from The Company Secretary, Ground Floor West, 900 Pavillion Drive, Northampton Business Park, Northampton, NN4 7RG.

Dearne Valley Leisure Trust

This is a company limited by guarantee. The Council owns no shareholding in the company and is ineligible to receive any dividends that might be paid.

The company's principal activity is the operation of the Dearne Valley Leisure Centre that opened at the beginning of May 2002.

The audited accounts for the year ended 31st March 2010 show net assets of £90,669 (£222,530 in 2008/09). The Trust's net outgoing resources in 2009/10 were £83,831 (net incoming resources of £37,552 in 2008/09).

The Council makes a contribution to support the charitable activities operated by the company. The amount paid to the company in 2010/11 was £171,625 (£171,625 in 2009/10).

The accounts of the company may be obtained from The Company Secretary, Dearne Valley Leisure Centre, Doncaster Road, Mexborough, Doncaster S64 0LB.

Donbac Limited

This is a company limited by guarantee. In August 2008 the company changed its name from Donbac Finance Limited to Donbac Limited.

The aims of the company are to promote the foundation and assist in the development of businesses in Doncaster and the surrounding area. This is principally realised by investing in projects operated by partner agencies.

The accounts for the year ended 31st March 2010 show net assets valued at £1,828,233 (£1,897,053 in 2008/09). The company made a loss for the year of £68,820 before and after tax (a loss of £161,267 before tax, and £147,502 after tax in 2008/09). No dividend was paid.

The council has entered into a contract with Donbac to manage £400,000 loan fund on behalf of the council. The loan fund is used to help small and medium sized enterprises in the local area. Donbac were paid £52,715 to manage the fund in 2010/11 (£43,762 in 2009/10).

The financial accounts of the company may be obtained from The Company Secretary, Sidings Court, Lakeside, Doncaster. DN4 5NU

Doncaster Community Solutions (LIFTCO) Limited

The company was formerly known as Doncaster Community Solutions Ltd

The Council has 5% of the share capital.

The principal activity of the company is to design, build, finance, and manage premises under the Government's LIFT initiative.

The accounts for the year ended 31st December 2010 show net liabilities of £272,000 (net liabilities of £281,000 in 2009). The company made a profit for the year of £9,000 before and after tax (a loss of £343,000 before tax, £344,000 after tax in 2009). No dividend is recommended.

The Council has provided a subordinated loan debt of £136,000. The company's accounts state that the loan carries a coupon of 10% and is repayable in quarterly instalments that commenced on 30 June 2007 and are due to end on 31 December 2031.

The accounts may be obtained from The Company Secretary, Asset Management Solutions Limited, 3rd Floor, 46 Charles Street, Cardiff, CF10 2GE.

Doncaster Culture and Leisure Trust

The company was formerly known as 'Doncaster Dome Leisure Trust'

The Council owns no shareholding in the company and is ineligible to receive any dividends that might be paid.

The company's principal activity is the operation of the Leisure Complex, "The Dome".

The audited accounts for the year ended 31st March 2010 show net assets of £307,964 (£335,018 in 2008/09). The Trust's net outgoing resources in 2009/10 were £27,054 (net incoming resources £33,964 in 2008/09).

The Council supports this company by making grants to the Doncaster Leisure Trust to support charitable activities operated by the company at the Dome. Grant paid to the Trust in 2010/11 totalled £360,000 (£360,000 in 2009/10).

The accounts of the company may be obtained from The Company Secretary, Doncaster Leisure Park, Bawtry Road, Doncaster DN4 7PD.

Doncaster Venture Capital Limited

The company repurchased 40% of its share capital in 1999/2000. In 2003/04, 2004/05 and 2005/06 the company repurchased 50% of its shares. In 2010/11 the company reduced its share capital by 99%.

The principal activity of the company is the provision of venture capital including the direct investing of funds in small and medium sized businesses in South Yorkshire with particular reference to the Doncaster area.

The audited accounts for the year ended 31st March 2010 show net assets valued at £160,309 (£153,305 in 2008/09). The company made a profit of £7,004 before and after tax (a loss of £4,339 before and after tax in 2008/09). No dividend was paid in 2009/10.

The accounts of the company may be obtained from The Company Secretary, Allotts Sidings Court, Doncaster. DN4 5NU

Groundwork Dearne Valley

This is a company limited by guarantee and does not have any share capital.

The company was formed in 1995 to promote, conserve and improve the natural environment of the Dearne Valley.

The audited accounts for the year ended 31st March 2010 show net assets of £11,268 (net assets of £191,802 in 2009). The company made a loss for the year of £180,354 before and after tax (a loss of £5,612 before and after tax in 2008/09). No dividend was paid.

In 2009/10 payments were made to the company for work undertaken totalling £43 (£108,542 in 2008/09 re-stated from £136,980). Payments made to the Council from Groundwork Dearne Valley totalled £182 (£69,267 in 2008/09). The Council did not make a contribution to the company in 2009/10 or 2008/09.

The financial accounts of the company may be obtained from The Borough Secretary's Office, Barnsley Metropolitan Borough Council, Town Hall, Barnsley S70 2TA.

Lakeside Sports Complex LLP

This is a Limited Liability Partnership (LLP).

The company's principal activity is the operation of the stadium, which opened in December 2006.

The audited accounts for the year ended 31st March 2010 show net liabilities valued at £1,572,719 (£1,680,015 in 2008/09). The company made a profit for the year of £107,296 before and after tax (a profit of £263,478 before and after tax in 2008/09).

The Council maintain surrounding grounds and cover insurance for the facility in recognition that the stadium is a community facility.

The accounts for the company when completed may be obtained from The Company Secretary, Stadium Management Company, Keepmoat Stadium, Stadium Way, Doncaster DN4 5JW.

Yorkshire Purchasing Organisation

The Yorkshire Purchasing Organisation (YPO) was established in 1974 to fulfil the supplies requirements of a number of local authorities. Doncaster is one of thirteen local authority members.

The company's main activities are the supply of stationery and other supplies to local authorities, schools and the voluntary sector. The company has 13 members one of which is the Council. The Council has 2 members on the board of 26.

The audited accounts for the year ended 31st December 2010 show net assets £15,031,000 (£6,189,000 in 2009). The company made a profit for the year of £8,278,000 (a profit of £3,914,000 in 2009).

The value of invoiced business (stock and direct supply only) with Doncaster MBC was £3,794,000 in 2009 (3,886,000 in 2008)

The accounts of the company may be obtained from YPO, 41 Industrial Park, Wakefield, WF2 0XE

Entities Controlled or Significantly Influenced by the Authority

The summarised group financial statements that follow on page 121 show the consolidated position of the council with St. Leger Homes of Doncaster Limited accounted for as a subsidiary undertaking. Digital Region Limited and The Doncaster Racecourse Management Company Limited are accounted for as joint ventures under the provisions of IAS31 - Interests in Joint Ventures.

St. Leger Homes of Doncaster Limited

This is a company limited by guarantee and does not have any share capital.

The council is the sole member and undertakes, in the event of the organisation being wound up, to contribute such amount as may be required for the payment of the debts and liabilities of the company and after satisfaction of all the debts and liabilities the remaining assets will be transferred to DMBC Housing Revenue Account.

It was formed on 1st October 2005 to provide housing management and other services on behalf of the council.

The Council paid St. Leger Homes of Doncaster Limited a management fee of £32m in 2010/11 (£33.06m in 2009/10) for it to manage and maintain the council's Housing Revenue Account stock on its behalf and manage the Housing General Fund capital programme.

St. Leger Homes of Doncaster Limited used £5.28m (£5.12m in 2009/10) of this management fee to buy back services from the Council under a service level agreement including grounds maintenance, transport, safety wardens, payroll and information services. In addition to the management fee St. Leger Homes of Doncaster Limited also received £6.3m relating to recharges for capital schemes.

The total housing capital programme expenditure for 2010/11 was £53m (£66.2m in 2009/10) of which £47.9m (£60.8m in 2009/10) was on HRA properties and £5m (£5.3m in 2009/10) on non-HRA properties.

The accounts may be obtained from The Company Secretary, St. Leger Homes of Doncaster Limited, St Leger Court, White Rose Way, Doncaster DN4 5ND

Digital Region Limited

The Council has a 6/70ths share in the company.

The aim of the company is to build a next generation fibre optic broadband network throughout South Yorkshire. The network will provide access for both the public and private sectors to facilitate improvement in the economic performance of the region.

The audited accounts for the year ended 31st March, 2011 show net liabilities of £10,082,000 (£838,000 as at 31st March 2010). The company made a loss of £9,303,000 before tax and £9,244,000 after tax in 2010/11 (a loss of £583,000 before tax and a loss of £840,000 after tax in 2009/10). No dividends have been declared.

The Council has agreed to make a £2m loan to the company.

The accounts for the company may be obtained from The Company Secretary, Electrical Works, Sheffield Digital Campus, Sheffield, S1 2BJ.

The Doncaster Racecourse Management Company Limited

The Council has 190 shares of £1 each, which is 19% of the share capital. The Council has made a share premium payment of £2m, which was used to help fund the cost of the Grandstand redevelopment. The company was formed on 1st January 2006 to develop and operate the Racecourse.

The draft accounts for the year ended 31st December 2010 show net assets valued at £6,794,011 (£8,229,290 in 2009). The company made a loss for the year of £1,223,279 before and after tax (a loss of £1,223,279 before and after tax in 2009). Cumulative losses to 31st December 2010 amount to £5,209,989. No dividend has been paid. Over the first 30 years of the racecourse's operation the Council will receive 7.5% of profits.

A copy of the accounts may be obtained from the Company Secretary, R. Mercer, 408 The Strand, London WC2R 0NE.

40 Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases and PFI/PPP contracts), together with the resources that have been used to finance it.

Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the council that has yet to be financed.

The CFR is analysed in the second part of this note.

	2009/10	2010/11
	£'000	£'000
Opening Capital Financing Requirement	439,044	471,965
Capital investment		
Property, Plant and Equipment	88,112	81,466
Investment Properties	0	0
Intangible Assets	247	456
Long term loans and advances	36	231
Investment in related company	405	0
Revenue Expenditure Funded from Capital Under Statute	7,449	19,678
Sources of Finance		
Capital receipts	(3,212)	(2,482)
Government grants and other contributions	(49,474)	(47,990)
Sums set aside from revenue:	0	0
Direct revenue contributions	(1,294)	(4,225)
MRP / loans fund principal	(9,348)	(9,054)
Closing Capital Financing Requirement	471,965	510,045
Explanation of movements in year		
Increase in underlying need to borrowing (supported by government financial assistance)	33,129	26,537
Increase in underlying need to borrowing (unsupported by government financial assistance)	0	12,614
Assets acquired under finance leases	245	0
Assets acquired under PFI/PPP contracts	0	0
Un-financed expenditure	(453)	(1,071)
Increase/(decrease) in Capital Financing Requirement	32,921	38,080

The main items of capital spending were:-

2009/10 Expenditure £'000		2010/11 Expenditure £'000
	Housing Capital Programme	
11,348	Decency - Henry Boot	13,424
15,057	Decency – Bramall	9,873
9,151	Wates Living Space	9,372
3,456	Decency – Doncaster Council Management Fees	2,834
3,340	Refurbishment Works to Empty Properties	1,898
1,470	Adaptations for the Disabled	1,435
1,039	Disabled Facilities Grants	1,150
551	Woodlands Square 8	1,058
12	Woodlands Square 7	1,045
1,051	Cyclical Painting Programme	686
1,415	Adaptations for the Decent Homes	388
3,000	Decency – Fascia & Soffit Programme	21
1,231	Pathfinder Scheme – Princess Crescent	9
	Children and Young People Programme	
602	Ridgewood Post 16 Development	2,446
3,222	Devolved Formula Capital – General - Primary	1,861
167	Targeted Capital Fund - Kitchen and Dining Facilities	1,350
1,809	Devolved Formula Capital – General - Secondary	927
	Transport Capital Programme	
163	Balby New Edge Beam	1,372
1,175	White Rose Way Project & Delivery	899
	Major Projects	
52	CCQ Civic Office	2,583
87	CCQ Public Realm and Infrastructure	2,551
491	CCQ New Performance Venue	1,602
1,285	Finningley & Rossington Regeneration Route Scheme Project & Delivery	0
	Corporate Capital Programme	
0	Capitalisation Direction (see Explanatory Foreword for details of schemes)	8,038
90	Cantley Park	1,034

41 Leases

a) Authority as lessee

Finance Leases

The Council has acquired plant, vehicles and equipment under leases accounted for as finance leases under IAS17 - Leases.

The assets acquired under these leases are carried as Property, Plant and Equipment in the Balance Sheet at the following net amounts:

	2009/10	2010/11
	£'000	£'000
Other Land and Buildings	0	0
Vehicles, Plant, Furniture and Equipment	483	365
	483	365

The Authority is committed to making minimum payments under these leases comprising settlement of the long-term liability for the interest in the property acquired by the council and finance costs that will be payable by the council in future years while the liability remains outstanding. The minimum lease payments are made up of the following amounts:

	2009/10	2010/11
	£'000	£'000
Finance lease liabilities (net present value of minimum lease payments):		
Current	374	270
Non-current	104	107
Finance costs payable in future years	270	163
	28	15

Outstanding obligations to make payments under these finance lease arrangements as at 31st March 2011, accounted for as part of the long term liabilities (Note 15) (excluding finance costs), are as follows

	Minimum Lease Payments		of which Finance Lease Liabilities	
	31 March 10	31 March 11	31 March 10	31 March 11
	£'000	£'000	£'000	£'000
Not later than one year	113	112	104	107
Later than one year and not later than five years	289	173	270	163
Later than five years	0	0	0	0
TOTAL	402	285	374	270

Operating Leases

The council has entered into a number of operating leases for vehicles, plant and equipment to the value of £1.73m (£3.16m in 2009/10). Operating lease rentals for plant and machinery are paid annually in advance.

