

Balance Sheet

This shows the value of the assets and liabilities recognised by the Council. The net assets of the Council are matched by the reserves held by the Council. Reserves are reported as Usable and Unusable. Usable Reserves are those that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. Unusable Reserves are those that the Council is not able to use to provide services and includes reserves that hold unrealised gains and losses, where amounts would only become available to provide services if the assets were sold, and reserves that hold timing differences shown in the MiRS line adjustments between accounting basis and funding.

31-Mar-15				31-Mar-16	
EAC	Group			EAC	Group
£m	£m			£m	£m
924.871	935.087	Property, Plant & Equipment	Note 16	892.114	901.463
57.500	57.500	Heritage Assets	Note 23	60.729	60.729
0.075	0.075	Intangible Assets	Note 22	0.043	0.043
-	8.223	Investments in Associates and Joint Ventures		-	9.959
0.023	0.023	Non Current Receivables (Long Term Debtors)	Note 29	0.020	0.020
982.469	1,000.908	Non Current Assets		952.906	972.214
65.095	65.306	Short Term Investments	Note 29	56.839	57.086
1.277	1.277	Inventories	Note 24	1.458	1.458
26.356	26.356	Debtors	Note 25	29.137	29.137
0.578	0.578	Assets Held for Sale	Note 21	0.636	0.636
27.475	27.475	Cash and Cash Equivalents	Note 27	37.385	37.385
-	-	Current Intangible Assets	Note 22	0.905	0.905
120.781	120.992	Current Assets		126.360	126.607
(14.634)	(14.634)	Short Term Borrowing		(16.698)	(16.698)
(63.477)	(63.477)	Creditors (Including Provisions and Grants Receipts in Advance)	Note 26	(60.478)	(60.478)
(78.111)	(78.111)	Current Liabilities		(77.176)	(77.176)
(234.616)	(234.616)	Pension Liabilities	Note 13	(165.490)	(165.490)
(61.360)	(61.360)	Deferred Liabilities	Note 29	(59.552)	(59.552)
(327.888)	(327.888)	Long Term Borrowing	Note 29	(319.311)	(319.311)
-	(1.135)	Liabilities in Associates and Joint Ventures		-	-
(623.864)	(624.999)	Non Current Liabilities		(544.353)	(544.353)
401.275	418.790	Net Assets		457.737	477.292
58.162	58.162	Usable Reserves (Available to Fund Services)	MiRS	66.277	66.277
-	3.167	Share of Usable Reserves of Associates and Joint Ventures		-	4.204
343.113	343.113	Unusable Reserves (Unrealised and Deferred Impact on Taxation)	Note 33	391.460	391.460
-	14.348	Share of Unusable Reserves of Associates and Joint Ventures		-	15.351
401.275	418.790	Net Reserves		457.737	477.292

Authorised for Issue

The unaudited accounts were authorised for issue by the Council on 30 June 2016 and the audited accounts were authorised for issue on 29 September 2016.

Alexander McPhee ACMA
Depute Chief Executive & Chief Financial Officer
29 September 2016

Comprehensive Income and Expenditure Statement (CIES)

This shows the accounting cost of providing services in accordance with Generally Accepted Accounting Practices, rather than the amount funded from taxation. The Council uses funds raised from taxation to cover expenditure and this may be different from the accounting cost. The taxation position is shown in the MiRS. It should be noted that the classification of services complies with that prescribed by the Service Reporting Code of Practice (SeRCOP) and differs from the management structure of the Council.

