



East Ayrshire  
COUNCIL

# ABSTRACT OF ACCOUNTS 1998/99

*General Services*

*Housing Revenue  
Account*

12 November 1999

## Contents

	Page
Financial Report _____	1 – 3
Statement of Accounting Principles _____	4 – 6
Consolidated Revenue Account – Service Summary _____	7
Consolidated Revenue Account – Note to Service Summary _____	8 – 13
Collection Accounts _____	14 – 15
Housing Revenue Account _____	16
Consolidated Balance Sheet as at 31 March 1999 _____	17
Consolidated Balance Sheet Notes _____	18 – 22
Cash Flow Statement _____	23 – 25
Statement of Total Movement in Reserves _____	26
Common Good, Trusts and Charities Accounts _____	27– 29
Statement of Responsibilities for the Statement of Accounts _____	30
Glossary of Terms _____	31 – 32
Audit Certificate _____	33
Statements of Departmental Budget Performance _____	35 – 51

## Explanatory Foreword

### *The Accounts Explained*

The following accounts describe the financial performance of East Ayrshire Council for the year ended 31 March 1999. The services provided by the Council fall into two distinct areas.

#### **General Services**

This encompasses Education, Social Work, Development Services, Community Services, General Fund Housing, Revenue Collection, and Other Miscellaneous Services.

#### **Housing Revenue Account**

This shows the cost of managing the Council's housing stock.

#### **Central Support Costs**

Support for these front line services is provided by Central and Support Services in respect of financial, personnel, legal, information technology and administrative back-up, the costs of which are recharged to the user services.

### *Constraints on Expenditure*

When formulating its annual budget the Council must take cognisance of Government restrictions on the level of revenue expenditure allowed on the General Services Account and the ability to make contributions to the Housing Revenue Account. The Government also sets a maximum level of expenditure on Capital works.

### *Source of Funds*

Each year the Council assesses its expenditure plans for the provision of its services for the forthcoming financial year. The sources of funding for the provision of services in respect of both Revenue and Capital Expenditure are as follows:

### *Revenue Expenditure*

- **General Services**

- (a) **Council Tax**

- The Council sets its levels of Council Tax annually. The level for 1998/99 was levied at £819.00 for Band 'D' properties.

- (b) **Central Government Grants**

- The Government determines the level of Revenue Support Grant and Specific Grants to be allocated to each council, largely using statistical methodology which is kept under review jointly by the Scottish Office and local authorities.

- (c) **Non-Domestic Rates**

- Non-Domestic Rates are collected by the Council but pooled centrally for Scotland and redistributed via the Revenue Support Grant.

### *Housing Revenue Account*

The running costs are met from the income generated from Housing Rents and other sundry income. The average rent level set for the year amounted to £29.03 per week and compares favourably with other Scottish Councils.

# Financial Report by Director of Finance

## *Capital Expenditure*

Central Government sets capital allocations annually to enable the Council to undertake capital works. The net allocations approved by Central Government are funded from borrowings from various financial institutions. Capital Programmes, however, may be enhanced by other funds, for example sale of assets or specific grants.

## *Format of the Accounts*

- **Consolidated Revenue Account**

The Consolidated Revenue Account illustrates the net cost for the year of the services provided by the Council, and demonstrates how this cost has been financed from general government grants and income from local taxpayers. Explanatory notes accompany this statement providing further details.

- **Consolidated Balance Sheet**

The Consolidated Balance Sheet shows the balances and reserves at the Council's disposal and its long-term indebtedness, together with the fixed and net current assets employed in its operations. Explanatory notes accompany this statement providing further details.

- **Cash Flow Statement**

The Cash Flow Statement summarises the sources of the Council's funding and how this was spent during the year in terms of the inflows and outflows of cash arising from transactions with third parties for revenue and capital purposes.

- **Common Good Fund, Trusts and Charities Accounts**

These accounts are administered by the Council and are published within the Annual Report giving the financial position and movements of the funds during the year.

## *Performance for the Year*

### General Fund

The General Fund Surplus for the Year of £0.178m includes a General Services surplus of £0.519m, a reduction to the bad debt provision for Community Charge debt of £1.350m to reflect the fact that the Council continues to successfully pursue and collect these debts and a deficit transferred from the Housing Revenue Account of £1.691m. The balance brought forward of £1.488m requires to be adjusted by £1.132m following clarification of certain accounting entries. Taking all of these factors into account, the deficit balance at 31 March 1999 is £2.442m.

<b>General Fund Performance</b>	<b>£m</b>	<b>£m</b>
General Services Surplus for the Year	(0.519)	
Reduction in Community Charge Provision	(1.350)	(1.869)
Housing Revenue Account Deficit		1.691
<b>Net General Fund Surplus for the Year</b>		<b>(0.178)</b>
Balance Brought Forward	1.488	
Prior Year Adjustment	1.132	2.620
<b>Balance Carried Forward</b>		<b>2.442</b>

### Housing Revenue Account

The Housing Revenue Account reports a deficit for the year of £1.691m, this being charged to the General Fund. The accumulated surplus brought forward to 1998/99 was used to assist the funding of the Council's Housewarming 2000 Project.

## Financial Report by Director of Finance

### Capital Programme

The total Capital Expenditure for the year amounted to: £8.362m on General Services and £4.610m on Housing. This was in line with Scottish Office Guidelines.

	Capital Consent £m	Actual Expenditure £m	Variance £m	%
Housing - HRA	4.527	4.610	0.083	101.83%
General Services	8.406	8.362	(0.044)	99.48%

The timing of the flow of receipts from the sale of Council Houses is the main reason for the reported overspend in respect of the Housing Capital Programme.

Actual Expenditure incurred during 1998/99 in respect of the General Services Capital programme is as detailed below: -

	Actual Expenditure £000s
Development Services	3,010
Community Services	926
Education	2,000
General Housing	463
Support Services	774
Social Work	1,188
<b>Total Capital Expenditure</b>	<b>8,361</b>

# Statement of Accounting Principles

## Principles Adopted in Compiling the Accounts

### *General*

The Accounts relate to the financial year ended 31 March 1999 with relevant figures for 1997/98 shown as appropriate for the purposes of comparison.

The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in Great Britain issued jointly by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Local Authority (Scotland) Accounts Advisory Committee (LASAAC).

### *Revenue Transactions*

Revenue transactions have been recorded on an accruals basis, whereby 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 with provision being made on an actual or estimated basis for all debtors and creditors as at 31 March 1999.

### *Pension Costs*

The cost of providing pensions for employees is charged to the revenue account in accordance with the statutory requirements governing the particular pension schemes to which the Council contributes. As a result the Council does not comply with SSAP 24 as the revenue account does not include proper provision for the pension costs of employees and the liabilities in the balance sheet are understated in respect of pension costs.

### *Operating Leases*

Estimates of the undischarged leasing obligations on new and existing operating leases are recorded in notes to the Consolidated Revenue Account, which also shows the amount charged to revenue. Amounts payable under operating leases are charged to the Revenue Account over the term of the lease.

### *Central Services Expenses*

In accordance with CIPFA recommendations Central and Support Service costs have been fully allocated to departments with the exception of the cost of the corporate and democratic core which have not been apportioned.

### *Loans Fund Interest*

Loans fund interest has been calculated in accordance with Local Authority (Scotland) Accounts Advisory Committee Guidance Note Number 2. Interest on revenue balances is allocated on the basis of actual 4 weekly balances held on the respective accounts.

### *Government Grants*

Grants made to finance the general activities of the Council or to compensate for loss of income are credited to the revenue account of the financial year to which they relate. Specific government grants are accounted for when the conditions of receipt have been met. Accruals have been made in the revenue accounts for balances known to be receivable for the period to 31 March 1999.

### *Capital Accounting*

The Accounts have been drawn up in accordance with the Code of Practice on Local Authority Accounting in Great Britain. In Scotland the status of this code is derived from the Scottish Office circular 23/1998. As a result all fixed assets are included in the Balance Sheet at valuations and capital financing charges are made to service departments revenue accounts for the use of the assets. The total capital charges made are compared to the actual loan charges incurred by the Council in the Asset Management Revenue Account, with the resultant charge or credit being taken to the consolidated revenue account.

