

NOTE 9 – OTHER OPERATING EXPENDITURE

	2011/12 £000	2010/11 £000
Police Authority and Community Council Precepts (See below)	7,100	6,786
Losses on the disposal of non current assets (Including Derecognition)	9,243	11,309
Levies	3,389	3,408
Other	(72)	16
Total	19,660	21,519

Precepts

	2011/12 £000	2010/11 £000
Precept paid to Police Authority	6,232	5,950
Precept paid to Community Councils	868	836
Total	7,100	6,786

NOTE 10 – FINANCING AND INVESTMENT INCOME AND EXPENDITURE

	2011/12 £000	2010/11 £000
Interest payable and similar charges	5,413	5,436
Pensions interest cost and expected return on pensions assets	180	3,476
Interest receivable and similar income	(437)	(475)
Income and expenditure in relation to investment properties and changes in their fair value (See Below)	(764)	(1,339)
Total	4,392	7,098

Income, Expenditure and changes in Fair Value of Investment Properties

	2011/12 £000	2010/11 £000
Income/Expenditure from Investment Properties:		
Income including rental income	(728)	(731)
Expenditure	360	382
Net income from investment properties	(368)	(349)
(Surplus) on sale of Investment Properties:		
Proceeds from sale	(40)	(592)
Carrying amount of investment properties sold	39	145
(Surplus) on sale of Investment Properties:	(1)	(447)
Changes in Fair Value of Investment Properties	(395)	(543)
Total	(764)	(1,339)

NOTE 11 - TAXATION AND NON SPECIFIC GRANT INCOME**Taxation and Non-Specific Grant Income**

	2011/12 £000	2010/11 £000
Council Tax Income	32,243	30,847
Non Domestic Rates Redistribution	16,324	19,557
Non-ringfenced Government Grants	77,663	75,588
Capital Grants	9,982	12,492
Total Taxation and Non-Specific Grant Income	136,212	138,484

Central Government Grants

	2011/12 £000	2010/11 £000
Revenue Support Grant	77,112	75,037
Other	551	551
Total	77,663	75,588

NOTE 12 – PROPERTY, PLANT AND EQUIPMENT (PPE)**Current Year**

	Council Dwellings £000	Land and Buildings £000	Infrast- ructure Assets £000	Property, Plant and Equipment Vehicles, Plant and Equipment £000	Community Assets £000	PPE Under Constru- ction £000	Surplus Assets £000	TOTAL PPE £000
Cost or Valuation								
At 1 April 2011 (restated)	98,623	156,639	52,326	6,509	9	1,825	1,855	317,786
Additions (Note 36)	9,237	3,764	1,855	558	24	2,079	2	17,519
Revaluation increases / (decrease) to Revaluation Reserve	0	(20)	0	0	0	0	(8)	(28)
Revaluation increase / (decrease) to Surplus or Deficit on the Provision of Services	0	(2,299)	0	0	0	0	0	(2,299)
Derecognition - Disposals	(66)	(211)	0	0	0	0	0	(277)
Derecognition – Other	(9,237)	(754)	0	0	(24)	0	(3)	(10,018)
Reclassifications & Transfers	0	875	5	0	0	(1,244)	364	0
Reclassified to Held for Sale	0	0	0	0	0	0	(180)	(180)
Balance as at 31 March 2012	98,557	157,994	54,186	7,067	9	2,660	2,030	322,503
Depreciation and Impairment								
At 1 April 2011 (restated)	2,326	4,121	6,422	2,889	0	0	126	15,884
Depreciation Charge	2,630	4,970	2,160	689	0	0	50	10,499
Depreciation written out to Revaluation Reserve	0	(1,718)	0	0	0	0	(53)	(1,771)
Depreciation written out to Surplus or Deficit on the Provision of Services	0	(898)	0	0	0	0	(39)	(937)
Derecognition – Disposals	(3)	(5)	0	0	0	0	0	(8)
Derecognition – Other	(580)	(28)	0	0	0	0	0	(608)
Reclassifications and Transfers	0	(7)	0	0	0	0	7	0
Balance as at 31 March 2012	4,373	6,435	8,582	3,578	0	0	91	23,059
Balance as at 31 March 2012	94,184	151,559	45,604	3,489	9	2,660	1,939	299,444
Balance as at 31 March 2011	96,297	152,518	45,904	3,620	9	1,825	1,729	301,902

Comparative Year - Restated

	Council Dwellings £000	Land and Infrastruc Buildings £000	ture Assets £000	Property, Plant and Equipment			Surplus Assets £000	TOTAL PPE £000
				Vehicles, Plant and Equipment £000	Community Assets £000	PPE Under Construc tion £000		
Cost or Valuation								
At 1 April 2010	103,970	151,153	47,822	5,375	9	6	2,333	310,668
Additions (Note 36)	9,143	3,647	4,504	1,134	0	1,883	3	20,314
Revaluation increase / (decreases) to Revaluation Reserve	(18)	13,583	0	0	0	0	114	13,679
Revaluation increase / (decreases) to Surplus or Deficit on the Provision of Services	(5,174)	(7,825)	0	0	0	(64)	(340)	(13,403)
Derecognition - Disposals	(155)	(172)	0	0	0	0	(694)	(1,021)
Derecognition – Other	(9,143)	(2,826)	0	0	0	0	0	(11,969)
Reclassifications & Transfers	0	(921)	0	0	0	0	969	48
Reclassified to Held for Sale	0	0	0	0	0	0	(530)	(530)
Balance as at 31 March 2011	98,623	156,639	52,326	6,509	9	1,825	1,855	317,786
Depreciation and Impairment								
At 1 April 2010	10,266	11,311	4,620	2,136	0	0	126	28,459
Depreciation Charge	2,635	4,282	1,802	753	0	0	126	9,598
Depreciation written out to Revaluation Reserve	0	(8,693)	0	0	0	0	(29)	(8,722)
Depreciation written out to Surplus or Deficit on the Provision of Services	(10,266)	(2,617)	0	0	0	0	(103)	(12,986)
Derecognition – Disposals	(4)	(1)	0	0	0	0	(29)	(34)
Derecognition – Other	(305)	(126)	0	0	0	0	0	(431)
Reclassifications and Transfers	0	(35)	0	0	0	0	35	0
Balance as at 31 March 2011	2,326	4,121	6,422	2,889	0	0	126	15,884
Net Book Value								
Balance as at 31 March 2011	96,297	152,518	45,904	3,620	9	1,825	1,729	301,902
Balance as at 31 March 2010	93,704	139,842	43,202	3,239	9	6	2,207	282,209

Details of depreciation and revaluation methodologies are shown in the Accounting Policies at Note 1.

The status for accounting purposes of the assets of voluntary controlled & voluntary aided schools is currently under review. Pending the outcome of this, the following position has been adopted:

- Voluntary Controlled Schools: the land has been included on the Balance Sheet but not the buildings.
- Voluntary Aided Schools: neither the land nor the buildings are included in the Balance Sheet.

