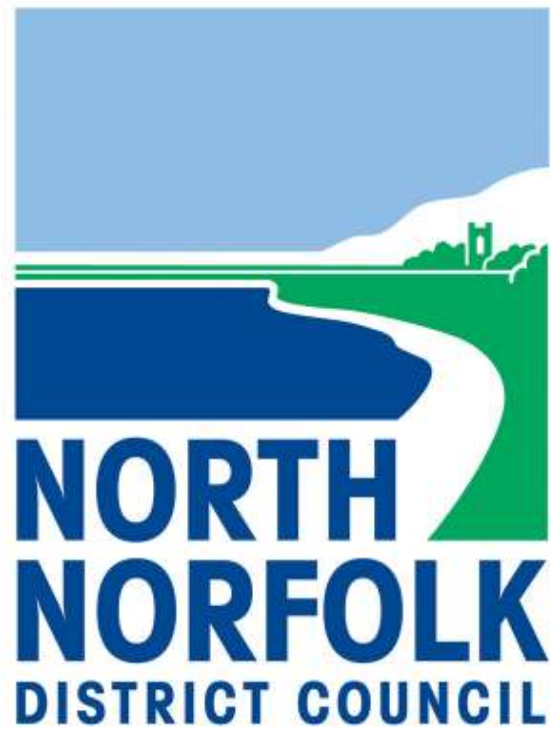


North Norfolk District Council

SUMMARY OF ANNUAL ACCOUNTS 2005/06



Summary Operating Financial Review

The following statement covers some of the key points in relation to the Council's management of public funds

Financial Performance

The Council operates two accounts, one for the council tax payers (General Fund Revenue Account) and one for Housing (Housing Revenue Account). The General Fund is financed by a combination of government grants and council tax. The Housing Revenue Account is used for the management of the Council's own housing stock, and is financed by government grants and rents from housing tenants.

Revenue Account (GF)

The Council reported General Fund balances of £1,000,607 for 2005/06 (£1,069,682 04/05), which represented a surplus of £41,000 (£36,000 04/05) over the revised budget estimates.

Cultural, Environmental and Planning Services form the largest area of Council spend, accounting for approximately 72% (43% 04/05) of net cost of services in the year. A combined surplus of £20,000 (£26,000 04/05) was reported for the Council's trading operations.

Council Housing (HRA)

Statute requires that the Council budgets and sets rental levels to ensure that housing expenditure levels can be met.

The most significant impact on the 2005/06 accounts was the Large Scale Voluntary Transfer (LSVT) of the council dwellings to the new landlord, the North Norfolk Housing Trust (NNHT) on 13th February 2006. The figures included in the Housing Revenue Account (HRA) for 2005/06 are for the period 1st April 2005 to 12th February 2006. The HRA is due to remain open during 2006/07 with the anticipation that it will be closed in March 2007.

The Housing Revenue Account generated a deficit of £425,000 (surplus of £86,000 04/05) and had working balances of £300,000 at the year end.

Capital Expenditure

The capital expenditure incurred by the Council for the 2005/06 financial year was £7,838,000 (£12,420,000 04/05). The summary of accounts identifies the projects which the Council invested in over the year.

Statement by the Strategic Director (Resources)

The Council's Financial Statements have been prepared in accordance with the Accounting Code of Practice. The figures contained within the summary were originally compiled having regard to proper accounting practice. For the purposes of this statement some modifications were made to provide more meaningful information. The Council's full 2005/06 accounts have been audited by the Audit Commission, and an unqualified (good) opinion was issued. A full copy of the audited Statement of Accounts can be found on the Council's website at:

www.northnorfolk.org/corporatefinance/default_5919.asp

Alternatively you can call 01263 516243 to request a copy.

