

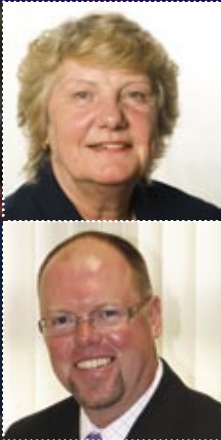


06-07

Positive Achievement

The Council's Annual Report and
Statement of Accounts 2006 - 2007

Councillor D Ruddick
Council Leader



Councillor J Pawson
Mayor of Rossendale

Carolyn Wilkins
Chief Executive



Philip Seddon, A.C.A.
Head of finance

As presented to the
Accounts Committee
in draft on 28th June 2007

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AREA OF BOROUGH:- 13,811 hectares
RESIDENT POPULATION:- 66,000
POPULATION DENSITY:- 4.7 persons per hectare
TOTAL DOMESTIC PROPERTIES:- 29,088

Analysis of rateable property

	NUMBER OF PROPERTIES	RATEABLE VALUE £
Commercial	1,713	17,400,835
Educational	73	1,762,125
Industrial	536	9,914,164
Leisure	83	633,340
Non Formula-assessed Public & Other Utilities	3	335,250
Miscellaneous	75	1,031,630
Total	2,483	31,077,344



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Annual Report

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MAYOR	P. Steen
DEPUTY MAYOR	J. Pawson
LEADER OF COUNCIL	D Ruddick
LEADER OF THE OPPOSITION	D Hancock

POLITICAL COMPOSITION OF THE COUNCIL

Labour Party	9	Independent	1
Conservatives	23	Vacant	3
Liberal Democrat	0	Total	36

The Council consists of 36 Members, each elected for a period of 4 years. For the purpose of the elections the Borough is divided into 14 wards. A list of Wards and Members follows.

Rossendale currently has 5 elected representatives on the Lancashire County Council.

CRIBDEN	Janet Graham (Con) Christine Gill (Lab)	HEALEY & WHITWORTH	Ronald Alan Neal (Independent) David William Barnes (Con)
EDEN	Darryl Smith (Con) 1 Vacant	HELMSHORE	Joyce Pawson (Con) Brian Walter Essex (Con) Barry Stuart Pawson (Con)
FACIT & SHAWFORTH	Linda Iris Barnes (Con) Hazel May Steen (Con)	IRWELL	Janet Kathleen Farquharson (Con) Graham Haworth (Lab) Peter Stuart Steen (Con)
GOODSHAW	Michael Edward Ormerod (Con) Alyson Barnes (Lab)	LONGHOLME	Anthony Swain (Con) June Forshaw (Lab) 1 Vacant
GREENFIELD	Gladys Sandiford (Con) Granville Richard Morris (Con) Peter Charles Starkey (Con)	STACKSTEADS	Fred Lynskey (Con) Christine Lamb (Lab)
GREENSCLOUGH	Judith Mary Driver (Con) James Eaton (Con) <i>(also County Cllr)</i> William Challinor (Con)	WHITEWELL	Theresa Marlene Crosta (Con) David James Hancock (Lab) Amanda Robertson (Lab)
HAREHOLME	Peter Joseph Gill (Lab) Trevor Unsworth (Lab) 1 Vacant	WORSLEY	Duncan Ruddick (Con) <i>(also County Cllr)</i> Hilary Pat A. Dickinson (Con) Joyce Thorne (Con)

Key: (Lab) = Labour : (Lib Dem) = Liberal Democrat : (Con) = Conservative : ___ = Indicates known name

The Cabinet

This Committee carries out all the Local Authority's functions which are not matters reserved for Full Council or the responsibility of another Committee. In particular the Cabinet guides the Council in formulating its policy objectives with a general aim to enhance the quality of life for the citizens of Rossendale. It determines the priorities by which those policy objectives should be achieved, allocates resources to achieve them and then reviews progress made towards achieving those objectives, including making recommendations on the level of local taxes and exercising financial management over the affairs of the Council.

The Accounts Committee

The Accounts Committee is responsible for the approval of the annual Statement of Accounts under the Accounts and Audit Regulations 2003.

The Development Control Committee

This committee considers development control policies and matters regulated by the Building Act 1984 and Town and Country Planning legislation.

The Policy Development Overview and Scrutiny Committee

This committee assists the Council and the Cabinet in the development of its budget and policy framework. The Committee also deals with other matters of legal concern, community participations and liaises with external organisations to champion the interests of local people.

The Licensing Committee

The Licensing Committee handles all licenses including those for Alcohol, Public Entertainment, Hackney Carriage/Private Hire licenses, Lotteries, Amusements Act and Gaming Licences, tattooing & ear piercing establishments, take-away food shops and pet shops.

The Standards Committee

This Committee promotes and monitors high standards of conduct by Councillors and co-opted Members, as set out in the Members' Code of Conduct. It also monitors and reviews the Council's Constitution.