NOTE 13 – HERITAGE ASSETS

	Art Collections: Oriol Ynys Môn	Heritage Land & Buildings	Total Heritage Assets
	£000	£000	£000
<i>Cost or Valuation</i>			
At 1 April 2011	1,454	1,643	3,097
Additions	0	10	10
Revaluation taken to the Revaluation Reserve	0	6	6
Revaluation taken to the Surplus/Deficit on the Provision of Service	0	(15)	(15)
At 31 March 2012	1,454	1,644	3,098
<i>Accumulated Depreciation and Impairment</i>			
At 1 April 2011	0	59	59
Depreciation Charge	0	58	58
Depreciation written out to the Revaluation Reserve	0	(59)	(59)
Depreciation written out to the Surplus/Deficit on the Provision of Services	0	0	0
At 31 March 2012	0	58	58
<i>Net Book Value</i>			
At 31 March 2012	1,454	1,586	3,040
At 1 April 2011	1,454	1,584	3,038

A number of Land & Buildings assets have been identified as meeting the definition of Heritage Assets. At 31 March 2012, there were four such assets (unchanged from 31 March 2011):

Beumaris Gaol
 Beumaris Courthouse
 Mill, Melin Llynonn
 Pilot Cottages, Ynys Llanddwyn

An updated valuation for the Art Collections was obtained during the year and the resulting value has been applied to both 2010/11 and 2011/12 (see note 46 for detail of the restatement of the 2010/11 figures). The latest valuation is based on a representative sample of the collections, but more detailed work is being undertaken in 2012/13.

Comparative Year

	Heritage Assets - Art Collections: Oriol Ynys Môn £000	Operational Heritage Assets (included in Property, Plant & Equipment) £000	Total Heritage Assets £000
Cost or Valuation			
At 1 April 2010	1,454	1,515	2,969
Revaluation taken to the Revaluation Reserve	0	274	274
Revaluation taken to the Surplus/Deficit on the Provision of Service	0	(146)	(146)
At 31 March 2011	1,454	1,643	3,097
Accumulated Depreciation and Impairment			
At 1 April 2010	0	89	89
Depreciation Charge	0	59	59
Depreciation written out to the Revaluation Reserve	0	(89)	(89)
At 31 March 2011	0	59	59
Net Book Value			
At 31 March 2011	1,454	1,584	3,038
At 1 April 2010	1,454	1,426	2,880

NOTE 14 – INCOME, EXPENDITURE AND CHANGES IN FAIR VALUE OF INVESTMENT PROPERTIES

Incoe/Expenditure from Investment Properties:	2011/12 £000	2010/11 £000
Rental income from investment property	(728)	(731)
Direct operating expenses arising from investment property	360	382
'Net (Gain) included in Financing and Investment Income in the Comprehensive Income and Expenditure Statement (CIES)'	(368)	(349)

	2011/12 £000	2010/11 £000
Balance at start of the year	7,874	7,471
Additions:		
- Subsequent expenditure	149	53
Disposals	(39)	(145)
Net gains from fair value adjustments	395	543
Transfers:		
-(to)/from Property, Plant and Equipment	0	(48)
Balance at end of the year	8,379	7,874

There are no investment properties held under an Operating or Finance Lease. There are no restrictions on the Council'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.

NOTE 15 – 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 carrying amount of intangible assets is amortised on a straight-line basis. The amortisation of £22k charged to revenue in 2011/12 was charged 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.

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 five years.

The Movement in Intangible Assets for the Year is as Follows:

	2011/12 Software £000	2010/11 Software £000
Balance at start of year:		
Gross carrying amounts	689	689
Accumulated amortisation	(612)	(528)
Net carrying amount at start of year	77	161
Additions	19	0
Amortisation for the financial year	(22)	(84)
Net carrying amount at end of year	74	77
Comprising:		
Gross carrying amounts	708	689
Accumulated amortisation	(634)	(612)
Net carrying amount at end of year	74	77

NOTE 16 – FINANCIAL INSTRUMENTS

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

	Long Term		Current	
	31/03/12 £000	31/03/11 £000	31/03/12 £000	31/03/11 £000
Investments				
Loans and receivables	0	0	5,058	25,126
Available-for-sale financial assets	0	0	0	0
Total investments	0	0	5,058	25,126
Debtors				
Loans and Receivables	450	450	7,578	7,321
Total Debtors	450	450	7,578	7,321
Borrowings				
Financial Liabilities at cost less accumulated amortisation	96,097	96,103	1,946	8,289
Total Borrowings	96,097	96,103	1,946	8,289
Creditors				
Financial Liabilities at cost less accumulated amortisation	4	3	9,442	13,133
Total Creditors	4	3	9,442	13,133

The following analysis the impact of Financial Instruments on the Comprehensive Income and Expenditure Statement

	Financial Liabilities			Financial Assets			2011/12			2010/11		
	measured at cost less accumulated amortisation	Loans and receivables	Available for sale assets	Total	Financial Liabilities measured at cost less accumulated amortisation	Loans and receivables	Available for sale assets	Total	Financial Liabilities measured at cost less accumulated amortisation	Loans and receivables Restated	Available for sale assets	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Interest expense	5,407	0	0	5,407	5,423	0	0	5,423	5,423	0	0	5,423
Total expense in Surplus or Deficit on the Provision of Services	5,407	0	0	5,407	5,423	0	0	5,423	5,423	0	0	5,423
Interest income	0	(273)	0	(273)	0	(296)	0	(296)	0	(296)	0	(296)
Total income in Surplus or Deficit on the Provision of Services	0	(273)	0	(273)	0	(296)	0	(296)	0	(296)	0	(296)
Net gain/(loss) for the year	5,407	(273)	0	5,134	5,423	(296)	0	5,127	5,423	(296)	0	5,127

Fair Values of Assets and Liabilities

Financial liabilities, financial assets represented by loans and receivables and long-term debtors and creditors are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

- Estimated ranges of interest rates at 31 March 2012 of 1.41% to 4.41% for loans from the Public Works Loans Board (PWLB) and 0.67% for other loans receivable and payable, based on new lending rates for equivalent loans at that date;
- No early repayment or impairment is recognised;
- Where an instrument will mature in the next 12 months, carrying amount is assumed to be approximate to fair value;
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

Analysis of Loans by Maturity:

	2011/12 Outstanding Principal £000	2011/12 Accrued Interest £000	2011/12 Premium / Discounts £000	2011/12 Cost less accumulated amortisation £000	2010/11 Cost less accumulated amortisation £000
>25 years	60,515	0	0	60,515	60,515
15-25 years	3,911	0	0	3,911	4,787
10-15 years	5,083	0	0	5,083	4,221
5-10 years	20,057	0	0	20,057	20,052
2-5 years	24	0	0	24	6,522
1-2 years	6,507	0	0	6,507	6
Total Long Term Borrowing	96,097	0	0	96,097	96,103
Total Short Term Borrowing (< 1 year)	6	1,940	0	1,946	8,289

The fair values calculated are as follows:

	Carrying Amount £000	31/03/12 Fair Value £000	Carrying Amount £000	31/03/11 Fair Value £000
Financial Liabilities	96,103	117,800	102,608	110,393

The fair value of the liabilities is greater than the carrying amount because the Council's portfolio of loans includes a number of fixed rate loans where the interest rate payable is higher than the prevailing rates at the Balance Sheet date. This commitment to pay interest above current market rates increases the amount that the Council would have to pay, if the lender requested, or agreed to, early repayment of loans.

	31/03/12 Carrying Amount £000	31/03/12 Fair Value £000	31/03/11 Carrying Amount £000	31/03/11 Fair Value £000
Loans and receivables	5,058	5,061	25,126	25,088
Long-term debtors	450	450	450	450

The fair value of the assets is higher than the carrying amount because the Council's portfolio of investments includes a number of fixed rate loans where the interest rate receivable is higher than the rates available for similar loans at the Balance Sheet date. This shows a notional future gain (based on economic conditions at 31 March 2012) attributable to the commitment to receive interest above current market rates.