	Rent Paid in Year	
	2009/10	2010/11
	£'000	£ 000
Hire of plant and machinery	2,157	2,212
Land and buildings	752	796
Total	2,909	3,008

Annual commitments under non-cancellable operating leases:

	Land and buildings	Other operating leases	Land and buildings	Other operating leases
	2009/10		2010/11	
	£'000	£'000	£'000	£'000
Operating leases which expire:				
Within 1 year	115	16	165	70
Between 1 and 5 years	252	1,815	243	1,907
After 5 years	385	0	388	0
Total	752	1,831	796	1,977

The 2010/11 figures above represent cash commitments at 31st March payable during 2011/12.

b) Authority as lessor**Finance Leases**

The council has not identified any finance leases where it acts as lessor

Operating Leases

The council has properties which it leases out under operating leases which generate revenue.

Annual income from operating leases where DMBC acts as lessor are as below

	Land and buildings	
	2009/10	2010/11
	£'000	£'000
Operating leases which expire:		
Within 1 year	62	82
Between 1 and 5 years	469	390
After 5 years	626	657
Total	1,157	1,129

42 Private Finance Initiatives and Similar Contracts

Private Finance Initiatives and Similar Contracts

a) Schools PFI

In 2007/08 the council committed to making payments estimated at £5.8m per annum under a contract with Doncaster School Solutions for the provision of two secondary PFI schools. The actual level of payments will be inflated each year.

The contractor payments began in December 2008 with actual payments of £5.873m in 2010/11 (£5.772m in 2009/10; £1.904m in 2008/09).

1 April 09	31 March 10		31 March 11
The value of assets held under PFI arrangements and similar contracts (£'000)			
48,475	48,475	Property, Plant & Equipment - other land & buildings GBV b/fwd	24,286
0	0	Lifecycle replacement costs	129
0	0	Derecognised component	(116)
(404)	(1,616)	less depreciation	(1,230)
0	(23,997)	less adjustment for the transfer of Sir Thomas Wharton College to Trust status on 1st March 2010	0
0	800	Add back depreciation	0
48,071	23,662	Net Book Value c/fwd	23,069
The value of liabilities resulting from PFI arrangements and similar contracts (£'000)			
1,532	1,394	Current liabilities: Finance lease principal repayment due within one year	1,622
45,817	44,423	Long Term Liabilities: Deferred Liabilities (finance lease liability)	42,801
47,349	45,817	Total	44,423

The analysis of the amounts due going forward are shown below with the contract due to expire in 2033/34.

Details of payments due to be made under PFI arrangements and similar contracts (£'000)								
	Sir Thomas Wharton College (see Note 1 below)			Mexborough Science College				
	Repayment of finance lease liability	Unitary charge (other)	Total	Repayment of finance lease liability	Interest	Service charge	Lifecycle replacement costs	Total
Within 1 year	803	2,172	2,975	819	873	1,330	14	3,036
Within 2-5 years	3,241	8,998	12,239	3,305	3,179	5,660	339	12,483
Within 6-10 years	4,518	11,597	16,115	4,608	3,220	7,909	700	16,437
Within 11-15 years	3,817	13,317	17,134	3,893	2,378	8,948	2,257	17,476
Within 16-20 years	6,357	11,929	18,286	6,485	1,433	10,123	611	18,652
Within 21-25 years	3,254	6,984	10,238	3,323	214	5,939	975	10,451
Total	21,990	54,997	76,987	22,433	11,297	39,909	4,896	78,535

Note 1

Sir Thomas Wharton College transferred to Trust Status with effect from 1st March 2010 and so the asset is no longer recognised on the council's balance sheet in accordance with the council's accounting policies. The unitary charge will continue to be paid by the council over the remaining contract period with the liability shown between repayment of the finance lease liability and unitary charge (other)

b) Waste Management PFI

The Council is working with Rotherham and Barnsley councils to develop a waste management PFI to deal with the authorities' residual waste with a joint award of £77.4m of PFI credits to support the project.

The procurement process is near conclusion with the financial close scheduled for September 2011. The Service Commencement is forecast for April 2015 and, therefore, no payments have yet been made.

43 Impairment Losses

The Code requires disclosure by class of assets of the amounts for impairment losses and impairment reversals charged to the Surplus or Deficit on the Provision of Services and to Other Comprehensive Income and Expenditure. These disclosures are consolidated in Note 12 reconciling the movement over the year in the Property, Plant and Equipment balances.

During 2010/11, the Authority has recognised an impairment loss of £287.497m

	2010/11 £'000
Revaluation Loss due to the change in percentage used to calculate the social housing value of Council Dwellings (47% 2009/10 to 31% 2010/11)	237,141
Revaluation Loss relating to non Council Dwelling Assets	3,271
Impairment due to Council Dwelling demolition in year and proposed future	1,988
Consumption of Economic Benefit re non CDW	81
Revaluation loss and Impairment on General Fund Assets	45,016
Total Impairment and Revaluation Loss	287,497

44 Capitalisation Of Borrowing Costs

The Council capitalised £16k of interest charges on the new Civic Office (£12k) and Public Realm Infrastructure (£4k).

The interest charged is 2% above the Bank of England base rate

45 Termination Benefits

The Authority terminated the contracts of a number of employees in 2010/11, incurring liabilities of £18.285m, of which £15.313m is charged to the 2010/11 accounts.

Included in this amount of £15.313m is £91.2k payable to the Director of Neighbourhoods & Communities for redundancy and loss of office and £68.5k payable to the Director of Resources in the form of compensation for loss of office, as disclosed in Note 35.

£16.566m is payable to leavers from the rationalisation of Council services mainly through voluntary redundancy or voluntary early retirement, of which £13.784m is charged to the accounts in 2010/11.

The £13.784m has been financed by £8.209m from revenue resources and £5.575m from a capitalisation direction.

The remaining £1.719m is payable to 62 employees from the Children & Young People's Service for 2010/11 funding reductions, Adult Service home closures and New Deal for Communities of which the charge for 2010/11 is £1.529m

The £1.529m chargeable in 2010/11 has been funded from the relevant service budget or specific grant. The details are summarised in the table below

	Redundancy and Other payments (2010/11)	Retirement costs Year 1 (2010/11)	Retirement costs Year 2 (2011/12)	Retirement costs Year 3 (2012/13)	TOTAL	Total 2010/11
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
Costs						
Restructure - corporately funded	12,405	1,379	1,377	1,405	16,566	13,784
Directorate expenditure	1,328	201	95	95	1,719	1,529
Total	13,733	1,580	1,472	1,500	18,285	15,313
Funded by						
Capitalisation direction					5,575	5,575
Corporately funded					10,991	8,209
Directorate budgets					1,719	1,529
TOTAL					18,285	15,313

46 Pensions Schemes Accounted For As Defined Contribution Schemes

Teachers' Pension Scheme

Teachers employed by the council are members of the Teachers' Pension Scheme. The scheme is a Defined Benefit scheme administered by the Department for Education.

It provides teachers with defined benefits upon their retirement and the council contributes towards the costs by making contributions based upon a percentage of members' pensionable salaries.

Although the scheme is unfunded, teachers' pensions use a notional fund as the basis for calculating the employers' contribution rate paid by local education authorities. However it is not possible for the council to identify a share of the underlying liabilities in the scheme attributable to its own employees.

For the purpose of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

In 2010/11, the council's contribution to the Department for Education in respect of teachers' retirement benefits was £12.743m (£12.828m in 2009/10), which represents 14.1% of teachers' pensionable pay (14.1% in 2009/10).

In addition a further sum of £2.970m (£3.008m in 2009/10) was paid to former teachers representing the cost of added years and related increases. Amendments to the scheme came into force in 1997/98 under the Pensions Act 1995 making employers responsible for additional costs of the scheme.

47 Defined Benefit Pension Schemes

Participation in Pension Schemes

As part of the terms and conditions of employment of its officers and other employees, the council offers retirement benefits. Although these benefits will not actually be payable until employees retire, the council has a commitment to make the payments that needs to be disclosed at the time that employees earn their future entitlement

Local Government Pension Scheme

The council participates in the South Yorkshire Pension Scheme which is a funded defined benefit final salary scheme, meaning that the council and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets. The balances at any given time are subject to fluctuations in the value of assets and the investments made by the Pension Fund. A Pensions Reserve has been created for an amount equivalent to the Pensions Liability and this account will be adjusted to reflect the changes in the Pensions Liability each year.

In the UK budget statement on 22nd June 2010 the Chancellor announced that with effect from 1 April 2011 public service pensions would be up-rated in line with the Consumer Prices Index (CPI) rather than the Retail Prices Index (RPI). This has the effect of reducing the Council's liabilities in the South Yorkshire Local Government Pension Scheme by £57.607million this includes £7k due to early retirement during the period and has been recognised as a past service gain in accordance with guidance set down in UITF Abstract 48, since the change is considered to be a change in benefit entitlement. There is no impact upon the General Fund

The council recognises the cost of retirement benefits in the Net Cost of Services when employees earn them, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against Council Tax is based on the cash payable in the year, so the real cost of employment / retirement benefits is reversed via the Movement in Reserves Statement.

The council has given an undertaking to assume responsibility for liabilities relating to the Pension Fund relating to staff transferred to St Leger Homes of Doncaster Ltd which was formed on 1st October 2005 to provide housing management and other services on behalf of the council (Details of St Leger Homes of Doncaster Ltd retirement benefits are included in the Group Accounts. The following transactions relate to Doncaster Council staff only and have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balances via the Movement in Reserves Statement during the year.

	Local Government Pension Scheme £'000	
	2009/10	2010/11
Comprehensive Income and Expenditure Statement		
Cost of Services		
Current service cost	16,355	25,163
Past service costs	14	(57,600)
Settlements and curtailments	598	3,394
Financing and Investment Income and Expenditure		
Interest cost	48,998	54,213
Expected return on scheme assets	(28,596)	(39,359)
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	37,369	(14,189)
Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement		
Actuarial (gains) and losses	(111,558)	35,020
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	(74,189)	20,831
Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the Code and FRS17	(37,369)	14,189
Employers' contributions payable to scheme and retirement benefits payable to pensioners	29,762	29,429

The cumulative amount of actuarial gains and losses recognised in the Comprehensive Income and Expenditure Statement to the 31 March 2011 is a gain of £35.020m.

Assets and Liabilities in Relation to Post-employment (Retirement) Benefits

Reconciliation of present value of the scheme liabilities (defined benefit obligation):

	Funded Liabilities: Local Government Pension Scheme £'000	
	2009/10	2010/11
Opening balance at 1 April	691,906	969,037
Current service cost	16,355	25,163
Interest cost	48,998	54,213
Contributions by scheme participants	9,623	9,187
Actuarial gains and losses	231,104	(45,450)
Benefits paid	(29,561)	(36,229)
Past service costs	14	(57,600)
Entity combinations	0	0
Curtailments	598	3,394
Settlements	0	0
Closing balance at 31 March	969,037	921,715

Reconciliation of fair value of the scheme (plan) assets:

Local Government Pension Scheme £'000		
	2009/10	2010/11
Opening balance at 1 April	462,413	620,379
Expected rate of return	28,596	39,359
Actuarial gains and losses	119,546	(10,430)
Employer contributions	29,762	29,429
Contributions by scheme participants	9,623	9,187
Benefits paid	(29,561)	(36,229)
Entity combinations	0	0
Settlements	0	0
Closing balance at 31 March	620,379	651,695

Part of the way that the Pension Liabilities are expected to be financed is through investment returns. The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy.

The actual return on scheme assets in the year for the council was a gain of £28.929m (a gain of £148.142m in 2009/10).

Scheme History

	2006/07 £'000	2007/08 £'000	2008/09 £'000	2009/10 £'000	2010/11 £'000
Present value of liabilities:					
Local Government Pension Scheme	(730,934)	(814,659)	(691,906)	(969,037)	(921,715)
Discretionary Benefits	0	0	0	0	0
Fair value of assets in the Local Government Pension Scheme					
	556,100	548,938	462,413	620,379	651,695
Surplus/(deficit) in the scheme:					
Local Government Pension Scheme	(174,834)	(265,721)	(229,493)	(348,658)	(270,020)
Discretionary Benefits	0	0	0	0	0
Total	(174,834)	(265,721)	(229,493)	(348,658)	(270,020)

The liabilities show the underlying commitments that the council has in the long run to pay retirement benefits. The total liability of £270.020m has a substantial impact on the net worth of the council as recorded in the balance sheet.

However, statutory arrangements for funding the deficit mean that the financial position of the council remains healthy insofar as the deficit on the scheme will be made good by increased contributions over the remaining life of employees, as assessed by the actuary. The total contributions expected to be made to the scheme by the council in the year to 31st March 2012 is £27.759m

Basis for Estimating Assets and Liabilities

To obtain the actuarial information for incorporation into this statement within the permitted timescale it has been necessary to make use of information held prior to the end of the financial year and, where appropriate, project it forward to 31st March 2011. Because of the long-term nature of most defined benefit schemes and the inherent uncertainties affecting them, the liabilities of the scheme are measured on an actuarial basis. This involves estimating the future cash flows arising under the scheme liabilities based on a number of actuarial assumptions such as mortality rates, employee turnover rates, salary growth and the discounting of the cash flows at the appropriate rate.