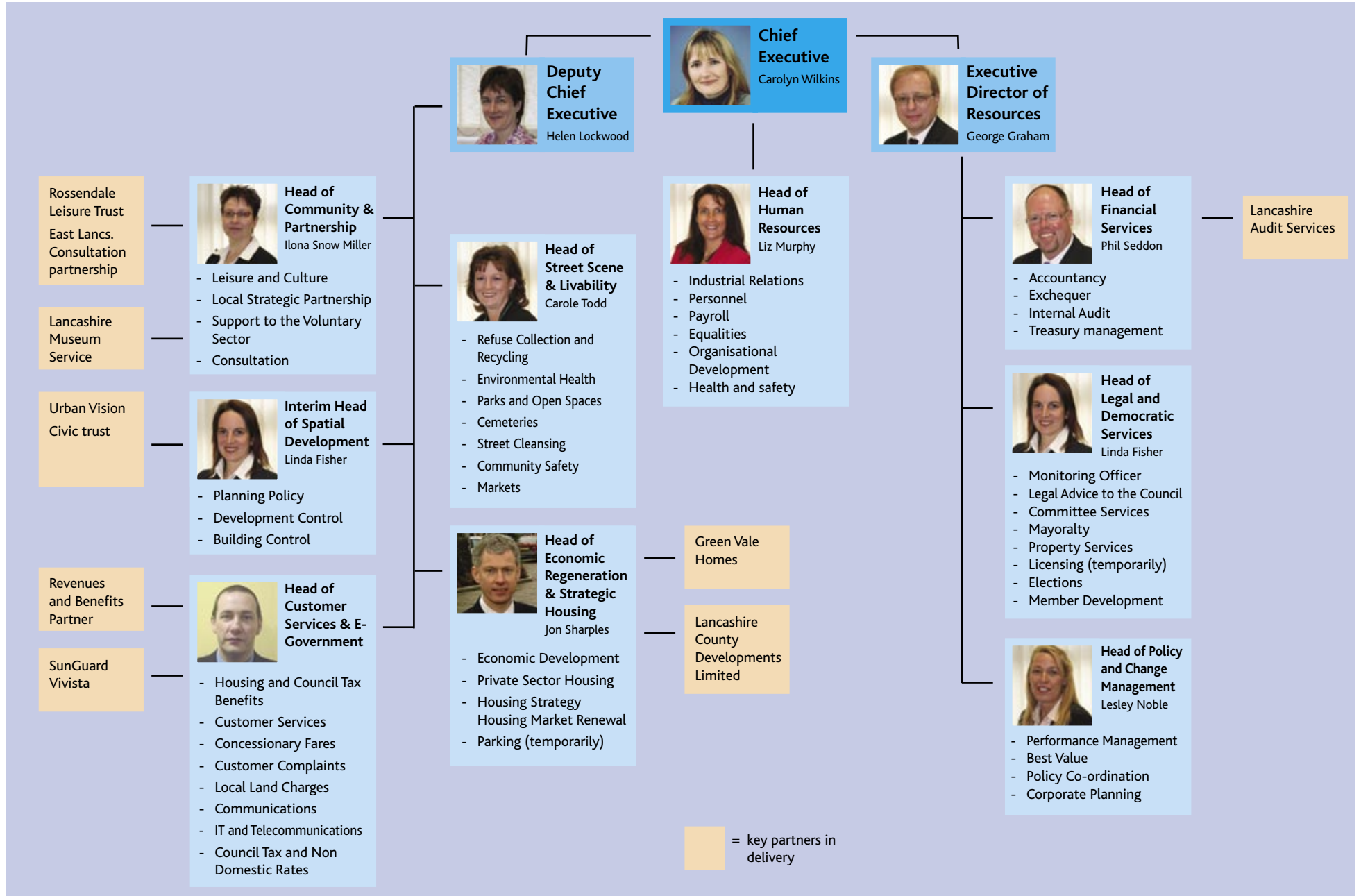
The Audit and Performance

Management Overview & Scrutiny Committee

This committee is charged with reviewing such policy matters as the Committee itself feels are appropriate, in accordance with a Schedule of Work which it sets at the beginning of each financial year. It has the power to review and scrutinise decisions and performance of the Cabinet, Committees and Council Officers, including those referred to it under the Council's "call in" procedure. It also considers internal and external audit reports, including the Annual Audit Letter.

