

## **Annual Accounts 2013/14 to Audit Committee – 22 September 2014**

Since the annual accounts were published on the Audit Committee agenda there have been two non-material adjustments identified in relation to the Group Accounts.

These relate to the dividend paid by Manchester Airport Holdings Ltd (MAHL) to the Council and the Council's share of Other Comprehensive Income and Expenditure in relation to the re-measurement of MAHL'S net defined benefit pension liability. This has resulted in a reduction in the value of the long term investment in MAHL and the Group Income and Expenditure Reserve of £15,797,000.

As a result of these amendments the following revised pages of the accounts are attached. The amended figures are highlighted.

Group Movement in Reserves Statement (page 148)  
Group Comprehensive Income and Expenditure Statement (page 149)  
Reconciliation of the Single Entity Comprehensive Income and Expenditure Statement (Surplus) / Deficit to the Group Comprehensive Income and Expenditure Statement (Surplus) / Deficit (page 150)  
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### **External audit comment**

The non-material adjustments noted above were identified during our final review procedures. We are satisfied that appropriate adjustments have been effected in the Group financial statements and associated notes. For completeness, these adjustments should be read in conjunction with the table on page 21 concerning changes to the Group financial statements.

Group Movement In Reserves Statement

This statement shows the movement in the year on the Council's single entity usable and unusable reserves, as well as the Council's share of the group reserves.

