

GROUP ACCOUNTS

Local authorities are required to produce group accounts which include interests in subsidiaries, associates and joint ventures.

Brent has one subsidiary, Brent Housing Partnership (BHP) Limited. This is an arms length management organisation (ALMO) which was set up in October 2002 to manage council properties on behalf of Brent.

BHP is a limited company. It is limited by a guarantee with no share capital. It is fully owned by the London Borough of Brent. The London Borough of Brent has an obligation to meet BHP's pension fund liabilities. BHP's accounts may be obtained from their financial controller, Greg Trenear at Chancel House, Neasden Lane, London, NW10 2UF, e-mail address greg.treear@bhphousing.co.uk.

BHP's accounts have been consolidated as a subsidiary using the merger basis of combination.

The following group financial statements have been prepared:

- Group Income and Expenditure Account
- Reconciliation of the Single Entity Surplus or Deficit for the Year to the Group Surplus or Deficit
- Group Statement of Total Recognised Gains and Losses
- Group Balance Sheet
- Group Cash Flow Statement

A significant amount of information in these statements is identical to Brent's accounts on the preceding pages of this document. Information has not been reproduced in the group accounts where it can be readily seen in Brent's accounting statements.

GROUP INCOME AND EXPENDITURE ACCOUNT

The Group Income and Expenditure Account shows expenditure and how it was financed.

GROUP INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2010

	2009/10 Gross Expenditure £000	2009/10 Income £000	2009/10 Net Expenditure £000	2008/09 Net Expenditure £000
Education	338,639	(292,345)	46,294	41,109
Cultural Services	25,132	(3,520)	21,612	14,737
Highways, Roads and Transport	34,291	(17,358)	16,933	17,821
Environmental	33,055	(3,858)	29,197	28,633
Planning and Development	12,372	(3,376)	8,996	6,715
Housing (General Fund)	318,381	(296,122)	22,259	30,422
Adult Social Care	107,101	(20,084)	87,017	79,439
Children's Social Services	47,152	(6,024)	41,128	37,120
Courts	216	(472)	(256)	206
Central Services	87,239	(49,447)	37,792	11,845
Net Cost of General Fund Services	1,003,578	(692,606)	310,972	268,047
Housing Revenue Account	35,634	(66,421)	(30,787)	(16,914)
Net Cost of Services	1,039,212	(759,027)	280,185	251,133
Profit/loss on Disposals of Fixed Assets			241	(602)
Levies			9,280	7,872
(Surplus)/Deficit on Trading Accounts			(259)	(224)
Interest Payable			29,824	32,817
Interest Receivable			667	633
Contribution to Housing Pooled Capital Receipts			252	179
HRA Share of Corporate and Democratic Core			(543)	8,050
Amortised premiums and discounts			(945)	(976)
HRA investment income/mortgage interest			(1,865)	(7,101)
Pensions interest cost and expected return on pensions assets			34,110	21,560
Taxation Paid			47	47
Net Expenditure			350,994	313,388
Distribution From:				
General Government Grants			(99,741)	(19,479)
Non-Domestic Rate Pool			(30,397)	(139,925)
Income from Collection Fund			(16,405)	(96,567)
Area Based Grant			(131,697)	(16,209)
(Surplus)/Deficit for the Year			72,754	41,208

**RECONCILIATION OF THE SINGLE ENTITY SURPLUS OR DEFICIT FOR THE YEAR
TO THE GROUP SURPLUS OR DEFICIT**

	2009/10 £000	2008/09 £000
(Surplus) or deficit on Brent's Single Entity Income and Expenditure Account for the year	72,978	42,084
BHP Surplus	(224)	(876)
Group (Surplus) or Deficit for the Year	72,754	41,208

GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	2009/10 £000	2008/09 £000
Net (Surplus) or Deficit for the Year	72,754	41,208
(Surplus) or Deficit Arising on Revaluation of Fixed Assets	(94,040)	49,626
Actuarial (Gains) and Losses on Pension Fund Assets and Liabilities	176,790	136,980
Other (Gains) and Losses	-	15
Total Recognised (Gains) or Losses for the Year	155,504	227,829

GROUP BALANCE SHEET

The Group Balance Sheet shows the financial position of the group as a whole and summarises its assets and liabilities.