NOTE 17 – INVENTORIES

In undertaking its work the Council holds reserves of inventories together with amounts of uncompleted work (work in progress).

The figure shown in the Balance Sheet may be subdivided as follows:

	31/03/12 £000	31/03/11 £000
Work In Progress	153	94
Central Stores	155	142
Gofal Môn	91	57
Other	276	206
Total	675	499

NOTE 18 - DEBTORS

	Long Term Debtors 31/03/12 £000	Long Term Debtors 31/03/11 £000	Short Term Debtors 31/03/12 £000	Short Term Debtors 31/03/11 £000
Government Departments	0	0	9,005	5,480
NNDR and Council Tax	0	0	3,894	4,208
Other Local Authorities	0	0	1,030	818
Rents (Private Sector Leasing - PSL included)	0	0	415	370
Public Corporations and Trading Funds	0	0	283	1,017
Employee car loans	249	247	177	184
Health Service	0	0	1,424	722
VAT	0	0	1,242	1,901
Prepayments	0	0	644	620
Trade debtors	97	97	508	1,995
Other	104	106	3,741	2,215
Total	450	450	22,363	19,530

The above debtors figures are net of bad debt provisions totaling £3,982k

NOTE 19 - CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statement, cash and cash equivalents include cash in hand and in bank and short term deposits (considered to be cash equivalents), net of outstanding bank overdrafts.

Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows can be reconciled to the related items in the Balance Sheet as follows:

	31/03/12 £000	31/03/11 £000
Cash and Bank balances	12,070	2,770
Short Term Deposits (considered to be Cash Equivalents)	0	7,357
Bank Overdraft	(906)	(670)
Total	11,164	9,457

Note, bank overdrafts are shown separately from cash and cash equivalents where they are not an integral part of an Authority's cash management.

NOTE 20 – ASSETS HELD FOR SALE

	31/03/12 £000	Current 31/03/11 £000	31/03/12 £000	Non Current 31/03/11 £000
Balance outstanding at start of year	514	0	0	0
Assets newly classified as held for sale:				
Transferred from Non-Current Assets during year	180	530	0	0
Revaluation Gains / (Losses) taken to Surplus or Deficit on the Provision of Services	0	(16)	0	0
Cost of Assets Sold	(514)	0	0	0
Balance outstanding at year-end	180	514	0	0

NOTE 21 – CREDITORS

Short Term Creditors

	31/03/12 £000	31/03/11 £000
Government Departments	7,473	7,405
Other Authorities	1,107	1,689
Bodies external to central government	80	622
Trust Balances	1,244	924
HRA	326	201
Remuneration due to employees	432	299
Accumulated Absences	1,673	1,306
Receipts in advance	701	901
Trade creditors	3,443	6,692
Health Service	272	232
Other	2,105	2,092
Total Short Term Creditors	18,856	22,363

Long Term Creditors

	31/03/12 £000	31/03/11 £000
Other creditors falling due after more than one year		
Other	4	3
Total Long Term Creditors	4	3

Total Creditors

	31/03/12 £000	31/03/11 £000
Total Creditors	18,860	22,366

NOTE 22 - PROVISIONS

	At 01/04/11 £000	Increase in Provisions during year £000	Utilised during year £000	Reclass- ification £000	Interest Earned £000	Balance as at 31/03/12 £000
Insurance Claims Provision	409	0	185	0	29	253
Penhesgyn Waste Site	1,977	0	83	0	0	1,894
Termination Benefits	978	326	978	0	0	326
Other	2,118	1,935	88	0	0	3,965
	5,482	2,261	1,334	0	29	6,438
Current Provisions	1,072	4,290	1,066	0	0	4,296
Long Term Provisions	4,410	(2,029)	268	0	29	2,142
	5,482	2,261	1,334	0	29	6,438

Comparative Year

	At 01/04/10 £000	Increase in Provisions during year £000	Utilised during year £000	Reclass- ification £000	Interest Earned £000	Balance as at 31/03/11 £000
Insurance Claims Provision	599	0	219	0	29	409
Penhesgyn Waste Site	2,071	0	94	0	0	1,977
Termination Benefits	0	978	0	0	0	978
Other	310	1,808	0	0	0	2,118
	2,980	2,786	313	0	29	5,482
Current Provisions	94	978	94	94	0	1,072
Long Term Provisions	2,886	1,808	219	(94)	29	4,410
	2,980	2,786	313	0	29	5,482

Purpose of Main Provisions

Insurance Claims Provision

The Council's external insurance policies have deductibles which means that the first part of any loss or claim under these policies is self insured and protected by means of a stop-loss. The Council's general and education properties are not externally insured against the following perils: escape of water from any tank or pipe, flood, impact, theft, accidental damage, subsidence, ground heave, landslip. With the exception of theft and accidental damage, losses resulting from these perils are normally funded from the insurance reserve. The balance on the insurance provision is the expected liability for the self insured element of known claims which had not been settled at year end.

Penhesgyn Waste Site

Provision for aftercare and reinstatement works of the areas of the site formerly used for landfill. The movement reflects the use of £83k to meet aftercare costs incurred during 2011/12.

Termination Benefits

Provision for known future liabilities arising from staff reductions following restructure.

NOTE 23 – USABLE RESERVES

Movements in the Council's usable reserves are detailed in the Movement in Reserves Statement and Notes 7 and 8.

School Balances

These balances are reserved for each school's use in pursuance of its educational objectives.

	Opening Balance 01/04/10 £000	Addition / (Reduction) for Year £000	Closing Balance 31/03/11 £000	Opening Balance 01/04/11 £000	Addition / (Reduction) for Year £000	Closing Balance 31/03/12 £000
Community and Voluntary Primary Schools	1,352	(377)	975	975	(309)	666
Community Secondary Schools	1,470	(457)	1,013	1,013	(629)	384
Community Special School	182	(33)	149	149	(59)	90
Foundation Primary School	141	(32)	109	109	3	112
	3,145	(899)	2,246	2,246	(994)	1,252

At 31 March 2012 all schools had balances in surplus apart from 12 primary schools (7 as at 31 March 2011) and 2 secondary schools (2 as at 31 March 2011) which had a combined deficit of £839,230 (£436,239 as at 31 March 2011). Copies of the Section 52 Statements which each authority is required to prepare after the end of each financial year under Section 52(2) of the School Standards and Framework Act 1998, can be obtained from the Finance Department.

Capital Receipts Reserve

These are cash receipts from the sale of Council assets, which have not yet been used to finance capital expenditure. From April 2004, all receipts are usable, although some of the HRA receipts are set aside on a voluntary basis to repay debt, in order to match the subsidy on the HRA. The amounts set aside were transferred to the Capital Adjustment Account

	2011/12 £000	2010/11 £000
Balance 1 April	0	2,925
Capital Receipts in year (net of reduction for administration costs)	1,061	1,808
	1,061	4,733
Less:		
Receipts set aside to repay debt	(117)	(205)
Capital Receipts used for financing	(944)	(4,528)
Balance 31 March	0	0

NOTE 24 – UNUSABLE RESERVES

	31/03/12 £000	31/03/11 Restated £000
Capital Adjustment Account	179,315	185,174
Financial Instruments Adjustment Account	275	410
Revaluation Reserve	31,183	30,557
Pensions Reserve	(63,746)	(46,571)
Unequal Pay Back Pay Account	(1,935)	0
Accumulating Compensated Absences Adjustment Account	(1,673)	(1,306)
Total Unusable Reserves	143,419	168,264

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. 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.