	Restated General Fund Balance	Earmarked GF Reserves	Restated Housing Revenue Account	Earmarked HRA Reserves	Capital Receipts Reserve	Capital Grants Unapplied	Major Repairs Reserve	Restated Total Usable Reserves	Revaluation Reserve	Available for sale Financial Instruments	Restated Pensions Reserve	Restated Capital Adjustment Account	Deferred Capital Receipts	Financial Instruments Adjustment Account	Collection Fund Adjustment Account	Short term Compensated Absences	Restated Total Unusable Reserves	Restated Council Share of Group Reserves*	Restated Reserves excluding Minority Interest	Minority Interest Reserve	Restated Total Group Reserves
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
<b>Balance at 31 March 2012</b>	(26,462)	(181,431)	(1,967)	(54,572)	(34,085)	(32,475)	(4,050)	(335,042)	(693,982)	(1,531)	647,300	(1,339,730)	(1,441)	7,560	(4,276)	7,409	(1,378,691)	(329,230)	(2,042,963)	(342,866)	(2,385,829)
<b>(Surplus) / deficit on provision of services</b>	66,635	0	(16,990)	0	0	0	0	49,645	0	0	0	0	0	0	0	0	0	(372,146)	(322,501)	6,581	(315,920)
<b>Other comprehensive income and expenditure</b>																					
(Surplus) on revaluation of non-current assets	0	0	0	0	0	0	0	0	(39,021)	0	0	0	0	0	0	0	(39,021)	0	(39,021)	0	(39,021)
Impairment losses on non-current assets charged to the revaluation reserve	0	0	0	0	0	0	0	0	12,473	0	0	0	0	0	0	0	12,473	0	12,473	0	12,473
(Surplus) on revaluation of available for sale financial assets	0	0	0	0	0	0	0	0	0	(196)	0	0	0	(82)	0	0	(278)	0	(278)	0	(278)
Actuarial losses on pension assets/liabilities	0	0	0	0	0	0	0	0	0	0	128,900	0	0	0	0	0	128,900	0	128,900	0	128,900
Share of other comprehensive income and expenditure of subsidiaries	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	144	144	0	144
<b>Total comprehensive income and expenditure</b>	66,635	0	(16,990)	0	0	0	0	49,645	(26,548)	(196)	128,900	0	0	(82)	0	0	102,074	(372,002)	(220,283)	6,581	(213,702)
Reversal of items debited or credited to the comprehensive income and expenditure statement	(155,869)	0	(1,516)	0	(13,704)	(11,411)	(4,043)	(186,543)	0	0	75,000	115,378	0	(4,345)	510	0	186,543	0	0	0	0
Insertion of items not debited or credited to the comprehensive income and expenditure statement	87,653	19,462	(956)	0	1,328	0	0	107,487	0	0	(48,800)	(59,460)	0	773	0	0	(107,487)	0	0	0	0
Other adjustments	(207)	0	0	0	9,025	0	0	8,818	21,404	0	0	(30,378)	156	0	0	0	(8,818)	0	0	0	0
<b>Total adjustments between accounting basis and funding basis under regulations</b>	(68,423)	19,462	(2,472)	0	(3,351)	(11,411)	(4,043)	(70,238)	21,404	0	26,200	25,540	156	(3,572)	510	0	70,238	0	0	0	0
<b>Net (increase) / decrease before transfers to earmarked reserves</b>	(1,788)	19,462	(19,462)	0	(3,351)	(11,411)	(4,043)	(20,593)	(5,144)	(196)	155,100	25,540	156	(3,654)	510	0	172,312	(372,002)	(220,283)	6,581	(213,702)
Transfers (to) / from earmarked reserves	(12,760)	(1,924)	(5,572)	20,572	0	0	0	316	0	0	0	0	0	0	0	(316)	(316)	0	0	0	0
Minority interest share of net assets on date of loss of control	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	336,285	336,285