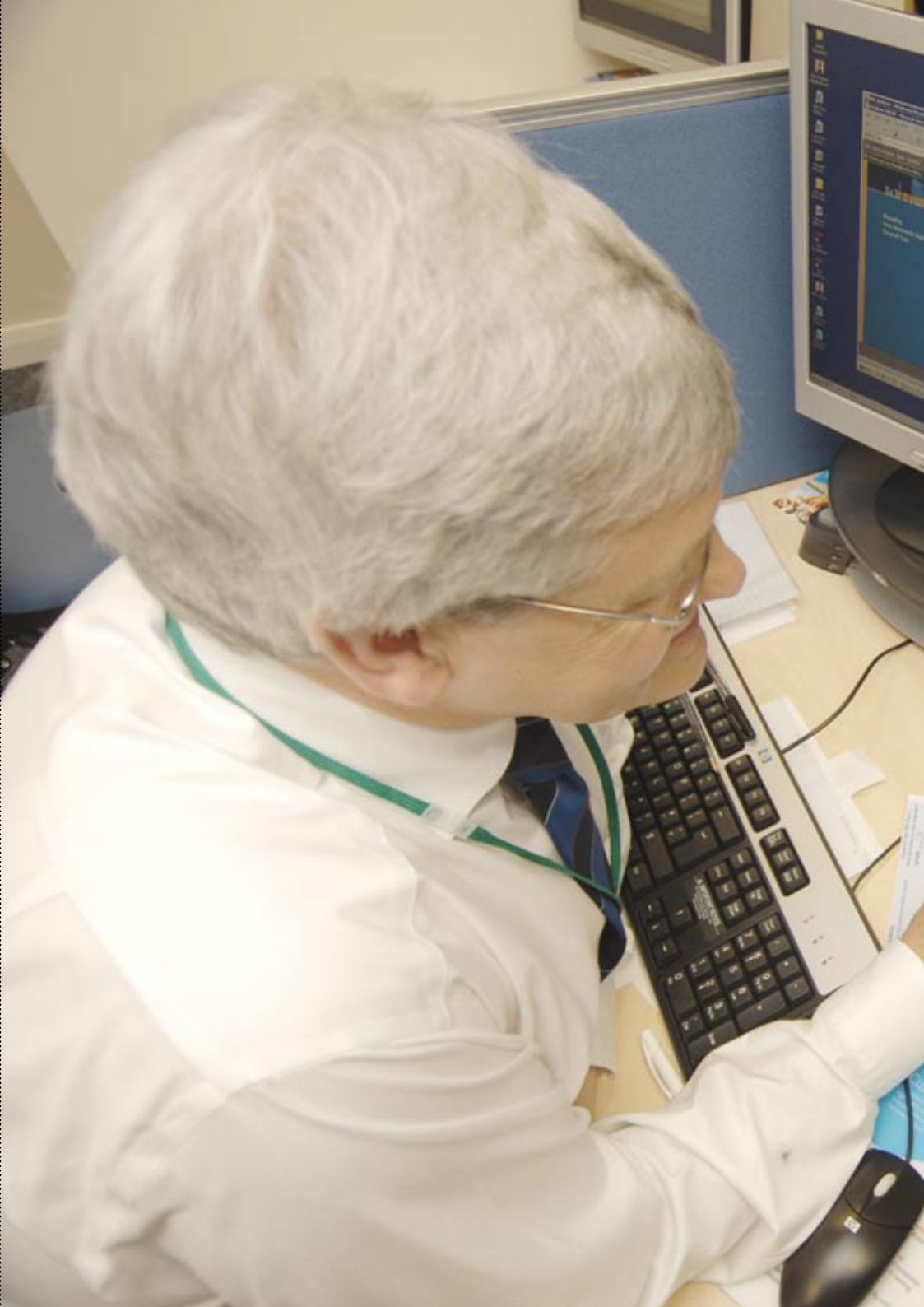
The Appointment & Appeals Committee

The Appointment & Appeals Committee deals with a number of staffing issues including recruitment, grievances, disciplinary and redundancy cases and any other appeal or tribunal which needs to be considered by Members of the Council.



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Statement of Accounts





Certificate of head of finance

I certify that this Statement of Account represents fairly the financial position of Rossendale Borough Council at 31st March 2007.

Philip Seddon, ACA
Head of Finance

15 June 2007 inconsistencies. My responsibilities do not extend to any other information.

To Rossendale Borough Council - Audit of the Authority's Accounts

The attached Statement of Account has yet to be audited.

Audit Commission
2nd Floor
Aspinall House
Aspinall Close

Michael Thomas Enterprise Park 3
District Auditor Middlebrook
15th June 2007 Bolton, BL6 6QQ





Our Customer Promise

To put customers first, at all times and at every point of contact



Our customers have the right to be treated fairly and impartially and receive professional, high quality, efficient, good value, accurate, accessible and confidential services delivered in a polite, friendly, approachable and responsive way. We will aim to resolve 80% of customer requests at the first point of contact.

Customer Service Standards

- Our staff will wear a uniform or work clothing and a name badge
- We will provide clear information in appropriate formats e.g. community languages, large print, Braille or audio tape.
- We have a Customer Complaints and Feedback scheme. We will put complaints right quickly, acknowledge them within 5 working days and respond fully within 15 days.
- We will respond to written correspondence fully within 10 days including full contact details.
- We will include full contact details on our emails, use 'Out of Office' messages and provide alternative contact details. Email will be checked once a day and acknowledged within 1 working day.
- Telephone calls will be answered within 20 seconds by a named person.
- Voicemail will be checked once a day and we will respond to you within 2 working days. Alternative contact numbers will be provided where possible.
- 8 out of 10 people who 'drop-in' to the One Stop Shop will be seen within 15 minutes.
- Home visits will be offered if appropriate and at least one working day's notice if we can.
- We will take a note of your requirements during any visit.