# Statement of Accounting Principles

## *Fixed Assets*

All expenditure on the acquisition, creation or enhancement of fixed assets has been capitalised on an accruals basis. The basis of valuation has been included as a note to the consolidated balance sheet.

## *Depreciation*

Assets, other than land or community assets, are depreciated over their useful economic lives, except where the Council is making regular repairs and maintenance to extend the asset's useful life in its existing use so that any provision for depreciation would not be material. The period and categories of assets involved are: -

Infrastructure assets	25 – 40 years
Vehicles/Plant	2 – 7 years
Equipment	2 – 10 years

## *Investments*

Investments are recorded at cost.

## *Stocks*

Consumable Stocks and Work In Progress are valued on a cost price basis, except in the case of Building and Works where average prices are used. This does not comply with the Accounting Code of Practice.

## *Covenant Scheme*

During 1991/92 Kilmarnock and Loudoun District Council entered into a Parallel Loan and Covenant Scheme Agreement, effective from 31 March 1992, to provide finance of £3m for a town centre improvement scheme within Kilmarnock. Commencement of the repayment of the capital sum began in 1994/95. Annual covenant repayments are made to Morgan Grenfell (Local Authority Finance) Ltd and are charged against the Capital Programme in the year in which they are made.

## *Redemption of Debt*

The Council operates a Loans Fund into which all loans raised are paid. This is in accordance with the statutory requirement contained within the Local Government (Scotland) Act 1975 to maintain a Loans Fund. All of the Council's income and expenditure is either credited or debited to the Loans Fund throughout the financial year. Departmental expenditure is met from this fund and all income generated by departments is credited to the fund. Advances are made to departments to finance capital expenditure during the year and the advances are repaid by equal annual instalments of principal spread over the maximum permitted period.

## *Capital Reserves*

The accounts reflect capital accounting requirements and include the following reserves: -

A fixed asset restatement reserve which represents the difference between the valuation of the assets under the previous system of capital accounting and their initial revaluation plus the surpluses or deficits on any subsequent revaluations, less the net book value of any assets as they are disposed of.

A capital financing reserve which represents the accumulated balance of capital receipts applied, capital receipts set aside and capital funded from current revenue, less the difference between loans fund principal repayments and depreciation.

The useable capital receipts reserve which represents the capital receipts available to finance capital expenditure in future years.

## Statement of Accounting Principles

### *Former Authority Balances*

Figures used in the Accounts for the Council's share of the balances of the former Strathclyde Regional Council represent the disaggregation of the Region's final audited accounts for 1995/96.

### *Provisions*

The Council has made provision based on Accounting Code Of Practice (ACOP) guidance for the loss of taxation income arising from bad and doubtful debts. Provision has also been made for bad and doubtful debts for all other items of income.



## Consolidated Revenue Account – Service Summary

1997-98 Actual Net £000s	Notes	Committee	1998-99 Actual		
			Expenditure £000s	Income £000s	Net £000s
67,432		Education	74,747	4,844	69,903
(461)		Housing - Council Housing	33,266	29,009	4,257
2,420		Housing - Other Housing	22,470	19,957	2,513
23,086		Social Work	29,561	5,370	24,191
33,250		Community Services	37,258	2,498	34,760
13,090		Development Services	17,122	3,916	13,206
-	1	Policy and Resources - Central Support Services	12,477	12,477	-
4,985		Policy and Resources - Miscellaneous Services (including Urban Aid)	5,941	676	5,265
1,551		Unallocated Support Services	1,874	-	1,874
<b>145,353</b>		<b>Net Cost of Services</b>	<b>234,716</b>	<b>78,747</b>	<b>155,969</b>
2,550	2	Net (Surplus) / Deficit on DSOs and DLOs			(202)
(4,677)	3	Asset Management Revenue Account			(9,786)
1,436		Prior Year Adjustment			1,132
<b>144,662</b>		<b>Net Operating Expenditure</b>			<b>147,113</b>
		<u>Appropriations</u>			
461	4	Transfer to / (from) HRA Balances			(2,566)
2,738		Transfer to Capital Financing Reserve			10,462
500		Contributions to / (from) Specific Reserves			-
<b>148,361</b>		<b>Amount to be met from Government Grants and Council Tax</b>			<b>155,009</b>
		<u>Sources of Finance</u>			
78,619		Revenue Support Grant			80,962
31,832		Non-Domestic Rate Income			33,699
8,352		Specific Grants			8,511
838		Community Charge Arrears			2,114
27,359		Council Taxpayers			28,769
<b>147,000</b>		<b>Income from Government Grants and Council Tax</b>			<b>154,055</b>
<b>1,361</b>		<b>Net General Fund Deficit for the year</b>			<b>954</b>
<b>127</b>		<b>Balances on General Fund Brought Forward</b>			<b>1,488</b>
<b>1,488</b>		<b>(Surplus) / Deficit on General Fund Carried Forward</b>			<b>2,442</b>

## Consolidated Revenue Account – Notes

### Note 1

#### Policy and Resources – Central Support Services Unallocated Support Services

The costs of Central Support Services are fully allocated over other services excluding the element relating to the Cost of Collection and the Corporate Management of the Authority.

	Gross Expenditure £000s	Gross Income £000s	Net £000s
Chief Executive	1,270	1,270	-
Finance	2,266	2,266	-
Personnel Services	926	926	-
Support Services	4,086	4,086	-
Central Repairs	1,399	1,399	-
Office Accommodation	1,473	1,473	-
Democratic Process	1,057	1,057	-
Cost of Collection	614	-	614
Corporate Management	1,260	-	1,260
<b>TOTAL</b>	<b>14,351</b>	<b>12,477</b>	<b>1,874</b>

Capital charges are included in the full allocation of Central Support Services.

### Note 2

#### Net Surplus on DSOs and DLOs

The Direct Service Operations (DSOs) and Direct Labour Organisations (DLOs) are set up by the Council to compete for work under the Government's Compulsory Competitive Tendering arrangements. The financial objective is to break even after taking account of capital charges. In addition various services have a non-statutory element. A summary of the services income and expenditure is set out below:-

	STATUTORY			NON-STATUTORY			TOTAL		
	Income £000s	Expend £000s	(Surplus)/ Deficit £000s	Income £000s	Expend £000s	(Surplus)/ Deficit £000s	Income £000s	Expend £000s	(Surplus)/ Deficit £000s
Leisure Management DSO	1,075	1,044	(31)	-	-	-	1,075	1,044	(31)
Refuse Collection DSO	2,202	2,106	(96)	-	-	-	2,202	2,106	(96)
Street Cleansing DSO	1,290	1,229	(61)	-	-	-	1,290	1,229	(61)
Buildings etc. Cleaning DSO	1,941	1,932	(9)	2,361	2,256	(105)	4,302	4,188	(114)
Catering DSO	2,857	2,608	(249)	778	735	(43)	3,635	3,343	(292)
Roads DLO -Trunk Roads	694	605	(89)	-	-	-	694	605	(89)
-Other Roads	3,946	3,941	(5)	-	-	-	3,946	3,941	(5)
School Crossing Patrols	268	258	(10)	-	-	-	268	258	(10)
Vehicle Maintenance DSO	1,274	1,286	12	-	-	-	1,274	1,286	12
Grounds Maintenance DSO	2,508	2,475	(33)	-	-	-	2,508	2,475	(33)
Building Maintenance DLO	11,341	11,858	517	-	-	-	11,341	11,858	517
<b>TOTAL</b>	<b>29,396</b>	<b>29,342</b>	<b>(54)</b>	<b>3,139</b>	<b>2,991</b>	<b>(148)</b>	<b>32,535</b>	<b>32,333</b>	<b>(202)</b>

Note: The accounts of the Council's DLOs and DSOs are published separately, and are available on request from the Director of Finance, Council Offices, Greenholm St, Kilmarnock.

