

WYPTA

West Yorkshire Passenger Transport Authority

Statement of Accounts

For the year ending 31 March 2008

WEST YORKSHIRE PASSENGER TRANSPORT AUTHORITY

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WEST YORKSHIRE TRANSPORT AUTHORITY

West Yorkshire Passenger Transport Authority and Executive

Wellington House, 40/50 Wellington Street, Leeds LS1 2DE

Foreword to the Annual Accounts 2007/08

The Annual Review and Accounts document have been prepared to provide an outline of the activities of the Authority and Executive (Metro) for the year 2007/08. This Review sets out how progress has been made towards the 20 year vision utilising the funds available. It is not exhaustive thus further information is available from Metro, if required, in relation to the various aspects of activity described.

Responsibilities

The Passenger Transport Authority is responsible for determining Public Transport policies in West Yorkshire and for providing funds to the Executive to carry them out. In 2007/08 the Authority provided a revenue grant to the Executive of £146.6m to cover the costs of meeting those policies. The attached statements show the grant to the Executive and the sources of funding. The Executive's accounts indicate the use made of those funds.

Review of the year

Over the last 12 months, progress has been made on the key elements of the £4.5bn Leeds City Region 25-year Transport Vision, which was unveiled in November 2006.

Having gained the Regional Transport Board's approval for a £300m New Generation transport system for Leeds and its commitment of £150m for its first phase, city transport specialists are now developing detailed proposals for approval by the West Yorkshire Passenger Transport Authority and the City Council. The route is most likely to be served by the latest generation of high-quality buses that could be powered by overhead wires, but would have the potential for conversion to tram in the long term.

Discussions over plans to extend the benefits of MetroCard are underway and the possibility of a wider scheme which encompasses bus travel outside West Yorkshire received a significant boost when the Yorkshire and Humber Regional Transport Board (RTB) approved £28m to roll-out the Yorcard smartcard system across the whole of the Yorkshire and Humber region.

A new southern entrance to Leeds City Station and a new Parkway station to the east of Leeds also received backing from the RTB as part of an £80m package of Leeds City Region transport measures approved.

Metro launched the Wakefield FreeCityBus in April 2007 serving key city centre locations including the Westgate and Kirkgate rail stations on a ten minutes frequency. Another new development was the launch of the first MetroLocal service in North Huddersfield, South Huddersfield and the Spen Valley. This is an innovative new bus service designed to provide people with links to local services such as health and community centres, libraries, Post Offices and shops.

Over the past 12 months Metro's Education Transport team has coordinated transport to and from school for more than 50,000 West Yorkshire pupils and in support of this launched its generationM web site for young people at www.generationm.co.uk.

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Mybus has been adapted to serve three Special Educational Needs schools. The national Yellow School Bus Commission heard that an average of 68% of primary Mybus pupils formerly travelled to school by car.

The Smile campaign successfully encouraged senior citizens to apply for their new national bus pass and resulted in over 300,000 passes being sent out by April.

yournextbus has now delivered its two-millionth real-time bus information text message. As well as text messaging, many thousands have also accessed the service through WAP services or the web site and shelter displays being installed at 800 key stops across the county.

Work began on a review and update of Metro's family of web sites and the re-designed and updated Passenger Transport Authority site went live in March.

July saw new rail stations at Kirkstall and Apperley Bridge moving a step closer when Leeds City Council gave planning consent for Commercial Estates Group (CEG) to redevelop the 56-acre former Kirkstall Forge site in Leeds. CEG has committed £4 million to the creation of a new railway station at the development. Building a station at Apperley Bridge together with that at Kirkstall will enable Metro to reduce overall costs and timescales.

Metro's planned rail station at Horsforth Woodside Quarry also progressed in January 2008, when Leeds City Council agreed a package of public transport improvements to facilitate its development on the busy Harrogate rail line and adjacent to Leeds outer ring road.