The main actuarial assumptions used in their calculations have been:

Beginning of period

End of period

Financial assumptions

3.3%	Rate of RPI inflation	3.4%
2.8%	Rate of CPI inflation	2.9%
4.8%	Rate of increase in salaries	4.6%
3.3%	Rate of increase in pensions	2.9%
5.6%	Discount rate	5.5%

Expected rate of return on assets

7.5%	Equities	7.5%
4.5%	Government Bonds	4.4%
5.2%	Other Bonds	5.1%
6.5%	Property	6.5%
0.5%	Cash / Liquidity	0.5%

The split of the assets between investment categories

64.6%	Equities	67.4%
15.4%	Government Bonds	14.6%
7.9%	Other Bonds	7.2%
9.1%	Property	9.8%
3.0%	Cash / Liquidity	1.0%

Life expectancy

21.3 (24.1) years	- of a male (female) future pensioner aged 65 in 20 years time	22.8 (25.7) years
20.4 (23.2) years	- of a male (female) current pensioner aged 65	21.4 (24.1) years

Commutation of pension for lump sum at retirement

50% take maximum cash, 50% take 3/80ths cash

The scheme's assets consist of the following categories by value and the proportion of the total assets held:

2009/10 DMBC £'000	%		2010/11 DMBC £'000	%
400,766	64.6	Equities	439,243	67.4
95,538	15.4	Government Bonds	95,147	14.6
49,010	7.9	Other Bonds	46,922	7.2
56,454	9.1	Property	63,866	9.8
18,611	3.0	Cash / Liquidity	6,517	1.0
620,379		Total assets	651,695	

History of experience gains and losses

The actuarial gains and losses identified as movements on the Pensions Reserve can be analysed into the following categories, measured as absolute amounts and as a percentage of assets or liabilities as at 31st March.

	2010/11		2009/10		2008/09 Restated		2007/08 Restated		2006/07	
	£'000	%	£'000	%	£'000	%	£'000	%	£'000	%
Actual Gains / (Losses) on Assets										
DMBC	(10,430)	1.6	119,546	19.3	(131,982)	(28.5)	(53,268)	(9.7)	4,696	0.8
Actual Gains / (Losses) on Liabilities										
DMBC	29,426	3.2	0	0	0	0	(19,012)	(2.3)	0	0

West Yorkshire Superannuation Fund

Payments in 2010/11 totalling £0.078m (£0.97m in 2009/10) were made to the West Yorkshire Superannuation Fund being the council's share of payments to employees of the former West Riding County Council incurred as a result of the Local Government Reorganisation in 1974

48 Contingent Assets and Liabilities

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the control of the entity.

A contingent liability is a liability of sufficient uncertainty that it does not qualify for recognition as a provision

Contingent assets are not recognised in the accounting statements but are disclosed in notes to the financial statements if an inflow of a receipt or economic benefit is considered more likely than not to occur.

Similarly for contingent liabilities which are not recognised in the accounting statements but are disclosed in notes to the financial statements unless the likelihood of a payment or a transfer of economic benefits is remote.

The following contingent assets / liabilities relate to the 2010/11 accounts

Pay and Rewards Review

The Council fully implemented its pay and rewards review from 1 December 2009. This covered all employees on the NJC terms and conditions of employment. Following implementation employees have the right to appeal against the decision of their new salary grade. At the onset there were 627 appeals. To date 318 appeals have been either completed or are progressing with a further 214 appeals waiting to be undertaken. The difference in figures is due to leavers / VR / VER / appeals being withdrawn. Of the 318 appeals undertaken to date 129 have resulted in an increase in grade, 1 has resulted in a grade decrease and 135 have resulted in no change. 53 appeals still await information e.g. job description, person specification, in order to undertake the review. The indicative timescale for bringing all appeals to a conclusion is March 2012. It is not possible to estimate the impact on the Council's finances with any degree at this point in time.

Digital Region Limited

There remains a potential risk to the Council contingent on the future financial performance of Digital Region Limited. This is in light of the company's results for the year and its attempts to reduce costs in order to market the network at a competitive cost. The company is also affected by the Government's announcement to abolish Regional Development Agencies, including Yorkshire Forward, the principal founder of the company.

These circumstances indicate the existence of a material uncertainty which may cast significant doubt about the ability of Digital Region Limited to continue as a going concern and it may therefore be unable to realise its assets and discharge its liabilities in the normal course of business. However it is the company directors' view that a satisfactory resolution will be reached and that the company will have adequate resources to continue for the foreseeable future

St. Leger Homes of Doncaster Limited - Pensions' liability

To satisfy the auditors of St. Leger Homes of Doncaster Limited (SLHD) that the company is a going concern, the Council has issued a letter of support to SLHD that guarantees the full amount of the pensions' deficit.

The actuary has assessed this deficit at £9.204m as at 31st March 2011, and this sum is included within the FRS 17 liability shown in the group's accounts.

However as the Council considers it unlikely that this guarantee will be exercised, the £9.204m is disclosed as a contingent liability in the Council's own accounts.

As part of the set-up of SLHD, the Council specifically agreed that the pensions' deficit for staff transferring on 1st October 2005 remained with the Council. This deficit was £10.7m at 1/10/05 and should form part of the Council's FRS 17 liability. The actuary has been asked to provide the split pre and post 1st October 2005 with a view to apportioning the £9.204m liability between the Council and reflecting this in future years' accounts.

Biodegradable Municipal Waste

The Waste and Emissions Trading Act 2003 places a duty on Waste Disposal Authorities (WDA) to reduce the amount of Biodegradable Municipal Waste (BMW) disposed of to landfill. It also provides the legal framework for the trading scheme.

The scheme allocates tradable landfill allowances to each authority in England. Landfill allowances have been allocated to the authorities at a level that will allow England to meet its contribution to the UK targets under the Landfill Directive. If WDAs landfill in excess of their allowance a fine of £150 per tonne is incurred.

A forecast has been made of future BMW that may be required to be disposed by landfill against the Council's allocated landfill allowances. It indicates that between 2012/13 and 2014/15 there may be an excess of tonnes compared to allowances. There are a number of options available to the Council to mitigate the potential liability that are being explored, including purchasing traded allowances from other local authorities or diverting the waste from landfill.

Personal Searches

In 2010/11, the Ministry of Justice stated that the Government would revoke the current £22 fee for a personal search by amending the Local Land Charge Rules 1977. Potentially the fees received since 2005 may need to be refunded. This may total up to a maximum of £400k.

Doncaster Chamber of Commerce

The Doncaster Chamber of Commerce is a not-for-profit membership organisation whose membership is open to all businesses either resident and/or engaged in business in the Borough of Doncaster.

At the present time the Council has guaranteed an overdraft facility up to the value of £150,000. This means that the Doncaster Chamber of Commerce can go overdrawn by this amount and be charged interest. This overdraft facility has been approved until November 2011 (Council support is in place until March 2012 if required).

There is low risk that this will be breached. Should the Chamber of Commerce be wound up or go into administration, the Council would be liable to the Yorkshire Bank for the overdrawn balance of the account, up to a maximum of £150,000. However based on the latest financial information provided by the Chamber of Commerce, there is no reason to believe this situation would arise in the foreseeable future.

Joint Committee

A joint committee of which the Council is a member authority has been asked by a regulatory body to provide information in relation to its activities. At present it is not known whether this will lead to any action or if there will be any financial impact.

49 Nature and Extent of Risks Arising From Financial Instruments

Key Risks

The Council's activities expose it to a variety of financial risks. The key risks are:

Credit Risk

The possibility that other parties might fail to pay amounts due to the Council;

Liquidity Risk

The possibility that the Council might not have funds available to meet its commitments to make payments;

Re-financing Risk

The possibility that the Council might be requiring to renew a financial instrument on maturity at disadvantageous interest rates or terms.

Market Risk

The possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates movements.

Overall procedures for managing risks

The Council's overall risk management procedures focus on the unpredictability of financial markets, and are structured to implement suitable controls to minimise these risks.

The council has adopted the CIPFA Treasury Management in the Public Services Code of Practice, and, produces treasury management indicators to control key financial instrument risks, in accordance with CIPFA's Prudential Code. A centralised Treasury function operates to manage the investment and borrowing activities, and, financial risk is controlled in accordance with the adopted Policy and Practice statements. A Treasury strategy report is prepared in advance of each financial year, and, an annual report after the year end detailing the activities of the function. Both of these are reported to council. Treasury advisors have been appointed to provide professional and economic advice.

The annual treasury management strategy which incorporates the prudential indicators was approved by Council on 22nd February 2010. The key issues within the strategy were:

The Authorised Limit for 2010/11 was set at £697m. This is the maximum limit of external borrowings or other long term liabilities.

The Operational Boundary was expected to be £468m. This is the expected level of debt and other long term liabilities during the year.

The maximum amounts of fixed and variable interest rate exposure were set at 100% and 30% based on the Council's net debt.

The maximum and minimum exposures to the maturity structure of debt are shown within the Refinancing and Maturity Risk note below.

a) Credit Risk - Investments

The council regard it as being a prime objective to ensure the security of the principal sums it invests. In order to achieve this a lending list is compiled using information provided by various credit rating agencies. Only financial institutions with a high credit rating qualify to go on the list, with each having a maximum investment limit. An analysis of the credit criteria and lending limits at the time the investment was placed is given below for outstanding deposits at 31st March 2011:

CREDIT RATINGS

Short Term Rating	Long Term Rating	Individual	Support	Max Limit £'m	Highest Investment £'m	Total Investments £'m	Number Of Institutions
F1+	AA- & Higher	B/C	2 & Higher	5	5	26.4	6

A maturity analysis based on the expectation of repayment of the investments, after allowing for £0.6m impairment, at 31st March, 2011 is:

	Impaired Investment £'m	Less than 3 months £'m	3 to 6 months £'m	6 to 9 months £'m	9 to 12 months £'m	Total £'m
Deposits with Banks and Building Societies	2.4	24.0	0	0	0	26.4

The institutions above are assessed by taking into account their financial position, past experience and other factors with the individual credit limits being set by internal parameters approved by the council. The process is designed to ensure that the organisations are of high credit quality and thus will have a low risk of default.

No breaches of the Council's counterparty criteria occurred during the reporting period and the Council does not expect any losses from non-performance by any of its counterparties in relation to deposits and bonds.

Based on the historical experience of default and current market conditions, the following table summarises the council's estimated exposure to credit risk:

	Amount at 31 st March 2011 £'m	Historical experience of default %	Historical experience adjusted for market conditions at 31/3/11 %	Estimated exposure to default £
Deposits with Banks and Building Societies	24	0.0047%	0.00054%	229,655

The calculation above excludes an investment of £3m with Landsbanki that is explained below.

As a result of the Icelandic banking crisis the Council has amended its investment policy to only invest in British banks which are protected by the UK government. The plunge in shorter-term interest rates as a result of the global depression has resulted in the council foregoing borrowing, and instead utilising the investment balance to fund capital spending. In addition, this also benefited the revenue budget position as the bank rate remained at its lowest for many years, reducing the level of returns available through investment activities. This action avoids the need for more expensive borrowing, but is only a short-term solution, which requires re-assessing when interest rates start increasing.

The historical experience adjusted for market conditions at 31st March of default rate is based on the average investment balances during the past three years. Therefore, the estimated exposure to default has been reduced by the council's pursuit of its stated strategy of foregoing borrowing and utilising the investment balances to fund capital spending has significantly reduced the average investment balance. This has been the major influence on the percentage rate calculated.

Exposure to Icelandic Banks – Impaired Investment

Early in October 2008, the Icelandic banks Landsbanki, Kaupthing and Glitnir collapsed and the UK subsidiaries of the banks, Heritable and Kaupthing Singer and Friedlander went into administration. The authority had £3m deposited with Landsbanki, with a maturity date and interest rate as follows:

Bank	Date Invested	Maturity Date	Amount Invested	Interest Rate	Carrying Amount	Impairment
Landsbanki Islands	03/09/08	11/11/08	£3,000,000	5.59%	£2,386,094.72	£613,905.28

Following the latest advice from CIPFA, the authority judge that it is appropriate to consider an impairment adjustment for the deposit, and has taken the action outlined below. Revised guidance was received for the 2009/10 financial year which resulted in an increase in the impairment. As the available information is not definitive as to the amounts and timings of payments to be made by the administrators / receivers, it is likely that further adjustments will be made to the accounts in future years. The impairment of £614k has been charged to revenue in 2010-11 in accordance with regulations.

All monies within this institution are currently subject to the respective administration and receivership processes. The amounts and timing of payments to depositors such as the authority will be determined by the administrators/receivers, however this is now subject to legal challenge through the Icelandic court system. Based on advice from our legal advisors, it is not anticipated that the final outcome of the challenge will be known before September 2011.

Landsbanki

Landsbanki Islands hf is an Icelandic entity. Following steps taken by the Icelandic Government in early October 2008 its domestic assets and liabilities were transferred to a new bank (new Landsbanki) with the management of the affairs of Old Landsbanki being placed in the hands of a resolution committee. Old Landsbanki's affairs are being administered under Icelandic law. Old Landsbanki's latest public presentation of its affairs was made to creditors on 27th May 2010 and can be viewed on its website. This and other relevant information indicates that recovery of 95% could be achieved, and the authority has, acting on advice received from our legal advisors, the LGA & CIPFA assumed recovery at 95% by 2018. The authority has therefore decided to recognise an impairment based on it recovering 95p in the pound

The recovery is subject to the following uncertainties and risks:

- Confirmation that deposits enjoy preferential creditor status, which is being tested through the Icelandic courts;
- The impact of exchange rate fluctuations on the value of assets recovered by the resolution committee and on the settlement of the authority's claim, which may be denominated wholly or partly in currencies other than sterling;
- Settlement of the terms of a 'bond' which will allow creditors of old Landsbanki to enjoy rights in New Landsbanki;

- The impact (if any) of the freezing order made by the UK Government over Landsbanki's London branch assets.