	2011/12		2010/11	
	£000	£000	£000	£000
Balance at 1 April		185,174		183,549
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:				
Charges for depreciation and impairment of non current assets	(10,579)		(9,741)	
Revaluation losses on Property, Plant and Equipment	(1,376)		(579)	
Revenue expenditure funded from capital under statute	(3,811)		(3,744)	
Amounts of non current assets written off on disposal or sale (including Impairment) as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(10,232)		(12,525)	
		(25,998)		(26,589)
Adjusting amounts written out of the Revaluation Reserve		1,181		1,694
Net written out amount of the cost of non current assets consumed in the year		(24,817)		(24,895)
Capital financing applied in the year:				
Use of the Capital Receipts Reserve to finance new capital expenditure	944		4,528	
Capital Receipts Reserve set aside to repay debt	117		205	
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	9,982		12,492	
Statutory provision for the financing of capital investment charged against the Council Fund and HRA balances	3,875		4,049	
Capital expenditure charged against the Council Fund and HRA balances	3,645		4,703	
		18,563		25,977
Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement		395		543
Balance at 31 March		179,315		185,174

Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions. The Authority uses the Account to manage premiums paid on the early redemption of loans. Premiums are debited to the Comprehensive Income and Expenditure Statement when they are incurred, but reversed out of the Council Fund Balance to the Account in the Movement in Reserves Statement. Over time, the expense is posted back to the Council Fund Balance in accordance with statutory arrangements for spreading the burden on council tax. In the Authority's case, this period is the unexpired term that was outstanding on the loans when they were redeemed. As a result, the balance on the Account at 31 March 2012 will be charged to the Council Fund over the next 7 years.

	2011/12	2010/11
	£000	£000
Balance at 1 April	410	545
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	(135)	(135)
Balance at 31 March	275	410

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its Property, Plant and Equipment and Intangible Assets.

The balance is reduced when assets with accumulated gains are:

- revalued 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.

	2011/12 £000	2010/11 £000
Balance at 1 April	30,557	9,487
Revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	1,807	22,764
Difference between fair value depreciation and historical cost depreciation	(1,151)	(1,694)
Revaluation balances on assets scrapped or disposed of	(30)	0
Balance at 31 March	31,183	30,557

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 Authority 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 Authority makes employer’s contributions to pension funds or eventually pays 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 Authority 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.

	2011/12 £000	2010/11 £000
Balance at 1 April	(46,571)	(135,890)
Actuarial gains or losses on pensions assets and liabilities	(18,887)	68,656
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	1,712	20,663
Balance at 31 March	(63,746)	(46,571)

Unequal Pay Back Pay Account

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

	2011/12 £000	2010/11 £000
Balance at 1 April	0	0
Increase in provision for back pay in relation to Equal Pay cases	(1,935)	0
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	(1,935)	0
Balance at 31 March	(1,935)	0

Accumulating Compensated Absences Adjustment Account

The Accumulating Compensated Absences Adjustment Account absorbs the differences that would otherwise arise on the Council Fund Balance from accruing for compensated absences earned but not taken in the year e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the Council Fund Balance is neutralised by transfers to or from the Account.

	2011/12 £000	2010/11 £000
Settlement or cancellation of accrual made at the end of the preceding year	1,306	1,576
Amounts accrued at the end of the current year	(1,673)	(1,306)
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	(367)	270

NOTE 25 – ANALYSIS OF ADJUSTMENTS TO SURPLUS / DEFICIT ON THE PROVISION OF SERVICES

	2011/12 £000	2010/11 £000
Adjustment to surplus or deficit on the Provision of Services for non cash movements		
Depreciation	10,557	9,657
Impairment and downward revaluations (and non-sale derecognitions)	1,376	579
Amortisation	22	84
(Increase) in Inventories	(176)	(75)
(Increase) / Decrease in Debtors	(2,833)	6,484
Increase / (Decrease) in Creditors	(3,864)	349
Increase in Interest Creditors	156	64
Payments to Pension fund	(1,712)	(20,933)
Carrying amount of non-current assets sold	10,232	12,525
Contributions to Other Reserves/Provisions	956	2,502
Movement in value of investment properties-included above in Impairment and downward revaluations (and non-sale derecognitions)	(395)	(398)
	14,319	10,838
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities		
Proceeds from the sale of Property, Plant and Equipment, investment property and intangible assets	(994)	(1,819)
Capital grants included in "Taxation and non-specific grant income"	(9,982)	(12,492)
Total	(10,976)	(14,311)

NOTE 26 – CASH FLOW FROM INVESTING ACTIVITIES

	2011/12 £000	2010/11 £000
Purchase of Property, Plant and Equipment, investment property and intangible assets	(17,697)	(20,367)
Purchase / (Sale) of Short Term Investments (not considered to be cash equivalents)	20,068	(9,115)
Proceeds from the sale of Property, Plant and Equipment, investment property and intangible assets	994	1,819
Proceeds from Long Term Investments	0	1
Capital Grants and Contributions Received	9,982	12,492
Net Cash flows from Investing Activities	13,347	(15,170)

NOTE 27 – CASH FLOW FROM FINANCING ACTIVITIES

	2011/12 £000	2010/11 £000
Cash Receipts from Short and Long Term Borrowing	5,000	5,017
Repayment of Short and Long Term Borrowing	(11,506)	(24)
Net Cash flows from Financing Activities	(6,506)	4,993

NOTE 28 – AMOUNTS REPORTED FOR RESOURCE ALLOCATION DECISIONS

The analysis of income and expenditure by service on the face of the Comprehensive Income and Expenditure Statement is that specified by the *Service Reporting Code of Practice*. However, decisions about resource allocation are taken by the Council on the basis of budget reports analysed across departments. 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 Departments.

This reconciliation shows how the figures in the analysis of departmental income and expenditure relate to the amounts included in the Comprehensive Income and Expenditure Statement and shows how the figures in the analysis of departmental 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.

Amounts Reported For Resource Allocation Decisions 2011/12

Department	Employees	Premises	Transport	Supplies and Services	Third Party Payments	Transfer Payments	Support Costs	Income	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Education and Leisure									
Education Service	40,043	4,837	2,511	7,280	1,645	27	615	(13,655)	43,303
Môn Training	0	0	0	0	0	0	0	0	0
Lifelong Learning and Information Services	3,237	665	68	2,616	80	0	122	(2,945)	3,843
Leisure and Communities Services	2,012	631	47	555	33	0	0	(1,422)	1,856
Finance									
Finance Service	2,623	1	27	904	0	0	0	(876)	2,679
Information, Communication & Technology Service	758	16	12	705	0	0	0	(169)	1,322
Audit Service	136	0	1	75	0	0	0	0	212
Environmental and Technical Services									
Planning, Environmental, Waste and Highways Service	6,830	1,103	306	11,255	7,734	927	155	(10,511)	17,799
Property Service	2,821	1,652	90	846	0	0	75	(3,281)	2,203
Housing and Social Services									
Housing Service	1,938	23	98	1,574	0	0	587	(3,549)	671
Social Services	7,227	273	605	2,993	25,208	0	0	(11,409)	24,897
Môn Care Services	8,236	525	572	859	186	0	0	(9,547)	831
Managing Director									
Policy, Corporate, Committee and Legal Services	2,726	45	25	1,085	0	0	23	(459)	3,445
Economic Development Service	1,395	38	38	1,498	0	0	46	(1,719)	1,296