The accounts

The Accounts and Audit (Amendment) (England) Regulations 2006 are fully complied with by both the Authority and the Executive. The main effects are to ensure that whilst the Authority follows the 2007 SORP for its individual accounts both its group accounts and the accounts of the Executive follow UKGAAP requirements. This means there are some presentational differences between the two sets of accounts. However, financially they are fully compatible and have both received a clean audit opinion by the Audit Commission. There have been a number of accounting changes required by the 2007 SORP which are explained in the body of the accounts.

One of the impacts of the Authority following the SORP requirements is that a negative balance sheet results. This is not a concern as it arises from the legislative structure of the Authority and the Executive where all assets financed through loans by the Authority are held in the Executive's balance sheet or have been passed (under privatisation legislation) to the rail companies. All the loan charges concerned have been included within the associated District Council's revenue support grant calculations thus future funding is expected to be assured. In a similar manner the requirements of FRS17 Accounting for Pension Costs, requires both the Authority and Executive to show in their accounts any deficit which would arise on their proportion of the West Yorkshire Pension Fund if that Fund were to be wound up. Whilst this is in accordance with the requirements of the Accounts and Audit Regulations 2006 it is offset by a negative Pensions Reserve. The result is a further negative impact on the attached accounts. However, the impact of the deficit is long term and action is being taken to address it in accordance with the Actuary's projections.

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Overall Summary of the Authority and Executive Accounts combined

	2007/08 Approved Budget £m	2007/08 Actual £m
Revenue Expenditure		
Government grants	70.4	70.4
District Council Levies - net	85.7	85.7
Ticket Sales	27.5	27.8
Income generation	9.6	9.3
Transfer from/(to) reserves	0.5	1.4
	<u>193.7</u>	<u>194.6</u>
Funding		
Concessionary Travel	40.1	41.5
Subsidised Bus Services	21.2	21.1
Special Needs Transport	2.3	2.3
Passenger Services support	12.1	12.0
Prepaid tickets	27.5	27.8
Local Rail Services	67.7	67.8
Financing costs (net)	9.1	9.1
Support costs	13.7	13.0
	<u>193.7</u>	<u>194.6</u>

The levy

In 2007/08 grant income was received from Central Government to cover franchised rail costs and payments under the Rural Bus initiative. The remainder of the Authority's expenditure was met by a Levy on the five constituent District Councils (Bradford, Calderdale, Kirklees, Leeds and Wakefield) and a transfer from reserves.

The government determined that from 1 April 2006 local senior citizens and disabled passengers should be able to travel on West Yorkshire buses, after 9.30am on weekdays and at anytime at the weekend, free. Due to the additional resources to cover the cost being distributed within Revenue Support Grant which is provided to the constituent District Councils the Levy for 2006/07 was significantly increased. There was an uneven distribution between Districts and the Levy was issued to adjust for this with any excess being returned to the Districts. This agreement was continued for 07/08 for the same reasons. The Levy shown in the accounts for both 2007/08 and 2006/07 is the net amount. Overall the net Levy rose from 06/07 by 2.4%. The cost of the 'free fares' policy was provided by government grant thus none of that cost fell directly on the local Council tax payer.

The Authority's and Executive's overall expenditure in the year is £0.9m over budget. This is due to a reduction in other costs and an increase in the concessionary fares reimbursement following resolution of the appeal lodged by one of the operators in 2006. This amount has been met from reserves.

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Capital expenditure

Total capital expenditure in the year was £8.8m, for which a grant of £6.0m was made by the Authority to the Executive. The Executive received some LTP funding directly in the year. Capital schemes in the year include the first phase of real time displays, replacement AccessBuses, the introduction of Wakefield FreeCityBus, rail enhancements and phase 3 of MyBus as well as preparatory work on New Generation Transport and Castleford Interchange.

Further Information

The Authority and/or Executive's Accounts can also be supplied in large print, Braille or audiotape. Anyone wanting these options should contact Metro on 0113 251 7227.