1. Introduction

This booklet presents the Council's accounts for the year ended 31st March 2007. In doing so it now conforms to the Statement of Recommended Practice 2006/2007 which represent a substantial change from the statements that authorities produced in 2005/2006 and earlier years.

The main changes are as follows:-

- *The core financial statements are now shown collectively*
- *The notes to these statements have been grouped together*
- *The Consolidated Revenue Account has been disaggregated to produce a set of three statements each with a single clear objective*
 - *Income and Expenditure Account*
 - *Statement of the Movement on the General Fund Balance*
 - *Statement of Total Recognised Gains and Losses*
- *Supplementary statements are then gathered together after the notes to the core financial statements*
- *Other statements, financial summaries and a glossary can now be found at the back of this document*

The new layout and purpose of each statement is as follows:-

Explanatory Statements

- **Statement of Accounting Policies**
This explains the policies used in the preparation of the figures in these accounts.
- **Statement of Responsibilities** -
Explaining the responsibilities in relation to the Council's Financial affairs.



Core Statements

- **Income and Expenditure Account** -
A summary of the resources generated and consumed by the authority in the year.
- **Statement of the Movement on the General Fund Balance** -
A reconciliation showing how the balance of resources generated/ consumed in the year links in with statutory requirements for raising council tax.
- **Statement of Total Recognised Gains and Losses** -
Demonstration of how the movement in net worth in the Balance Sheet is identified to the Income & Expenditure Account surplus/deficit and to other unrealised gains and losses.
- **Balance Sheet** -
This shows the balances and reserves at the Council's disposal and its long term indebtedness, the net current assets employed in its operations, and summarised information on the fixed assets held.
- **Cash Flow Statement** -
This summarises the income and expenditure of the Council for capital and revenue purposes in cash terms.

Notes to the core financial statements

All the notes to the statement (left) are now collected in one place

Supplementary Statements

- **The Housing Revenue Account** -
This reflects a statutory obligation to account separately for Local Authority Housing provision. It shows the major elements of Housing Revenue expenditure and income associated with the Council's functions as landlord of the housing stock.
- **The Collection Fund** -
This shows the precepts levied by the Borough Council and the County Council and others and how they were funded.
- **The Group Accounts** -
The Group Accounts show the consolidated financial position of the Council, its interest in Rossendale Transport Limited and Trust Funds.

Other Statements

- **Statement on Internal Control** -
Explaining the way the Council ensures responsible stewardship of its assets.
- **Capital Expenditure Report** -
A detailed analysis of the capital projects and funding during 2006/07

Glossary



2. General Fund

The General Fund accounts for income and expenditure associated with the day to day running of all the services that the Council provides, with the exception of local authority housing which is accounted for separately with the Housing Revenue Account.

Full Council on the 23rd February 2006 approved a total General Fund Services Budget for 2006/2007 of £10.806m and a precept for Whitworth Town Council of £46,854. This was to be funded by a Collection Fund Precept of £4,940,286 and a central government Formula Grant of £5,912,446 which replaced the previous Rate Support Grant and Re-distributed National Non-Domestic Rates funding streams.

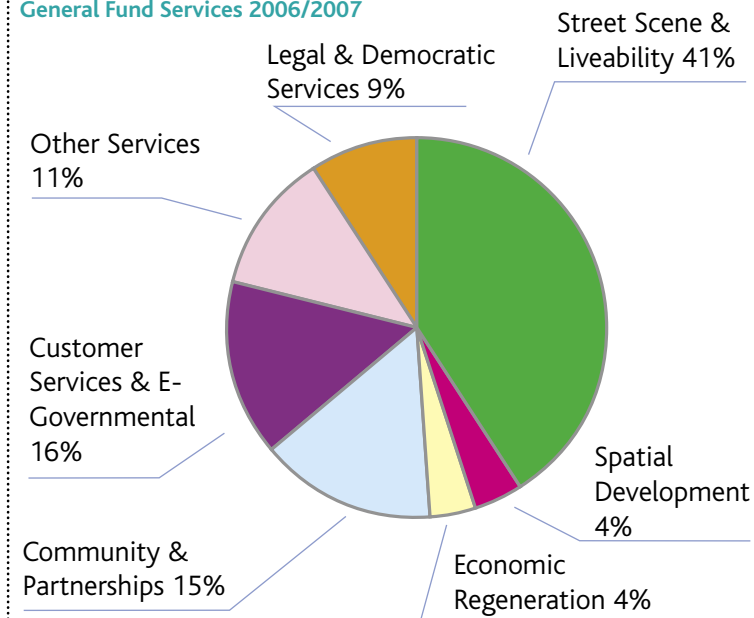
As a result of business property developments in the borough in recent years, the NNDR Pool also made a grant to the Council of £661k under the Local Authority Business Growth Incentive Scheme (LABGIS). This was then used to create a Reserve for Future Economic Regeneration activity.

The Council also made a revenue contribution of £34k towards capital expenditure on software to improve our Planning and Building Control Services.