Department	Employees	Premises	Transport	Supplies and Services	Third Party Payments	Transfer Payments	Support Costs	Income	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Budgets treated as Corporate Risks									
Out of County Education	0	0	0	0	1,439	0	0	(406)	1,033
Out of County Social Services	0	0	5	11	2,118	0	0	(202)	1,932
Benefits	0	0	0	(19)	0	23,018	0	(22,630)	369
Homelessness	0	13	0	5	0	860	155	(999)	34
Corporate and Democratic Costs	2,470	332	64	2,229	0	0	0	(1,478)	3,617
Rate Relief	0	0	0	0	0	0	0	40	40
Housing Revenue Account									
Housing Revenue Account	32	3,779	8	257	1	2,122	1,121	(12,472)	(5,152)
Building Maintenance									
Building Maintenance	1,410	159	391	3,077	0	0	0	(5,238)	(201)
	83,894	14,092	4,868	37,805	38,444	26,954	2,899	(102,927)	106,029
Amounts Not Reported to Management									
Pensions Adjustments									(1,892)
Revaluations of Fixed Assets									1,376
Depreciation									10,579
Rental Income									368
Employee Benefits									366
Revenue Expenditure Funded From Capital Under Statute									3,811
Deficit on Continuing Operations									120,637
Other Operating Expenditure									19,660
Financing & Investing Income & Expenditure									4,392
Taxation and Non-Specific Grant Income									(136,212)
Deficit on provision of services									8,477

Amounts Reported For Resource Allocation Decisions 2010/11

Department	Employees	Premises	Transport	Supplies and Services	Third Party Payments	Transfer Payments	Support Costs	Income	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Education and Leisure									
Education Service	41,577	4,390	2,555	8,473	2,029	30	790	(14,872)	44,972
Môn Training	472	15	19	17	67	0	0	(633)	(43)
Lifelong Learning and Information Services	2,280	572	65	1,268	56	0	9	(2,393)	1,857
Leisure and Communities Services	2,070	556	56	592	56	0	0	(1,474)	1,856
Finance									
Finance Service	2,338	2	18	832	0	0	0	(919)	2,271
Information, Communication & Technology Service	808	20	14	686	0	0	0	(224)	1,304
Audit Service	149	0	0	71	0	0	0	0	220
Environmental and Technical Services									
Planning, Environmental, Waste, Highways Service	7,082	1,084	403	11,440	7,672	867	565	(10,253)	18,860
Property Service	2,796	1,490	99	683	1	0	73	(3,273)	1,869
Housing and Social Services									
Housing Service	1,861	39	97	1,510	0	0	625	(3,429)	703
Social Services	7,220	225	500	2,598	23,997	0	0	(11,744)	22,796
Môn Care Services	8,598	512	785	1,234	(98)	0	0	(10,259)	772
Managing Director									
Policy, Corporate, Committee and Legal Service	4,012	55	29	1,636	0	0	14	(616)	5,130
Economic Development Service	1,401	44	38	1,677	0	0	53	(2,259)	954

Department	Employees	Premises	Transport	Supplies and Services	Third Party Payments	Transfer Payments	Support Costs	Income	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Budgets treated as Corporate Risks									
Out of County Education	0	0	0	0	1,409	0	0	(379)	1,030
Out of County Social Services	0	0	13	114	1,827	0	0	(181)	1,773
Benefits	0	0	0	0	0	21,306	0	(21,424)	(118)
Homelessness	0	152	1	35	0	1,074	128	(1,407)	(17)
Corporate and Democratic Costs	555	320	68	1,829	0	0	0	(1,593)	1,179
Rate Relief	0	0	0	0	0	0	0	37	37
Housing Revenue Account									
Housing Revenue Account	31	4,930	6	113	1	2,140	1,202	(11,891)	(3,468)
Building Maintenance									
Building Maintenance	1,427	67	485	3,353	0	0	137	(5,655)	(186)
Sub Total	84,677	14,473	5,251	38,161	37,017	25,417	3,596	(104,841)	103,751
Amounts not reported to Management									
Pension Adjustments									(23,010)
Revaluations of Fixed Assets									578
Depreciation									9,742
Rental Income									349
Government Grants Deferred									27
Employee Benefits									(268)
Revenue Expenditure Funded From Capital Under Statute									3,744
Deficit on Continuing Operations									94,913
Other Operating Expenditure (Note 9)									21,519
Financing and Investment Income and Expenditure (Note 10)									7,098
Taxation and Non-Specific Grant Income (Note 11)									(138,484)
Surplus on Provision of Services									(14,954)

NOTE 29 – ACQUIRED AND DISCONTINUED OPERATIONS

There were no material acquired or discontinued operations in 2011/12 that require separate or additional reporting within the accounts.

NOTE 30 – SIGNIFICANT TRADING OPERATIONS

Trading operations are those which the Council carries out in a competitive environment. The activities falling under this heading in 2011/12 and 2010/11 were as follows:

	2011/12 Expenditure	2011/12 Income	2011/12 Net (Income) / Expenditure	2010/11 Expenditure	2010/11 Income	2010/11 Net (Income)/ Expenditure
	£000	£000	£000	£000	£000	£000
Môn Care Services	10,797	(9,547)	1,250	11,520	(10,319)	1,201
Hyfforddiant Môn Training	0	0	0	640	(633)	7
Total	10,797	(9,547)	1,250	12,160	(10,952)	1,208

Hyfforddiant Môn Training was transferred to Coleg Menai on the 1st September 2010.

The Building Maintenance Unit was previously reported as a Trading Operation. The Unit's activities were reviewed in 2011/12 and the result was that it was considered to no longer fully meet the required definitions. For comparison purposes, if Building Maintenance were still included, the table would be as follows.

	2011/12 Expenditure	2011/12 Income	2011/12 Net (Income) / Expenditure	2010/11 Expenditure	2010/11 Income	2010/11 Net (Income)/ Expenditure
	£000	£000	£000	£000	£000	£000
Building Maintenance	5,137	(5,238)	(101)	5,511	(5,655)	(144)
Môn Care Services	10,797	(9,547)	1,250	11,520	(10,319)	1,201
Hyfforddiant Môn Training	0	0	0	640	(633)	7
Total	15,934	(14,785)	1,149	17,671	(16,607)	1,064

Nature of Operations

Building Maintenance

The Building Maintenance Unit carries out the day to day repairs and maintenance to the Council Housing stock, public buildings and other property owned or leased by the Council. The objective of the Building Maintenance Unit is to provide an excellent service to the tenants, which maintains properties to an acceptable standard, whilst generating a sufficient surplus to reinvest in the Unit's operational assets.

Môn Care Services

Môn Care Services is the in-house provider, within the Housing and Social Services Department, of the following services: Home Care, Residential and Day-care, Sheltered Employment Workshops, Sheltered Housing and Meals on Wheels.

The financial objective of Môn Care Services is to break-even. It is treated as part of the operation of the Social Services and has no specific reserve of its own.

Hyfforddiant Môn Training

Prior to its transfer to Coleg Menai, Hyfforddiant Môn Training provided Youth and Adult Training and also ran courses in Information Technology, Health and Safety and Food Hygiene and Technology.

NOTE 31 - MEMBERS' ALLOWANCES

A total of £619,043 (£867,816 in 2010/11) was paid in respect of allowances to Council Members during the year. Since 2006/07, Members are eligible to join the pension scheme and the allowances figure includes £45,304 (£60,732 in 2010/11) for the Council's contribution to the fund.