Further information on the Authority and the Executive (Metro) is also available on the following web sites:

Authority: www.wypta.gov.uk
Executive: www.wymetro.com

Address: Wellington House, 40/50 Wellington Street, Leeds LS1 2DE

Telephone for general enquiries : 0113 251 7272
Metroline for travel enquiries etc: 0113 245 7676

WEST YORKSHIRE PASSENGER TRANSPORT AUTHORITY

ACCOUNTING POLICIES FOR THE ACCOUNTS

1. GENERAL PRINCIPLES

The Authority's accounts follow the appropriate accounting standards as required by the *Accounting Code of Practice on Local Authority Accounting in Great Britain 2007* (The Code). The Code has been approved as a Statement of Recommended Practice (SORP) which is recognised by statute as representing proper accounting practices. In accordance with the Code the accounts for the Authority have been prepared using the historic cost convention except in relation to fixed assets which are treated differently (see Accounting Policy 5). The accounts recognise the Best Value Accounting Code of Practice and the principal accounting policies the Authority has adopted under ACOP.

The Executive have prepared their accounts to conform to UKGAAP requirements and use the historic cost convention.

The group accounts have required a number of adjustments to the information included in the Authority's individual accounts to make them UKGAAP compliant so far as is possible. However, they also contain a number of the notes required by the SORP which are not in themselves UKGAAP compliant.

Both sets of accounts comply with the Accounts and Audit (Amendment) (England) Regulations 2006.

2. BASIS OF ACCRUAL

All transactions are recorded on an Income and Expenditure basis, thus all debtors and creditors appear whether or not the cash has actually been paid or received. All revenue grants are credited to the accounts in the period to which they relate.

3. GOING CONCERN BASIS

Whilst the Balance Sheet appears negative this results from government legislation whereby the Authority makes capital grants to the Executive who include the assets within their Balance Sheet. The apparent imbalance between the amount of the Authority borrowings and the Executive's assets derives mainly from the transfer since 1997 of all Rail assets to the privatised Rail companies. The government continues to provide funds within the District Councils to cover the loan charges concerned. The accounts have thus been prepared on a going concern basis.

4. DEFERRED CHARGES

Deferred charges are written down to revenue in the year that they are recognised in accordance with the requirements of the SORP.

5. TANGIBLE FIXED ASSETS

5.1 RECOGNITION & MEASUREMENT

All Fixed Assets are depreciated over the agreed life of the assets. All buildings and land are revalued every 5 years in accordance with FRS 15, the latest valuation being at 31 March 2006 by Lambert Smith Hampton, a firm of external Chartered Surveyors. The only other assets revalued are on-street furniture which were revalued at 31 March 2008 in accordance with FRS15. Remaining assets are held at original cost.

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5.1 (cont) Expenditure incurred by the Executive on any rail infrastructure projects is not capitalised as the Executive has no ownership rights over the infrastructure thus all such costs are charged directly to revenue.

All assets, with the exception of freehold land, are depreciated over their useful lives. In addition consideration is given by the Authority and the Executive as to whether any further charge is required to cover impairment (eg. a reduction in the value of a building due to backlog of repairs or any other reason). A full revaluation of all freehold and leasehold buildings was undertaken as at 31st March 2006 and neither the Authority nor the Executive is aware of any reason for impairment to have occurred.

Depreciation periods used for assets are:

Freehold and long lease buildings	Between 5 and 50 years
On-street furniture and infrastructure	20 years
Rail units leased	10 years
Vehicles	Between 4 and 16 years
Plant and equipment	Between 5 and 10 years
Office furniture and equipment	Between 4 and 10 years

Progress payments for capital assets or schemes not yet completed are held in Work In Progress. The assets are transferred to the appropriate heading and are subject to depreciation when they become available for use.

5.2 CHARGES TO REVENUE

For the Authority depreciation has been shown as part of the Service expenditure. No charge has been made for Impairment which is not considered to have occurred in the two years concerned. Such depreciation or impairment is then required by the SORP to be credited in the Statement of Movement on the General Fund Balance to avoid it being a net charge to the accounts. Amounts set aside from revenue for the repayment of external loans is also shown separately on the Statement of Movement on the General Fund Balance.

6. CAPITAL GRANTS

SSAP4 (Revised) "Accounting for Government Grants" has been fully adopted to include any grants receivable at the end of the financial year. The grants on assets owned or leased are released to the revenue account over the same period as that used for depreciation purposes. Grants receivable in respect of capital expenditure charged directly to Revenue are released directly to revenue in full in the year in which the costs are charged. Details of capital grants receivable and released, excluding the Authority grants to the Executive, are set out in Notes 2 and 3 to the Group Accounts.