## Consolidated Revenue Account – Notes

### Note 3

#### Asset – Management Revenue Account

1997-98 £000s		1998-99 £000s
2,053	Depreciation	1,020
15,341	Interest Payable	15,537
366	Loan Fund Expenses	226
<b>17,760</b>	<b>Total Expenditure</b>	<b>16,783</b>
1,149	Direct Charges	1,337
(23,554)	Capital Charges	(27,863)
(32)	Notional Interest on DLO/DSO Stock balance	(43)
<b>(22,437)</b>	<b>Total Income</b>	<b>(26,569)</b>
<b>(4,677)</b>	<b>Total Net Expenditure / Income</b>	<b>(9,786)</b>

This account shows the surplus arising from the capital charges made to Services for the use of assets on the basis of the value of replacement cost or depreciation of the asset, rather than simply the cost of repaying loans taken out to finance the assets. This is a requirement of the Code of Practice on local authority accounting. The effect is to charge services as follows:-

	Value of Capital Assets Used £000s	Capital Charges Made £000s	Loan Charges Paid £000s
Housing Revenue Account*	236,516	14,325	14,325
General Fund Housing	-	-	795
Education	138,370	8,157	2,519
Social Work	9,505	591	723
Community Services	9,543	572	2,469
Development Services	18,086	3,026	4,396
Policy & Resources Central Services	33,446	747	1,187
Policy & Resources Misc. Services	-	-	-
DLOs and DSOs	1,417	295	167
	<b>446,883</b>	<b>27,713</b>	<b>26,581</b>

\* For the Housing Revenue Account Capital charges equate to loan charges, including Capital Funded From Current Revenue (CFCR).

### Note 4

#### Transfer From HRA Balances

Amount transferred from Council Housing Accumulated Surplus, to 1998/99 Housing Revenue Account, to facilitate the funding of the Council's Housewarming 2000 Project: - £2.566m.

## Consolidated Revenue Account – Notes

### Note 5

#### Pension Costs

The Council contributes to two pension schemes: -

#### (1) The Local Government Superannuation (Scotland) Scheme

This scheme, the Strathclyde Pension Fund, is administered by Glasgow City Council on behalf of the scheduled and admitted bodies in the West of Scotland. This is the main scheme for administrative and manual staff employed by the Council, being a funded defined benefits scheme. This being a 'final salary' based scheme it is not possible for these accounts to fully comply with all the disclosure requirements of the accounting Code of Practice. The scheme is supported by contributions from both employees and employers. During 1998/99 the Council contributed £2.684m or (8.10% of total pensionable pay) to the scheme. In addition contributions totalling £1.157m (or 2.79% of total pensionable pay) were made in respect of added years. The last actuarial valuation of the fund took place as at 31 March 1996, following which the tax credit previously available to UK pension scheme investors was abolished. As an interim measure increases were incorporated into the employers contribution rate; this revised the employers contribution (as a percentage of employees contributions) to 135% in 1998/99 and 170% in 1999/2000.

#### (2) Teachers

The teachers' pension scheme is administered by the Scottish Office. Contributions by East Ayrshire Council during 1998/99 amounted to £2.046m, representing 6.9% of pensionable pay.

### Note 6

#### Local Government (Scotland) Act 1973, Section 83

The Council's expenditure under this statute, which is for the benefit of local residents, is limited to the product of £3.80 and the population of the Council's area. For 1998/99 the limit was £0.463m. Expenditure amounted to £0.367m (97/98 £0.385m) and is included within service spending.

### Note 7

#### Local Government Act 1986 – Separate Publicity Account

Section 5 of this Act requires the Council to maintain a separate account for publicity. Expenditure of £0.325m was incurred during 1998/99 (97/98 £0.369m) and is included within service spending.

### Note 8

#### Skills Training Scheme

These are principally funded by grants from the Training Agency. £1.074m was spent on the schemes in 1998/99 (97/98; £1.319m) but only the net costs appears in the Consolidated Revenue Accounts.

### Note 9

#### Operating Lease Rentals

The Council leases a variety of assets on operating leases. The assets involved are mainly vehicles, computers, photocopying equipment and items of plant. The cost of leases is shown as service spending but no asset appears in the balance sheet. Operating leases cost £2.515m in 1998-99 (97/98; £2.203m). The unexpired commitment on these at 31 March 1999 is £12.137m.

## Consolidated Revenue Account – Notes

### Note 10

#### Items of Income and Expenditure

The service summary at page 7 is presented below on a subjective basis.

What the money was spent on:-		
1997-98 £000s		1998-99 Actual £000s
77,307	Employee Costs	82,639
91,683	Other Costs	95,214
11,134	Central Service Costs	11,580
23,108	Funding Costs	27,418
20,294	Housing Benefit	21,319
<b>223,526</b>	<b>Cost of Council Services</b>	<b>238,170</b>
2,550	Commercial Operations (Surplus) / Deficit	(202)
500	Contribution to Insurance Fund	-
(1,939)	Capital Accounting Adjustment	868
<b>224,637</b>	<b>Total Expenditure</b>	<b>238,836</b>
Where the money came from:-		
27,664	Housing Rents	28,389
50,509	Other Income	54,004
147,000	Council Tax, Rates and Grants	154,055
<b>225,173</b>	<b>Service Income</b>	<b>236,448</b>
(75)	General Fund Surplus for Year	(178)
(461)	Housing Revenue Account Appropriation	2,566
<b>224,637</b>	<b>Total Income</b>	<b>238,836</b>

## Consolidated Revenue Account – Notes

### Note 11

#### Officers Emoluments

An analysis of Council officers whose total emoluments for 1998-99 exceeded £40,000 is detailed below.

Of the 49 Council officers listed, 3 terminated their employment with East Ayrshire Council in the year ending 31 March 1999. As such, the figures include redundancy payments made to those officers.

	Total Officers within this band
£40,000 - £49,999	33
£50,000 - £59,999	7
£60,000 - £69,999	7
£70,000 - £79,999	1
£80,000 - £89,999	1
£90,000 - £99,999	-
£100,000 +	-
<b>TOTAL</b>	<b>49</b>

### Note 12

#### Members Allowances

The total Members' Allowances paid during 1998/99 amounted to £0.424m.

### Note 13

#### Prior Year Adjustment

A Prior Year Adjustment is shown in the Consolidated Revenue Account in accordance with guidance contained within the Accounting Code of Practice.

Work done by the Finance Department has identified that a debtor for WOSWA income of £1.132m was included in the 1997/98 Accounts in error. This has been reversed in 1998/99 and shown as a prior year adjustment.

The effect of this on the 1997/98 Accounts would have been to increase the deficit carried forward from £1.488m to £2.920m.

### Note 14

#### Local Authority (Goods and Services) Act 1970

The Council is empowered by this Act to provide goods and services to other public bodies. The Authority provided maintenance to Trunk Roads within the boundaries of East Ayrshire Council. Income from these services amounted to £0.694m in 1998/99 and the related expenditure was £0.606m.

### Note 15

#### Redundancy Payments

Included in service gross expenditure, as detailed in the Consolidated Revenue Account, are redundancy payments totalling £1.526m.

## Consolidated Revenue Account – Notes

### Note 16

#### Insurance Fund

The Council operates an internal insurance fund with the balances as at 31<sup>st</sup> March being carried forward to provide future cover for contingent liabilities. As at 31<sup>st</sup> March 1999 the balance on the fund amounted to £0.751m. The Council made no revenue contribution to the fund during 1998/99; a contribution of £0.500m was made in 1997/98.

### Note 17

#### Year 2000 Costs

A systematic and comprehensive check has been made of all computer hardware, software, and pieces of equipment which contain embedded micro-chips. Where necessary remedial action has been taken. Contact has been made with suppliers of critical services to obtain reassurance that supplies will not be affected and plans are in place to advise customers of the Councils preparedness for the Year 2000. Expenditure to be met in 1999/2000 is not expected to exceed £80,000.

## Collection Accounts

### Non Domestic Rate Income Account

1997-98 £000s		1998-99 £000s
25,052	Gross Rates levied and contributions in lieu	27,198
	<b>Less</b>	
(3,254)	Reliefs and other reductions	(3,157)
(675)	Provision for bad and doubtful debts	(1,145)
<b>21,123</b>		<b>22,896</b>
(505)	Prior Years	(1,041)
<b>20,618</b>	<b>Contribution to national Non-Domestic Rate Pool</b>	<b>21,855</b>

Occupiers of non-domestic property continue to be liable to pay rates. Non-Domestic rates is a tax levied by Local Authorities on the occupiers of property within their areas. The basis of the tax, the Rateable Value of the property, is determined by the Assessor to the Ayrshire Valuation Joint Board. As from 1990/91 the Non-Domestic Rate has been set by the Secretary of State.