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

No information has been provided by the resolution committee about the timing of any payments to depositors. Because it is anticipated that all the assets of Landsbanki Islands will need to be realised to repay priority creditors, settlement in a single sum is unlikely. Therefore, in calculating the impairment, the authority has used the estimated repayment timetables provided by CIPFA. It is therefore assumed that the repayment will be on an annual basis split between October 2011 and 2018.

b) Other Credit Risks

Customers for goods and services are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings within parameters set by the Council.

The sundry debtors total net of provision for bad debts, £59.099m (Note 18), includes Trade Debtors (£18.029m), and council tenants rent arrears (£2.86m). In respect of trade debtors, the authority does not generally allow credit for customers, such that £9.149m of the £18.029m balance is past its due date for repayment. The past due date amount can be analysed by age as follows:

Trade Debtors 2009/10			2010/11		
Arrears £'000	Provision £'000	After due date	Arrears £'000	Provision £'000	
2,516	34	Less than 3 months	2,113	64	
1,652	35	3 to 6 months	2,007	48	
956	74	6 months to 1 year	1,112	99	
3,494	1,335	More than 1 year	3,917	1,587	
8,618	1,478	Total Trade Debtors	9,149	1,798	

The carrying amount of housing rent arrears is split into two parts, those where the arrears relate to former tenants and those where the arrears relate to current tenants. The table below shows the analysis of former tenant arrears. The current tenants arrears are considered to be current and amount to £1.192m (£1.591m in 2009/10), which is equivalent to 1.04 weeks total rent debit (1.42 weeks in 2009/10) or £57.42 per dwelling (£76.31 in 2009/10). Whilst individual tenants may be in arrears or advance these amounts are considered to be immaterial for the purposes of this statement and with the exception of 1% provision for non-collection the £1.192m is considered to represent fair value for this class of tenant.

2009/10		Housing Rents After due date	2010/11	
£'000	£'000		£'000	£'000
Arrears	Provision		Arrears	Provision
		2010/11	253	88
251	88	2009/10	239	84
236	82	2008/09		
1,360	1,121	More than 2 years old	1,170	898
1,847	1,291	Total	1,662	1,070

c) Liquidity Risk

The Council manages its liquidity position through the risk management procedures above (the setting and approval of prudential indicators and the approval of the treasury and investment strategy reports), as well as through a comprehensive cash flow management system, as required by the CIPFA Code of Practice. This seeks to ensure that cash is available when needed.

The council ensures it has sufficient funds available on a daily basis that are necessary for the achievement of its service objectives. To achieve this, surplus funds are placed initially with reference to cash flow requirements. Appropriate temporary borrowing facilities have been negotiated, and, are in place to cover any shortfall.

The Council has ready access to borrowings from the money markets to cover any day to day cash flow need, and the PWLB and money markets for access to longer term funds. The Council is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

All sums owing from financial assets are due to be paid in less than one year.

d) Refinancing and Maturity Risk

The Council maintains a significant debt and investment portfolio. Whilst the cash flow procedures above are considered against the refinancing risk procedures, longer-term risk to the Council relates to managing the exposure to replacing financial instruments as they mature. This risk relates to both the maturing of longer term financial liabilities and longer term financial assets.

In order to limit the refinancing risk in the future, no more than 15% of the portfolio, (except for the period of less than 12 months which is 30% to allow for rescheduling opportunities), will be borrowed in a financial year to ensure the council is not exposed to having to replenish a significant amount of debt when interest rates are unfavourable. The current profile of loans does not have any more than 12% maturing in any one year.

The approved treasury indicator limits for the maturity structure of debt and the limits placed on investments placed for greater than one year in duration are the key parameters used to address this risk. The Council approved treasury and investment strategies address the main risks and the central treasury team address the operational risks within the approved parameters. This includes: monitoring the maturity profile of financial liabilities and amending the profile through either new borrowing or the rescheduling of the existing debt; and monitoring the maturity profile of investments to ensure sufficient liquidity is available for the Council's day to day cash flow needs, and the spread of longer term investments provide stability of maturities and returns in relation to the longer term cash flow needs.

The maturity analysis of financial liabilities is as follows, with the maximum and minimum limits for fixed interest rates maturing in each period.

MATURITY PROFILE	UPPER LIMIT	LOWER LIMIT	Actual 31 March 2010	Actual 31 March 2011
UNDER 12 MONTHS	30.00%	0%	7.49%	5.45%
12 MONTHS AND WITHIN 24 MONTHS%	30.00%	0%	5.83%	9.73%
24 MONTHS AND 5 YEARS%	50.00%	0%	8.74%	5.34%
5 YEARS AND WITHIN 10 YEARS%	75.00%	0%	3.17%	3.84%
10 YEARS AND ABOVE%	95.00%	10%	74.77%	75.64%
TOTAL			100.00%	100.00%

e) Market Risk

The Council is exposed to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council, depending on how variable and fixed rates move across differing financial instrument periods. For instance, a rise in variable and fixed interest rates would have the following effects:

Borrowings at variable rates - the interest expense charged to the Comprehensive Income and Expenditure Statement will rise;

Borrowings at fixed rates - the fair value of the borrowing will fall (no impact on revenue balances);

Investments at variable rates - the interest income credited to the Comprehensive Income and Expenditure Statement will rise; and

Investments at fixed rates - the fair value of the assets will fall (no impact on revenue balances).

Investments – All deposits will mature within a year, and, are at fixed rates of interest. The protection of capital is more important than maximising a return. However in order to ensure an adequate return is achieved compatible with this risk principle, an appropriate benchmark is used to measure the interest earned.

Borrowing – The majority of the debt portfolio is at fixed rates of interest that ensures certainty of borrowing costs. In order to protect the council against adverse movements in interest rates the policy is to keep the variable interest rate debt to a maximum of 30%. The actual variable element in 2010/11 equated to 2%.

The Corporate Financial Management Group has an active strategy for assessing interest rate exposure that feeds into the setting of the annual budget, and, which is used to update the quarterly budget monitoring reports during the year. This allows any adverse changes to be accommodated, and, the analysis also informs the decision relating to whether new borrowing is to be fixed or variable

If all interest rates had been 1% higher (with all other variables held constant) the financial effect would be:

2009/10 £'000		2010/11 £'000
	External Debt	
90	Increase in interest payable on variable rate borrowings	90
(47)	Share attributable to the H.R.A.	(53)
	Investments	
(168)	Increase in interest receivable on variable rate investments	(291)

The approximate impact of a 1% fall in interest rates would be as above but with the movements being reversed.

f) Foreign Exchange Risk

The council has no financial assets or liabilities denominated in a foreign currency and thus have no exposure to loss arising from movement in exchange rates. If income or expenditure is incurred in a foreign currency, exposure is eliminated as soon as it is identified by immediate conversion to ensure certainty of values.

g) Price Risk

The authority does not generally invest in equity shares but does have shareholdings to the value of £2.774m in a number of joint ventures.

As the shareholdings have arisen in the acquisition of specific interests, generally associated with the economic regeneration of the borough, the authority is not in a position to limit its exposure to price movements by diversifying its portfolio.

The shares are unquoted equity investments and are accounted for at the open book value. Details of these shareholdings can be found in note 39.

50 Deferred Liabilities

These liabilities totalling £58.271m (£61.071m at 31st March 2010; £62.885m at 1st April 2009) are payable in a period exceeding 12 months and include the following

- a) £15.083m (£16.092m at 31st March 2010; £17.010m at 1st April 2009) in respect of debt taken over from the former South Yorkshire County Council which by arrangement are payable over a repayment period ending 31st March 2021 and for which loan management rests with Rotherham MBC
- b) £42.801m (£44.423m at 31st March 2010; £45.817m at 1st April 2009) relating to PFI schemes' long term liabilities as disclosed in Note 15 and 42. There are related current liabilities of £1.622m (£1.394m at 31st March 2010; £1.532m at 1st April 2009)
- c) £0.163m (£0.270m at 31st March 2010; £nil at 1st April 2009) relating to long term finance lease liabilities as disclosed in Note 15 and 41. There are related current liabilities of £0.107m (£0.104m at 31st March 2010; £nil at 1st April 2009)
- d) The remainder relate to long term creditors, i.e. creditors due to be paid in over 12 months time

51 Trust Funds

These are funds that are held on trust for specified purposes in which the council has an interest but do not form part of the council's finances. They are maintained by the council and, where appropriate, invested by the council as trustee either externally or in the consolidated loans and advances pool. In all cases listed below the council is the sole trustee for the funds.

	Balance 1.4.10 £'000	Net Movement £'000	Balance 31.3.11 £'000
Children and Young Persons Money held on behalf of clients	65.4	(30.2)	35.2
Adults Money held on behalf of clients and client estates	1,216.6	2,833.9	4,050.5
Education Prize Funds These use interest received on donations to provide prizes and grants at schools in the Authority	234.4	6.7	241.1
Youth Clubs Youth clubs monies held by the authority	108.5	(4.6)	103.9
Clayton Park A fund set up from sale proceeds to be used for the benefit of the aged in Mexborough	21.7	0.1	21.8
Museum and Libraries Bequests Donations to the services, the interest on which is used to purchase exhibits and publications	6.4	0	6.4
Conisbrough Miners Welfare Amounts to be used for the provision of a community centre for the inhabitants of Conisbrough	2.4	0	2.4
Parish Investments Amounts invested on behalf of parish councils	1.4	0	1.4
Carcroft Welfare A fund set up from the transfer of balances held by the Carcroft Social Welfare and Recreation Ground when the trusteeship of this organisation passed to the council.	42.1	(10.4)	31.7

52 Adjustments resulting from the Transition to International Financial Reporting Standards

The Statement of Accounts for 2010/11 is the first to be prepared on an IFRS basis. Adoption of the IFRS-based Code has resulted in the restatement of various balances and transactions with the result that some amounts presented in the financial statements are different from the equivalent figures presented in the Statement of Accounts for 2009/10.

An explanation of the differences between the amounts presented in the 2009/10 financial statements and the equivalent amounts presented in the 2010/11 financial statements is set out in the below tables and following notes that accompany the tables.

Table 1 : RECONCILIATION OF NET WORTH REPORTED UNDER PREVIOUS UK GAAP TO NET WORTH UNDER INTERNATIONAL FINANCIAL REPORTING STANDARDS AT THE DATE OF TRANSITION TO IFRS (1st APRIL 2009)

SORP 2009/10		IFRS RESTATEMENT 2009/10										
		SORP 2008/09	Balance Sheet - IFRS		KEY AREAS OF CHANGE						IFRS 2008/09	
Balance Sheet - SORP					Employee Benefits	Leases	Property, Plant & Equipment	Govt Grants	Investment property			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Operational assets			Property, plant & equipment									
Council dwellings	690,373		Council dwellings	690,373					(1,379)		688,994	
Other land and buildings	664,612		Other land and buildings	664,612			(16,463)		44,086		692,235	
Vehicles, plant, fixtures and equipment	19,120		Vehicles, plant, fixtures and equipment	19,120		116			8		19,244	
Infrastructure assets	130,317		Infrastructure assets	130,317					5,636		135,953	
Community assets	8,245	1,512,667	Community assets	8,245					1,157		9,402	
			Assets under construction	19,380					(6,957)		12,423	
			Surplus assets	66,543	1,598,590				(2,841)		63,702	
											1,621,953	
Non-operational assets												
Investment property	38,577		Investment property		38,577		16,463		-39,710		15,330	
Assets under construction	19,380		Assets held for sale		0							
Surplus assets held for disposal	66,543	124,500										
Total Property, Plant & Equipment		1,637,167										
Long-term investments		4,908	Long-term investments		4,908						4,908	
Long-term debtors		428	Long-term debtors		428						428	
Total long-term assets		1,642,503	Total long-term assets		1,642,503						1,642,619	
Current assets												
Stocks and work in progress		994	Inventories		994						994	
Debtors		68,890	Short Term Debtors		68,890						68,890	
Investments		12,980	Cash and Cash Equivalents		14,104	83,988					14,104	
Cash and bank		1,124									83,988	
Total assets		1,726,491	Current Assets			83,988					83,988	
Current liabilities												
Short term borrowing		(5,681)	Short term borrowing		(5,681)						(5,681)	
Short term creditors		(71,267)	Short term creditors		(71,267)	(10,765)	(33)				(82,065)	
Bank overdraft		(7,138)	Cash and cash equivalents		(7,138)	(84,086)					(7,138)	
		(84,086)									(94,844)	
Total assets less current liabilities		1,642,405	Current liabilities			(84,086)					(94,844)	
Long-term liabilities												
Longer-term Borrowing		(337,401)	Longer Term Borrowing		(337,401)						(337,401)	
Provisions		(10,961)	Provisions		(10,961)						(10,961)	
Government grants deferred		(141,506)	Government Grants Deferred		(141,506)			141,506			0	
Capital grants receipts in advance		(17,765)	Capital Grants Receipts In Advance		(17,765)			8,076			(9,689)	
Long term creditors		0	Long Term Creditors		0				(185)		(185)	
Deferred liabilities		(63,012)	Deferred Liabilities		(63,012)		(58)		185		(62,885)	
Deferred Capital Receipts		(70)									0	
Defined benefit pension scheme		(229,493)	Defined benefit pension scheme		(229,493)	(800,138)					(229,493)	
		(800,208)									(650,614)	
			Long-term liabilities			(800,138)					(650,614)	
Total assets less liabilities		842,197	Net Assets			842,197					981,109	