	2011/12 £	2010/11 £
Basic and Special responsibility allowances (SRA)	519,876	719,467
Chairman and Deputy Chairman's Allowance	11,061	12,736
Pension Costs	45,304	60,732
National Insurance Costs	30,957	58,185
Travel Costs	11,137	14,885
Subsistence	166	785
Miscellaneous	542	1,026
Total	619,043	867,816

Following the appointment of Commissioners to exercise the Council's executive functions in March 2011, the Independent Remuneration Panel for Wales published a Supplementary Report determining the allowances to be paid to Council members during 2011/12. The determinations had the effect that the posts of Leader, Deputy Leader, Executive member, and leader of any other group would no longer provide an entitlement to SRA; and to limit the level of Basic Allowance and of those SRAs still payable.

The Commissioners are appointed and paid by Welsh Government. The Council contributes by means of a top slicing of Outcome Agreement Grant (OAG) which would otherwise be paid by Welsh Government to the Council based on performance in delivering its Outcome Agreement.

NOTE 32 – OFFICERS’ REMUNERATION

The following table sets out the required remuneration disclosures for senior employees whose annual salaries are less than £150,000, but equal to or more than £60,000.

		Salary, Fees and Allowances £	Expenses Allowances £	Compensation for loss of Office £	Pension Contribution £	Total £
Chief Executive (Commenced 01/05/2011)	2011/12	101,737	2,051	0	23,287	127,075
	2010/11	0	0	0	0	0
Corporate Director (Education and Leisure) (became Chief Executive 01/05/2011)	2011/12	0	0	0	0	0
	2010/11	77,758	3,430	0	16,329	97,517
Corporate Director (Environment and Technical)	2011/12	78,426	2,015	0	16,862	97,303
	2010/11	78,426	2,246	0	16,470	97,142
Corporate Director (Finance)	2011/12	75,258	2,194	0	16,180	93,632
	2010/11	75,302	2,727	0	15,804	93,833
Corporate Director (Housing and Social Services)	2011/12	82,721	1,621	79,126	13,092	176,560
	2010/11	73,545	1,778	0	15,444	90,767
Director of Legal Services / Monitoring Officer	2011/12	63,727	338	0	13,701	77,766
	2010/11	63,972	78	0	13,434	77,484
Total	2011/12	401,869	8,219	79,126	83,122	572,336
Total	2010/11	369,003	10,259	0	77,481	456,743

The Council’s Interim S151 Officer, appointed from September 2011, had a contract of employment as S151 Officer and was also seconded for 3 days a week from another authority. The cost to the Council for the salary and overheads was £26k with expenses of £7k together with £36k paid to the other authority in respect of the secondment. The annualised salary on a full time basis is estimated at £100k.

The comparative remuneration to the total cost column in the table above is estimated at £110k.

Senior Employees’ Remuneration

The number of employees whose remuneration paid in 2011/12, excluding pension contributions but including severance pay, was £60,000 or more was:

	Including Severance Pay 2011/12 No. of Employees	Restated: Including Severance Pay 2010/11 No. of Employees	Excluding Severance Pay 2011/12 No. of Employees	Restated: Excluding Severance Pay 2010/11 No. of Employees
£60,001 to £65,000	1	1	1	1
£65,001 to £75,000	0	0	0	0
£75,001 to £80,000	1	3	1	3
£80,001 to £85,000	1	1	2	1
£85,001 to £100,000	0	0	0	0
£100,001 to £105,000	1	0	1	0
£105,001 to £160,000	0	0	0	0
£160,001 to £165,000	1	0	0	0
£165,001 to £180,000	0	0	0	0
Total	5	5	5	5

In the corresponding table in the 2010/11 Statement of Accounts, a number of Head Teachers were included in the figures. Current guidance is that they should not be included and the 2010/11 figures have been adjusted accordingly.

Exit Packages

The number of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in the table below:

Exit package cost band (including special payments)	Number of Compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12	2010/11 £	2011/12 £
£0 - £20,000	0	0	9	27	9	27	62,478	217,142
£20,001 - £40,000	0	0	1	9	1	9	27,451	279,495
£40,001 - £60,000	0	0	0	12	0	12	0	552,967
£60,001 - £80,000	0	0	0	1	0	1	0	69,754
£80,001 - £100,000	0	0	0	5	0	5	0	448,296
£100,000 - £150,000	0	0	0	0	0	0	0	0
Total	0	0	10	54	10	54	89,929	1,567,654

NOTE 33 – EXTERNAL AUDIT FEES

The Council has incurred the following costs relating to external audit and inspection:

	2011/12 £000	2010/11 £000
Fees payable to Wales Audit Office with regard to external audit services carried out by the appointed auditor for the year	155	199
Fees payable to the Wales Audit Office in respect of statutory inspections	174	200
Fees payable to PricewaterhouseCoopers LLP for the certification of grant claims and returns for the year	145	128
Fees payable to the Wales Audit Office in respect of other services (National Fraud Initiative)	0	4
Total	474	531

The figures for 2010/11 include an additional charge of £34k was due to Wales Audit Office in respect of a Special Inspection of the County Council in February 2011.

NOTE 34 – GRANTS INCOME

The Council Credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2011/12:

	Note	2011/12 £000	2010/11 £000
Credited to Taxation and Non Specific Grant Income			
Revenue Support Grant (Non-ringfenced Government Grants)	11	77,112	75,037
Capital Grants and Contributions (Capital Grants and Contributions)	11	7,359	9,892
Grant - Major Repairs Allowance (Capital Grants and Contributions)	11	2,623	2,640
Other (Non-ringfenced Government Grants)	11	551	551
		87,645	88,120
Credited to Services			
Grants:			
Council Tax Benefit Granted		5,032	4,854
Post 16 Grant (Education)		3,272	3,343
Foundation Phase Grants (Education)		2,133	1,840
Concessionary Fares Grant		687	654
Housing Benefit Subsidy		17,890	16,385
Supporting People Grant (SPG & SPRG)		1,992	2,071
Sustainable Waste Management		1,636	1,489
		32,642	30,636
Other Grants:			
Central Services to the Public		0	3
Cultural and Related Services		664	670
Children and Education Services		4,656	5,883
Highways and Transport Services		2,037	1,979
Other Housing Services		900	900
Adult Social Care Grants		1,344	1,801
Planning and Development		2,033	2,583
Environmental Services		166	99
Corporate and Democratic Core		743	845
Trading Operations		479	183
		13,022	14,946
Contributions:			
		6,564	6,635
Total		139,873	140,337

Capital Grants Received in Advance

	2011/12 £000	2010/11 £000
Opening balance	502	667
Add: new capital grants received in advance (condition of use not met)	8,768	12,327
Capital Grants Repaid	(17)	0
Less: amounts released to the Comprehensive Income and Expenditure Account (conditions met)	(9,109)	(12,492)
Closing Balance	144	502

NOTE 35 – RELATED PARTIES

The Council appoints members to certain public, charitable and voluntary bodies. During 2011/12, a total of £3,242,073 was paid in grants for the purchase of services from these bodies (£5,651,058 in 2010/11).

The Council is a member of the Welsh Local Government Association, to which subscriptions of £70,603 were paid in 2011/12 (£74,186 in 2010/11).