<b>(Increase) / decrease in year</b>	(14,548)	17,538	(25,034)	20,572	(3,351)	(11,411)	(4,043)	(20,277)	(5,144)	(196)	155,100	25,540	156	(3,654)	510	(316)	171,996	(372,002)	(220,283)	342,866	122,583
<b>Balance at 31 March 2013</b>	(41,010)	(163,893)	(27,001)	(34,000)	(37,436)	(43,886)	(8,093)	(355,319)	(699,126)	(1,727)	802,400	(1,314,190)	(1,285)	3,906	(3,766)	7,093	(1,206,695)	(701,232)	(2,263,246)	0	(2,263,246)
<b>Movement in reserves during 2013/14</b>																					
<b>(Surplus) / deficit on provision of services</b>	61,488	0	(18,017)	0	0	0	0	43,471	0	0	0	0	0	0	0	0	0	13,714	57,185	0	57,185
<b>Other comprehensive income and expenditure</b>																					
(Surplus) on revaluation of non-current assets	0	0	0	0	0	0	0	0	(45,624)	0	0	0	0	0	0	0	(45,624)	0	(45,624)	0	(45,624)
Impairment losses on non-current assets charged to the revaluation reserve	0	0	0	0	0	0	0	0	16,203	0	0	0	0	0	0	0	16,203	0	16,203	0	16,203
(Surplus) on revaluation of available for sale financial assets	0	0	0	0	0	0	0	0	0	(71)	0	0	0	(83)	0	0	(154)	0	(154)	0	(154)
Actuarial losses on pension assets/liabilities	0	0	0	0	0	0	0	0	0	0	(113,317)	0	0	0	0	0	(113,317)	0	(113,317)	0	(113,317)
Share of other comprehensive income and expenditure of subsidiaries	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	142	142	0	142
Share of other comprehensive income and expenditure of joint ventures	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(52,122)	(52,122)	0	(52,122)
<b>Total comprehensive income and expenditure</b>	61,488	0	(18,017)	0	0	0	0	43,471	(29,421)	(71)	(113,317)	0	0	(83)	0	0	(142,892)	13,856	(85,565)	0	(137,687)
Reversal of items debited or credited to the comprehensive income and expenditure statement	(232,029)	0	254	0	0	(3,383)	783	(234,375)	0	0	97,982	96,411	0	(84)	40,066	0	234,375	0	0	0	0
Insertion of items not debited or credited to the comprehensive income and expenditure statement	94,873	17,512	251	0	1,944	0	0	114,580	0	0	(51,090)	(63,166)	0	(324)	0	0	(114,580)	0	0	0	0
Other adjustments	407	0	0	0	(7,896)	0	0	(7,489)	13,608	0	0	(5,759)	(360)	0	0	0	7,489	0	0	0	0
<b>Total adjustments between accounting basis and funding basis under regulations</b>	(136,749)	17,512	505	0	(5,952)	(3,383)	783	(127,284)	13,608	0	46,892	27,486	(360)	(408)	40,066	0	127,284	0	0	0	0
<b>Net (increase) / decrease before transfers to earmarked reserves</b>	(75,261)	17,512	(17,512)	0	(5,952)	(3,383)	783	(83,813)	(15,813)	(71)	(66,425)	27,486	(360)	(491)	40,066	0	(15,608)	13,856	(85,565)	0	(137,687)
Transfers (to) / from earmarked reserves	75,329	(73,583)	374	(374)	0	0	0	1,746	0	0	0	0	0	0	0	(1,746)	(1,746)	0	0	0	0
<b>(Increase) / decrease in year</b>	68	(56,071)	(17,138)	(374)	(5,952)	(3,383)	783	(82,067)	(15,813)	(71)	(66,425)	27,486	(360)	(491)	40,066	(1,746)	(17,354)	13,856	(85,565)	0	(137,687)
<b>Balance at 31 March 2014</b>	(40,942)	(219,964)	(44,139)	(34,374)	(43,388)	(47,269)	(7,310)	(437,386)	(714,939)	(1,798)	735,975	(1,286,704)	(1,645)	3,415	36,300	5,347	(1,224,049)	(687,376)	(2,348,811)	0	(2,400,933)