The amount paid for Non-Domestic Rates is determined by the rateable value placed on the property by the Assessor multiplied by the Rate per £ announced each year by the Secretary of State. The National Non-Domestic Rate poundage set by the Secretary of State for 1998/99 was £0.474.

ANALYSIS OF RATEABLE VALUES:	£000s
Rateable Value at 1st April 1998	56,352
Running Roll (full year RV)	3,254
<b>Less</b>	
Wholly Exempt	(637)
<b>Net Rateable Value at 31st March 1999</b>	<b>58,969</b>

### Council Tax Account

1997-98 £000s		1998-99 £000s
32,457	Gross Council Tax levied and contributions in lieu and penalties	34,597
	<b>Less</b>	
(346)	Council Tax Benefits (Net of Government Grant)	(428)
(3,240)	Discounts and Reductions	(3,578)
(1,242)	Provision for bad and doubtful debts	(1,834)
(270)	Prior Year Adjustments	12
<b>27,359</b>	<b>Total Income from Council Tax</b>	<b>28,769</b>



## Collection Accounts

### Community Charge Account

1997-98 £000s		1998-99 £000s
838	Arrears of Community Charge (Poll Tax) recovered during 1998/99	764
	<b>Add</b>	
-	Reduction in Bad Debt Provision	1,350
<b>838</b>	<b>Total Income Community Charge</b>	<b>2,114</b>

In order to comply fully with FRS 12 'Provisions, Contingent Assets and Contingent Liabilities', the Bad Debt Provision in respect of Community Charge outstanding from prior years has been reduced in line with current budgeted recovery levels.

### The Calculation of the Council Tax Base

The figures shown in the table above indicate the number of properties as at 31 October 1998.

1997-98 Total	Bands	A	B	C	D	E	F	G	H	1998-99 Total
51,473	Properties	27,499	9,584	3,635	4,834	4,281	1,627	369	33	51,862
(960)	Exemptions	(573)	(124)	(49)	(34)	(18)	(9)	(1)	(1)	(809)
-	Disabled relief	82	(59)	25	(9)	(23)	(8)	(7)	(1)	-
(16,174)	Discounts (25%)	(11,308)	(2,522)	(938)	(838)	(649)	(174)	(32)	(2)	(16,463)
(351)	Discounts (50%)	(168)	(64)	(55)	(37)	(42)	(9)	(5)	(2)	(382)
<b>46,295</b>	<b>Total equivalent</b>	<b>24,097</b>	<b>8,739</b>	<b>3,349</b>	<b>4,563</b>	<b>4,057</b>	<b>1,562</b>	<b>351</b>	<b>30</b>	<b>46,748</b>
	Ratio	6/9	7/9	8/9	1	11/9	13/9	15/9	18/9	
<b>37,788</b>	<b>Band 'D' equivalents</b>	<b>16,064</b>	<b>6,797</b>	<b>2,977</b>	<b>4,563</b>	<b>4,959</b>	<b>2,256</b>	<b>585</b>	<b>60</b>	<b>38,261</b>
(2,269)	Bad debt provision									(1,914)
26	Class 18 Dwellings									17
<b>35,545</b>	<b>COUNCIL TAX BASE</b>									<b>36,364</b>

### The Nature and Actual Amount of Each Charge Fixed

Dwellings fall within a valuation band between 'A' to 'H' which is determined by the Assessor. The Council Tax charge is calculated using the Council Tax Base, ie Band 'D' Equivalents. This value is then decreased/increased dependant on the band. The Band 'D' Charge for 1998/99 was £819.

BAND	1998-99
	£ per year
A	546
B	637
C	728
D	819
E	1,001
F	1,183
G	1,365
H	1,638

## Housing Revenue Account

This statement gives an indication of the amount that the Council spent in fulfilling its statutory requirements in the provision, improvement and management of housing to suit all housing needs.

1997-98 Actual £000s	Housing Revenue Account	1998-99	
		Budget £000s	Actual £000s
	<b>Expenditure</b>		
2,720	Supervision and Management	2,900	3,008
12,045	Repairs and Maintenance	11,259	11,374
8,791	Capital Charges	14,513	14,325
173	Homeless Persons	66	150
409	Increase in Provision for Bad Debts	111	532
3,341	Other Expenditure	3,649	3,877
<b>27,479</b>	<b>Total Expenditure</b>	<b>32,498</b>	<b>33,266</b>
	<b>Income</b>		
27,664	Rents - Council Houses	28,805	28,389
52	Rents - Other	306	319
151	Housing support Grant	150	249
25	Interest	11	26
48	Miscellaneous	28	26
<b>27,940</b>	<b>Total Income</b>	<b>29,300</b>	<b>29,009</b>
<b>461</b>	<b>(Surplus) / Deficit for the Year</b>	<b>3,198</b>	<b>4,257</b>
2,105	(Surplus) brought forward from Previous Year	(3,198)	(2,566)
<b>2,566</b>	<b>Net Deficit Charged To General Fund</b>	<b>-</b>	<b>1,691</b>

### STATISTICAL INFORMATION

1997-98		1998-99
11,456	Houses	10,984
2,886	Tenements	2,852
4,698	4 in a Block	4,548
435	Maisonettes	435
<b>19,475</b>	<b>Total</b>	<b>18,819</b>

1997-98	Rental Information	1998-99
£28.61	Average Weekly Rent (52 weeks)	£29.03
9.2%	Current Rent Arrears (as % of Rent Collectable)	10.6%
£1.076m	Total Rent Arrears	£1.483m
£0.409m	Provision for Bad Debts	£0.733m

## Consolidated Balance Sheet as at 31 March 1999

31-Mar 1998	Consolidated Balance Sheet as at 31 March 1999	Balance Sheet	31-Mar 1999	
£000s		Note	£000s	£000s
	<b>FIXED ASSETS</b>	1		
162,807	Council Dwellings		236,178	
156,250	Other Land and Buildings		160,061	
25,693	Infrastructure		26,207	
6,081	Vehicles, Plant and Equipment		6,454	
907	Community Assets		750	
	<b>Operational Assets</b>			429,650
18,645	Investment Properties		16,295	
1,309	Surplus Assets		938	
	<b>Non Operational Assets</b>			17,233
<b>371,692</b>				<b>446,883</b>
	<b>CURRENT ASSETS</b>			
1,082	Stocks and work in progress		772	
19,140	Debtors	2	19,445	
34	Cash		33	
<b>20,256</b>				<b>20,250</b>
	<b>LESS:</b>			
	<b>CURRENT LIABILITIES</b>			
31,496	Creditors	3	19,669	
8,877	Temporary Borrowing	4	13,030	
1,958	Bank Overdraft		2,960	
<b>42,331</b>				<b>35,659</b>
<b>(22,075)</b>	<b>NET CURRENT LIABILITIES</b>			<b>(15,409)</b>
<b>349,617</b>	<b>TOTAL</b>			<b>431,474</b>
	<b>REPRESENTED BY</b>			
159,332	Loans Outstanding	4		174,964
145,290	Fixed Asset Restatement Reserve	5		197,630
42,505	Capital Financing Reserve			60,551
-	Usable Capital Receipts Reserve			-
2,490	Fund Balances and Other Reserves	6		(1,671)
<b>349,617</b>				<b>431,474</b>

Alexander McPhee, ACMA  
Director of Finance  
24<sup>th</sup> June 1999

# Consolidated Balance Sheet Notes

## Note 1

### Fixed Assets

The Consolidated Balance Sheet brings together all the assets and liabilities of the Council's General Fund, Direct Labour and Service Organisations and Loans Fund and should be read in conjunction with the Statement of Accounting Principles. Fixed Assets are included in the Balance Sheet at their current asset value as at 31 March 1999.

Assets are valued as follows:

**Council Dwellings** – The valuation of Council Dwellings has been adjusted to reflect the Average Discounted Market Value. A full revaluation of all housing stock is currently being undertaken by the Head of Property Services.

**Other Land and Buildings, Surplus Property** - Open market value for existing use or depreciated replacement cost basis as appropriate. A few minor properties have been valued at historic cost or net realisable value.