SORP 2009/10	SORP 2008/09		IFRS RESTATEMENT								IFRS 2008/09		
	£'000	£'000	£'000	£'000	Employee Benefits	Leases	Property, Plant & Equipment	Govt Grants	Investment property	£'000	£'000		
Balance Sheet - SORP			Balance Sheet - IFRS		KEY AREAS OF CHANGE								
Financed by			Financed by										
			Usable Reserves										
General Fund		7,006	General Fund	7,006								7,006	
Earmarked Reserves		33,749	Earmarked Reserves	33,749								33,749	
Housing Revenue Account		6,265	Housing Revenue Account	6,265								6,265	
Useable Capital		8,541	Useable Capital	8,541								8,541	
Receipts Reserve		3,147	Receipts Reserve	3,147								3,147	
Major Repairs Reserve			Major Repairs Reserve										
			Grants and contributions unapplied	0	58,708			8,076				8,076	66,784
			Unusable Reserves										
Revaluation Reserve		74,938	Revaluation Reserve	74,938			(4,137)		(5,148)			65,653	
Capital Adjustment Account		939,838	Capital Adjustment Account	939,838		25	4,137	141,506	5,148	1,090,654			
Available-for-Sale Financial Instruments Reserve		0	Available-for-Sale Financial Instruments Reserve	0								0	
Financial Instruments Adjustment Account		(1,660)	Financial Instruments Adjustment Account	(1,660)								(1,660)	
Collection Fund Adjustment Account		(82)	Collection Fund Adjustment Account	(82)								(82)	
Pensions Reserve		(229,493)	Pensions Reserve	(229,493)								(229,493)	
Unequal Pay Back Pay Account		(52)	Unequal Pay Back Pay Account	(52)								(52)	
			Deferred Capital Receipts	0								70	
			Accumulated Absences Account Reserve	0	783,489	(10,765)						(10,765)	914,325
Total Net Worth		842,197	Total Net Worth	842,197								981,109	

Table 2 : RECONCILIATION OF NET WORTH REPORTED UNDER PREVIOUS UK GAAP TO NET WORTH UNDER IFRS AT THE END OF THE LATEST PERIOD PRESENTED IN THE MOST RECENT FINANCIAL STATEMENTS UNDER PREVIOUS UK GAAP (31st MARCH 2010)

SORP 2009/10		IFRS RESTATEMENT									
		SORP 2009/10	KEY AREAS OF CHANGE								IFRS 2009/10
Balance Sheet - SORP		Balance Sheet - IFRS	Empl'ee Benefits	Leases	Property, Plant & Equipment	Govt Grants	Other				
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
		Intangible assets	254								254
Operational assets		Property, plant & equipment									
Council dwellings	758,603	Council dwellings	758,603			(176)				758,427	
Other land and buildings	625,780	Other land and buildings	625,780			21,872				647,652	
Vehicles, plant, fixtures and equipment	22,550	Vehicles, plant, fixtures and equipment	22,550	238		77				22,865	
Infrastructure assets	134,026	Infrastructure assets	134,026							134,026	
Community assets	6,953	Community assets	6,953			(347)				6,606	
		Assets under construction	17,175							17,175	
		Surplus assets	79,127	1,644,214		(5,037)				74,090	1,661,095
Non-operational assets											
Investment property	38,872	Investment property		38,872		(23,542)					15,330
Assets under construction	17,175	Assets held for sale		0		0					0
Surplus assets held for disposal	79,127		135,174								
Total Property, Plant & Equipment		1,683,086									
Long-term investments		5,161		5,161							5,161
Long-term debtors		476		476							476
Total long-term assets		1,688,723		1,688,723							1,682,062
Current assets											
Stocks and work in progress	1,089	Inventories	1,089							1,089	
Debtors	71,587	Short Term Debtors	71,587							71,587	
Investments	13,750	Cash and Cash Equivalents	16,701	89,377						16,701	89,377
Cash and bank	2,951		89,377								
Total assets		1,778,100		89,377							89,377
Current liabilities											
Short term borrowing	(21,246)	Short term borrowing	(21,246)							(21,246)	
Short term creditors	(68,630)	Short term creditors	(68,630)	(12,586)	(56)		4,634	1,100		(75,538)	
Bank overdraft	(12,643)	Cash and cash equivalents	(12,643)	(102,519)						(12,643)	(109,427)
Total assets less current liabilities		1,675,581		(102,519)							(109,427)
Long-term liabilities											
Longer-term Borrowing	(346,473)	Longer Term Borrowing	(346,473)							(346,473)	
Provisions	(13,252)	Provisions	(13,252)							(13,252)	
Government grants deferred	(156,831)	Government Grants Deferred	(156,831)				156,831			0	
Capital grants receipts in advance	(23,034)	Capital Grants Receipts in Advance	(23,034)				8,600			(14,434)	
Long term creditors	0	Long Term Creditors	0							0	0
Deferred liabilities	(60,952)	Deferred Liabilities	(60,952)		(119)				0	(61,071)	
Deferred Capital Receipts	(50)									0	
Defined benefit pension scheme	(348,658)	Defined benefit pension scheme	(348,658)	(949,200)						(348,658)	(783,888)
		Long-term liabilities		(949,200)							(783,888)
Total assets less liabilities		726,331		726,381							878,124

Table 3: RECONCILIATION TO COMPREHENSIVE INCOME AND EXPENDITURE UNDER IFRS FOR THE LATEST PERIOD IN THE MOST RECENT FINANCIAL STATEMENTS (YEAR ENDED 31st MARCH 2010)

Gross expenditure, gross income and net expenditure of continuing operations	Effect of transition to IFRS					
	SORP (UK GAAP)	Employee benefits	Leases	Property, Plant & Equip't	Govt Grants	The Code (IFRS)
	£'000	£'000	£'000	£'000	£'000	£'000
Central Services to the Public						
Local Tax Collection	1,650					1,650
Registration of Births Deaths & Marriages	115					115
Elections	669					669
Emergency Planning	351					351
Local Land Charges	(21)					(21)
General Grants, Bequests and Donations	0					0
Court Services	471					471
Cultural, Environmental, Regulatory and Planning Services	99,588	65		87	1,265	101,005
Children's and Education Services	88,998	1,655		1	2,926	93,580
Highways and Transport Services	37,003	72	(37)	(283)	2,793	39,548
Local Authority Housing (HRA)	315			34	1,767	2,116
Other Housing Services	239	4			133	376
Adult Social Care	66,221	25			28	66,274
Exceptional items	8,363					8,363
Corporate & Democratic Core	9,198				130	9,328
Non Distributed Costs	612			(2)	178	788
Net Cost of Services	313,772					324,613
Other Operating Expenditure (Note 9)	63,787			154		63,941
Financing and Investment Income and Expenditure (Note 10)	39,391					39,391
Taxation and non-specific Grant Income (Note 11)	(264,952)				(41,353)	(306,305)
(Surplus) / deficit for the year	151,998					121,640
Surplus / deficit on revaluation of non current assets	(147,690)			17,588		(130,102)
Actuarial gains / losses on pension assets / liabilities	111,558					111,558
Total Comprehensive Income and Expenditure	115,866	1,821	(37)	17,579	(32,133)	103,096

Employee Benefits (Short Term Accumulating Absences)

Short-term accumulating compensated absences or Employee Benefits refers to benefits that employees receive as part of their contract of employment, entitlement to which is built up as they provide services to the council. The most significant benefit covered by this heading is holiday pay.

Employees build up an entitlement to paid holidays as they work. Under the Code, the cost of providing holidays and similar benefits is required to be recognised when employees render services that increase their entitlement to future compensated absences. As a result, the council is required to accrue for any annual leave earned but not taken at 31 March each year. Under the previous accounting arrangements, no such accrual was required.

The government has issued regulations that mean local authorities are only required to fund holiday pay and similar benefits when they are used, rather than when employees earn the benefits.

Amounts are transferred to the Accumulated Absences Account until the benefits are used.

Leases

Under the Code, leases of property are accounted for as separate leases of land and buildings. Previously, each property lease would have been accounted for as a single lease.

All leases of plant, vehicles and equipment are classified as a finance lease or an operating lease, the classification determining the accounting treatment to be followed by the lessor or lessee. The definitions in 'IAS 17 - Leases' are important in determining classification with this being the basis for subsequent accounting. In applying the relevant criteria there have been a number of reclassifications required under the Code.

As a consequence of classification of leases as finance leases, the financial statements have been amended as follows:

- The council has recognised assets (PVE) and corresponding finance lease liabilities
- The operating lease charge within the Comprehensive Income and Expenditure Statement (CI&ES) - net cost of services has been apportioned between principal repayment (Balance Sheet) and interest (net cost of services)
- A depreciation charge has been included within net cost of services.
- The depreciation charge has subsequently been transferred from the net cost of services to the Capital Adjustment Account.
- The net cost of services has been charged with the Minimum Revenue Provision with the credit being made to the Capital Adjustment Account.

Property, Plant & Equipment

Property, Plant & Equipment classified as available for sale under the Code are subject to stricter qualification criteria than under UK GAAP including the asset being actively marketed and anticipated sale within one year. As a result assets previously held as surplus no longer meet these criteria and have been reclassified accordingly.

The criteria relating to the recognition of investment properties are more prescriptive and now includes property held solely to earn rentals or capital appreciation or both and excludes any properties used for the supply of goods and services.

This has resulted in the specific assets moving from 'Investment Property' to 'Property, Plant and Equipment - Operational land and buildings' and becoming subject to depreciation. This has affected the markets service and related assets.

Government Grants

Under the Code there is a revised accounting treatment for Government Grants. Under the Code all capital grants received by the Council are recognised initially through the Comprehensive Income & Expenditure Statement.

Any unspent grant at the balance sheet date is then transferred to one of two new accounts, those grants where conditions relating to its application are attached to it and those grants where no conditions as to its application are attached as are required to be classified as holding or not holding conditions / restrictions upon its application.

Grants that exist with conditions attached are now classified as 'grants – receipts in advance' which sits within the liabilities sections of the balance sheet. This reflects the obligation that if the condition is not adhered to, then the grant may be required to be repaid to its awarding body.

Grants with no conditions attached are now classed as 'grants – unapplied reserves', within the usable reserves part of the balance sheet. This reflects the non-commitment to repay the grant and therefore the Council's power to utilise the grant on what it chooses to.

In addition to the above in 2009/10 the Authority held a balance within the government grants deferred account. This account represented historical grants that are released each year to the Comprehensive Income and Expenditure Statement (and reversed through the Capital Adjustment Account) over the life of the asset on which the grant has been spent. This account has been removed under IFRS and therefore the total balance held in this account has been written off to the Capital Adjustment Account

Cash Equivalents

Under the Code the Council needs to recognise items that can readily be converted in to cash (usually short term investments) as "cash equivalents". The amendments relating to cash equivalents have no impact on the net worth of the Council.

Housing Revenue Account

Comprehensive Income and Expenditure Account

The Housing Revenue Account reflects a statutory obligation to account separately for local authority housing provision, as defined in particular in schedule 4 of the Local Government and Housing Act 1989. It shows the major elements of housing revenue expenditure (maintenance and administration) and how these are met by rents, subsidy and other income.

From 1st October 2005, maintenance and administration of the council's dwellings was transferred to St. Leger Homes of Doncaster Limited, an Arms Length Management Organisation, limited by guarantee and wholly owned by the Authority.

2009/10 £'000	Notes	2010/11 £'000	£'000
Income			
(57,454)		(58,855)	
(761)		(749)	
(742)		(687)	
(727)		(407)	
(2,058)	7	(1,772)	
(61,742)			(62,470)
Expenditure			
15,344		16,009	
21,394		25,625	
444		373	
	5		
12,616		12,819	
396		516	
13,347	6	5,340	
15		21	
302		527	
0	6	237,141	
63,858			298,371
Net cost of HRA Services as included in the whole authority Income and Expenditure Account			
2,116			235,901
265			266
2,381			236,167
HRA share of the operating income and expenditure included in the whole authority Income and Expenditure Account			
185		13,230	
0			
10,646		11,285	
(67)		(36)	
(1,801)		(4,494)	
0		(334)	
11,344			255,818
Deficit for the year on HRA services			

Movement on the HRA Statement

This statement identifies those amounts in addition to the HRA Income and Expenditure Account surplus or deficit for the year that are required by statute to be charged to or credited to the HRA Balance. The reconciliation statement summarises the differences between the outturn on the HRA Income and Expenditure Account and the HRA Balance.