\*A breakdown of the Council's usable and unusable reserves can be found in the Council's accounts notes 6, 37 and 38.  
a The Council's share of the group reserves includes accounting adjustments to aligning accounting policies for property, plant and equipment and government grants.

Group Comprehensive Income and Expenditure Statement

This account summarises the resources that have been generated and consumed in providing services and managing the Group during the last year. It includes all day-to-day expenses and related income on an accruals basis.

Restated 2012/13 Gross Expenditure £000s	Restated 2012/13 Gross Income £000s	Restated 2012/13 Net Expenditure £000s		Note	2013/14 Gross Expenditure £000s	2013/14 Gross Income £000s	2013/14 Net Expenditure £000s
			<b>Continuing operations</b>				
209,068	39,676	169,392	Adult social care		191,641	32,226	159,415
16,365	8,729	7,636	Central services to the public		13,914	10,122	3,792
662,471	440,439	222,032	Education and children's services		638,629	409,444	229,185
72,305	24,852	47,453	Cultural and related services		97,292	24,110	73,182
40,608	11,161	29,447	Environmental and regulatory services		41,796	11,846	29,950
52,872	16,520	36,352	Planning services		54,632	20,351	34,281
304,115	337,263	(33,148)	Highways and transport services		32,386	22,807	9,579
363,015	348,452	14,563	Housing services		332,610	298,055	34,555
73,824	92,835	(19,011)	Housing Revenue Account		70,527	93,987	(23,460)
7,066	34	7,032	Corporate and democratic core		8,133	75	8,058
8,719	0	8,719	Non-distributed costs		24,650	0	24,650
<b>1,810,428</b>	<b>1,319,961</b>	<b>490,467</b>	<b>Cost of services excluding acquired services</b>		<b>1,506,210</b>	<b>923,023</b>	<b>583,187</b>
			<b>Acquired services</b>				
0	0	0	Public Health		45,029	43,787	1,242
<b>1,810,428</b>	<b>1,319,961</b>	<b>490,467</b>	<b>Total cost of services</b>		<b>1,551,239</b>	<b>966,810</b>	<b>584,429</b>
			<b>Other operating expenditure</b>				
32,394	3,361	29,033	Loss on disposal of non-current assets		20,639	3,923	16,716
64,693	0	64,693	Levies not included in net cost of services		70,802	0	70,802
1,328	0	1,328	Payments to government housing capital receipts pool		1,944	0	1,944
<b>98,415</b>	<b>3,361</b>	<b>95,054</b>	<b>Total other operating expenditure</b>		<b>93,385</b>	<b>3,923</b>	<b>89,462</b>
217,664	144,764	72,900	Financing and investment income and expenditure	3	191,821	180,255	11,566
0	388,385	(388,385)	(Gain) on loss of control of Manchester Airport Plc	7	0	0	0
0	613,612	(613,612)	Taxation and non-specific grant income		0	599,914	(599,914)
<b>2,126,507</b>	<b>2,470,083</b>	<b>(343,576)</b>	<b>(Surplus) / deficit on provision of services</b>		<b>1,836,445</b>	<b>1,750,902</b>	<b>85,543</b>
54,160	35,946	18,214	Share of operating results of joint venture	6	235,842	254,322	(18,480)
19,427	0	19,427	Tax expenses of subsidiary		27	0	27
0	9,985	(9,985)	Tax (credits) of joint venture		0	9,905	(9,905)
<b>2,200,094</b>	<b>2,516,014</b>	<b>(315,920)</b>	<b>Group (surplus) / deficit on provision of services</b>		<b>2,072,314</b>	<b>2,015,129</b>	<b>57,185</b>
		(39,021)	(Surplus) on revaluation of non-current assets				(45,624)
		12,473	Impairment losses on non-current assets charged to the revaluation reserve				16,203
		(278)	(Surplus) on revaluation of available for sale financial assets				(154)
		128,900	Remeasurements of the net defined benefit liability / (assets)				(113,317)
		144	Share of other comprehensive income and expenditure of subsidiaries				142
		0	Share of other comprehensive income and expenditure of joint ventures				(52,122)
		<b>102,218</b>	<b>Total other comprehensive income and expenditure</b>				<b>(194,872)</b>
		<b>(213,702)</b>	<b>Total comprehensive income and expenditure</b>				<b>(137,687)</b>