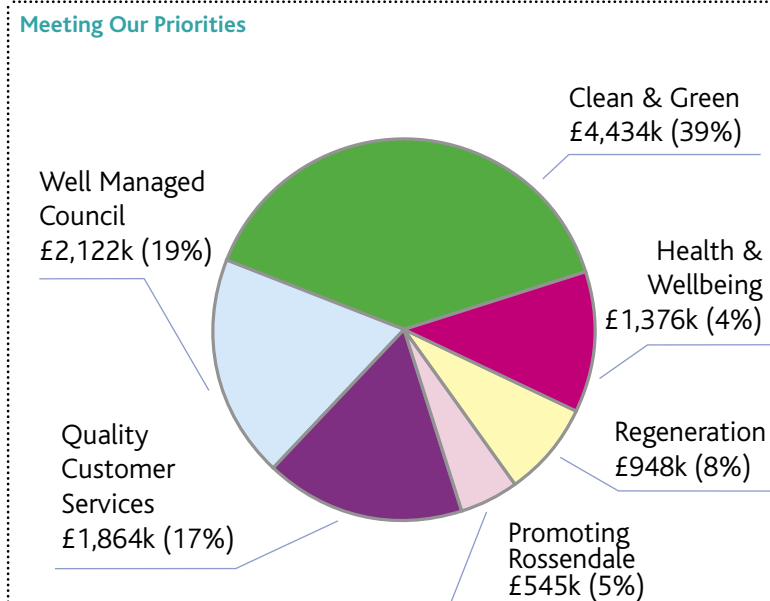
A monthly budget monitoring regime ensured that the medium term financial strategy was adhered to and consequently the outturn for 2006/2007 resulted in £21k use of General Fund Reserves, leaving the closing balance on the Reserve at 31st of March 2007 of £625k. During 2006/2007 the General Fund has utilised £600k from the Change Management Reserve, contributed £100k into a new Budget Volatility Reserve and created a new Economic Regeneration Reserve of £661k, giving a net transfer to Earmarked Reserves of £161k.

	2005/2006		2006/2007	
	Actual	Original Budget	Revised Forecast	Actual
	£000s	£000s	£000s	£000s
Street Scene & Liveability	4,083	4,189	4,879	4,633
Spatial Development	448	602	546	470
Economic Regeneration & Strategic Housing	549	631	551	462
Community & Partnerships	1,557	1,194	1,693	1,702
Customer Services & E-Government	1,399	1,915	1,837	1,818
Financial Services	240	454	355	364
Policy & Change Management	122	132	167	148
Corporate Management	517	557	507	561
Legal & Democratic Services	929	1,677	839	963
Human Resources	227	221	143	151
Non-distributed Costs	1,564	(459)	10	17
Total cost of General Fund Services	11,635	11,113	11,527	11,289
Financed by				
Whitworth Town Council Precept	44	47	47	47
Revenue Contribution to Capital	-	-	-	34
Contribution to/(from) General Reserves	259	-	-	(21)
Transfers to/(from) Capital Financing Account	(1,853)	-	-	-
Contributions to/(from) Earmarked Reserves	(232)	(307)	(721)	161
Amount to be met from govt grants and local tax payers	9,853	10,853	10,853	11,510
Precept on the Collection Fund	4,803	4,940	4,940	4,940
Revenue Support Grant	3,146	957	957	957
Distribution from NNDR Pool	1,904	4,956	4,956	5,613
Amounts from govt grants and local tax payers	9,853	10,853	10,853	11,510

General Fund Services 2006/2007



Meeting Our Priorities



3. Housing Revenue Account

The Local Government and Housing Act 1989 requires Councils to maintain a separate ring-fenced account for the provision of local authority housing, which cannot be subsidised by the General Fund. This account, known as the Housing Revenue Account, deals with all the transactions involving the management of the Council's housing stock. Full details of this can be found on page 58.

In November 2005 the results of the Housing tenants vote were announced, showing a significant majority in

favour of Housing Stock Transfer from the Council to a new Registered Social Landlord (RSL). Green Vale Homes was therefore formed to be the new RSL. With financial support from the then Office of the Deputy Prime Minister (ODPM), the Council's housing stock and other assets and liabilities were transferred to Green Vale Homes on 27th March 2006. As at the 31st March 2006 the working balance on the Housing Revenue Account was £1,099k.

In accordance with government legislation this housing Revenue

Account must be kept separate until the 1st April 2007. On that date the current balance of £1,150k will transfer to the General Fund See note 35 to the Core Statements.