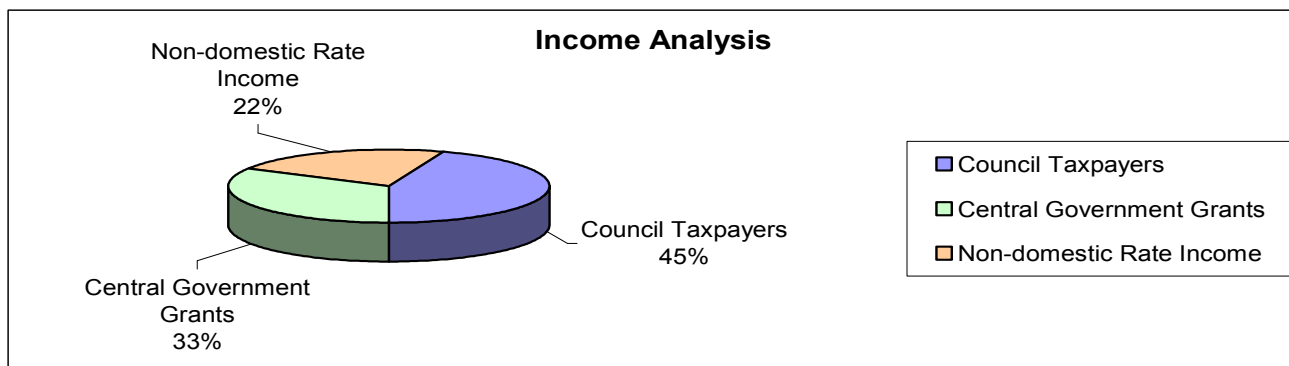
SHEILA OXTOBY, BSc, CPFA

The Cost of Council Services

Consolidated Revenue Account for the year ended 31st March 2006

The revenue account presents the cost of running the Council services between 1st April 2005 and 31st March 2006. It shows where the money came from to finance those costs and also the surplus or deficit at the year end.

	Gross Expenditure (£000)	Gross Expenditure (£000)	2005/06 Net Expenditure (£000)	2004/05 Net Expenditure (£000)
Central Services to the Public	8,421	(7,506)	915	1,066
Cultural, Environmental & Planning Services	15,756	(4,576)	11,180	10,984
Highways, Roads & Transport Services	1,102	(1,588)	(486)	(660)
Housing Services	18,122	(16,320)	1,802	1,990
Corporate & Democratic Core	2,096	(33)	2,063	2,026
Non Distributed Costs	271	0	271	1,560
NET COST OF GENERAL FUND	45,768	(30,023)	15,745	16,966
Housing Revenue Account	11,131	(11,241)	(110)	8,429
NET COST OF SERVICES	56,899	(41,264)	15,635	25,395
Less: Internal charges for use of Council assets and other internal accounting			(790)	(6,898)
Less: Appropriations			(2,049)	(5,891)
Amount to be met from Government Grants and local taxation			12,796	12,606
Financed by				
Surplus from/(to) Collection Fund			(29)	0
Council Taxpayers			(5,700)	(5,500)
Central Government Grants			(4,228)	(4,200)
Non-domestic Rate Income			(2,874)	(2,693)
Total Income			(12,831)	(12,393)
Net General Fund (Surplus)/Deficit for the year			(35)	213
General Fund balance brought forward			965	1,178
General Fund balance carried forward			1,000	965