		2014/15				2015/16		
		EAC	Group			EAC	Group	
£m	£m	£m	£m	£m	£m	£m	£m	
Exp	Income	Net	Net	Operating	Exp	Income	Net	Net
141.673	(5.131)	136.542	136.542	Education Services	134.958	(4.612)	130.346	130.346
-	-	-	-	Contribution to the IJB	75.257	-	75.257	75.257
95.040	(16.617)	78.423	78.423	Social Work: Provision of Services	97.629	(94.173)	3.456	3.456
30.221	(12.824)	17.397	17.397	Roads and Transportation	32.442	(13.911)	18.531	18.531
17.553	(2.402)	15.151	15.439	Cultural and Related Services	18.431	(2.453)	15.978	16.224
17.300	(3.305)	13.995	13.995	Environmental Services	17.904	(3.318)	14.586	14.586
58.818	(48.061)	10.757	10.757	Other Housing Services	59.684	(49.512)	10.172	10.172
48.938	(42.492)	6.446	6.446	Housing Revenue Account	57.442	(43.956)	13.486	13.486
11.047	(3.998)	7.049	7.049	Planning and Development	8.741	(3.547)	5.194	5.194
4.028	-	4.028	4.028	Corporate and Democratic Core	3.799	-	3.799	3.799
1.901	-	1.901	1.901	Non Distributed Costs	1.485	-	1.485	1.485
4.248	(4.429)	(0.181)	(0.181)	Central Services to the Public	3.388	(4.541)	(1.153)	(1.153)
430.767	(139.259)	291.508	291.796	Net Cost Of Services	511.160	(220.023)	291.137	291.383
		1.155	1.155	(Gain) / Losses on disposals of assets			1.060	1.060
		292.663	292.951	Net Operating Expenditure			292.197	292.443
		(40.535)	(40.535)	Income from Council Tax			(41.444)	(41.444)
		(196.782)	(196.782)	Government Grants (not service specific)			(200.279)	(200.279)
		(31.060)	(31.060)	Distribution from NDR Pool			(32.850)	(32.850)
		(18.623)	(18.623)	Capital Grants & Contributions		Note 10	(14.435)	(14.435)
		(287.000)	(287.000)	Taxation & Non Specific Grant Income			(289.008)	(289.008)
		5.663	5.951	Net Operating Costs			3.189	3.435
		(24.926)	(24.926)	Financing and Investment Income and Expenditure			(20.624)	(20.624)
		-	(0.400)	Expected Return on Pension Assets			-	(0.634)
		(0.680)	(0.682)	Share of (Surplus) / Deficit on Provision of Services of Associates and Joint Ventures		Note 30	(1.002)	(1.003)
		19.612	19.612	Interest and Investment Income			20.695	20.695
		32.887	32.887	Interest Payable and similar charges			28.266	28.266
		32.887	32.887	Pension Interest Cost			28.266	28.266
		32.556	32.442	(Surplus) or Deficit on the Provision of Services			30.524	30.135
		(5.476)	(9.411)	(Surplus) or deficit on revaluation of fixed assets		Note 15	(1.796)	(1.210)
		(0.002)	(0.002)	(Surplus) or deficit on revaluation of available for sale financial assets		Note 30	0.008	0.008
		38.789	38.789	Actuarial (gains) / losses on pension assets / liabilities		Note 14	(85.198)	(85.198)
		-	1.066	Expenditure of Associates and Joint Ventures			-	(2.237)
		65.867	62.884	Total Comprehensive (Income) / Expenditure			(56.462)	(58.502)

Movement in Reserves Statement (MiRS)

This Statement shows the movement on the reserves for 2015/16, analysed into Usable and Unusable.

2015/16	Usable Reserves				Total Usable Reserves	Unusable Reserves	Total Reserves	Group Usable Reserves	Group Unusable Reserves	Total Group Reserves
	General Fund Balance	HRA	Renewal and Repairs	Capital Fund						
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Balance at 31 March 2015	33.653	9.113	6.510	8.886	58.162	343.113	401.275	3.167	14.348	418.790
Surplus / (Deficit) on the Provision of Services	(10.124)	(20.400)	-	-	(30.524)	-	(30.524)	0.389	-	(30.135)
Other Comprehensive Income and Expenditure	-	-	-	-	-	86.986	86.986	-	1.651	88.637
Adjustments between accounting basis and funding basis under Regulation										
Depreciation of Non Current Assets	22.423	18.621	-	-	41.044	(41.044)	-	0.281	(0.281)	-
Impairment of Non Current Assets	9.958	13.892	-	-	23.850	(23.850)	-	-	-	-
Amortisation of Intangible Assets	0.028	0.004	-	-	0.032	(0.032)	-	-	-	-
Capital Grants and Contributions Applied	(13.837)	(0.598)	-	-	(14.435)	14.435	-	-	-	-
Differences relating to Financial Instruments required by statute	(0.278)	(0.121)	-	-	(0.399)	0.399	-	-	-	-
Differences relating to Officer Remuneration required by statute	(0.766)	0.046	-	-	(0.720)	0.720	-	-	-	-
Net Gain / (Loss) on Disposal of Fixed Assets	(0.157)	1.217	-	2.747	3.807	(3.807)	-	-	-	-
Net Charges for Retirement Benefits	30.205	3.291	-	-	33.496	(33.496)	-	-	-	-
Contributions to Pensions Fund	(15.986)	(1.438)	-	-	(17.424)	17.424	-	-	-	-
Repayment of Debt	(14.140)	(2.405)	-	-	(16.545)	16.545	-	-	-	-
Use of HRA Capital Fund to Finance New Capital Expenditure	-	-	-	(2.476)	(2.476)	2.476	-	-	-	-
Capital Expenditure Funded in Year	(0.045)	(11.546)	-	-	(11.591)	11.591	-	-	-	-
Increase / (Decrease) before Transfers	7.281	0.563	-	0.271	8.115	48.347	56.462	0.670	1.370	58.502
Transfers to / from Capital Fund	(0.804)	-	-	0.804	-	-	-	-	-	-
Transfers to / from Other Statutory Reserves	0.812	0.115	(0.927)	-	-	-	-	0.367	(0.367)	-
Interest on Revenue Balances	(0.103)	-	0.043	0.060	-	-	-	-	-	-
Increase / (Decrease) in 2015/16	7.186	0.678	(0.884)	1.135	8.115	48.347	56.462	1.037	1.003	58.502
Balance at 31 March 2016	40.839	9.791	5.626	10.021	66.277	391.460	457.737	4.204	15.351	477.292