**Vehicles, Plant, Furniture and Fittings** - Depreciated Historic Cost.

**Infrastructure** - Depreciated Historic Cost.

The asset valuations used in the accounts are based upon professional advice of the Head of Property Services for land and buildings, based on 5 year rolling programme, and of the Director of Development Services for vehicles.

### INFORMATION ON ASSETS HELD

Work is on going to maintain a rolling register of numbers and value assets. The main assets held by the Council as at 31 March 1999 are as follows:

	Numbers as at 31-Mar-99		Numbers as at 31-Mar-99
<b>Council Dwellings</b>	18,819	<b>Operational Equipment</b>	
		Vehicles	419
<b>Operational Buildings</b>			
Pre-5 Schools	22		
Primary Schools	46	<b>Infrastructure Assets</b>	
Secondary Schools	10	Trunk Roads	2
Special Schools	5	Principal Roads (Km's)	115
Community Education Centres	70	Non-Principal Roads (Km's)	404
Day Centres	3	Unclassified Roads (Km's)	578
Car Parks	36	Highway Bridges	584
Social Work Homes	9	Street Lighting Units	17,000
Assessment Centres	6		
Depots	9		
Sports Centres	8	<b>Community Assets</b>	
Swimming Pools	2	Parks (Acres)	114
Halls	18	Cemeteries (Acres)	108
Public Conveniences	9	Playing Fields/Open Spaces (Acres)	1,848
Council Offices	20		
Industrial Units	111		
Shops	44		
Libraries	28		
Museums	6		

## Consolidated Balance Sheet Notes

### FUNDING OF CAPITAL EXPENDITURE

Capital Expenditure during 1998/99 was funded from borrowing consents and the use of capital receipts as follows:

	Housing Revenue Account	General Fund	Total
Borrowing	3.226	7.295	10.521
Useable Receipts	1.383	1.068	2.451
<b>Total</b>	<b>4.609</b>	<b>8.363</b>	<b>12.972</b>

In addition, Capital Expenditure funded from current revenue (CFCR) totalled £9.050m during the year. (HRA: £7.050m, General Fund: £2.000m).

### Movement in Assets during 1998/99

Category	Opening Position	+	-	-	+	=
	£000s	Acquisitions £000s	Disposals £000s	Depreciation £000s	Revaluation £000s	Closing Position £000s
Council Dwellings	162,807	-	(5,723)	-	79,094	236,178
Other Land & Dwellings	156,250	2,775	(90)	-	1,126	160,061
Vehicles, Plant & Equipment	6,081	1,077	(39)	(575)	(90)	6,454
Infrastructure Assets	25,693	958	-	(445)	-	26,206
Surplus Assets	1,309	-	(40)	-	(331)	938
Community Assets	908	-	-	-	(158)	750
Investment Properties	18,645	-	(118)	-	(2,232)	16,295
<b>TOTALS</b>	<b>371,693</b>	<b>4,810</b>	<b>(6,010)</b>	<b>(1,020)</b>	<b>77,409</b>	<b>446,882</b>

Disposal values for all assets are shown as sale proceeds rather than net book values.

### Note 2

#### Debtors

1997-98		1998-99		
		Gross Debtor	Less Provision	Debtor
£000s		£000s	£000s	£000s
4,718	Arrears of Local Taxation - Council Tax	13,779	8,390	5,389
3,128	Arrears of Local Taxation - Non Domestic Rates	5,670	3,194	2,476
-	Arrears of Local Taxation - Community Charge	10,905	9,555	1,350
1,076	Housing Rents	1,483	733	750
2,039	VAT and Income Tax Recoverable	N/A	N/A	1,725
8,179	Other Income Due	8,582	827	7,755
<b>19,140</b>				<b>19,445</b>

## Consolidated Balance Sheet Notes

### Note 3

#### Sundry Creditors

(Repayable on demand or within 12 months)

1997-98 £000s		1998-99 £000s
2,970	Loan Interest accrued	3,214
-	Provision for Prior Year Adjustment	300
28,526	Other	16,155
<b>31,496</b>		<b>19,669</b>

### Note 4

#### Outstanding Borrowing

	Short-Term	Long-Term Borrowing - time to maturity					OVERALL	Percentage %
	<365 Days	Under 1 Yr	1-5 Yrs	5-10 Yrs	Over 10 Yrs	Total	TOTAL	
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	
Banks/Monetary Sector	47	-	9,000	7,537	15,200	31,737	31,784	17.0%
Building Societies	100	1,000	2,000	-	5,000	8,000	8,100	4.3%
Financial Institutions	1,370	-	750	500	500	1,750	3,120	1.7%
Local Authorities	4,625	-	-	-	-	-	4,625	2.5%
Public Works Loan Board	-	3,436	16,432	27,679	88,808	136,355	136,355	73.1%
Commercial Sector	1,700	-	14	-	-	14	1,714	0.9%
Central Government	-	-	-	-	-	-	-	0.0%
Other Sources	750	1	-	-	-	1	751	0.4%
	<b>8,592</b>	<b>4,437</b>	<b>28,196</b>	<b>35,716</b>	<b>109,508</b>	<b>177,857</b>	<b>186,449</b>	
Percentage	5%	2%	15%	19%	59%	100%		100%
Common Good	216	-	-	-	-	-	216	
Charities & Bequests	579	-	-	-	-	-	579	
Covenant Scheme	-	-	750	-	-	750	750	
	<b>9,387</b>	<b>4,437</b>	<b>28,946</b>	<b>35,716</b>	<b>109,508</b>	<b>178,607</b>	<b>187,994</b>	

### Note 5

#### Fixed Asset Restatement Reserve

1997-98 £000s		1998-99 £000s
<b>145,290</b>		<b>197,630</b>

Refer to Statement of Total Movement in Reserves (Page 26)

## Consolidated Balance Sheet Notes

### Note 6

#### Fund Balances and Other Reserves

1997-98 £000s		1998-99 £000s
1,392	Insurance Fund	751
(1,488)	General Fund - Deficit	(2,442)
20	Baird Institute Reserve	20
2,566	Housing Revenue Account	-
<b>2,490</b>		<b>(1,671)</b>

### Note 7

#### Prior Year Adjustment

The Prior Year Adjustment referred to at Note 13 in the Consolidated Revenue Account affects the balance sheet entries for 1997/98 with a net balance of £1.132m.

### Note 8

#### Commitments and Guarantees

The Council has a commitment to indemnify and reimburse the Trustees of the Kilmarnock Leisure Centre Trust to the extent of any loss incurred (capital and revenue) in each financial year, for the duration of the lease.

The Council guarantees the deposits taken by Cumnock Municipal Bank. As at 31 March 1999 the funds deposited with the Bank amounted to £0.047m. These are invested by the Bank on short-term deposit with East Ayrshire Council.

The Council, together with the successor authorities to Strathclyde Regional Council has a continuing commitment to meet its share of any residual liabilities of that authority. The Council has inherited a number of applications for equal pay at various stages of completion at Industrial Tribunal. The final outcome of these is not certain at this time, although there is the possibility that the Council may lose at least some of these cases. No financial provision has been made in the 1998/99 Accounts for this potential loss given the uncertainties which surround both the final and the settlement levels.

The commitments in respect of capital schemes are as follows:

General Fund	£000s	Housing	£000s
Material Recovery Plant	21	Window Replacement	260
Doon Academy	30	Modernisation of Houses	183
Auchinleck Primary	2,186	Retentions - General	322
St. Josephs Academy	41		
London Road Centre	41		
Balmoral Road Area Centre	27		
Retentions - General	135		
<b>Total</b>	<b>2,481</b>	<b>Total</b>	<b>765</b>

### Note 9

#### Investments in Related Businesses and Companies

East Ayrshire Council provides a capital grant contribution to the West of Scotland Loans Fund Ltd. As at 31 March 1999 the Council's involvement stands at £0.896m. In the event of the Fund being wound up a contingency liability of £0.326m exists in respect of European Development Fund Grants. The Fund exists to co-ordinate the 12 former ex-SRC authorities in respect of the relationship with the European Regional Development Fund.