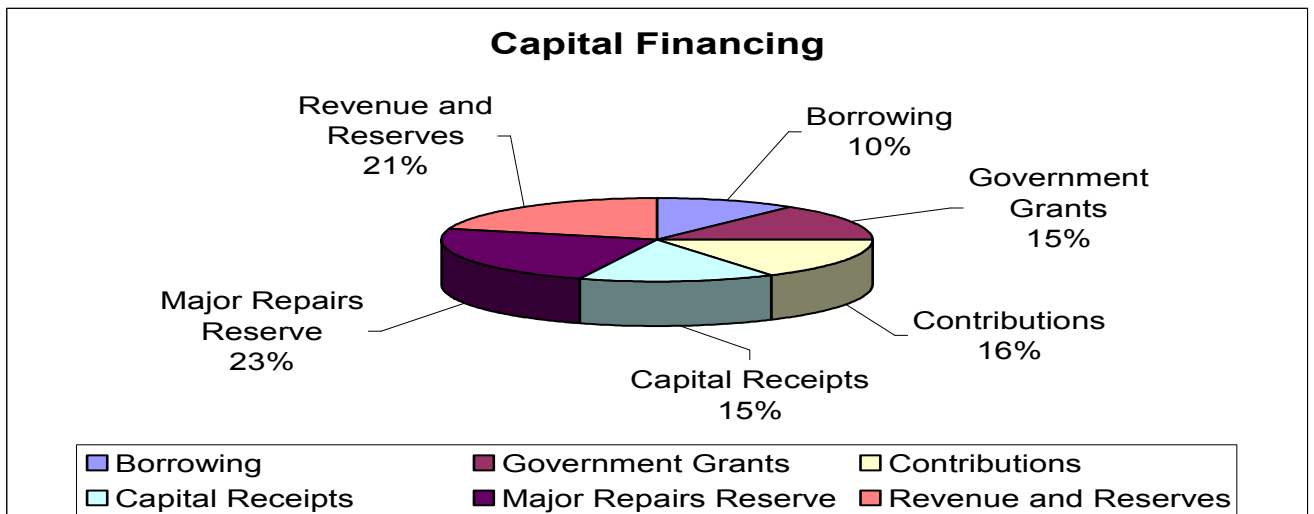


The Council had a total income of £12.831m in 2005/06 (£12.393m 04/05), 44% of which (44% 04/05) was funded by the council tax payers.

Capital Expenditure

Capital expenditure generally represents money spent by the Council on purchasing, upgrading and improving assets such as buildings and coast protection. The Council receives the benefit from capital expenditure over a longer period of time than revenue (normally more than 1 year).

	2005/06 (£000)	2004/05 (£000)
Renovation Grants	927	752
Housing Association Grant	430	569
North Walsham Pool	0	10
Car Parks	5	0
Cromer Seafront Enhancement	1,350	3,025
Industrial Sites/Regeneration projects	389	513
Coast Protection	49	148
Fakenham Community Leisure Centre	65	866
Planning schemes	71	0
Disability Discrimination Act (DDA) works	21	0
Cromer Council Office Lighting	53	0
Leisure Vehicle	64	84
Waste minimisation and recycling	0	1,462
Admin Buildings (Disability Discrimination Act)	0	20
Benefits System Replacement	102	366
IEG - Implementing Electronic Government	300	311
Air quality monitoring system	21	0
Other work under £15,000 per project	9	0
Council Housing:		
Re Wiring	244	265
Parklands Caravan Site Improvements	189	0
Re Roofing	60	106
Structural Repairs	116	151
Window Replacements	842	995
Improvements	1,107	1,029
Adaptations for the disabled	322	479
Energy Conservation and central heating	957	1,216
Estate Roads	23	53
Other Works	122	0
TOTAL	7,838	12,420



Balance Sheet

The Balance Sheet sets out the assets and liabilities of the Authority as at the 31st March.

	2006 £000	2005 £000
What the Council owns and is owed at 31st March 2006		
Buildings, Land & Investments owned by the Council	45,366	78,618
Stock	207	99
Cash in Hand & at Bank	(1,312)	(1,126)
Money Owed to the Council	55,978	12,383
Money Owed by the Council	(52,391)	(39,343)
	<u>47,848</u>	<u>50,631</u>
Financed by		
*Distributable reserves	34,933	5,973
Non-Distributable reserves	12,915	44,658
	<u>47,848</u>	<u>50,631</u>

* Distributable reserves are as follows:

General fund balance:		
Opening Balance as at 1st April	965	1,178
Surplus/(Deficit) for the year	35	(213)
Closing Balance as at 31st March	<u>1,000</u>	<u>965</u>
Housing Revenue Account Balance	300	725
Earmarked Reserves	2,244	3,271
Usable Capital Receipts Reserve	31,389	1,012
	<u>34,933</u>	<u>5,973</u>

The Balance Sheet sets out the assets and liabilities of the Authority as at 31st March 2006.

The Council has a duty under legislation to maintain a prudent level of reserves and balances and this is reviewed on an annual basis.

Housing Revenue Account (HRA)

	2006	2005
	£000	£000
Income		
Council House Rents (Gross)	(10,368)	(11,519)
Other Income	(1,336)	(1,218)
	<u>(11,704)</u>	<u>(12,737)</u>
Expenditure		
Repairs and Maintenance	2,512	2,758
Supervision and Management	2,972	2,782
Capital Financing Costs	2,878	3,166
Other Costs	3,767	3,945
	<u>12,129</u>	<u>12,651</u>
(Surplus)/Deficit for Year	425	(86)
Balance Brought Forward	(725)	(639)
Balance Carried Forward	<u>(300)</u>	<u>(725)</u>