Notes to the Annual Accounts

Note 32 – Contingent Assets and Liabilities

Whilst the Council has made appropriate provision for the settlement of all known claims in respect of Equal Pay the Council recognises the potential for additional compensation claims.

The Council is a constituent member of the West of Scotland Loans Fund Ltd, which exists to co-ordinate the 12 former Strathclyde Regional Council authorities in respect of the relationship with the European Regional Development Fund. As at 31 March 2016 the Council's involvement stands at £1.925m and in the event of the Fund being wound up, a contingent liability of £0.614m exists in respect of European Development Fund Grants. The Council does not have an interest in the share capital of any of the companies dealt with by the West of Scotland Loans Fund Ltd.

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

The most recent financial report from Municipal Mutual Insurance indicated that, following the ruling by the Supreme Court in litigation known as The Employers' Liability Insurance Trigger Litigation, there may not be a solvent run-off of mesothelioma (asbestos) claims. The actual cost and timing of any Council contribution cannot be estimated with reasonable accuracy and consequently no provision has been made in the Annual Accounts in respect of these payments.

Note 33 – Unusable Reserves

Unusable Reserves are those that the Council is not able to utilise to provide services. The balances held at 31 March 2016 are shown in the following table:

2014/15		Unusable Reserves						2015/16
Total Unusable Reserves		Revaluation Reserve	Available for Sale Financial Instrument	Capital Adjustment Account	Pensions Reserve	Financial Instruments Adjustment Account	Accumulated Absences Account	Total Unusable Reserves
£m		£m	£m	£m	£m	£m	£m	£m
417.604	Balance at 31 March 2014	375.025	-	246.770	(182.704)	(14.134)	(7.353)	417.604
	Increase / (Decrease) in 2014/15	(9.227)	0.002	(13.350)	(51.912)	0.393	(0.397)	(74.491)
417.604	Balance at 31 March 2015	365.798	0.002	233.420	(234.616)	(13.741)	(7.750)	343.113
(33.311)	Other Comprehensive Income and Expenditure	1.796	(0.008)	-	85.198	-	-	86.986
	Adjustments between accounting basis and funding basis under Regulation							
(40.594)	Depreciation of Non Current Assets	(14.517)	-	(26.527)	-	-	-	(41.044)
(29.207)	Impairment of Non Current Assets	-	-	(23.850)	-	-	-	(23.850)
(0.047)	Amortisation of Intangible Assets	-	-	(0.032)	-	-	-	(0.032)
18.623	Capital Grants and Contributions Applied	-	-	14.435	-	-	-	14.435
0.393	Differences relating to Financial Instruments required by statute	-	-	-	-	0.399	-	0.399
(0.397)	Differences relating to Officer Remuneration required by statute	-	-	-	-	-	0.720	0.720
(4.081)	Net Gain / Loss on Disposal of Fixed Assets	-	-	(3.807)	-	-	-	(3.807)
(31.113)	Net Charges for Retirement Benefits	-	-	-	(33.496)	-	-	(33.496)
17.990	Contributions to Pensions Fund	-	-	-	17.424	-	-	17.424
15.426	Repayment of Debt	-	-	16.545	-	-	-	16.545
2.173	Use of Capital Fund to Finance New Capital Expenditure	-	-	2.476	-	-	-	2.476
9.654	Capital Expenditure Funded in Year	-	-	11.591	-	-	-	11.591
(74.491)	Increase / (Decrease) in 2015/16	(12.721)	(0.008)	(9.169)	69.126	0.399	0.720	48.347
343.113	Balance at 31 March 2016	353.077	(0.006)	224.251	(165.490)	(13.342)	(7.030)	391.460