East Ayrshire Council does not have an interest in the share capital of any of the companies dealt with by the West of Scotland Loans Fund Ltd.



## Cash Flow Statement

1997-98 £000s		1998-99 £000s	1998-99 £000s
	<b>REVENUE ACTIVITIES</b>		
	<b>Expenditure</b>		
77,307	Employment Costs	80,050	
85,362	Other Operating Costs	108,803	
5,355	Housing Benefit Paid Out	5,992	
19,613	NDRI Contributable to Pool	22,274	
13,137	Precept Paid	9,378	
200,774		226,497	
	<b>Income</b>		
(13,139)	Rents (after rebates)	(13,061)	
(27,359)	Council Tax Income	(28,769)	
(90,789)	Revenue Support Grant/NDRI	(91,169)	
(31,784)	NDRI Distributable from Pool	(33,289)	
(20,628)	Precept Income	(21,855)	
(18,943)	DSS grants for rebates	(19,951)	
(8,352)	Other government grants	(8,511)	
(14,174)	Fees, Charges and Other Income	(18,479)	
(225,168)		(235,084)	
	<b>Net Cash In-flow from Revenue Activities</b>		(8,587)
	<b>Servicing of Finance</b>		
16,884	Interest and Leasing Charges	15,396	
(27)	Interest Received	(52)	
16,857	<b>NET CASH OUTFLOW FROM SERVICING OF FINANCE</b>		15,344
	<b>CAPITAL ACTIVITIES</b>		
	<b>Expenditure</b>		
2,387	Purchase of Fixed Assets	4,810	
-	Purchase of Long Term Investments	-	
14,995	Other Capital Cash Payments	16,641	
17,382		21,451	
	<b>Income</b>		
(7,361)	Sale of Fixed Assets	(5,971)	
(216)	Capital Grants Received	(649)	
(111)	Other Capital Cash Payments/Income	(815)	
(7,688)		(7,435)	
9,694	<b>NET CASH OUTFLOW FROM CAPITAL ACTIVITIES</b>		14,016
2,157	<b>Net Cash (In-flow) / Out-flow before Financing</b>		20,773
	<b>Financing</b>		
	<b>Expenditure</b>		
109,158	Repayments of amounts borrowed	101,941	
-	Capital element of finance lease rentals payments	-	
-	New Short-term Deposits	-	
109,158		101,941	
	<b>Income</b>		
(22,200)	New Loans Raised	(24,998)	
(88,496)	New Short-term Loans	(96,713)	
(271)	Short-term Deposits Repaid	-	
(110,967)		(121,711)	
(1,809)	<b>NET CASH INFLOW FROM FINANCING</b>		(19,770)
348	<b>(Increase) / Decrease in Cash and Cash Equivalents</b>		1,003

## Cash Flow Statement Notes

### Note 1

#### Reconciliation of Consolidated Revenue Account to Revenue Activities Cash Flow

	1998-99 £000s	1998-99 £000s	1997-98 £000s
<b>Surplus/Deficit per the Financial Statement</b>		954	1,361
<b>Non Cash Transactions</b>			
Contributions to Reserves	2,566		(461)
Contributions to Capital	(8,253)		(2,875)
Non Cash Movements Relating to Loans Fund	(16,318)		(18,778)
Other Movements	642	(21,363)	(715)
			(22,829)
<b>Movements in Working Capital</b>			
Decrease in Stock and Work in Progress	(310)		(83)
Increase in Debtors	132		2,423
Decrease in Creditors	12,000	11,822	(5,266)
			(2,926)
<b>Net Cash Flow from Revenue Activities</b>		<b>(8,587)</b>	<b>(24,394)</b>

### Note 2

#### Analysis of Balances of Cash

	As at 31 March 99 £000s	As at 31 March 98 £000s	Movement £000s
Cash	33	34	1
Bank Overdraft	(2,960)	(1,958)	1,002
<b>(Increase) / Decrease in Cash</b>	<b>(2,927)</b>	<b>(1,924)</b>	<b>1,003</b>

### Note 3

#### Analysis of Government Grants

	£000s
<b>Specific Grants</b>	
Police Board	7,333
Civic Defence	50
Sheltered Employment	10
Benefit Administration	123
In Service Teacher Training	262
Education - Gaelic Language	25
Social Work - Mental Illness Specific Grant	82
Social Work - Child Care Training Grant	281
School Security	89
	256
<b>Other Grants</b>	
Revenue Support Grant	91,169
DSS Grants - Housing	19,951
Urban Aid	407
<b>Cash Flow From Government Grants</b>	<b>120,038</b>

## Cash Flow Statement Notes

### Note 4

#### Movement in Financing

	£000s
<b>Loans Repaid</b>	
Temporary Loans	96,998
PWLB	4,431
Local Bonds	-
Market Loans	-
Other Loans	362
Covenant Repaid	150
Short-term Deposits	-
	101,941
<b>New Loans</b>	
PWLB	(13,998)
Market Loans	(11,000)
Short-term loans	(96,713)
Short-term Deposits Repaid	-
	(121,711)
<b>Cash Outflow from Financing</b>	<b>(19,770)</b>

## Statement of Total Movement in Reserves

	General Fund £000s	Baird Institute Reserve Fund £000s	Insurance Fund £000s	HRA £000s	Total £000s
<b>Revenue Reserves</b>					
Balance as at 1 April 1998	(1,488)	20	1,392	2,566	2,490
Net Surplus/(Deficit)	(954)	-	(641)	(2,566)	(4,161)
<b>Balance as at 31 March 1999</b>	<b>(2,442)</b>	<b>20</b>	<b>751</b>	<b>-</b>	<b>(1,671)</b>

The council operates an internal insurance fund with the balance being carried forward to provide future cover for contingent liabilities.

	Fixed Asset Restatement Reserve £000s	Capital Financing Reserve £000s	Useable Capital Receipts Reserve * £000s
<b>Capital Reserves</b>			
Balance as at 1 April 1998	145,290	42,505	-
Revaluation of assets during the year	77,409	-	-
<b>Effects of Fixed Assets Disposals</b>			
Cost or Value of Assets Disposed of	(6,010)	-	-
Proceeds of Disposals	-	-	7,434
Capital Receipts Applied / Capital Income	-	7,434	(7,434)
Depreciation of Assets	-	(1,020)	-
Debt Redemption During Year	-	2,432	-
Expenditure increasing asset values during year	-	-	-
Expenditure not increasing asset values during year	(19,059)	-	-
Covenant scheme repayments during year	-	150	-
Capital Expenditure Financed From Revenue	-	9,050	-
<b>Balance as at 31 March 1999</b>	<b>197,630</b>	<b>60,551</b>	<b>-</b>

\* Refer to Consolidated Balance Sheet Page 17.

## Common Good, Trusts and Charities Accounts

The Council administers a number of Common Good Funds relating to the areas of the former burghs, together with a variety of Charitable Trusts and Bequests. A summary of these is as follows: -

### Summary of Common Good Funds:-

	Darvel £000s	Cumnock £000s	Kilmarnock £000s	Newmilns £000s	Stewarton £000s	Total £000s
Capital Balance 1 April 1998	-	1	196	-	-	197
Revenue Balance 1 April 1998	1	1	19	2	1	24
	<b>1</b>	<b>2</b>	<b>215</b>	<b>2</b>	<b>1</b>	<b>221</b>
<b>Expenditure During Year</b>						
Capital	-	-	-	-	-	-
Revenue	-	-	19	-	-	19
<b>Income During Year</b>						
Capital	-	-	-	-	-	-
Revenue	-	-	14	-	-	14
Capital Balance at 31 March 1999	-	1	196	-	-	197
Revenue Balance at 31 March 1999	1	1	14	2	1	19
	<b>1</b>	<b>2</b>	<b>210</b>	<b>2</b>	<b>1</b>	<b>216</b>

### Summary of Charities and Trusts

1997-98 £000s	Revenue Account	1998-99 £000s
18	Expenditure	19
34	Income	38
<b>16</b>	<b>Surplus/(Deficit)</b>	<b>19</b>
485	Balance B/Fwd	501
<b>501</b>	<b>Balance C/Fwd</b>	<b>520</b>