7. INVESTMENTS

Investments are shown on the Balance Sheet at cost less provision, where appropriate, for loss in value. Investment income is credited to the revenue account when it falls due.

8. REPURCHASE OF BORROWING

Gains or losses arising on the repurchase or early settlement of borrowing are recognised in the revenue account in the period during which the repurchase or early settlement is made. Where, however, the repurchase of borrowing was coupled with a refinancing or restructuring of borrowing with substantially the same overall economic effect when viewed as a whole, gains or losses have been recognised over the life of the replacement borrowing.

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9. RESERVES

The General Fund Reserve is a revenue reserve and transfers to and from the reserve are shown at the bottom of the Statement of Movement on the General Fund balance . Expenditure is charged to revenue and not directly to the reserve. Other reserves (usable capital receipts, fixed asset restatement, capital financing, capital adjustment and pension reserves) are not available for revenue purposes and can only be used for specific statutory purposes.

10. VALUE ADDED TAX

Value Added Tax is included within the accounts only to the extent that it is irrecoverable. Where this is the case it has been charged to the appropriate expenditure heading.

11. TAXATION

The Authority is not liable to Corporation Tax whereas the Executive is liable for Corporation Tax on interest receivable in a financial year.

12. PENSIONS

Both the Authority and Executive follow FRS 17 as amended by the requirements of 'The Code' and 'The Accounts and Audit Regulations 2006'. Details can be found in note 7 to both the accounts and group accounts.

13. DEBTORS

Debtors is adjusted for doubtful debts which are provided for with known uncollectable debts being written off.

14. LEASED ASSETS

The Executive complies with the requirements of the Statement of Standard Accounting Practice 21, "Accounting for Leases and Hire Purchase Contracts". Assets subject to finance lease agreements are capitalised at cost and depreciated over the term of the primary period of the lease. The minimum lease payments, derived by discounting at the interest rate implicit in the lease, are taken as liabilities in the balance sheet. The interest element implicit in the leases is charged to the revenue account over the primary period of the leases on the reducing balance method. Rental payments on operating leases are charged directly to the revenue account in the year in which the cost arises.

15. FOREIGN CURRENCY TRANSLATION

All foreign currency income and expenses are translated at the rate ruling on the day of the transaction with the resultant profit or loss recognised immediately in the revenue account. All foreign currency assets and liabilities in the balance sheet are translated at the balance sheet date.

16. FINANCIAL INSTRUMENTS

In accordance with the SORP 2007 financial instruments are measured and disclosed at fair value. Note 17 sets out the detail of the valuation methods.

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STATEMENT OF RESPONSIBILITIES

1. The Authority's Responsibilities

The Authority is required:

- to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Assistant Director Finance who is designated as Chief Financial Officer;
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.

2. The Chief Financial Officer's Responsibilities

The Chief Financial Officer is responsible for the preparation of the authority's statement of accounts which, in terms of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in Great Britain ('the code of practice'), is required to present fairly the financial position of the authority at the accounting date and its income and expenditure for the year ended 31 March 2008.

In preparing this statement of accounts, I have selected suitable accounting policies and then applied them consistently, made judgements and estimates that were reasonable and prudent and complied with the code of practice.

I have also kept proper accounting records which were up to date and taken reasonable steps for the prevention and detection of fraud and other irregularities.

3. Certification of the Accounts

I certify that the Statement of Accounts presents fairly the position of the West Yorkshire Passenger Transport Authority at 31 March 2008 and its income and expenditure for the year ended 31 March 2008.

A Hirst
Chief Financial Officer
WYPTA

4. Approval of the Accounts

I certify that the Statement of Accounts has been approved by a resolution of the West Yorkshire Passenger Transport Authority Audit and Governance Committee in accordance with the Accounts and Audit Regulations 2006.