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**Reconciliation of the Single Entity Comprehensive Income and Expenditure Statement (Surplus) / Deficit to the Group Comprehensive Income and Expenditure Statement (Surplus) / Deficit**

This shows how the group entities have contributed to the overall (surplus) / deficit shown in the group income and expenditure account.

Restated 2012/13 £000s		Note	2013/14 £000s
49,645	Deficit on the Authority's single entity Income and Expenditure Account for the year		43,471
22,247	Distribution from group entities included in the Authority's single entity deficit on the Income and Expenditure Account	4	1,065
(396,042)	Add deficit / (surplus) attributable to subsidiaries	5	15,475
8,230	Add deficit / (surplus) attributable to associates and joint ventures (after corporation tax)	6	(2,826)
<b>(315,920)</b>	<b>Group income and expenditure account (surplus) / deficit for the year</b>		<b>57,185</b>

## Group Balance Sheet

The balance sheet is fundamental to the understanding of the Group's financial position at the end of the financial year. The statement reports on the Group's balances on assets (non-current and current), liabilities (long and short-term) and reserves.

Restated 31 March 2013 £000s		Note	31 March 2014 £000s
	<b>Non-current assets</b>		
2,105,076	Property, plant and equipment	9	2,053,643
422,968	Heritage assets		431,191
363,945	Investment properties		399,044
1,190	Intangible non-current assets		1,121
798,257	Long-term investment in joint venture	10	854,587
2,308	Other long-term investments	10	2,579
108,131	Long-term debtors	11	115,042
<b>3,801,875</b>	<b>Total non-current assets</b>		<b>3,857,207</b>
	<b>Current assets</b>		
591	Inventories		819
114,730	Short-term debtors	11	147,886
9,301	Cash and cash equivalents	12	38,954
5,748	Short-term assets held for sale		12,928
<b>130,370</b>	<b>Total current assets</b>		<b>200,587</b>
<b>3,932,245</b>	<b>Total assets</b>		<b>4,057,794</b>
	<b>Current liabilities</b>		
(25,387)	Short-term borrowing		(9,217)
(10,186)	Bank overdraft	12	0
(140,774)	Short-term creditors	13	(144,429)
(15,517)	Short-term provisions		(21,279)
(7,911)	Short-term deferred liabilities	14	(8,561)
<b>(199,775)</b>	<b>Total current liabilities</b>		<b>(183,486)</b>
<b>3,732,470</b>	<b>Total assets less current liabilities</b>		<b>3,874,308</b>
	<b>Long-term liabilities</b>		
(2,357)	Long-term creditors		(2,482)
(4,746)	Long-term provisions		(50,478)
(482,298)	Long-term borrowing		(512,182)
(166,311)	Long-term deferred liabilities	14	(164,634)
(11,112)	Capital grants receipts in advance		(7,624)
(802,400)	Pensions liability		(735,975)
<b>(1,469,224)</b>	<b>Total long-term liabilities</b>		<b>(1,473,375)</b>
<b>2,263,246</b>	<b>Net assets</b>		<b>2,400,933</b>
	<b>Financed by:</b>		
355,319	Usable reserves		437,386
1,206,695	Unusable reserves		1,224,049
701,232	Group income and expenditure reserve		739,498
<b>2,263,246</b>	<b>Total reserves</b>	15	<b>2,400,933</b>

**Group Cash flow statement**

The cash flow statement shows the changes in cash and cash equivalents of the Group during the reporting period. The statement shows how the Group generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

<b>Restated 2012/13 £000s</b>		<b>Note</b>	<b>2013/14 £000s</b>
(315,920)	Net (surplus) / deficit on the provision of services		57,185
95,267	Adjustments to net surplus / deficit on the provision of services for non-cash movements	19	(301,676)
93,634	Adjustments for items included in the net surplus / deficit on the provision of services that are investing and financing activities	20	94,792
<b>(127,019)</b>	<b>Net cash flows from operating activities</b>	21	<b>(149,699)</b>
139,456	Investing activities	22	111,885
28,639	Financing activities	23	(2,025)
<b>41,076</b>	<b>Net decrease / (increase) in cash and cash equivalents</b>		<b>(39,839)</b>
40,191	Cash and cash equivalents at the beginning of the reporting period		(885)
<b>(885)</b>	<b>Cash and cash equivalents at the end of the reporting period</b>	12	<b>38,954</b>

**Note 3. Financing and Investment Income and Expenditure**

The table below analyses the figures included in the Comprehensive Income and Expenditure Statement.

	Restated 2012/13 £000s	2013/14 £000s	Note
Interest payable on debt	42,206	25,081	a
Interest element of finance leases (lessee)	312	284	
Interest payable on PFI unitary payments	10,205	10,018	
Net interest on the net defined benefit liability	31,171	36,596	b
Investment Interest income	(1,716)	(12,075)	c
Investment Properties Impairment	26,515	15,712	
Change in fair value of investment properties	(25,390)	(45,920)	
Dividends receivable	(500)	(1,786)	d
Dividends payable	8,946	0	e
(Gain) / loss on trading accounts (not applicable to a service)	243	(778)	
Rentals received on investment properties	(20,908)	(17,023)	
Expenses incurred on investment properties	1,816	1,457	
<b>Total financing and investment income and expenditure</b>	<b>72,900</b>	<b>11,566</b>	

**a. Interest Payable**

These figures represent the actual external interest payable by the group as follows:

	Restated 2012/13 £000s	2013/14 £000s
Manchester City Council	25,027	24,025
Destination Manchester Limited	1,073	1,056
Manchester Airport Plc	16,106	0
<b>Total</b>	<b>42,206</b>	<b>25,081</b>

**b. Net interest on the net defined benefit liability**

These figures represent the net interest on the net defined benefit liability of the group as follows:

	Restated 2012/13 £000s	2013/14 £000s
Manchester City Council	31,000	36,318
Destination Manchester Limited	171	278
<b>Total</b>	<b>31,171</b>	<b>36,596</b>

**c. Investment Interest Income**

	Restated 2012/13 £000s	2013/14 £000s
Manchester City Council	(11,673)	(12,052)
Manchester Airport Plc	10,000	0
Destination Manchester Limited	(43)	(23)
<b>Total</b>	<b>(1,716)</b>	<b>(12,075)</b>

The above figures include consolidation adjustments where transactions between the Council and the subsidiary are eliminated for the purpose of preparing the group accounts.

