

APPENDIX D

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

On adoption of IFRS the Council has reviewed it's 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.