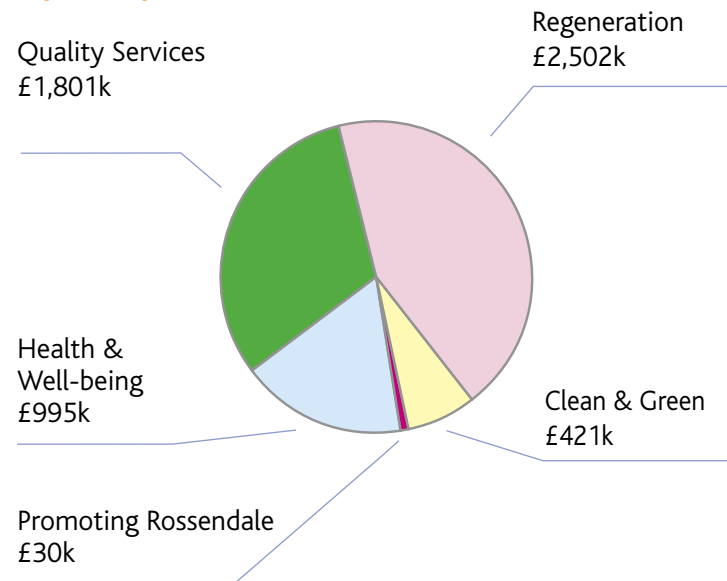
4. Capital Expenditure

The capital works undertaken by the Council in 2006/2007 amounting to £5.7 million are summarised in Note 15 to the Core Statements. More details can be found in the Capital Expenditure Report at the back of this book.

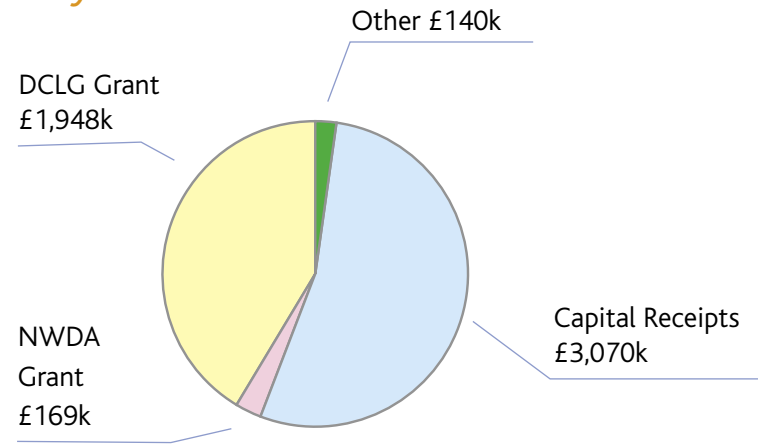
5. The Euro

On the 1st January 1999 eleven European Union members adopted a single currency – the Euro. The UK, Denmark, Sweden and Greece did not join the eurozone in the first wave of countries. The adaptation of operational and information systems to accommodate the Euro will become a necessity for local authorities should Britain decide to join. The Council has recognised this and the need to plan accordingly. The need to ensure that new systems can be adapted if necessary has also been recognised.

Capital Expenditure



Financed by



6. Single Regeneration budget (SRB)

The Council acts as Accountable Body for the Bacup & Stacksteads Community Partnership Single Regeneration Budget Scheme. The £5m scheme began in September 2000 and will run until June 2007. The operation of the scheme and support of the Partnership Board are provided by Rossendale Borough Council staff. The revenue and capital accounts in this statement record expenditure and grant income on any SRB projects within this scheme which are being run by the Council. The total grant claimed on behalf of projects in 2006/2007 was £918k. Included in this was an administration grant of £44k.

7. Treasury Management

Treasury management during the year was conducted within the borrowing limits and investment criteria approved by the Council.

8. Pensions and FRS17

Note 37 explain how the Council have accounted for the under-lying long-term commitments in relation to the retirement benefits for employees. The Local Government Pension Scheme administered by Lancashire County Council underwent a full valuation in March 2004 which was published in March 2005. This valuation saw an increase in the Net Liability in the Balance Sheet from £8.4m at 31st March 2004 to over £19.5m at 31st March 2005. Performance in subsequent years has reduced this liability to £13.3m

In order to meet these long-term commitments over the next 25 years the Council has increased its contribution rate to the fund in increments over three years. On the 1st April 2005 the employer's contribution rate rose from 12.7% to 14.5%. On 1st April 2006 it rose to 16.3% and on 1st April 2007 it will rise again to 18.1%.

9. Further Information

Further information about the accounts is available from the Head of Finance, Kingfisher Centre, Futures Park, Bacup. In addition, interested members of the public have a statutory right to inspect the accounts before the audit is completed. The availability of the accounts for inspection is advertised in the local press.



1. Introduction

In accordance with the CIPFA Statement of Recommended Practice (SORP), the authority has adopted the following accounting concepts to be followed in the preparation of the Statement of Accounts and the selection and application of accounting policies and estimation techniques and in the exercise of professional judgement.

- The qualitative characteristics of financial information
 - *relevance*
 - *reliability*
 - *comparability*
 - *understandability*
- Materiality
- Pervasive accounting concepts
 - *accruals*
 - *going concern*
 - *primacy of legislative requirements*

Policies are reviewed regularly to ensure they remain appropriate to the Authority's circumstances with a full disclosure of any changes to accounting policies where necessary.