1997-98 £000s	Balance Sheet as at 31 March 1998	1998-99 £000s
9	Investments - External	9
560	Investments - Loans Fund	579
<b>569</b>		<b>588</b>
	<b>Financed By:-</b>	
68	Capital Funds	68
501	Revenue Funds	520
<b>569</b>		<b>588</b>

## Charities and Trusts – Capital and Revenue Accounts

	Amount of Fund at 1 April 1998		Expenditure During Year		Income During Year		Amount of Fund at 31 March 1999	
	Capital	Revenue	Capital	Revenue	Capital	Revenue	Capital	Revenue
Robert Crawford's Bequest	2,650	3,572	-	-	-	349	2,650	3,921
Robert Cumming's Bequest	3,080	28,138	-	4,200	-	1,979	3,080	25,917
John Fulton's Missionary Trust	-	637	-	-	-	42	-	679
John Fulton's Soup Kitchen Trust	1,443	41,176	-	-	-	3,419	1,443	44,595
Murdoch's Trust	100	2,254	-	-	-	158	100	2,412
Misses Parker's Bequest	1,365	16	-	-	-	92	1,365	108
Tannock's Trust	2,255	48	-	-	-	154	2,255	202
Archibald Taylor Fund	17,599	273,896	-	3,006	-	19,405	17,599	290,295
Matthew L. Cochran's Bequest	1,948	6,203	-	5,400	-	365	1,948	1,168
Mair Bequest	14,928	111,349	-	4,609	-	8,296	14,928	115,036
G.M. Borland Bequest	450	4,571	-	-	-	336	450	4,907
Kay Park Trust	903	955	-	27	-	123	903	1,051
B. C. Roxburgh Bequest	10,796	11,281	-	1,032	-	1,441	10,796	11,670
Sommerville Trust	119	301	-	-	-	28	119	329
Graham Ramage Trust	1,837	856	-	-	-	121	1,837	977
Misses Murray Legacy Trust	500	985	-	-	-	85	500	1,070
D. Smith's Trust	100	578	-	-	-	45	100	623
Mrs E. McWhirter Trust	824	33	-	-	-	32	824	65
Dalmellington Cemetery Trust	58	-	-	-	-	4	58	4
R Mitchell Trust	50	2	-	-	-	2	50	4
Mrs H S Wilson Trust	122	6	-	-	-	6	122	12
Dalrymple Cemetery Trust	100	5	-	-	-	5	100	10
Polish Patients Fund	11	-	-	-	-	-	11	-
Miss A. Stevenson Trust	100	-	-	-	-	7	100	7
Mrs C. Gordon Trust	100	-	-	-	-	7	100	7
Miss J. Leiper Young Trust	100	-	-	-	-	7	100	7
Miss J.M.M. Cuthbert Executory	100	-	-	-	-	7	100	7
GAA Trust	922	2,610	-	-	-	143	922	2,753
Gavin Memorial Fund	1,040	-	-	-	-	-	1,040	-
Brown Prize Fund	216	31	-	20	-	13	216	24
Hon. Alex Shaw Prize	100	18	-	10	-	1	100	9
Morton Steven Dux Medal	207	169	-	20	-	24	207	173
Latta Dux Medal	143	98	-	20	-	15	143	93
Jas. Mackie Memorial Prize	65	40	-	10	-	7	65	37
Hunter Stewart Fund	101	22	-	10	-	1	101	13
Hood Endowment	100	31	-	10	-	8	100	29
Arch. Hood Prize	100	36	-	10	-	9	100	35
A.B. Carswell Prize	216	61	-	20	-	7	216	48
William Wilson Memorial Prize	109	35	-	10	-	2	109	27
Margaret Wilson Memorial Prize	109	36	-	10	-	2	109	28
McKenzie Prizes	44	72	-	10	-	4	44	66
Gaiston Town Council Dux Medal	150	54	-	20	-	3	150	37
George Mason Prize Fund	50	11	-	5	-	1	50	7
Robert C. Grant Prize Fund	164	74	-	20	-	15	164	69
Miss Mary C Smith Memorial Prize	50	15	-	10	-	1	50	6
Marion Hamilton Memorial Prize	50	32	-	10	-	2	50	24
Sarah B Campbell	259	1,332	-	-	-	89	259	1,421
Jean G Glennie	52	7	-	5	-	4	52	6
John Minto Prize Fund	100	30	-	10	-	2	100	22
W S Oughton Memorial Prize Fund	30	34	-	10	-	4	30	28
Sir Alexander Fleming Prize Fund	200	21	-	25	-	14	200	10
John C Kennedy Trust	1,000	9,388	-	10	-	695	1,000	10,073
Agnes Smith Campbell Prize Fund	400	71	-	50	-	5	400	26
T K Stevenson Memorial Prize	50	12	-	-	-	1	50	13
	<b>67,665</b>	<b>501,182</b>	-	<b>18,609</b>	-	<b>37,587</b>	<b>67,665</b>	<b>520,160</b>

## Charities and Trusts – Origins and Purpose

Name of Fund	Origin and Purpose	Manner Invested		
		Loans Fund	Other	
Robert Crawford's Bequest	To Provide Books For Public Library	4,971	1,600	Gov Stock
Robert Cumming's Bequest	To Provide annuity For Testators Legatee Remainder For Maintenance Of Indigent Orphans Natives Of Kilmarnock/Ayrshire	28,997	-	
John Fulton's Missionary Trust	To Provide A Missionary For The Poor	679	-	
John Fulton's Soup Kitchen Trust	To Distribute Soup To The Poor	45,938	100	Gov Stock
Murdoch's Trust	To Provide An Annual Payment To One Poor Aged Deserving Person Resident In Kilmarnock	2,512	-	
Misses Parker's Bequest	To Provide Payments To Females Suffering From Incurable Diseases	1,473	-	
Tannock's Trust	To Provide Annuities To Females	2,457	-	
Archibald Taylor Fund	To Provide Special Nursing Or Convalescent Treatment Or A Holiday During Convalescence For Certain Class Of Spinsters	307,894	-	
Matthew L. Cochran's Bequest	To Provide Holidays For Elderly Deserving People Resident in Kilmarnock	3,116	-	
Mair Bequest	To Provide Relief To Deserving Poor Natives Or Inhabitants Of Newmilns	129,964	-	
G.M. Borland Bequest	To Disburse Among Poor	5,357	-	
Kay Park Trust	Maintenance of Kay Park	1,954	-	
B.C. Roxburgh Bequest	To Be Used For The Benefit Of The Of Citizens Of Darvel	22,466	-	
Graham Ramage Trust		1,447	1,367	Gov Stock
Sommerville Trust		448	-	
Misses Murray Legacy Trust		1,070	500	Gov Stock
D Smiths Trust	To Maintain Burial Grounds	723	-	
Mrs E McWhirter Trust	To Maintain Burial Grounds	65	824	Gov Stock
Dalmellington Cemetery Trust	To Maintain Burial Grounds	62	-	
R Mitchell Trust	To Maintain Burial Grounds	4	50	Gov Stock
Mrs H S Wilson Trust	To Maintain Burial Grounds	12	122	Gov Stock
Dalrymple Cemetery Trust	To Maintain Burial Grounds	10	100	Gov Stock
Polish Patients Fund	To Maintain Burial Grounds	0	11	Gov Stock
Miss A Stevenson Trust	To Maintain Burial Grounds	107	-	
Mrs C Gordon Trust	To Maintain Burial Grounds	107	-	
Miss J Leiper Young Trust	To Maintain Burial Grounds	107	-	
Miss J.M.M. Cuthbert Executory	To Maintain Burial Grounds	107	-	
GAA Trust	To Maintain Burial Grounds	2,753	922	Heritable Property
Gavin Memorial Fund	To Provide Prizes for Schools in Dalmellington	0	1,040	Gov Stock
Brown Prize Fund	To Provide Prizes for Dux Boy & Girl at Cumnock Academy	24	216	Gov Stock
Hon. Alex Shaw Prize	To provide prizes at Kilmarnock Academy	9	100	Gov Stock
Morton Steven Dux Medal	To provide A Dux Medal at Kilmarnock Academy	380	-	
Latta Dux Medal	To provide A Dux Medal at Cumnock Academy	236	-	
Jas. Mackie Memorial Prize	To provide prizes at Kilmarnock Academy	102	-	
Hunter Stewart Fund	To provide A Dux Medal at Dalmellington Junior Secondary	13	101	Gov Stock
Hood Endowment	To provide prizes at Newmilns junior Secondary	129	-	
Arch. Hood Prize	To provide prizes at Newmilns junior Secondary	135	-	
A.B. Carswell Prize	To provide prizes at Newmilns junior Secondary & Galston High School	48	216	Gov Stock
William Wilson Memorial Prize	To provide a cash prize for leadership (Girl) at Auchinleck Junior Secondary	27	109	Gov Stock
Margaret Wilson Memorial Prize	To provide a cash prize for leadership (Boy) at Auchinleck Junior Secondary	28	109	Gov Stock
McKenzie Prizes	To provide prizes for nature study at Auchinleck Junior Secondary	66	44	Gov Stock
Galston Town Council Dux Medal	To provide Dux medals at Galston junior secondary & St Sophia's RCS	37	150	Gov Stock
George Mason Prize Fund	To provide a prize for Art at Kilmarnock Junior Secondary	7	50	Gov Stock
Robert C Grant Prize Fund	To provide prizes at Kilmarnock Academy	233	-	
Miss Mary C Smith Memorial Prize	To provide prizes at Loanhead Primary School	6	50	Gov Stock
Marion Hamilton Memorial Prize	To provide bursaries at Drongan Junior Secondary	24	50	Gov Stock
Sarah B Campbell	To provide bursaries for Bellsbank Primary School	1,421	259	Gov Stock
Jean G Glennie	To provide prizes at Mauchline Senior Secondary	58	-	
John Minto Prize Fund	To provide a prize at Bentinck Primary	22	100	Gov Stock
W S Oughton Memorial Prize Fund	To provide a prize at Dalmellington High School	58	-	
Sir Alexander Fleming Prize Fund	To provide a prize for science at Loudoun Academy	210	-	
John C Kennedy Trust	To provide a prize at Bellsbank Primary School	11,073	-	
Agnes Smith Campbell Prize Fund	To provide a prize at Patna School	56	370	Gov Stock
T K Stevenson Memorial Prize	To provide prizes at Greenmills Primary	13	50	Gov Stock
		<b>579,215</b>	<b>8,610</b>	