**d. Dividends Receivable**

The dividends receivable figure has been adjusted for dividends received from Manchester Airports Holdings Limited.

**e. Dividends Payable**

The dividends payable figures include consolidation adjustments where transactions between the Council and its subsidiaries are eliminated for the purpose of preparing the group accounts.

**Note 4. Exclusion of Distributions from Group Entities Included in Manchester City Council's Single Entity Accounts**

Related party transactions between the Council and Manchester Airport Group for the period 1 April 2012 to 28 February 2013 have been removed from the group income and expenditure account on consolidation. The amount removed in 2012/13 was £21,163,000.

Related party transactions between the Council and Destination Manchester Limited have been removed from the group income and expenditure account on consolidation. In 2013/14 the amount removed was £1,065,000 (£1,084,000 in 2012/13).



**Note 8. Segmental Reporting Analysis**

The table below is a reconciliation of the 2013/14 internal management reports (monitoring and outturn) used by the Council's Executive to make decisions and the 2013/14 Group Comprehensive Income and Expenditure Statement. The segments identified in the subjective analysis are the same segments that are reported to Executive during the year. The management reports of group entities are not reported to the Council's Executive Committee therefore the subjective analysis will not differ to that in the Council's single entity statements.

Subjective Analysis	Chief Executives £000s	Children's Services £000s	Directorate for Adults £000s	Corporate Services £000s	Neighbourhood Services £000s	Housing Revenue Account £000s	Total £000s
Fees Charges and Other Service Income	(9,150)	(59,353)	(40,674)	(70,321)	(63,850)	(64,833)	(308,181)
Government Grants	(938)	(375,056)	(9,145)	(273,506)	(5,194)	(17,272)	(681,111)
<b>Total Income</b>	<b>(10,088)</b>	<b>(434,409)</b>	<b>(49,819)</b>	<b>(343,827)</b>	<b>(69,044)</b>	<b>(82,105)</b>	<b>(989,292)</b>
Employee Expenses	33,770	271,464	67,072	41,956	50,005	3,752	468,019
Other Operating Expenses	19,941	263,707	184,996	337,034	126,907	60,459	993,044
Support Services Recharges	(4,148)	2,320	4,990	(20,214)	(8,612)	755	(24,909)
<b>Total Operating Expenses</b>	<b>49,563</b>	<b>537,491</b>	<b>257,058</b>	<b>358,776</b>	<b>168,300</b>	<b>64,966</b>	<b>1,436,154</b>
<b>Cost of Services</b>	<b>39,475</b>	<b>103,082</b>	<b>207,239</b>	<b>14,949</b>	<b>99,256</b>	<b>(17,139)</b>	<b>446,862</b>

**Reconciliation to net cost of services in the Group Comprehensive Income and Expenditure Statement (CIES)**

	£000s
Cost of services in service analysis	446,862
Add amounts not reported to management*	189,400
Remove amounts reported to management not included in net cost of services in CIES	(51,833)
<b>Net cost of services in comprehensive income and expenditure statement</b>	<b>584,429</b>