2009/10 £'000		Notes	2010/11 £'000	£'000
(6,265)	Balances on the HRA at the end of the previous year			(6,395)
11,344	surplus or (deficit) for the year on the HRA Income and Expenditure statement		255,818	
(14,975)	Adjustments between accounting basis and funding basis statute	Note 7 (page 38)	(254,363)	
(3,631)	Net increase or (decrease) before transfers to or from reserves		1,455	
3,501	Other movements in reserves		0	
(130)	Increase or decrease in year on the HRA			1,455
(6,395)	Balance on the HRA at the end of the current year			(4,940)

Notes to the Housing Revenue Account

- 1(i) As at the 31st March, 2011, the council was responsible for the management of 20,766 dwellings, made up as follows:-

As at 31.03.10		As at 31.03.11
16,875	Houses and bungalows	16,810
2,562	Low-rise flats and maisonettes	2,537
1,420	Medium and high-rise flats	1,419

1(ii) Movement of Property, Plant & Equipment

The balance sheet values of property within the H.R.A. were as follows:-

2009/10 Total £'000		Council Dwellings £'000	Other Operational Land & Buildings £'000	Other Property, Plant & Equipment £'000	2010/11 Total £'000
Cost or Valuation					
740,906	At 1 April 2010	776,450	10,957	25,399	812,806
60,059	Additions	44,073	440	521	45,034
0	Donations	0	0	0	0
22,061	Revaluation increases/ (decreases) recognised in the Revaluation Reserve	(30,131)	165	0	(29,966)
(9,224)	Revaluation increases/ (decreases) recognised in the Surplus/Deficit on the Provision of Services	(249,750)	(122)	(3,149)	(253,021)
(996)	De-recognition – disposals	(572)	(112)	0	(684)
0	De-recognition – other	(13,953)	0	(96)	(14,049)
0	Assets reclassified (to)/from Held for Sale	0	0	0	0
0	Other movements in cost or valuation	(899)	(21)	920	0
812,806	At 31 March 2011	525,218	11,307	23,595	560,120
Accumulated Depreciation and Impairment					
(18,649)	At 1 April 2010	(18,024)	(961)	(3,078)	(22,063)
(13,012)	Depreciation charge	(12,819)	(287)	(228)	(13,334)
0	depreciation written out to the Revaluation Reserve	0	271	0	271
0	depreciation written out to the Surplus/Deficit on the Provision of Services	12,616	0	0	12,616
(5,293)	impairment losses/(reversals) recognised in the Revaluation Reserve	0	(44)	0	(44)
14,870	impairment losses/(reversals) recognised in the Surplus/ Deficit on the Provision of Services	(1,988)	(77)	0	(2,065)
21	De-recognition – disposals	0	8	0	8
0	De-recognition – other	364	0	6	370
0	other movements in depreciation and impairment	(7)	13	(13)	(7)
(22,063)	At 31 March 2011	(19,858)	(1,077)	(3,325)	(24,260)
790,743	Net Book Value as at 31st March	505,360	10,230	20,270	535,860

2. The vacant possession value of dwellings within the HRA following annual revaluation as at 1st April, 2010 was £1.554m. The opening balances, pre revaluation, have been restated following analysis of the HRA stock. A difference arises between the vacant possession valuation £1.554m and balance sheet £491m values because the latter represents the social housing value of tenanted dwellings. The difference £1.063m indicates the economic cost to Government of providing Council Housing at less than open market rents
3. A Major Repairs Reserve is held in accordance with statute utilising an annual allowance received as part of Housing Subsidy for capital expenditure. The movements on the reserve were as follows:-

2009/10 £'000		2010/11 £'000
(3,147)	Balance as at 1st April	(555)
(13,012)	Transfer from Capital Adjustment Account	(13,335)
396	Transfer from MRR to HRA – depreciation on non-dwellings	516
15,097	Financing of capital expenditure	12,352
111	Revenue Expenditure Funded from Capital Under Statute	80
(555)	Balance as at 31st March	(942)

- 4 (i) Capital expenditure on land, houses and other property within the H.R.A. and the financing sources are given below:-

2009/10 £'000		2010/11 £'000
Capital expenditure per asset classification:		
59,559	Council Dwellings	44,073
48	Other operational Land and Buildings	440
200	Vehicles Plant and equipment	228
252	Infrastructure	142
0	Assets Under Construction	152
0	Community Assets	0
60,059		45,035
Sources of funding:		
0	Useable Capital Receipts	(275)
(39,000)	Borrowing (Supported Capital Expenditure	(28,371)
(5,162)	Capital Grants and Contributions	(2,766)
(15,097)	Major Repairs Reserve	(12,353)
(800)	Direct revenue financing	(1,066)
0	Unsupported borrowing	(204)
(60,059)		(45,035)

- 4 (ii) During 2010/11 total capital receipts from the disposals of land, houses and other property within the H.R.A. amounted to £1.315m and is analysed as follows:

2009/10 £'000	Receipts Description	2010/11 £'000
943	Houses (Council Dwellings)	1,234
26	Land	81
969	Total	1,315

- 5 Depreciation was calculated on only the building element of the land and building value. The depreciation charged to the HRA assets in 2010/11 financial year was £13.334m (£12.978m in 2009/10). In addition cumulative depreciation on revalued assets of £12.880m was written back to the Revaluation Reserve (£14.870m in 2009/10). Please see below for breakdown of in year depreciation.

2009/10 £'000		2010/11 £'000
12,616	Council Dwellings	12,819
203	Other Land and Buildings	287
159	Other PPE	228
12,978		13,334

- 6 The impairment charge to the HRA which totals £242.481m, is made up of £237.141m due to the change in percentage used to calculate the social housing value of Council Dwellings (47% 2009/10 to 31% 2010/11). The remained of £5.340m is due to a combination of houses that have been demolished and houses where a decision has been made to demolish in the future.

7 Housing Revenue Account (H.R.A.) subsidy income comprised of the following:-

2009/10		2010/11
£'000		£'000
12,424	Management Allowance	12,450
22,228	Maintenance Allowance	22,780
12,616	Major Repairs Allowance	12,819
11,874	Charges for Capital	12,453
(57,255)	Guideline Rent Income	(58,861)
(5)	Interest on Receipts	(3)
1,882		1,638
176	Prior Year Adjustment	134
2,058		1,772

8 The amount of rent arrears, excluding amounts collectable on behalf of other agencies, was as follows:-

31st March 2010		31st March 2011
£'000		£'000
1,848	Former Tenants Rent Arrears	1,662
1,592	Current Tenants Rent Arrears	1,192
3,440	Total	2,854

The bad debt provision in respect of all un-collectable rent arrears was £1,081,815 (£1,307,249 in 2009/10). The aggregate balance sheet provision in respect of all un-collectable debts relating to the Housing Revenue Account was £1,529,753 (£1,695,521 in 2009/10).

9 **Revenue Expenditure Funded from Capital Under Statute**

In 2010/11 the cost to the HRA was £3.508m (£4.085m in 2009/10)

10. **Exceptional Items**

There has been a reduction in the value of the Council's housing stock of £237.141m resulting from the change in the regional adjustment factor used in the detailed valuation calculation.

Collection Fund

The account reflects the statutory requirement contained in Section 89 of the Local Government Finance Act 1988 (as amended by the Local Government Finance Act 1992) for billing authorities to establish and maintain a separate Collection Fund, which accounts for the income from Council Tax, Business Rates and residual Community Charge. This income finances the net expenditure requirements of the authorities within the Doncaster Council area, including the council itself, the South Yorkshire Joint Authorities and Parish Councils. The Collection Fund accounts are prepared on an accruals basis. There is no requirement for a separate Collection Fund balance sheet and Collection Fund balances are consolidated into the council's balance sheet.

2009/10	Notes	2010/11
£'000		£'000
Income		
(90,572)	Income from Council Tax	(92,871)
	Transfers from General Fund:	
(21,075)	- Council Tax Benefits	(22,302)
(10)	- Local Exemption - Floods	(4)
(77,180)	Income collectable from business ratepayers	(72,495)
(188,837)	Total Income	(187,672)
Expenditure		
	Precepts and Demands:	
92,199	- Doncaster Council	95,626
10,871	- South Yorkshire Police Authority	11,270
4,943	- South Yorkshire Fire and Rescue Authority	5,124
	Business Rates:	
76,812	- Payment to national pool	72,130
368	- Costs of collection	365
	Bad and doubtful debts:	
988	- Provisions	918
	Contributions:	
2,281	- Towards previous year's collection fund surplus	1,283
	- Adjustment of previous years' Community Charges	
188,462	Total Expenditure	186,716
(375)	Movement on fund balance	(956)
94	(Surplus)/Deficit brought forward 1st April	(281)
(281)	(Surplus)/Deficit carried forward 31st March	(1,237)
Accumulated surplus of the collection fund is attributable to the following:		
(239)	- Doncaster Council	(1,053)
(29)	- South Yorkshire Police Authority	(126)
(13)	- South Yorkshire Fire and Rescue Authority	(58)
(281)		(1,237)

Collection Fund

1 Council Tax

Income from Council Tax is derived from charges raised according to the value of residential properties, which have been classified into eight valuation bands using estimated values as at 1st April 1991. The Tax Base calculation is based upon the total number of properties in each band adjusted by a proportion to convert the number to a Band D equivalent and adjusted for discounts and exemptions. Individual charges are calculated by estimating the amount of income required to fund the demands on the Collection Fund and then dividing this by the Tax Base (see note 4).

The table below shows the number of properties in each band and the equivalent number of band D properties.

Band	Number of Dwellings	Less Exemptions and Discounts	Adjusted Chargeable Dwellings	Proportion of Band D Tax	Equivalent Band D Dwelling	Council Tax 2010/11 (Excluding Parishes) £
A	78,587	(11,743)	66,844	6/9	44,563	862.80
B	23,057	(2,415)	20,642	7/9	16,055	1006.61
C	14,007	(1,330)	12,677	8/9	11,268	1,150.41
D	8,430	(611)	7,819	1	7,819	1,294.21
E	4,025	(308)	3,717	11/9	4,543	1,581.81
F	1,691	(97)	1,594	13/9	2,302	1,869.41
G	744	(51)	693	15/9	1,155	2,157.01
H	108	(61)	47	18/9	94	2,588.42
Total	130,649	(16,616)	114,033		87,799	

Less allowance for non-collection (2,634)
Tax base for the calculation of Council Tax 85,165

Reconciliation of Council Tax income to the tax base

2009/10		2010/11	
87,152	No of band D properties	87,799	
£1,257.21	Band D rate	£1,294.21	
£1,732,186	Parish precepts	£1,798,879	
£m		£m	
(111.3)	Estimated income	(115.4)	
21.1	Council Tax benefit	22.3	
(0.4)	In year changes	0.2	
(90.6)	Income	(92.9)	

The in year changes in 2010/11 are due to an increase in the number of band D properties to 87,641 compared to 87,799 used in the calculation of the budget.

2 Business Rates

Under statutory arrangements business rates are collected locally on the basis of a nationally determined rate in the pound charged on the rateable value of the property, which in 2010/11 the standard rate was 41.4p (48.5p in 2009/10) and 40.7p for small businesses (48.1p in 2009/10).

The business rates collected are paid into a central pool managed by Central Government. Formula Grant is paid to local authorities using pool income and other tax receipts. Formula Grant is distributed to local councils in accordance with their government-assessed needs so that in theory each council should be able to set broadly the same level of Council Tax for providing the same level of service. The Formula Grant mechanism takes account of information on the population, social structure and other characteristics of each council. Doncaster's income from the pool in 2010/11 was £125m (£113m in 2009/10) paid into the Income and Expenditure Account.

The business rates collectable after relief's and provisions was £72.5m in 2010/11 (£77.2m in 2009/10) and was based on a rateable value for the council's area of £223,695,855 as at 31st March 2010 (£195,575,178 as at 31st March 2010). Full revaluations are carried out every five years and the next is due in April 2015.

3 Provision for Bad and Doubtful Debts

Contributions are made from the Collection Fund Income and Expenditure Account to a provision for bad debts. During 2010/11 £918,048 was contributed to the Council Tax bad debt provision, which is maintained at approximately 44% of the arrears, and £359,923 of irrecoverable debts were written off.

The carrying amounts of Council Tax arrears in the Balance Sheet, net of the provision for bad debts can be analysed by age as follows:

After due date	Council Tax Arrears	
	Arrears £'000	Provision £'000
2010/11	3,434	720
2009/10	1,868	670
More than 2 years old	4,780	3,074
Total	10,082	4,464

The collection of Council Tax is in substance an agency arrangement as Council Tax is collected on behalf of the major preceptors (South Yorkshire Police Authority and South Yorkshire Fire Authority) as well as the council itself. As such the Council Tax arrears and provision in the balance sheet do not include the proportion of balances related to major preceptors. Similarly, NNDR income is collected on behalf of the government and so the balance sheet does not include NNDR arrears or the provision for bad and doubtful debts.

4 Precepts and Demands

Expenditure requirements financed by the Collection Fund:

	Net Budget Requirement £'000	Band D Equivalent Dwellings	Band D Council Tax £
Doncaster M.B.C. Revenue Budget*	238,137		
Formula Grant - Revenue Support Grant	(18,160)		
- Contribution from NDR Pool	(125,058)		
Collection Fund Surplus	(1,092)		
Doncaster Council Demand (excluding Parishes)	93,827	85,165	1,101.71
S Y Police Authority	11,270	85,165	132.33
S Y Fire and Rescue Authority	5,124	85,165	60.17
Total	110,221		1,294.21

*excludes Parish Precepts of £1,798,879.

5 Local Exemption - Floods

Following the June 2007 floods many residents were unable to occupy their properties as they were undergoing major repairs and were therefore granted a statutory exemption. The exemption could only be granted for 12 months and so in order to ensure that Council Tax exemptions continue to be awarded for those residents still not able to return to their properties the council decided to establish a locally defined reduction. This award is for properties defined as “unoccupied dwellings, uninhabitable due to the June 2007 floods, where the statutory exemption has exceeded 12 months”. The cost of a locally defined exemption is met by the council’s General Fund budget and so a transfer from the General Fund is shown in the Collection Fund. In 2010/11 locally defined exemptions totalling £4,225 were awarded (£9,745 in 2009/10).

Group Accounts

A review undertaken during 2010/11 of the Council's related companies has indicated that two further entities, namely Digital Region Limited and The Doncaster Racecourse Management Company Limited, are required to be included within the Council's Group Accounts along with St. Leger Homes of Doncaster Limited.

Notes on the nature of the Council's interests in these companies can be found in Note 39. At the time of writing, the accounts of the Council's subsidiary and joint venture companies are in draft form.

The summarised group financial statements that follow show the consolidated position of the Council with St. Leger Homes of Doncaster Limited accounted for as a subsidiary undertaking under IAS 27 'Consolidated and Separate Financial Statements'.

The Doncaster Racecourse Management Company Limited and Digital Region Limited are accounted for as joint ventures under the provisions of IAS 31 'Interests in Joint Ventures'. As such, under the provisions of IAS 31 inter company transactions have not been excluded from the statements and cash flows have not been consolidated. The Council's share of joint venture CI&ES is shown separately on the face of the Group CI&ES and the Council's share of joint venture's assets and liabilities are shown in note c to the Group Accounts.

St. Leger Homes of Doncaster Limited and Digital Region Limited share the Council's financial year 1st April to 31st March.