Chairman of the Authority
WYPTA
24 September 2008

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Annual Governance Statement

1. Scope of Responsibility

The Authority is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Authority also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. In discharging this overall responsibility, the Authority is also responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of the Authority's functions including arrangements for the management of risk.

2. The purpose of the governance framework

The governance framework comprises the systems and processes, and culture and values, by which the Authority is directed and controlled and its activities through which it accounts to and engages with the community. It enables the Authority to monitor the achievement of strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Authority's policies, aims and objectives, to evaluate the likelihood of those risks being realised and their impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at the Authority and the Group throughout the year ended 31 March 2008 and up to the date of approval of the financial statements.

3. The governance framework

There are a number of key elements of the systems and processes that comprise the Authority's governance arrangements. These are set out below along with the key elements relating to the Executive as it forms part of the Group accounts in these financial statements.

a) Corporate policies and objectives set and communicated by the Authority. These are communicated through the 20:20 Vision document and MetroPlan. The implementation of the vision is reviewed through the MetroPlan monitoring system and officer and Member Groups. The quality of the services delivered is reflected in MetroPlan monitoring along with other external scrutiny and feedback.

b) A number of levels of scrutiny exist for the activities of the Group. Working Groups within the Authority consider policies and objectives and how these are implemented across all areas of their responsibility. Their work is in turn effectively scrutinised by, for example, the Association of West Yorkshire Authorities, the Local Transport Panel, Local Strategic Partnerships and the City Region Leader's Board. These provide a critical examination of all

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policies and objectives. Scrutiny committees within the Districts will also often challenge the work being undertaken by the Authority in such areas as accessibility and local bus services. The Passenger Consultative Committees in the Districts give a level of local involvement and allow the public the opportunity to scrutinise any new policy initiatives.

c) Roles are defined and documented through job descriptions and competency based employee specifications. Appointments have been made to all the posts required by statute. Staff behaviours are guided by the Code of Conduct and a similar Code exists for Members. The Standards Committee meets on a regular basis.

d) An Audit Committee that undertakes the core functions as identified and measured through CIPFA's 'Audit Committees - Practical Guidance for Local Authorities' meets on a regular basis.

e) Compliance with established procedures, laws and regulations is ensured. Procedures and policies are in place to ensure compliance with Freedom of Information Act, Data Protection, Freedom of Information and Health and Safety. A whistleblowing policy and guidance notes are available on the internet, monitored by Internal Audit.

f) Risk management is embedded in the activities of the Group with regular reviews of the risk registers and exception reporting where required.

g) A system of Standing Orders and Financial Regulations protects the organisations. These are reviewed annually. Procedural manuals and notes underpin these and ensure the reporting of financial transactions is properly managed.

h) external reviews carried out by auditors and other agencies to achieve Chartermark, IIP and other accreditations thus creating a workplan for future improvements.

4. Review of Effectiveness

The Authority has responsibility for conducting, at least annually, a review of the effectiveness of the system of internal control. This review is informed by the work of the Internal Audit section and that of management within the Authority who have responsibility for the development and maintenance of the internal control environment, and also by comments made by External Auditors.

The Authority has created a structure consisting of a series of specialist working groups covering all areas of its activities. These working groups develop policy and monitor its implementation receiving regular reports on all aspects of the Authority's business.

The Authority has in place a system based on a framework of standing orders, financial regulations and administrative controls including codes of conduct and administrative policies and procedures. All administrative controls and financial instructions are reviewed on a regular basis by the Authority's management and Internal Audit. Standing orders and financial regulations are also re-approved annually by the Authority. In terms of financial accounting the Authority utilises the core financial system of the Executive which is reviewed annually by Internal and External Audit. During the last year the Deputy Chief Financial Officer has provided to the Audit and Governance Committee a regular confirmation that key controls have been operating in the period.

Within the Group budgetary responsibility is devolved to Budget Holders and Controllers who are responsible for monitoring and controlling their assigned budget. Regular budget performance reports are prepared by Finance for those charged with governance to ensure ongoing budgetary control is achieved.