Members have declared interests in contracts, or in organisations which may have dealings with the Council, in the Statutory Register of Members' Interests. A total of £312,722 was paid by the Council in 2011/12 in relation to these interests (£700,634 in 2010/11). Some payments of housing benefit are made direct to landlords; in 2011/12 such payments totalling £14,414 were made directly to three members of the Council (and their related parties) in this capacity (£9,463 made directly to three members of the Council in 2010/11).

The Welsh Government sets the national priorities, strategic context and overall level of funding for services. The Councils have the responsibility to deliver these services on a local level within the national context. This relationship means the Welsh Assembly exercises a significant influence over the Authority. Notes 11, 34 and 45 provide information on the funding relationship which exists between the Council and the Welsh Assembly.

Betsi Cadwalader University Health Board, through common control by central Government, is a related party to the Authority. Payments made by the Council for 2011/12 to BCUHB amounted to £1.353m, with £0.268m owed to the related party at year end. Receipts taken in by the Council from BCUHB came to £2.494m with £1.343m due from our related party at year end.

INTERESTS IN COMPANIES

The Council has a 50% interest in two companies, in each case the other member is Gwynedd Council and IOACC do not have a controlling interest and, therefore, do not need group accounts:-

Cwmni Gwastraff Môn-Arfon Cyf

Cwmni Gwastraff Môn-Arfon Cyf is a Local Authority Waste Disposal Company established jointly by predecessors of the Anglesey and Gwynedd Councils in 1994. The company operated two waste management sites in Anglesey and Gwynedd which were leased from the Local Authorities. Most of the company's activity related to contracts with the two Local Authorities.

Following a change in legislation, the two Councils decided to close the company down during 2007/08 and to undertake the work in-house. The relevant operational assets and liabilities and the staff were transferred to the Council in January 2008 together with a balancing amount in cash. The investment has been re-valued each year and most of the shareholders funds have been returned to the two Councils. The remaining interest in the company at 31 March 2012 is not material to the accounts of the Council.

Cwmni Cynnal Cyf

This company was established jointly by Ynys Môn and Gwynedd Councils on local government reorganisation. It provides education support services under contract to maintained schools and to the local education authorities and schools inspection services to Estyn. The income of the company can only be applied towards the promotion of its objectives. The company is limited by guarantee, not having a share capital, and the Council's liability is limited to one pound. Payments made by the Council, including its schools, in 2011/12 total £1.789m (£2.021m in 2010/11).

The company accounts for 2010/11 show a net income of £0.20m (£0.29m in 2009/10). The turnover for 2010/11 was £5.69m (£6.26m in 2009/10). The company's published accounts show net assets of £0.36m (net liabilities £4.99m in 2009/10) as at 31 March 2011. The increase in positive net worth during 2010/11 was due to a decrease in pension liability during the year of £5.237m.

Copies of the financial statements are available from Cwmni Cynnal Cyf, Plas Llanwnda, Caernarfon, Gwynedd. The auditor's report on the accounts for the financial year ended 31 March 2011 is not qualified.

The Council has interests in the following companies as follows:-

Welsh Joint Education Committee - WJEC CBAC Limited

The Council is a member of WJEC CBAC Limited, a charitable company whose members are the 22 Welsh unitary authorities and whose objectives are to provide examination services and to provide and promote other educational and cultural services. The company is limited by guarantee, not having a share capital, and the Council's liability is limited to one pound.

During 2011/12 the Council paid £0.40m (£0.34m in 2010/11) for purchase of services from the company.

The Company accounts for 2010/11 show a net positive movement in funds of £4.27m (net negative movement in funds of £4.33m in 2009/10). The turnover for 2010/11 was £35.10m (£36.25m in 2009/10) and net assets totalled £15.50m (£11.22m as at 30 September 2010) as at 30 September 2011.

Copies of the company's accounts can be obtained from WJEC CBAC Limited, 245 Western Avenue, Llandaff, Cardiff, CF5 2YX. The auditor's report for the financial year ended 30 September 2011 is not qualified.

Menter Môn Cyfyngedig

The Council is a member of Menter Môn Cyf, and was one out of a total of 3 members at 31 March 2012. The company's objectives are to promote economic growth in rural Anglesey. The company is limited by guarantee, not having a share capital, and the Council's liability is limited to one pound.

During 2011/12 the Council made payments of £1.817m to the company in support of the activities (£0.860m in 2010/11).

The company accounts for the financial year ended 31 December 2010 shows net income after tax of £205,039 (net income of £99,456 in 2009). The turnover for 2010 was £2.52m (£1.80m in 2009) and net assets totalled £1.18m (£0.17m in 2009) as at 31 December 2010.

Copies of the company's accounts can be obtained from Menter Môn, Llys Goferydd, Bryn Cefni Industrial Estate, Llangefni, Ynys Môn. The auditor's report on the accounts for the financial year ended 31 December 2010 is not qualified.

Caergeiliog Foundation School

Balances for current assets and liabilities controlled by Caergeiliog Foundation School are included in these accounts, and so the school's reserves as stated in this balance sheet, represents only the net current assets. The school also has non current assets which are stated on the school's balance sheet at £678,347 (£715,351 at 31 March 2011) on a combination of valuation and historical cost, less depreciation. The non current assets are vested in the school's Governing Body and are not consolidated in this balance sheet.

TRUST FUNDS

The Council acts as trustee for a number of trust funds. The funds are not assets of the Council so they are not included in the Council's Consolidated Balance Sheet. Their accounts are available from the Finance Department. Besides the legacies left for purposes such as prize funds at schools and comforts and improvements in Social Services establishments, the Council is also responsible for the following Trust funds:

Isle of Anglesey Charitable Trust (Reg. No. 1000818)

The Council is the sole trustee of the Isle of Anglesey Charitable Trust which was established to administer investments purchased from monies received from Shell (UK) Limited when the company ceased operating an oil terminal on Anglesey. The objectives of the Charitable Trust are to provide amenities and facilities for the general public benefit of persons resident in the Isle of Anglesey. This is achieved by contributing towards spending on public services and by making grants to charitable and voluntary organisations.

The fund is administered by the Council free of charge. In 2011/12 the Council received £250k (£270k in 2010/11) towards the running costs of Oriel Ynys Môn.

Welsh Church Fund

The investments of this fund are currently being administered by Gwynedd Council on behalf of the successor authorities of Gwynedd County Council although there are plans to transfer them to this Council. The scheme for the administration of the fund provides that the income is to be applied to charitable purposes - educational, recreational and social - at the discretion of the Council.

Anglesey Further Education Trust (Reg. No. 525254)

75% of net income from the David Hughes Charity Estate forms part of the Anglesey Further Educational Trust Fund of which the Council is Trustee. The income is used for specified educational purposes. The other 25% is paid to the "David Hughes Charity for the Poor", which is not administered by the Council.

The Council administers the estate and in 2011/12 received a fee of £7k for this service.

On 31 March 2012 the balances of these Trust funds (at market value of the assets) are:-

	2011/12 Income £000	2011/12 Expenditure £000	2011/12 Net Assets £000	2010/11 Net Assets £000
Isle of Anglesey Charitable Trust (*)	779	1,078	16,017	16,316
Welsh Church Fund (**)	21	35	518	532
Anglesey Further Education Trust Fund (*)	65	59	1,845	1,839

(*) 2010/11 figures restated to reflect the final accounts

(**) Anglesey portion only

The total value of the other funds including investments at market value is £236k as at 31 March 2012 (£238k as at 31 March 2011).