The financial year for The Doncaster Racecourse Management Company Limited is 1st January to 31st December. As no changes have taken place in the period between 31st December 2010 and 31st March 2011 which would affect the understanding of the group accounts, the accounts for The Doncaster Racecourse Management Company Limited for the year ended 31st December 2010 have been incorporated within the group accounts.

GROUP COMPREHENSIVE INCOME & EXPENDITURE ACCOUNT 2010/11

2009/10 (restated)				2010/11		
Gross Expenditure £'000	Income £'000	Net Expenditure £'000		Gross Expenditure £'000	Income £'000	Net Expenditure £'000
27,486	(24,722)	2,764	Central Services to the Public	28,446	(25,858)	2,588
885	(414)	471	Court & Probation Services	952	(421)	531
124,986	(23,981)	101,005	Cultural, Environmental & Planning Services	99,417	(23,899)	75,518
359,705	(266,125)	93,580	Children Education Services	358,127	(268,175)	89,952
45,848	(6,300)	39,548	Highways, Roads and Transport Services	40,616	(3,925)	36,691
203,411	(211,070)	(7,659)	Housing Services	204,606	(179,797)	24,809
107,569	(41,295)	66,274	Adult Social Care	115,648	(44,543)	71,105
8,363	0	8,363	Exceptional Items	195,781	0	195,781
9,765	(437)	9,328	Corporate & Democratic Core	8,507	(257)	8,250
1,310	(522)	788	Non Distributed Costs	21,787	(228)	21,559
2,864	(2,769)	95	RMC	2,776	(2,686)	90
433	(387)	46	Digital Region Ltd	937	(175)	762
892,625	(578,022)	314,603	Net Cost of Services	1,077,600	(549,964)	527,636
		63,941	Other Operating Expenditure			65,606
		1,732	Precepts and Levies			1,799
		0	Housing Capital Receipts to government pool			291
		(330)	Surplus or Deficit of Trading Undertakings			(729)
		62,539	Gain or loss on disposal of Property, Plant & Equipment			64,245
		40,330	Financing and Investment Income & Expenditure			33,454
		20,050	Interest Payable & Similar Charges			20,477
		21,200	Pension interest cost and expected return on assets			15,604
		(820)	Interest and Investment Income			(337)
		0	Income and Expenditure re investment properties			(1,506)
		(100)	Other income			(784)
		(306,378)	Taxation and Non Specific Government Grant			(309,390)
		(306,305)	General Government Grants			(309,385)
		(73)	Taxation on group entities			(5)
		112,496	(Surplus) / Deficit for the year			317,306

GROUP BALANCE SHEET 2010/11

01/04/09 £'000s	2009/10 (restated)			2010/11	
	£'000s	£'000s		£'000s	£'000s
			<u>Non Current Assets</u>		
			Property, Plant & Equipment		
688,994	758,427		Council Dwellings	505,362	
692,235	647,652		Other Land & Buildings	678,170	
19,244	22,865		Vehicles, Plant & Equipment	21,111	
135,953	134,026		Infrastructure Assets	125,275	
9,402	6,606		Community Assets	2,780	
63,702	74,090		Surplus Assets	73,619	
12,423	17,175		Assets under construction	20,950	
15,330	15,330		Investment Properties	16,834	
4,908	254		Intangible Assets	625	
	5,161		Long Term Investments	5,161	
428	476	1,682,062	Long Term Debtors	745	1,450,632
			Investment in Associates and Joint Ventures		
			Investment in Doncaster Racecourse Management Company	1,290	
1,796	1,564 (72)	1,492	Investment in Digital Region Limited	(867)	423
			<u>Current Assets</u>		
	0		Assets Held for Sale	7,637	
3,240	4,619		Inventories	3,789	
67,191	68,052		Debtors	56,913	
0	0		Short Term Investments	1,000	
14,108	16,705	89,376	Cash and cash equivalents	32,905	102,244
			<u>Current Liabilities</u>		
(5,681)	(21,246)		Borrowing repayable within 12 Months	(26,066)	
(82,043)	(75,310)		Creditors & Accrued Charges	(86,153)	
0	0		Provisions	(8,843)	
(8,377)	(12,871)	(109,427)	Cash and cash equivalents	(10,186)	(131,248)
			<u>Long Term Liabilities</u>		
(337,401)	(346,473)		Borrowing Repayable Within a Period in Excess of 12 months	(369,470)	
(185)	0		Long Term Creditors		
(10,961)	(13,252)		Provisions	(7,991)	
(62,885)	(61,071)		Deferred Liabilities	(58,271)	
(9,689)	(14,434)		Capital Contribution Deferred	(15,337)	
496,813	669,195		Assets Related to Defined Benefit Pension Schemes	708,882	
(732,691)	(1,036,107)	(802,142)	Liabilities Related to Defined Benefit Pension Schemes	(988,116)	(730,293)
975,854		861,362	TOTAL NET ASSETS		691,758

01/04/09 £'000s	2009/10 (restated £'000s £'000s		2010/11 £'000s £'000s	
			Financed by:	
			Reserves of Group Entities	
(484)	(717)		DMBC Share of RMC P&L	(990)
2,280	0		DMBC Share of RMC Share Capital	0
0	2,280		DMBC Share of RMC Share Premium	2,280
0	(72)		DMBC Share of DRL P&L	(867)
(666)	0		DMBC Share of SLHD P&L	0
			Usable Reserves	
8,541	14,283		Usable Capital Receipts, Grants & Contributions	14,087
8,076	13,034		Grants and contributions unapplied	9,271
50,167	48,508		Revenue Balances	52,244
			Unusable Reserves	
1,090,654	976,809		Capital Adjustment Account	647,840
65,653	188,209		Revaluation Reserve	256,108
(1,660)	(1,757)		Financial Instrument Adjustment Account	(1,120)
(235,878)	(366,912)		Pensions Reserve	(279,224)
70	50		Deferred Capital Receipts	29
(82)	233		Collection Fund Adjustment Account	1,048
(10,765)	(12,586)		Accumulated Absences Account	(8,948)
(52)	0		Unequal pay, Back pay	0
975,854	861,362		TOTAL EQUITY	691,758

**GROUP MOVEMENT IN RESERVES
STATEMENT 2009/10**

	General Fund Balance £'000	Earmarked GR Reserves £'000	Housing Revenue Account £'000	Earmarked HRA Reserves £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Authority Reserves £'000	(Group) Share of Reserves £'000	Total Group Reserves £'000
Balance at 31 March 2009 (restated) brought forward	(7,006)	(33,749)	(6,265)	0	(8,541)	(3,147)	(8,076)	(66,784)	(914,325)	(981,109)	(1,130)	(982,239)
Movement in reserves during 2009/10											0	
Surplus or (deficit) on provision of services	110,296	0	11,344	0	0	0	0	121,640	0	121,640	(9,144)	112,496
Other Comprehensive Expenditure and Income	0	0	0	0	0	0	0	0	(18,544)	(18,544)	8,782	(9,762)
Total Comprehensive Expenditure and Income	110,296	0	11,344	0	0	0	0	121,640	(18,544)	103,096	(362)	102,734
Adjustments between accounting basis & funding basis under regulations	(111,098)	0	(14,975)	0	(4,857)	2,592	(1,133)	(129,471)	129,471	0	0	0
Net Increase/Decrease before Transfers to Earmarked Reserves	(802)	0	(3,631)	0	(4,857)	2,592	(1,133)	(7,831)	110,927	103,096	(362)	102,734
Transfers to/from Earmarked Reserves	2,643	(2,643)	0	0	0	0	0	0	0	0	0	0
Other movement in reserves	0	0	3,501	0	(885)	0	(3,825)	(1,209)	1,098	(111)	18,254	18,143
Increase/Decrease in Year	1,841	(2,643)	(130)	0	(5,742)	2,592	(4,958)	(9,040)	112,025	102,985	17,892	120,877
Balance at 31 March 2010 carried forward	(5,165)	(36,392)	(6,395)	0	(14,283)	(555)	(13,034)	(75,824)	(802,300)	(878,124)	16,762	(861,362)

**GROUP MOVEMENT IN RESERVES
STATEMENT 2010/11**

	General Fund Balance £'000	Earmarked GR Reserves £'000	Housing Revenue Account £'000	Earmarked HRA Reserves £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Authority Reserves £'000	(Group) Share of Reserves £'000	Total Group Reserves £'000
Balance at 31 March 2010 brought forward	(5,165)	(36,392)	(6,395)	0	(14,283)	(555)	(13,034)	(75,824)	(802,300)	(878,124)	16,762	(861,362)
Movement in reserves during 2010/11												
Surplus or (deficit) on provision of services	51,808	0	255,818	0	0	0	0	307,626	0	307,626	9,680	317,306
Other Comprehensive Expenditure and Income	0	0	0	0	0	0	0	0	(129,853)	(129,853)	(8,610)	(138,463)
Total Comprehensive Expenditure and Income	51,808	0	255,818	0	0	0	0	307,626	(129,853)	177,773	1,070	178,843
Adjustments between accounting basis & funding basis under regulations	(56,259)	0	(254,363)	0	168	(387)	3,897	(306,944)	306,944	0	0	0
Net Increase/Decrease before Transfers to Earmarked Reserves	(4,451)	0	1,455	0	168	(387)	3,897	682	177,091	177,773	1,070	178,843
1,070												
Transfers to/from Earmarked Reserves	(4,479)	4,479	0	0	0	0	0	0	0	0	0	0
Other movement in reserves	(352)	0	0	0	28	0	(134)	(458)	272	(186)	(9,050)	(9,236)
Increase/Decrease in Year	(9,282)	4,479	1,455	0	196	(387)	3,763	224	177,363	177,587	(7,980)	169,607
Balance at 31 March 2011 carried forward	(14,447)	(31,913)	(4,940)	0	(14,087)	(942)	(9,271)	(75,600)	(624,937)	(700,537)	8,782	(691,755)

Group Cash Flow Statement

31 March 2010		31 March 2011
£'000		£'000
(121,640)	Net surplus or (deficit) on the provision of services	(307,626)
195,288	Adjustments to net surplus or deficit on the provision of services for non-cash movements	358,153
(15,773)	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	(11,552)
57,875	Net cash flows from Operating Activities	38,975
1,011	Net cash flow from operating activities - SLHD	(898)
(70,855)	Investing Activities	(51,862)
10,072	Financing Activities	32,670
(1,897)	Net increase or decrease in cash and cash equivalents	18,885
5,731	Cash and cash equivalents at the beginning of the reporting period	3,834
3,834	Cash and cash equivalents at the end of the reporting period	22,719

Notes to the Group Accounts**The Core Financial Statements****Group Comprehensive Income and Expenditure Statement**

The purpose of this account is to report income and expenditure relating to all services provided by the group and how the net costs.

The Group Comprehensive Income and Expenditure Statement is presented using the service expenditure analysis set out in CIPFA's Best Value Accounting Code of Practice (BVACOP).

The management fees of £32.000m paid by the Council to St. Leger Homes of Doncaster Limited has been eliminated on consolidation

As at 31st March 2011 St. Leger Homes of Doncaster Limited owed the Council £5.907m and was owed £1.211m by the Council. These balances have been eliminated on group consolidation.

Group Balance Sheet

This statement summarises the group's financial position as at 31 March 2011. It shows the balances and reserves available to the group, fixed and current assets employed in its operations, and its borrowing position.

Group Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the group. The description of the nature and purpose of each reserve is provided in Note 23 of the Council's core financial statements.

Group Cash Flow Statement

This summarises the cash receipts and payments of the group arising from transactions with third parties for both capital and revenue purposes.

Notes to the Core Financial Statements

The notes provide additional information to support the core statements.

Note a
Details of the Group

For details of the companies included within the group please refer to the introduction to the group accounts

Note b
Subsidiaries

St. Leger Homes of Doncaster Limited is wholly owned by the Council and their accounts have been included within the group as a subsidiary.

Note c
Joint Ventures

For details of joint ventures including the Council's interest in the company please refer to Note 39 of the Council's core financial statements and the introduction to these group accounts

The below table gives an analysis of the Council's share of the joint ventures' annual accounts for 2010/11

	Digital Region Limited (8.6%) £'000's	The Doncaster Racecourse Management Company Limited (19.0%) £'000's
Operating (Profit) / Loss	12	(594)
Other items	749	684
(Profit) / Loss Before Tax	761	90
Tax	(5)	0
Other	38	184
(Profit) / Loss After Tax	794	274
Property, Plant & Equipment	5,178	7,181
Current Assets	2,012	260
Liabilities due within 1 year	(2,584)	(5,639)
Liabilities due > 1 year	(5,473)	(512)
Total Assets Less Liabilities	(867)	1,290

Note d
Statement of Accounting Policies

The group accounts have been prepared using uniform accounting policies for like transactions and other events in similar circumstances as those for the Council.

As far as can be ascertained there are no material differences between the accounting policies of the group entities and the Council which require realignment

Note e
Amounts Reported For Resource Allocation Decisions (Group Accounts)

The analysis of income and expenditure by service on the face of the Comprehensive Income and Expenditure Statement is that specified by the Best Value Accounting Code of Practice.

However, decisions about resource allocation are taken by the Council's cabinet on the basis of budget reports analysed across directorates.

These reports are prepared on a different basis from the accounting policies used in the financial statements. In particular:

- no charges are made in relation to capital expenditure (whereas depreciation, revaluation and impairment losses in excess of the balance on the Revaluation Reserve and amortisations are charged to services in the Comprehensive Income and Expenditure Statement)
- the cost of retirement benefits is based on cash flows (payment of employer's pensions contributions) rather than current service cost of benefits accrued in the year
- expenditure on some support services is budgeted for centrally and not charged to directorates.