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The Executive's Internal Auditor is retained as the internal auditor for the Authority. He has drawn up an audit plan in consultation with the external auditor and is undertaking audit reviews. All such plans and reviews are submitted to the Clerk and the Chief Financial Officer and to the Audit and Governance Committee.

The work of Internal Audit is informed by an assessment of risk derived from a risk register linked to that of the Executive. The Authority and Executive have in place comprehensive risk management arrangements. The Executive Risk Management Group meets on a regular basis to consider the risks facing both the Authority and the Executive and to assess the action taken to minimise such risks. The results of the reviews of the Risk Management Group are included in separate and joint risk registers for the Authority and Executive which are regularly updated to take account of the changing risk environment. The Authority's Risk register is considered quarterly by the Audit and Governance Committee.

The Chief Internal Auditor for Strathclyde Partnership for Transport has performed a peer review of the internal audit function. This identified areas of good practice and suggested some minor improvements for consideration.

The Authority has reviewed the work of Internal Audit and concluded that it is satisfactory when assessed against the guidelines of the CIPFA Code of Audit practice. The most recent review was in June 2008.

The Authority considers the recommendations of the external auditor and other advice received.

5. Significant Internal Control Issues

This section considers any significant issues that have arisen during the year. This is by exception only.

A control weakness relating to the processing of ticket sales was identified during the year. A number of additional measures were introduced to detect any further potential anomalies in the system.

6. Conclusion

Throughout 2007/08 the Authority has continued to demonstrate an ongoing commitment to best practice and good corporate governance consistent with the principles of the CIPFA/SOLACE Framework in Local Government. The Authority is seeking to introduce a Code of Corporate Governance during the coming year which will capture and summarise these principles. We are also satisfied with the improvements that are continuing under the guidance of the Audit and Governance Committee.

We are satisfied that an effective system of internal control has been in place throughout the financial year and is ongoing.

Councillor C Greaves
Chairman

K Preston
Clerk to the Authority

24 September 2008

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INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2008

2006/07		2007/08			
Net Expenditure (Restated) £000's		Gross Expenditure £000's	Gross Income £000's	Net Expenditure £000's	
				Notes	
154,265	Public Transport	155,356	(3,583)	151,773	1
326	Corporate and Democratic Core	806	0	806	
0	Non-Distributed Costs	0	0	0	
154,591	NET COST OF SERVICES			152,579	
4,749	Interest Payable			4,834	
(724)	Effect of early settlement of borrowing			(417)	
(479)	Interest and Investment income			(604)	
(4)	Pensions interest cost and expected return on assets			(9)	7
158,133	NET OPERATING EXPENDITURE			156,383	
(83,701)	<u>Met by</u> - District Council Levies			(85,718)	13
(67,811)	- Special Rail Grant			(67,736)	
(1,044)	- Rural Bus Grant			(1,069)	
5,577	(SURPLUS)/DEFICIT FOR THE YEAR			1,860	

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The General Fund Balance compares the Authority's spending against the Levy it raised for the year, taking into account the use of reserves built up in the past and contributions to reserves earmarked for the future.

This reconciliation statement summarises the differences between the outturn on the Income and Expenditure Account and the General Fund Balance.

STATEMENT OF MOVEMENT ON THE GENERAL FUND BALANCE

2006/07		2007/08	Notes
£000's		£000's	
5,577	Income and Expenditure account (surplus)/deficit	1,860	
<p>Amounts included in the Income and Expenditure Account but required by statute to be excluded when determining the Movement on the General Fund Balance for the year.</p> <p>to be debited or credited to the General Fund Balance for the year:</p>			
(210)	Depreciation and Impairment of fixed Assets	(210)	8
(17,678)	Deferred Charges	(6,005)	3
1	Transfer (to)/from pension fund	(5)	7
-	Finance costs relating to early settlement discounts	379	
<u>(17,887)</u>		<u>(5,841)</u>	
<p>Amounts not included in the Income and Expenditure Account but required to be included by statute when determining the Movement on the General Fund Balance for the year.</p>			
4,428	Minimum revenue provision	4,608	8
8,750	Capital grant written-off to Capital Adjustment account	794	3
0	Capital expenditure charged to revenue	0	
<u>13,178</u>		<u>5,402</u>	
<p>Transfers to or from the General Fund Balance that are required to be taken into account when determining the movement on the General Fund Balance for the year</p>			
<u>0</u>	None	<u>0</u>	
868	(Surplus)/Deficit for the year on the Income and Expenditure account	1,421	
(5,187)	General Fund Balance Brought Forward	(4,319)	
<u>(4,319)</u>	General Fund Balance Carried Forward	<u>(2,898)</u>	