2. Tangible and Intangible Assets

The 1989 Local Government and Housing Act provides that all expenditure incurred by the Council must be charged to a revenue account of the Council unless it falls within certain specified exceptions which may be capitalised. Capital expenditure is defined as:-

- the acquisition, reclamation, enhancement or laying out of land;
- the acquisition, construction, preparation, enhancement or replacement of roads, buildings and other structures, including insulation works and disabled adaptations;
- the acquisition, installation or replacement of movable or immovable plant, machinery, vehicles, apparatus or vessels;
- advances, grants or financial assistance to another person towards expenses incurred or to be incurred by him in respect of items mentioned above;
- the acquisition of investments or share or loan capital in a corporate body;
- the acquisition or preparation of computer programs to be used for at least one year, referred to as intangible asset.

All expenditure on the acquisition, creation or enhancement of assets is capitalised on an accruals basis in the accounts. Expenditure on assets is capitalised, provided that the asset yields benefits to the authority and the services it provides for a period of more than one year. This excludes expenditure on routine repairs and maintenance of fixed assets, which is charged direct to service revenue accounts.

Assets are valued on the basis recommended by CIPFA and in accordance with the Statements of Asset Valuation Principles and Guidance Notes issued by The Royal Institution of Chartered Surveyors (RICS). Assets are classified into the groupings required by the 1993 Code of Practice on Local Authority Accounting. They are included in the Balance Sheet, on the following basis:-

- intangible assets are non-financial assets that do not have physical substance but are identifiable and are controlled by the Council through custody or legal rights, such as software. Intangible assets are capitalised at cost and depreciated to the revenue account over their useful economic life.

- land, operational properties and other operational assets are included at the lower of net current replacement cost and net realisable value.
- non-operational assets, including investment properties and assets that are surplus to requirements, are included at the lower of net current replacement cost and net realisable value. In the case of investment properties, this is normally open market value.
- infrastructure assets and community assets are included in the Balance Sheet at historical cost.

The surpluses arising on the initial valuation of fixed assets at 1st April 1994 were credited to the Fixed Asset Restatement Account. Subsequent revaluations of fixed assets are planned on a five yearly rolling basis, although an impairment review is undertaken at the end of each accounting period and material changes to asset valuations are adjusted in the interim period, as they occur.

Depreciation is provided for on all operational assets with a finite useful life (which can be determined at the time of acquisition or revaluation over the useful life of the asset) using the straight-line method.

3. Basis of Charges for Capital

Capital charges are made to service revenue accounts to reflect the use of assets in delivering services. In the past these amounts covered depreciation and notional interest charges. The 2006-2007 Code of Practice has removed the notional interest charges. To ensure consistency for comparison purposes the notional interest previously reported in the 2005-2006 figures have been reversed.

Charges for Depreciation cover buildings, plant, furniture and equipment as well as intangible assets. Community and non-operational assets are not depreciated each year. Charges for depreciation amount to £526k (£2,836k in 2005-2006). Depreciation does not impact on the council tax, hence an adjusting transaction can be found in the Statement of Movement on the General Fund Balance. Details of the depreciation charged can be found in Note 14.

4. Leases

Where assets are acquired under operating leases the leasing rentals payable are charged to the revenue account on a straight line basis over the term of the lease. The costs of the assets subject to leasing agreements are not shown in the Balance Sheet, but are disclosed in Note 19. No new assets have been acquired under finance leases and there are no residual obligations under old finance leases.

5. Deferred Charges

Deferred charges should be written off to revenue over an appropriate period consistent with the consumption of the economic benefits controlled by the local authority.

Because of the types of expenditure to which deferred charges usually apply, eg improvement grants, a local authority will seldom control the economic benefits arising from the expenditure and in such cases 100% of the deferred charge should be written off to revenue in the year the deferred charge is recognised. Where the Council meets this charge from existing capital resources a reversing entry in the Statement of Movement on the General Fund Balance ensures there is no impact on the council tax.

6. Capital Receipts

Capital receipts come from the sale of assets of which 50% and 75% must be set aside for repayment of debt in respect of Housing Revenue Account. The balance of usable capital receipts may be used to finance capital expenditure or to repay more debts. (Note 30)

7. Debtors and Creditors

The revenue accounts of the Council are maintained on an accruals basis in accordance with the Code of Accounting Practice. That is, sums due to or from the Council during the year are included whether or not the cash has actually been received or paid in the year. An exception to this principle relates to electricity and similar quarterly payments which are charged at the date of meter reading rather than being apportioned between financial years. This policy is consistently applied each year and therefore does not have a material effect on the year's accounts. An analysis can be found in Notes 23 and 24.

8. Stocks and Work in Progress

Stocks are included in the balance sheet at the lower of cost and net realisable value. Work in progress is subject to an interim valuation at the year-end and recorded in the balance sheet at cost plus any overheads reasonably attributable to the works. Full details can be found in Note 22.





9. Cost of Support Services

Charges or apportionments covering all support service costs are made to all their users, including services to the public, divisions of services, trading undertakings, capital accounts and other support services. The cost of service management (except corporate management) is included in the apportioned charges.

These recharges are generally made at a rate to recover staff costs and typical overheads incurred, although in cases where overheads for IT services are particularly high the services are recharged on the basis of a full allocation of the costs incurred. The basis of apportionment is calculated either as time spent by support staff, usage of technology or space occupied in buildings.