## The Statement of Responsibilities for the Statement of Accounts

### 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 Director of Finance;
- To manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.

### The Director of Finance's Responsibilities

The Director of Finance is responsible for the preparation of the authority's statement of accounts which, in terms of the CIPFA/LASSAC Code of Practice on Local Authority Accounting in Great Britain, is required to present fairly the financial position of the authority at 31<sup>st</sup> March 1999 and its income and expenditure for the year.

In preparing this statement of accounts, the Director of Finance has:

- Selected suitable accounting policies and applied them consistently;
- Made judgements and estimates that were reasonable and prudent;
- Complied with the Code of Practice unless otherwise indicated;
- Kept proper accounting records and introduced procedures to ensure that these are kept up-to-date;
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.



## Glossary of Terms

The following definitions are intended to be of assistance to the reader: -

### *Capital Charges*

A charge to service revenue accounts to reflect the cost of fixed assets used in the provision of services.

### *Capital Expenditure*

Expenditure on the acquisition of a fixed asset or expenditure which adds to the value of an existing fixed asset.

### *Community Assets*

Assets that the local authority intends to hold in perpetuity, that have no determinable useful life, and that may have restrictions on their disposal. Examples of community assets are parks and historic buildings.

### *Contingency*

A condition which exists at the balance sheet date, where the outcome will be confirmed only on the occurrence or non-occurrence of one or more uncertain future events.

### *Corporate and Democratic Core*

The corporate and democratic core comprises all activities which local authorities engage in specifically because they are elected multi-purpose authorities. The cost of these activities are thus over and above those which would be incurred by a series of independent, single purpose, nominated bodies managing the same services. There is therefore no logical basis for apportioning these costs to services.

### *Deferred Charges*

Expenditure which may properly be deferred, but which does not result in, or remain matched with, tangible assets. Examples of deferred charges are expenditure on items such as improvement grants and the expenses of Private Acts.

### *Depreciation*

The measure of the wearing out, consumption, or other reduction in the useful economic life of a fixed asset, whether arising from use, passage of time or obsolescence through technological or other changes.

### *Direct Service Organisation (DSO)*

The term Direct Service Organisation (DSO) is used to cover both Direct Labour Organisations (DLOs) established under the Local Government, Planning and Land Act 1980 and DSOs established under the Local Government Act 1988.

### *Fixed Assets*

Tangible assets that yield benefits to the local authority and the services it provides for a period of more than one year.

### *Government Grants*

Assistance by government and inter-government agencies and similar bodies, whether local, national or international, in the form of cash or transfers of assets to an authority in return for past or future compliance with certain conditions relating to the activities of the authority.

## Glossary of Terms

### *Infrastructure Assets*

Fixed assets that are inalienable, expenditure on which is recoverable only by continued use of the asset created. Examples of infrastructure assets are highways and footpaths.

### *Net Current Replacement Cost*

The cost of replacing or recreating the particular asset in its existing condition and in its existing use, ie the cost of its replacement or of the nearest equivalent asset, adjusted to reflect the current condition of the existing asset.

### *Net Realisable Value*

The open market value of the asset in its existing use (or open market value in the case of non-operational assets), less the expenses to be incurred in realising the asset.

### *Non-Operational Assets*

Fixed assets held by a local authority but not directly occupied, used or consumed in the delivery of services. Examples of non-operational assets are investment properties and assets that are surplus to requirements, pending sale or redevelopment.

### *Operating Leases*

A lease other than finance lease.

### *Operational Assets*

Fixed assets held and occupied, used or consumed by the local authority in the direct delivery of those services for which it has either a statutory or discretionary responsibility.

### *Prior Year Adjustments*

Those material adjustments applicable to prior years arising from changes in accounting policies or from the correction of fundamental errors. They do not include normal recurring corrections or adjustments of accounting estimates made in prior years.

### *Stocks*

Comprise the following categories:

- (a) goods or other assets purchased for resale;
- (b) consumable stores;
- (c) raw materials and components purchased for incorporation into products for sale;
- (d) products and services in intermediate stages of completion;
- (e) long-term contract balances; and
- (f) finished goods.

### *Unapportionable Central Overheads*

These are overheads for which no user now benefits and should not be apportioned to services.

### *Useful Life*

The period over which the local authority will derive benefits from the use of a fixed asset.

# Audit Certificate

To the members of East Ayrshire Council  
and the Accounts Commission for Scotland

As auditor, appointed under statute by the Accounts Commission for Scotland, I have audited the accounts of East Ayrshire Council for the year ended 31 March 1999, an abstract of which is set out on pages 1 to 32.

## Respective responsibilities of management and auditors in relation to the accounts

As described on page 30 the management of the authority is responsible for the preparation of the accounts. It is my responsibility to form an independent opinion, based on my audit, on the abstract of accounts and to report that opinion to you.

## Basis of opinion

I have conducted my audit in accordance with the requirements of Part VII of the Local Government (Scotland) Act 1973 and of the Code of Audit Practice approved by the Commission. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by management in the preparation of the accounts and of whether the accounting policies are appropriate to the authority's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit of the accounts so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the accounts are free from material mis-statement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the accounts.

## Opinion

In my opinion the abstract of accounts presents fairly, in accordance with the accounting policies set out on pages 4 to 6, the financial position of the authority as at 31 March 1999 and its income and expenditure for the year then ended.

## Failure to comply with statutory requirement

It has not been necessary to qualify my opinion in respect of the following matters.

I draw attention to the results of the Building Maintenance Direct Labour Organisation and the Vehicle Maintenance Direct Service Organisation which are detailed on page 8. Directions given under the Local Government, Planning and Land Act 1980 and the Local Government Act 1988 require the Direct Labour and Direct Service Organisations' income to be not less than their expenditure. That prescribed financial objective was not met by the Direct Labour and Direct Service Organisations mentioned above.

Signature:

Graham Potter, CPFA, MSc  
Chief Auditor  
Accounts Commission  
9th Floor, Plaza Tower  
East Kilbride, G74 1LW

Date: 12 November 1999