GROUP BALANCE SHEET AS AT 31st MARCH 2010

	31.03.10		31.03.09	
	£000	£000	£000	£000
Fixed Assets				
Council Dwellings	717,876		698,608	
Other Land and Buildings	560,088		525,605	
Vehicle, Plant, Furniture & Equipment	24,881		20,647	
Infrastructure	141,090		134,075	
Intangible Assets	1,894		1,070	
Non-Operational Assets				
Investment Properties	233		0	
Commercial Properties	6,527		6,179	
Assets under construction	23,750		3,231	
Net Fixed Assets		1,476,339		1,389,415
Investments (Long Term)		20,214		54,654
Long Term Debtors		496		504
Total Long Term Assets		1,497,049		1,444,573
Current Assets:				
Stock and Work in Progress	380		529	
Payments in Advance	8,650		6,304	
Debtors	111,791		119,057	
Less provision for bad debts	(45,503)		(50,183)	
Short Term Investments	48,628		42,835	
Cash at Bank	18,521		11,548	
Cash in Hand	137		185	
		142,604		130,275
Current Liabilities:				
Short Term Borrowing	(52,057)		(79,699)	
Creditors	(64,531)		(66,402)	
Deposits	(1,583)		(1,630)	
Receipts in Advance	(9,980)		(9,438)	
		(128,151)		(157,169)
Net Current Assets/(Liabilities)		14,453		(26,894)
Total Assets Less Current Liabilities		1,511,502		1,417,679
Long Term Borrowing		(613,689)		(593,473)
Long Term Creditors		(24,606)		(24,467)
Provisions		(4,853)		(4,561)
Government Grants Deferred		(168,667)		(132,780)
Capital Grants Unapplied		(19,496)		(21,713)
Liability related to defined benefit pension schemes		(683,100)		(488,090)
Total Assets Less Liabilities		(2,909)		152,595
This is financed from:				
Miscellaneous Brent Reserves		(23,148)		130,659
Balances:				
General Fund	23,035		22,640	
Housing Revenue Account	2,174		4,428	
BHP Trading Surplus	3,782		3,558	
BHP Pension Deficit	(8,752)		(8,690)	
		20,239		21,936
		(2,909)		152,595

GROUP CASH FLOW STATEMENT

This statement groups together both revenue and capital income and expenditure. It provides a link between the Balance Sheet at the beginning of the year, the revenue account for the year and the Balance sheet at the end of the year. It summarises the inflows and outflows of cash arising from transactions with third parties for revenue and capital purposes.

	2009/10		2008/09	
	£000	£000	£000	£000
Net Cash(Inflow)/Outflow from Revenue Activities		(65,260)		(29,493)
Servicing of Finance				
- Cash Outflows				
Interest Paid	29824		33,065	
Premia Paid	0		8,451	
- Cash Inflows				
Interest Received	(2,184)	27,640	(5,892)	35,624
Total Revenue Activities Cash (Surplus)/Deficit (See Note 2)		(37,620)		6,131
Taxation Paid		47		56
Capital Activities				
- Cash Outflows				
Purchase of Fixed Assets	115,537		92,099	
Purchase of long term investments	0	115,537	0	92,099
- Cash Inflows				
Sale of Fixed Assets	(15,751)		(1,832)	
Capital Grants Received	(47,690)	(63,441)	(40,006)	(41,838)
Net Cash (Inflow)/Outflow Before Financing		14,523		56,448
Management of Liquid Resources				
Net (Inflow)/Outflow from Short Term Deposits		(28,898)		(14,400)
Financing				
- Cash Outflows				
Repayments of Amounts Borrowed		727,620		505,150
- Cash Inflows				
New Loans Raised	(20,000)		(60,000)	
New Short Term Loans	(700,170)	(720,170)	(490,700)	(550,700)
(Increase)/Decrease in Cash (See Note 3)		(6,925)		(3,502)

NOTES TO THE GROUP ACCOUNTS

NOTE 1: SUMMARY OF TRANSACTIONS INCLUDED IN GROUP BALANCE SHEET

<u>2008/09</u>	LBB £000	BHP £000	Total £000
Debtors	118,864	193	119,057
Cash at Bank	8,882	2,666	11,548
Creditors	60,748	5,654	66,402

<u>2009/10</u>	LBB £000	BHP £000	Total £000
Debtors	110,664	1,127	111,791
Cash at Bank	17,844	677	18,521
Creditors	58,249	6,282	64,531

NOTE 2: RECONCILIATION OF SURPLUS TO NET CASH FLOW

	2009/10 £000	2008/09 £000
Surplus/(Deficits) for the Year on the Group		
Net Income and Expenditure Account	(72,754)	(41,208)
Additional amount required by statute and non-statutory best practices to be debited or credited (see Brent's Statement of Movements on the General Fund Balance)	73,372	41,939
HRA	(2,254)	1,920
	(1,636)	2,651
Non Cash Transactions		
Minimum Revenue Provision	9,727	8,463
Major Repairs Reserve	4,022	7,215
Other Provisions/Earmarked Reserves	(6,377)	8,297
Capital expenditure charged in year to General Fund Balance	11,898	14,021
Capital expenditure charged in year to the Housing Revenue Account	5,756	2,725
Capital Grants applied in year	(5,884)	(7,421)
Write downs of deferred charges to be financed from capital resources	(4,685)	(10,130)
Transfer from Usable Capital Receipts to meet payments to the Housing Receipts Pool	(667)	(633)
Accruals Items		
(Increase)/Decrease in Stock and WIP	149	(274)
(Increase)/Decrease in Debtors	(1,195)	(19,170)
Increase/(Decrease) in Creditors	26,473	(8,370)
(Increase)/Decrease in Payments in advance	(456)	(2,864)
Increase/(Decrease) in Receipts in advance	542	2,643
Increase/(Decrease) in Deposits	(47)	173
Increase/(Decrease) in Deferred Premia	0	(3,457)
Net Revenue Cash Flow Surplus/(Deficit)	37,620	(6,131)

NOTES TO THE GROUP ACCOUNTS

NOTE 3: INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS

	Balance 31.03.10 £000	Balance 01.04.09 £000	Movement In Year £000
Cash	18,658	11,733	6,925
2008/09 Comparative			3,502