With the exception of a small balance indicated as "Support Services", all used portions of these overheads have been allocated on the above basis. In accordance with the Best Value Accounting Code of Practice, unused but unrealisable elements of central support services are charged to Non-Distributed Costs. The cost of service strategy and regulation of any service to the public is allocated to a separate objective expenditure head in the accounts of that service.

10. Pensions

The requirements of FRS17 have been fully incorporated into the Income and Expenditure Account, Housing Revenue Account Income and Expenditure Account and the Statement of Total Recognised Gains and Losses, as Note 37 explains.

11. Interest

Interest paid on external borrowings is accrued and charged in the accounts of the period to which it relates and interest earned on the external investment of surplus funds is credited to the General Fund. Internal interest payments flow between the General Fund and Housing Revenue Account (HRA), based on the net cash balance on the HRA. The calculation is based on relevant short-term interest rates and is governed by regulations.

12. Investments

Investments are shown in the Balance Sheet at cost. The largest investment consists of share capital in Rossendale Transport Ltd., a company set up under the Transport Act 1985. Further details are in Note 20. Dividend income from investments is recognised when the authority has a right to receive the dividend.

13. Provisions

Proper provisions are required for any liabilities or losses which are likely to be incurred, or certain to be incurred, but uncertain as to the amounts or the dates on which they will arise. Provisions are charged to the appropriate revenue account and related expenditure is charged direct to the provision. Provisions and utilised only for the purpose for which they were established, except where a regular review to determine the appropriateness of the level of the charge and the balance of the provision properly requires a change. The provisions and any change in their use are disclosed in Note 25.

Provision has also been made for doubtful debts and known uncollectable debts have been written off during the year. The balance of the Provision for Bad and Doubtful Debts, used to reduce the overall level of debtors outstanding, is disclosed in Note 23.

14. Value Added Tax

VAT is fully recoverable from Customs & Excise except in certain exceptional cases. Consequently all expenditure, whether revenue or capital, is shown in the accounts as net of VAT.

15. Reserves

The Council maintains certain reserves for the purpose of meeting liabilities other than those covered by provisions.

Earmarked capital and revenue reserves are set aside for specific purposes, whilst revenue balances are not earmarked at the end of accounting periods. For further details of the Council's earmarked and revenue balances see Notes 31 and 32 .

Two further reserve accounts have been established in the Balance Sheet:-

- Fixed Asset Restatement Account - provides the matching entry when fixed assets are restated, upon either revaluation or disposal (see Note 28).
- Capital Financing Account - provides a balancing mechanism between the different rates at which assets are depreciated under the SORP and are financed through the capital controls system (see Note 29).

Neither the Fixed Asset Restatement nor the Capital Financing Accounts can be called upon to support spending. The accounting procedures for transactions affecting provisions and reserves are applied to each as recommended by the Accounting Code of Practice.

16. Grants

Government grants and other contributions are accounted for on an accruals basis and recognised in the accounting statements when the conditions for their receipt have been complied with and there is reasonable assurance that the grant or contribution will be received.

17. Repurchase of Borrowing

The Accounting Code requires gains or losses on the repurchase of borrowing to be recognised in the Income and Expenditure Account in the year in which they are realised. Where, however, the repurchase is coupled with a refinancing or restructuring of borrowing with substantially the same overall economic effect, gains or losses are to be recognised over the life of the replacement borrowing.

18. Minimum Revenue Provision

In accordance with the requirements of the Local Government and Housing Act 1989, the authority is required to set aside a minimum revenue provision for repayment of debt. Details of this can be found in Note 16.

19. Group Accounts

The Group Accounts have been prepared on the basis of a full consolidation of the financial transactions and balances of the Council, the Trust Funds' it manages and Rossendale Transport Ltd.

20. Changes in Accounting Policies

In the 2006/2007 Statement of Accounts, the Council has adopted three significant new accounting policies that impact on the comparative figures for 2005/2006 in the Income and Expenditure Account

- notional interest charges for the use of fixed assets have been removed
- credits for government grants deferred are now posted to service revenue accounts
- gains and losses on the disposal of fixed assets are recognised in the Income and Expenditure Account

For a complete explanation of the effects of these changes on the 2005/2006 figures please refer to Note 1.



The following responsibilities are placed upon the authority and the Head of Finance in relation to the Council's financial affairs.

The Authority's Responsibilities

The Authority 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 authority, that officer is the Head of Finance.
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- approve the statement of accounts.

The Head of Finance's Responsibilities

As Head of Finance, I am responsible for the preparation of the authority's Statement of Accounts which, in terms of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in Great Britain (referred to as "the code"), is required to present fairly the financial position of the authority at the accounting date and its income and expenditure for the year ended 31st March, 2007.

In preparing this Statement of Accounts, I have:-

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code;

I have also:-

- kept proper accounting records which were up-to-date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

Certificate of Head of Finance

I certify that this Statement of Account, as set out on pages 30 to 68, presents fairly the financial position of Rossendale Borough Council at 31st March 2007, and its income and expenditure for the year ended 31st March 2007.

Head of Finance