Reconciliation to subjective analysis	Service Analysis as Reported to Executive £000s	Not Reported to Management* £000s	Not Included in CIES Net Cost of Services £000s	Allocation of Recharges £000s	Net Cost of Services £000s	Corporate Amounts £000s	Joint Venture not in NCS £000s	Total £000s
Fees, charges & other service income	(308,181)	51,648	(4,821)	0	(261,354)	(167,097)	(9,905)	(438,356)
Share of operating income of associates and joint ventures	0	0	0	0	0	0	(254,322)	(254,322)
Interest and investment income	0	(2,043)	137	0	(1,906)	(42,641)	25,560	(18,987)
Income from council tax	0	0	0	0	0	(112,855)	0	(112,855)
Distribution from NNDR pool	0	0	0	0	0	(97,383)	0	(97,383)
Government grants and contributions	(681,111)	13,903	(36,342)	0	(703,550)	(389,676)	0	(1,093,226)
<b>Total Income</b>	<b>(989,292)</b>	<b>63,508</b>	<b>(41,026)</b>	<b>0</b>	<b>(966,810)</b>	<b>(809,652)</b>	<b>(238,667)</b>	<b>(2,015,129)</b>
Employee expenses	468,019	(137)	5,449	(1,437)	471,894	0	0	471,894
Other service expenses	993,044	(32,208)	8,384	(23,472)	945,748	17,694	0	963,442
Share of operating expenditure of associates	0	0	0	0	0	0	235,842	235,842
Support Services Recharges	(24,909)	0	0	24,909	0	0	0	0
Depreciation, amortisation and impairment	0	158,237	9,125	0	167,362	0	0	167,362
Interest payments	0	0	(387)	0	(387)	38,601	0	38,214
Pension interest costs	0	0	0	0	0	135,553	0	135,553
Precepts and levies	0	0	(33,378)	0	(33,378)	70,802	0	37,424
Payments to housing capital receipts pool	0	0	0	0	0	1,944	0	1,944
(Gain) or loss on disposal of non-current assets	0	0	0	0	0	20,639	0	20,639
<b>Total operating expenses</b>	<b>1,436,154</b>	<b>125,892</b>	<b>(10,807)</b>	<b>0</b>	<b>1,551,239</b>	<b>285,233</b>	<b>235,842</b>	<b>2,072,314</b>
<b>(Surplus) / deficit on provision of services</b>	<b>446,862</b>	<b>189,400</b>	<b>(51,833)</b>	<b>0</b>	<b>584,429</b>	<b>(524,419)</b>	<b>(2,825)</b>	<b>57,185</b>

\*Items not reported to management include depreciation, impairment and IAS19 pension adjustments.

**Note 10. Long-term Investments**

	31 March 2013 £000s	31 March 2014 £000s
<b>Investments in organisations included in the group statements</b>		
Manchester Airports Holdings Ltd	791,170	846,117
<b>Investments in subsidiaries not included in the group statements</b>		
Manchester Mortgage Corporation Plc Share Capital	5,984	6,067
<b>Investments in associates not included in the group statements</b>		
National Car Parks (Manchester) Ltd Share Capital	1,103	1,103
Eastlands Development Company Limited	0	1,300
	<b>798,257</b>	<b>854,587</b>
Other long-term investments	2,308	2,579
<b>Total other long-term investments</b>	<b>2,308</b>	<b>2,579</b>
<b>Total Long-Term Investments</b>	<b>800,565</b>	<b>857,166</b>

Further details can be found in the Council's accounts note 30.

**Note 11. Debtors**

As the balance sheet date represents the position at the end of the financial year, there are monies owed to the Group at that date which are yet to be received in cash. The following analysis shows the amounts owed to the Group which had not been received at 31 March 2014. Amounts owed to the Council by Destination Manchester Ltd have been removed as they are classed as intra-company transactions.

The Council also makes provision for outstanding monies which it is anticipated will not be recovered. These amounts are then deducted from the total value of debtors shown in the accounts.

	Restated 31 March 2013 £000s	31 March 2014 £000s
<b>Short-term debtors - Manchester City Council</b>		
Manchester City Council debtors and payments in advance	113,779	148,001
Adjustments for intra-company transactions	(1,309)	(3,358)
	<b>112,470</b>	<b>144,643</b>
<b>Short-term debtors - Destination Manchester Limited</b>		
Trade debtors	1,701	1,726
Prepayments and accrued income	438	1,422
Other debtors	121	95
<b>Total</b>	<b>114,730</b>	<b>147,866</b>

Further details can be found in the Council's accounts note 31.