The results of the group members are not reported to the Council's Chief Operating Decision Maker in internal management reports and as such are not shown as reportable segments in the below analysis

The Council is organised into four portfolios based around the services delivered. These are

Children & Young People's Services
 Adults & Communities
 Finance & Corporate Services
 Regeneration & Environment

For 2009/10 there were six portfolios. This note shows comparative information for 2009/10 based on this former structure together with the analysis for 2010/11 based on the former and new structure

The changes bring together Adults Services and many of the functions related to Neighbourhoods and Communities under one Director. All the council support services such as Finance, Legal, HR and ICT are now also be grouped together under a new director of Finance & Corporate Services

The income and expenditure of the council's directorates recorded in the budget reports for the year is as follows:

Directorate	2010/11 £'000
Adults and Communities	92,856
Children & Young People's Services	48,729
Finance & Corporate Services	26,302
Regeneration & Environment	48,752
Council Wide	17,562
Net Expenditure	234,201

The £234.2m is referred to under financial performance for 2010/11 in the explanatory foreword. This is the outturn figure of £230.6 for General Fund services adjusted for in year carry forward requests of £2.5m and the £1.1m provision for the Stadium Management Company.

Comparative Figures

Directorate	2009/10 £'000	2010/11 £'000
Adult Services	62,019	63,810
Children and Young People's Service	56,444	48,729
Communications & Marketing	922	719
Development	7,633	26,075
Neighbourhoods & Communities	58,716	57,213
People & Performance Improvement	4,986	4,683
Resources	18,494	15,410
Council Wide	20,809	17,562
Net Expenditure	230,023	234,201

Reconciliation of Directorate Income and Expenditure to Cost of Services in the Comprehensive Income and Expenditure Statement

This reconciliation shows how the figures in the analysis of directorate income and expenditure relate to the amounts included in the Comprehensive Income and Expenditure Statement.

	2009/10 £'000	2010/11 £'000
Net expenditure in the directorate analysis	230,023	234,201
Net expenditure of services and support services not included in the Analysis	0	0
Amounts in the Comprehensive Income and Expenditure Statement not reported to management in the Analysis	84,580	293,435
Amounts included in the Analysis not included in the Comprehensive Income and Expenditure Statement	0	0
Cost of Services in Group Comprehensive Income and Expenditure Statement	314,603	527,636

The Council does not internally report on the assets and liabilities of individual segments and so therefore there is no separate segmental analysis required to be disclosed

Reconciliation to Subjective Analysis

This reconciliation shows how the figures in the analysis of directorate income and expenditure relate to a subjective analysis of the Surplus or Deficit on the Provision of Services included in the Comprehensive Income and Expenditure Statement

2010/11	Directorate Analysis £'000	Amounts not reported to management for decision making £'000	Total £'000
Other Income	(454,780)	(98,203)	(552,983)
Interest and investment income		(336)	(336)
Income from council tax		(95,626)	(95,626)
Government grants and contributions		(213,759)	(213,759)
Total Income	(454,780)	(407,924)	(862,704)
Other Expenditure	688,981	324,558	1,013,539
Depreciation, amortisation and impairment		80,173	80,173
Interest Payments		20,254	20,254
Precepts & Levies		1,799	1,799
Gain or Loss on Disposal of Property, Plant & Equipment		64,245	64,245
Total Expenditure	688,981	491,029	1,180,010
Group surplus or deficit on the provision of services	234,201	83,105	317,306

Comparative Figures

2009/10	Directorate Analysis £'000	Amounts not reported to management for decision making £'000	Total £'000
Other Income	(459,901)	(121,145)	(581,046)
Interest and investment income		0	0
Income from council tax		(92,198)	(92,198)
Government grants and contributions		(214,107)	(214,107)
Total Income	(459,901)	(427,450)	(887,351)
Other Expenditure	689,924	139,123	829,047
Depreciation, amortisation and impairment		86,612	86,612
Interest Payments		19,917	19,917
Precepts & Levies		1,732	1,732
Gain or Loss on Disposal of Property, Plant & Equipment		62,539	62,539
Total Expenditure	689,924	309,923	999,847
Group surplus or deficit on the provision of services	230,023	(117,527)	112,496

Glossary

Accruals

Sums included in the final accounts to recognise revenue and capital income and expenditure earned or incurred in the financial year, but for which actual payment had not been received or made as at 31 March.

Area Based Grant (ABG)

ABG is a non-ring-fenced general grant, no conditions on use are imposed as part of the grant determination ensuring full local control over how funding can be used.

BVACOP

The Best Value Accounting Code of Practice (BVACOP) is published by the Chartered Institute of Public Finance and Accountancy and provides guidance for accounting and defines the cost data for performance indicators

Capital Charge

A charge to service revenue accounts to reflect the cost of Property, Plant & Equipment used in the provision of services.

Capital Expenditure

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

Capital Receipts

The proceeds from the disposal of land or other Property, Plant & Equipment. Proportions of capital receipts can be used to finance new capital expenditure, within rules set down by the Government, but they cannot be used to finance revenue expenditure.

CIPFA

CIPFA, the Chartered Institute of Public Finance and Accountancy, is the professional body for people in public finance

Collection Fund

A fund administered by the council recording receipts from Council Tax and payments to the General Fund and other public authorities. It also records receipts of business rates collected on behalf of Central Government.

Community Assets

These are assets that the council intends to hold in perpetuity, that have no determinable useful life, and that may have restrictions on their disposal. Examples include parks, historic buildings, museum exhibits and works of art.

Consistency

The principle that the accounting treatments of like items within an accounting period and from one period to the next should be the same

Creditor

Amount owed by the council for works done, goods received or services rendered within the accounting period, but for which payment has not been made by the end of that accounting period.

Debtor

Amount owed to the council for works done, goods received or services rendered within the accounting period, but for which payment has not been received by the end of that accounting period.

Defined Benefit Scheme

Pension schemes in which the benefits received by the participants are independent of the contributions paid and are not directly related to the investments of the scheme.

Depreciation

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

Exceptional Items

Material 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.

Fair Value

The fair value of an asset is the price at which it could be exchanged in an arm's length transaction, less, where applicable, any grants receivable towards the purchase or use of the asset.

Finance Lease

A lease that transfers substantially all of the risks and rewards of ownership of a fixed asset to the lessee

Property, Plant & Equipment

These are tangible assets used by the council in the provision of services that yield benefits to the council for a period of more than one year.

Formula Grant

This is a grant distributed by formula through the local government finance settlement. There are no restrictions on what local government can spend it on. It comprises redistributed business rates and Revenue Support Grant.

General Fund Balances

These are accumulated surpluses on the General Fund. They can be applied to reduce borrowing, reduce the Council Tax, or be held for use in future years.

Government Grants

Grants made by the government towards either revenue or capital expenditure in return for past or future compliance with certain conditions relating to the activities of the council. These grants may be specific to a particular scheme or may support the revenue spend of the council in general.

IFRS

International Financial Reporting Standards (IFRS) are principles-based Standards, Interpretations and the Framework adopted by the International Accounting Standards Board.

Impairment

A reduction in the value of a fixed asset not caused by general changes in market values (e.g. obsolescence or physical damage).

Infrastructure Assets

These are assets where ownership cannot be transferred and from which benefit can be obtained only by continued use of the asset created. Examples of such assets are highways, footpaths, bridges and drainage facilities.

Inventories (formerly Stocks)

The amount of unused or unconsumed stocks held in expectation of future use. When use will not arise until a later period, it is appropriate to carry forward the amount to be matched to the use or consumption when it arises.

Investments

A long-term investment is an investment that is being held for use on a continuing basis in the activities of the council. Investments should be so classified only where an intention to hold the investment for the long term can be clearly demonstrated or where there are restrictions as to the investor's ability to dispose of the investment.

LASAAC (Local Authority (Scotland) Accounts Advisory Committee)

The CIPFA/LASAAC Local Authority Code Board is established as a standing committee of CIPFA and LASAAC for the purpose of preparing, maintaining, developing and issuing the Code of Practice on Local Authority Accounting

Minimum Revenue Provision

This is the minimum amount that must be charged to the council's revenue account each year to provide for the repayment of loans used to finance capital expenditure.

Net Book Value

The amount at which Property, Plant & Equipment are included in the balance sheet, i.e. their historical cost or current value less the cumulative amount provided for depreciation.

Net Current Replacement Cost

The cost of replacing or recreating the particular asset in its existing condition and in its existing use i.e. the cost of its replacement or of the nearest equivalent asset, adjusted to reflect the current condition of the existing asset

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

Property, Plant & Equipment held by the council but not used or consumed in the delivery of services. Examples of non-operational assets include investment properties, land and property awaiting development and surplus assets awaiting disposal.

Operating Lease

A lease other than a finance lease. This method of financing assets, which allows the council to use, but not own an asset in exchange for rental payments, but where the risks and rewards of ownership are not substantially transferred.

Operational Assets

Property, Plant & Equipment held and occupied, used or consumed by the council in the direct delivery of those services for which it has either a statutory or discretionary responsibility.

Post Balance Sheet Events

Those events, both favourable and unfavourable, that occur between the balance sheet date and the date on which the statement of accounts is signed and authorised for issue by the responsible financial officer.

Precept

The proportion of total Council Tax that is due to local parishes and various authorities e.g. the Police, Fire and Rescue Authorities and which is collected on their behalf by the council.

Prior Year Adjustments

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 in prior years.

Related Party

For the council's purposes, related parties are deemed to include the elected Members of the council and their partners; the Chief Officers of the council and the companies in which the council has an interest.

Reserves

The accumulation of surpluses, deficits and appropriations over past years. Reserves of a revenue nature are available and can be spent or earmarked at the discretion of the council. Some capital reserves such as the Revaluation Reserve cannot be used to meet current expenditure.

Revenue Expenditure

Expenditure on the day-to-day running costs of services (e.g. employees, premises, supplies and services).

RICS

The Royal Institute of Chartered Surveyors (RICS) is the world's leading professional body for qualifications and standards in land, property and construction

Ring Fencing

This refers to the statutory requirement that certain accounts such as the Housing Revenue Account must be maintained separately from the General Fund services.

UITF

The main role of the Urgent Issues Task Force (UITF) is to assist the Accounting Standards Board where unsatisfactory or conflicting interpretations have developed

UK GAAP

Generally Accepted Accounting Practice in the UK, or UK GAAP, is the overall body of regulation establishing how company accounts must be prepared in the UK

Useful Life

The period over which the council will derive benefits from the use of a fixed asset

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DONCASTER METROPOLITAN BOROUGH COUNCIL

Opinion on the Authority and Group accounting statements

I have audited the Authority and Group accounting statements of Doncaster Metropolitan Borough Council for the year ended 31 March 2011 under the Audit Commission Act 1998. The Authority and Group accounting statements comprise the Authority and Group Movement in Reserves Statement, the Authority and Group Comprehensive Income and Expenditure Statement, the Authority and Group Balance Sheet, the Authority and Group Cash Flow Statement, the Housing Revenue Account, the Movement on the Housing Revenue Account Statement and Collection Fund and the related notes. These accounting statements have been prepared under the accounting policies set out in Note 1 to the accounting statements.

This report is made solely to the members of Doncaster Metropolitan Borough Council in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 48 of the Statement of Responsibilities of Auditors and Audited Bodies published by the Audit Commission in March 2010.

Respective responsibilities of the Director of Finance and Corporate Services and auditor

As explained more fully in the Statement of the Director of Finance and Corporate Services' Responsibilities, the Director of Finance and Corporate Services is responsible for the preparation of the Authority and Group's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom. My responsibility is to audit the accounting statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the accounting statements sufficient to give reasonable assurance that the accounting statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Authority and Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Authority and Group; and the overall presentation of the accounting statements. I read all the information in the explanatory foreword to identify material inconsistencies with the audited accounting statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Opinion on accounting statements

In my opinion the accounting statements:

- give a true and fair view of the state of Doncaster Metropolitan Borough Council's affairs as at 31 March 2011 and of its income and expenditure for the year then ended;
- give a true and fair view of the state of the Group's affairs as at 31 March 2011 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom.

Opinion on other matters

In my opinion, the information given in the explanatory foreword for the financial year for which the accounting statements are prepared is consistent with the accounting statements.

Matters on which I report by exception

I have nothing to report in respect of the governance statement on which I report to you if, in my opinion the governance statement does not reflect compliance with 'Delivering Good Governance in Local Government: a Framework' published by CIPFA/SOLACE in June 2007.

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

Authority's responsibilities

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

Auditor's responsibilities

I am required under Section 5 of the Audit Commission Act 1998 to satisfy myself that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires me to report to you my conclusion relating to proper arrangements, having regard to relevant criteria specified by the Audit Commission.

I report if significant matters have come to my attention which prevent me from concluding that the Authority has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. I am not required to consider, nor have I considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Basis of conclusion

I have undertaken my audit in accordance with the Code of Audit Practice, having regard to the guidance on the specified criteria, published by the Audit Commission in October 2010, as to whether the Authority has proper arrangements for:

- securing financial resilience; and
- challenging how it secures economy, efficiency and effectiveness.

The Audit Commission has determined these two criteria as those necessary for me to consider under the Code of Audit Practice in satisfying myself whether the Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2011.

I planned my work in accordance with the Code of Audit Practice. Based on my risk assessment, I undertook such work as I considered necessary to form a view on whether, in all significant respects, the Authority had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Conclusion

On the basis of my work, having regard to the guidance on the specified criteria published by the Audit Commission in October 2010, I am satisfied that, in all significant respects, Doncaster Metropolitan Borough Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2011.

Delay in certification of completion of the audit

The audit cannot be formally concluded and an audit certificate issued until I have completed my consideration of matters brought to my attention by local authority electors. I am satisfied that these matters do not have a material effect on the financial statements or a significant impact on my value for money conclusion.

Paul Lundy Officer of the Audit Commission

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18 October 2011