NOTE 36 - CAPITAL EXPENDITURE AND FINANCING

The total amount of capital expenditure incurred in the year is shown in the table below, 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 that has yet to be financed.

The net movement in the Capital Financing Requirement illustrates the change in the underlying need for the Council to borrow during the year to fund capital investment which has not been funded immediately from resources such as grants, capital receipts and direct funding from revenue.

2011/12 £000		2010/11 £000
97,716	Opening Capital Financing Requirement	99,581
	Capital Invested in Year	
17,529	Property, Plant and Equipment	20,314
149	Investment Properties	53
19	Intangible Assets	0
111	Other	
<u>3,811</u>	Revenue Expenditure Funded from Capital Under Statute	<u>3,744</u>
21,619		24,111
	Source of Finance	
(944)	Capital Receipts and Reserves	(4,528)
(10,092)	Government Grants and Contributions	(12,492)
(3,646)	Revenue Provisions	(4,703)
<u>(3,993)</u>	Minimum Revenue Provision and Set Aside	<u>(4,253)</u>
(18,675)		(25,976)
2,944	Net Increase/(Decrease) in Capital Financing Requirement	(1,864)
100,660	Closing Capital Financing Requirement	97,716
	Explanation of movement in year	
3,579	Increase in underlying need to borrow supported by Government assistance	1,000
3,358	Increase in underlying need to borrow unsupported by Government assistance	1,389
(3,993)	Minimum Revenue Provision and Voluntary Set Aside	(4,253)
2,944	Net Increase/(Decrease) in Capital Financing Requirement	(1,864)

NOTE 37 – LEASES

Operating Leases

The Council has leased 127 properties at 31 March 2012 for its homelessness function (171 properties at 31 March 2011) and the lease rentals for the year totalled £739k (£941k in 2010/11). These properties have break clauses at twelve months. This was due to a deliberate policy to return empty leased properties to their owners rather than pay rental on an empty property. The bulk of these were returned in the final quarter of the year. The Council also holds certain items of plant and equipment under operating leases or rental agreements and the charge to revenue for these items is £0.1m in 2011/12 (2010/11 £0.1m).

NOTE 38 – IMPAIRMENT LOSSES

Paragraph 4.7.4.2(1) of 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. Any such disclosures are consolidated in Note 12 reconciling the movement over the year in the Property, Plant and Equipment and Intangible Asset balances. There were no impairment losses in either 2011/12 or 2010/11.

NOTE 39 - PENSION SCHEME ACCOUNTED FOR AS A DEFINED CONTRIBUTION SCHEME

Teachers employed by the Council are members of the Teachers' Pension Scheme, administered by the Department for Education. The scheme provides teachers with specified benefits upon their retirement, and the Council contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

The scheme is technically a defined benefit scheme. However, the scheme is unfunded and the Department for Education uses a notional fund as the basis for calculating the employers' contribution rate paid by local authorities. The Council is not able to identify its share of underlying financial position and performance of the scheme with sufficient reliability for accounting purposes. For the purpose of this Statement of Accounts, it is, therefore, accounted for on the same basis as a defined contribution scheme.

In 2011/12, the County Council paid £3.106m to Teachers' Pensions in respect of teachers' retirement benefits, representing 14.1% of pensionable pay. The figures for 2010/11 were £3.134m and 14.1%. In addition, payments relating to enhancements for early retirement etc. made on a pay-as-you-go basis amounted to £0.595m (£0.577m in 2010/11). There were no contributions remaining payable at the year-end.

The Council is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the teachers' scheme. These costs are accounted for on a defined benefits basis and detailed in Note 40.

NOTE 40 – DEFINED BENEFIT PENSION SCHEME

Retirement Benefits

Participation in the Local Authority Pension Scheme

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 need to be disclosed at the time that employees earn their future entitlement.

The Council participates in the Gwynedd Pension Fund administered by Gwynedd Council. This is a funded scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets.

Transactions relating to retirement benefits – CIES Charges

The Council recognises the cost of retirement benefits in the Cost of Services on Continuing Operations when they are earned by employees, rather than when the benefits are eventually paid as pensions.

However, the charge the Council is required to make against the Council Tax is based on the cash payable in the year, and the real cost of retirement benefits is reversed out in the adjustments between accounting basis and funding basis under regulations line, in the Movement on Reserves Statement. The following transactions have been made in the CIES and the adjustments between accounting basis and funding basis under regulations line, in the Movement on Reserves Statement during the year:

	2011/12 £000	2010/11 £000
Net cost of services:		
Current service cost	6,060	6,994
Past service costs/(gain)	93	(23,073)
Gains and losses on settlements or curtailments	326	97
Net operating expenditure:		
Interest cost	11,664	16,195
Expected return on scheme assets	(11,484)	(12,719)
Net charge to the CIES	6,659	(12,506)
Adjustments between accounting basis and funding basis under regulations:		
Reversal of net charges made for retirement benefits in accordance with IAS 19	(6,659)	12,506
Actual amount charged against the Council Fund balance for pensions in the year:		
Employers' contributions payable to scheme	8,371	8,157
Net charge to the Council Fund Summary	1,712	20,663

The service cost figures include an allowance for administration expenses of 0.5% of pay.

In addition to the recognised gains and losses included in the Surplus / Deficit on the Provision of Services, actuarial losses of £18.887m (£68.656m gain in 2010/11) were included in other comprehensive income and expenditure in the CIES. The cumulative amount of actuarial gains and losses recognised in other comprehensive income and expenditure up to 31 March 2012 is a loss of £51.436m (£24.095m loss in 2010/11).

Assets and liabilities in Relation to Retirement Benefits**Reconciliation of Present Value of the Scheme liabilities**

	2011/12 £000	2010/11 £000
Balance as at 1 April	212,133	311,535
Current service cost	6,060	6,994
Interest cost	11,664	16,195
Contributions by members	2,070	2,119
Actuarial losses/(gains)	7,287	(93,825)
Past service costs/(gains)	93	(23,073)
Losses on curtailments	326	97
Liabilities assumed in a business combination		
Estimated unfunded benefits paid	(1,052)	(1,018)
Estimated benefits paid	(7,610)	(6,891)
Balance as at 31 March	230,971	212,133

Reconciliation of present value of the scheme assets:

	2011/12 £000	2010/11 £000
Balance as at 1 April	165,561	175,644
Expected return on assets	11,484	12,719
Contributions by members	2,070	2,119
Contributions by employer	7,319	7,139
Contributions in respect of unfunded benefits	1,052	1,018
Actuarial (losses)/gains	(11,600)	(25,169)
Liabilities assumed in a business combination		
Unfunded benefits paid	(1,052)	(1,018)
Benefits paid	(7,610)	(6,890)
Balance as at 31 March	167,224	165,562

The expected return on scheme assets is based on the long-term future expected investment return for each asset class as at the beginning of the financial year.

The actual return on scheme assets in the year was a gain of £98k (2010/11 loss of £14.319m).

Fair Value of Plan Assets

	31/03/12 £000	31/03/11 £000
Equity Investments	130,436	125,828
Bonds	21,739	21,523
Property	13,377	14,900
Cash	1,672	3,311
	167,224	165,562

Major categories of plan assets as percentage of total plan assets

The Gwynedd Pension Fund's assets consist of the following categories, by proportion of the total assets held:

	31/03/12	31/03/11
Equity investments	78%	76%
Bonds	13%	13%
Property	8%	9%
Cash	1%	2%
	100%	100%