

Financial Performance

General Fund

We budgeted to make a deficit in 2007/08 of £271,000. The year-end position was a deficit of £201,000.

The Council's general fund balance at 31 March 2008 was reduced by the in year deficit to £1.1 million. This is equal to 16% of the Council's 2008/09 net budget.

Housing Revenue Account

The Council transferred its Council houses to Ribble Valley Homes Ltd on 31 March 2008. The year end surplus on the HRA was £360,000. This has been added to balances resulting in a final HRA balances total of £1,013,000. Ultimately, this amount will be transferred to the Council's General Fund balances upon the final closure of the HRA.

<u>Cash Flow</u>	£000's
Cash 1 April 2007	(66)
Net movement in year	(5,985)
Cash 31 March 2008	(6,051)



Director's Statement

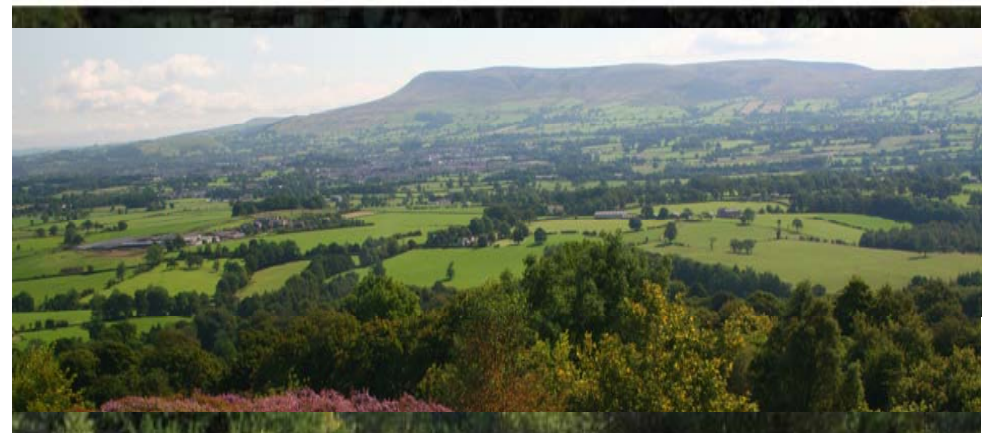
The Council's Statement of Accounts has been prepared in accordance with the Best Value Accounting Code of Practice. For the purposes of this summary some modifications have been made to provide more meaningful information.

The Council's auditor – PricewaterhouseCoopers, as appointed by the Audit Commission, has audited our 2007/08 accounts and has issued an unqualified opinion of the Council's full accounts for 2007/08.

A full copy of the Council's 2007/08 audited accounts available to view or download on the Council's website - www.ribbonvalley.gov.uk and can be inspected at the Council offices in Clitheroe. This leaflet is available in other formats on request. Please contact Jane Pearson on 01200 425111 for further details.

Marshal Scott, CPFA, Director of Resources

**Ribble Valley Borough Council, Council Offices, Church Walk,
Clitheroe BB7 2RA**



What did we spend money on?

The summary of our income and expenditure account below shows the cost of running Council services between April 2007 and March 2008 and the amount left to be financed from the Council Tax and Government grants.

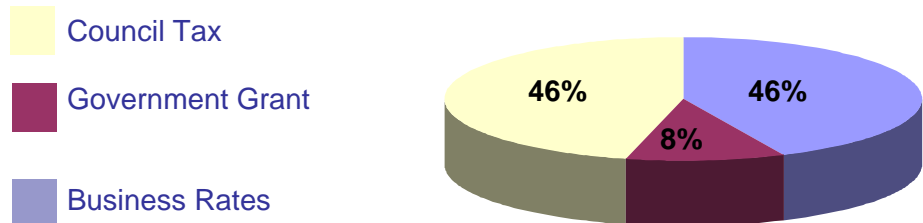
What we spent	Net Expenditure 2007/08
Cultural Environmental & Planning	£4.2m
Central Services	£0.9m
Housing	£49.3m
Highways	£0.5m
Corporate & Democratic Core	£1.6m
Non distributed costs	£0.3m
Net Cost of Services	£56.8m
Parish Precepts	£0.3m
Interest Paid	£0.3m
Interest Received	(£0.3m)
Housing Impairments and LSVT appropriations	(£48.4m)
Appropriations and other Internal Accounting	(£1.5m)
Amount to be met from Government grants and local taxation.	£7.2m



How did we pay?

We spent £7.2m running services between April 2007 and March 2008. After allowing for income, shown below is how we financed these costs and where the money came from:

How we paid for services:	2007/08
General Government Grant	£0.6m
Redistributed Business Rates	£3.2m
Council Tax	£3.2m
Total	£7.0m
Net deficit for year	£0.2m



What are we worth?

The Balance Sheet records the Council's financial position at a point in time, in our case 31 March each year. It shows what is owned by us (assets), who we owe money to (creditors) and who owes us money (debtors) amongst other things.

	£m
Buildings, Land & Assets Owned by the Council	12.3
Stock	0.1
Cash overdrawn	(6.0)
Money Owed to the Council	15.0
Money Owed by the Council	(8.8)
Investments	3.4
Total	£14.8m
Financed by:	
Reserves	4.0
Capital Finance & Revaluation of Assets	10.1
Long-Term Debt	0.7
Total	£14.8m



Capital Expenditure

Capital expenditure represents money spent by the Council for the purchase, upgrading or improvement of assets such as buildings and vehicles. The Council spent £3.7 million on its capital programme in 2007/08, primarily on the roll out of three stream waste collection, council buildings including council housing, housing grants, and refurbishment of the Clitheroe Castle Museum. A summary is shown below.

	£000's
Council House Improvements	862
Other Council Buildings	342
Vehicle & Plant Replacements	123
Housing Grants	267
Three Stream Waste Collection	766
Clitheroe Castle	1,138
Parks and open spaces	55
Other Schemes	119
Total	£3.672m



Below is an explanation of some of the accounting terms used in the summary

Accounting Code of Practice

This is based on approved standards and sets out procedures to be followed when preparing our statement of accounts such as the treatment of creditors and debtors.

Capital Expenditure

This type of expenditure is on items which have lasting benefits such as purchase of land and buildings. Other examples include improvements to our council houses and car parks.

General Fund Balance

This is the total of the Council's unused reserves to date. It is therefore considered when preparing our budgets for future years. Decisions are taken on the sensible level of the general fund balance to keep in hand to fund unforeseen circumstances and enable the Council to meet any cash flow requirements.

Income and Expenditure Account

This is the record of the Council's annual spending on day to day items such as wages, repairs and maintenance.

Balance Sheet

This records the Council's financial position at a point in time, in our case the 31st March each year. It shows what is owned by the council (assets), who we owe money to (creditors) and who owes us money (debtors) amongst other things.

Housing Revenue Account (HRA)

The Council is required by law to keep all income and expenditure relating to the maintenance of its Council housing stock ring fenced. This is known as the HRA and with its balances kept entirely separate from the Council's General Fund.

If there are any other terms you don't understand please contact us.