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

2006/07		2007/08	
£000's		£000's	
5,577	Income and Expenditure account (surplus)/deficit	1,860	
0	(Surplus)/deficit arising on revaluation of fixed assets	0	
(86)	Actuarial gains and losses on pension fund assets and liabilities	206	7
0	Other gains and losses required to be disclosed in the Statement	0	
<u>5,491</u>	Total recognised (gains) and losses for the year	<u>2,066</u>	

A number of minor changes have been made to prior year balances. These have no impact on reserves.

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BALANCE SHEET AS AT 31 MARCH 2008

31 March 2007 £000's		31 March 2008 £000's	31 March 2008 £000's	Notes
	Fixed Assets			
8,170	Land and Buildings		7,960	12
<u>8,170</u>	TOTAL LONG TERM ASSETS		<u>7,960</u>	
	Current Assets			
3,659	Debtors	316		17
5,000	Investments	0		
415	Cash and Bank	2,553		
<u>9,074</u>			<u>2,869</u>	
	Current Liabilities			
(6,400)	Short Term Borrowing		0	15
(4,545)	Creditors		(4,895)	18
0	Bank Overdraft		0	
<u>6,299</u>			<u>5,934</u>	
(109,000)	Long Term Borrowing		(110,490)	15
(127)	Liability related to defined benefit pension schemes		(338)	7
<u>(102,828)</u>	TOTAL ASSETS LESS LIABILITIES		<u>(104,894)</u>	
(107,020)	Capital Adjustment Account		(107,833)	3
0	Financial Instruments Adjustment Account		379	4
0	Revaluation Reserve		0	
(127)	Pensions Reserve		(338)	7
4,319	General Fund Balance		2,898	
<u>(102,828)</u>	TOTAL NET WORTH		<u>(104,894)</u>	

A Hirst
Chief Financial Officer
WYPTA

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2008

2006/07 £000's		2007/08 £000's
	Revenue activities (Note A)	
	Cash Outflows:	
(466)	Cash paid to and on behalf of employees	(491)
(6,467)	Other operating cash payments	-
(145,737)	Revenue Grants to WYPTE	(148,602)
<u>(152,670)</u>		<u>(149,093)</u>
	Cash Inflows:	
83,701	District Council Levies	85,718
67,811	Special Rail Grant	67,736
1,044	Rural Bus Grant	1,069
1,162	Other operating cash receipts	3,615
<u>153,718</u>		<u>158,138</u>
1,048	Net Cash flow from Revenue Activities	9,045
	Returns on Investment and Servicing of Finance	
	Cash outflows	
(4,713)	Interest Paid	(4,210)
	Cash inflows	
541	Interest received	586
	Refinancing discounts received	418
	Capital Activities	
	Cash outflows	
(17,678)	Capital Grants made	(6,005)
	Cash inflows	
9,987	Capital grants received	3,704
<u>(10,815)</u>	Cash inflow/(outflow) before financing	<u>3,538</u>
	Management of Liquid Resources	
0	(Increase)/decrease in short term investments	5,000
	Financing	
	Cash outflows	
	Repayments of amounts borrowed	(6,400)
	Repayment of loans	(35,000)
	Cash inflows	
6,400	Short term loans raised	
4,000	Long term loans raised	35,000
<u>(415)</u>	(Decrease)/Increase in Cash in the Year (Note B)	<u>2,138</u>

