

APPENDIX D

Summary of changes to Accounting Policies following adoption of International Financial Reporting Standards.

On adoption of IFRS the Council has reviewed its accounting policies. In some instances policies have been amended to comply with the new accounting standards. Elsewhere new accounting standards have been introduced. The table below Summaries these changes and amendments

| Policy (including reference number as shown in Statement of Accounts) | Previous treatment | New treatment | Effect of change |
|--|---|--|---|
| 1.1 General Principles | Accounts compiled under UK General Accepted Accounting Standards (UKGAAP) | Accounts compiled under International Financial Accounting Standards - | New format of core statements. Further disclosure notes. Changes required to existing accounting policies. |
| 1.3 Exceptional Items | New policy | | New disclosure note (note 6) detailing material items of expenditure and income |
| 1.4 Prior Period Errors | New policy | | No effect on 2010/11 accounts |
| 1.5 Provisions | No timing of provision recognised | Amended policy - Provisions categorised by age less than 12 months and over 12 months | All provisions assumed to be less than 12 months. No effect on 2010/11 accounts |
| 1.6 Reserves | Amended policy | New Movement in Reserves Statement | New core statement "Movement in Reserves Statement". No change in treatment of Reserves. |
| 1.7 Contingent Liabilities and Contingent Assets | New policy | | No effect on 2010/11 accounts. Contingent liabilities were disclosed in previous Statements |
| 1.8 Government Grants & Contributions | Amended policy | All grants and contributions are shown in the Comprehensive Income and Expenditure Statement | Revenue and Capital Grants, where conditions have been met are now included in the CI&E. Capital grants are no longer |

| Policy (including reference number as shown in Statement of Accounts) | Previous treatment | New treatment | Effect of change |
|--|---------------------------|---|---|
| | | (CI&E) when conditions relating to the grants are complied with. | “written off” over the life of the asset in line with depreciation. |
| 1.9 Pension | Amended policy | Amended for new terminology under IFRS | No effect on 2010/11 accounts. |
| 1.12 Intangible Fixed Assets | Amended policy | Amended for new terminology under IFRS | No effect on 2010/11 accounts. |
| 1.13 Investment Property | New policy | Definition of investment property | Now shown in CI&E under Financing, Investment Income & Expenditure and disclosed in Note 11 |
| 1.14 Property, Plant and Equipment | Amended policy | Amended and expanded for new terminology under IFRS | Changes to categorisation of assets. |
| | Amended policy | Fair value of social housing stock based on existing use value | Impairment losses arose due to change in valuation method, (change from 46% to 39% of vacant possession value) |
| 1.16 Borrowing Costs | New policy | | No effect on 2010/11 accounts. |
| 1.18 Leases | Amended policy | Change in assessment of lease as to finance lease or operational lease. | No effect on 2010/11 accounts following review of leases |
| 1.19 Financial Assets | Amended policy | Amended and expanded for new terminology under IFRS | No effect on 2010/11 accounts. |
| 1.20 Cash and Cash Equivalents | New policy | Short term investments which are held for less than seven days are classed as cash equivalents on the balance sheet and not as investments. | Increases cash held as shown on the balance sheet. Reduces value of investments held. No adverse net effect on the balance sheet. |
| 1.21 Financial Liabilities | Amended policy | Amended and expanded for new | No effect on 2010/11 accounts. |

| Policy (including reference number as shown in Statement of Accounts) | Previous treatment | New treatment | Effect of change |
|--|---|--|--|
| | | terminology under IFRS. | |
| 1.22 Inventories and Long Term Contracts | Amended policy (formally Stocks and Work in Progress) | Amended and expanded for new terminology under IFRS. | No effect on 2010/11 accounts. |
| 1.23 Employee accrued benefits | New policy | | Provision established for untaken staff leave. This is offset by Accumulated Absence Account to neutralise any impact on the General Fund. |
| 1.24 Segmental Reporting | New policy | Definition given for Chief Decision Maker. | No effect on 2010/11 accounts. New disclosure note reconciling management reports to Statement of Accounts. |