These are amounts that are owed to the Group which are being repaid over various periods longer than one year. Long-term debt which has become due in less than twelve months has been reclassified as short-term debt. Long-term debt owed to the Council by Destination Manchester Ltd has been removed from the group accounts as it is classed as an intra-company transaction.

	Restated 31 March 2013 £000s	31 March 2014 £000s
<b>Long-term debtors</b>		
<b>Mortgages</b>		
Housing Revenue Account	149	118
General Fund	125	96
Manchester Airports Holdings Limited	83,168	83,168
Ex GMC debt	191	167
PFI prepayments	9,640	9,908
Private Sector Loans - soft loans	292	262
Private Sector Loans - embedded derivatives	7,768	8,016
Equity Mortgages	2,849	3,038
Eon Reality	2,200	2,200
Bluethorn Developments Ltd / Blueindale Ltd	0	3,468
Greater Manchester Loans Fund	0	1,258
Other	1,749	3,343
<b>Total</b>	<b>108,131</b>	<b>115,042</b>

Further details can be found in the Council's accounts note 31.

**Note 12. Analysis of Bank Overdraft and Cash and Cash Equivalents**

	Restated 31 March 2013 £000s	31 March 2014 £000s
<b>Bank Overdraft and Cash and Cash equivalents</b>		
Cash at bank and in hand	4,423	(10,553)
Call accounts	9,239	28,506
Investments less than 3 months	0	21,001
Bank overdraft	(14,547)	0
<b>Total</b>	<b>(885)</b>	<b>38,954</b>

**Note 13. Short-Term Creditors**

As the Group's Balance Sheet represents the financial position at the end of the financial year, these are monies owed by the Group at that date which have yet to be paid. There are also amounts which the Council has received before the end of the financial year which relates to services which have not yet been provided. This analysis shows the amounts owed which had not yet been paid and the amounts received in advance as at 31 March 2014. Amounts owed by the Council to Destination Manchester Ltd have been removed as they are classed as intra-company transactions.

	Restated 31 March 2013 £000s	31 March 2014 £000s
<b>Manchester City Council</b>	135,064	139,684
Adjustments for intra-company transactions (trade creditors)	0	(382)
	<b>135,064</b>	<b>139,302</b>
<b>Destination Manchester Limited</b>		
Trade Creditors	944	959
Accruals and deferred income	4,177	4,430
Corporation tax	216	28
Other taxes and social security costs	373	495
Adjustments for intra-company transactions with the Council	0	(785)
<b>Total</b>	<b>140,774</b>	<b>144,429</b>

**Note 14. Deferred Liabilities**

	31 March 2013 £000s	Repaid in year £000s	Write down of finance lease deferred liability £000s	Additions in year £000s	31 March 2014 £000s	Short Term 31 March 2014 £000s	Long Term 31 March 2014 £000s
Ex GMC debt	19,484	(1,724)	0	0	17,760	1,811	15,949
Finance leases	4,320	(1,468)	(96)	86	2,842	1,178	1,664
Private Finance Initiatives	148,600	(4,728)	0	6,903	150,775	5,572	145,203
Deferred taxation (Destination Manchester Ltd)	1,818	0	0	0	1,818	0	1,818
	<b>174,222</b>	<b>(7,920)</b>	<b>(96)</b>	<b>6,989</b>	<b>173,195</b>	<b>8,561</b>	<b>164,634</b>

**Note 15. Group Reserves**

	31 March 2013 £000s	31 March 2014 £000s
<b>Usable Reserves</b>		
Manchester City Council *	355,319	437,386
<b>Unusable Reserves</b>		
Manchester City Council *	1,206,695	1,224,049
<b>Group Income and Expenditure Reserve (restated)</b>		
Manchester Airports Holdings Ltd	678,816	733,763
Destination Manchester Ltd	22,416	5,735
<b>Total Group Income and Expenditure Reserve (restated)</b>	<b>701,232</b>	<b>739,498</b>
<b>Total</b>	<b>2,263,246</b>	<b>2,400,933</b>

\* Further detail can be found in the Council's accounts notes 37 and 38.