WEST YORKSHIRE PASSENGER TRANSPORT AUTHORITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2008

NOTES TO THE CASH FLOW STATEMENT

NOTE A : RECONCILIATION OF THE REVENUE ACCOUNT SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

2006/07 £000's		2007/08 £000's
(5,577)	(Deficit)/Surplus on Income and Expenditure account	(1,860)
4,709	Statutory movements on general fund balance	818
(868)	(Deficit)/Surplus transferred to General fund	(1,042)
4,713	Interest payable	4,834
(541)	Interest receivable	(642)
3,304	Surplus of Income and Expenditure before interest	3,150
4,428	Minimum revenue provision	4,608
(509)	(Increase)/Decrease in Debtors	536
(6,175)	(Decrease)/Increase in Creditors	751
<u>1,048</u>	NET CASH INFLOW FROM OPERATING ACTIVITIES	<u>9,045</u>

NOTE B: RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

2006/07 £000's		2007/08 £000's
(415)	(Decrease)/increase in Cash in the Year	2,138
0	Cash used to increase liquid resources	1,400
(6,400)	New short term loan raised	0
(4,000)	New long term loan raised	0
(10,815)	Change in Net Debt	3,538
(99,170)	Net Debt at 1 April	(109,985)
-	Interest accrual	(1,490)
<u>(109,985)</u>	Net Funds at 31 March	<u>(107,937)</u>

NOTE C: ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 2007 £000's	Movements in year £000's	At 31 March 2008 £000's
Cash flows:			
Cash at Bank and in Hand	415	2,138	2,553
Short term Investment	5,000	(5,000)	0
Debt outstanding:			
Due Within 1Year	(6,400)	6,400	0
Due After 1 Year	(109,000)	(1,490)	(110,490)
	<u>(115,400)</u>	4,910	<u>(110,490)</u>
Other Changes:	0	0	0
	<u>(109,985)</u>	2,048	<u>(107,937)</u>

WEST YORKSHIRE PASSENGER TRANSPORT AUTHORITY

NOTES TO THE ACCOUNTS:-

1 Revenue Expenditure

In order to comply with the SORP the revenue expenditure on public transport comprises both direct expenditure undertaken by the Executive for which the Authority provides a grant and direct expenditure by the Authority itself:

	2006/07			2007/08
	£000's			£000's
	145,737	Revenue Grant to Executive to meet Public Transport expenditure		146,962
	(400)	Direct Service costs (net)		(400)
	<u>145,337</u>			<u>146,562</u>

2 Capital Financing Account

	2006/07			2007/08
	£000's			£000's
(110,690)	Balance b/f		-
		Income		
	4,428	Minimum Revenue Provision (MRP)		-
	(210)	Less depreciation charged to services		-
	<u>4,218</u>			-
		Expenditure		
	(17,678)	Deferred Charges written off		-
	0	Premiums charged to the PCL		-
	<u>(17,678)</u>			-
	(13,460)			-
	-	Capital receipts set aside		-
	-	Direct Revenue Financing of Capital		-
	8,750	Write down of Capital Grants		-
	<u>8,380</u>	Write off of Fixed Asset Restatement Account		-
(107,020)	Transfer to Capital Adjustment Account		-
	<u>107,020</u>			<u>-</u>
	-			<u>-</u>

3 Capital Adjustment Account

	2006/07			2007/08
	£000's			£000's
-		Opening balance		(107,020)
		Income		
-		Minimum Revenue Provision (MRP)	4,608	
-		Less depreciation charged to services	<u>(210)</u>	
				4,398
		Expenditure		
-		Deferred Charges written off	(6,005)	
-		Premiums charged to the PCL	<u>-</u>	
				(6,005)
				(1,607)
-		Capital receipts set aside	-	
-		Capital receipts applied	-	
-		Direct Revenue Financing of Capital	-	
-		Write down of Capital Grants	<u>794</u>	
				794
(107,020)	Transfer from Capital Financing Account		
	<u>107,020</u>	Balance c/f		<u>(107,833)</u>

MRP is 4% of the capital financing requirement as at 1st April 2007 which for the Authority is the aggregate of fixed assets, fixed asset restatement account and the capital financing account totalling £115.2m (£110.6m at 31 March 2007)

WEST YORKSHIRE PASSENGER TRANSPORT AUTHORITY

4 Analysis of the Movements of Reserves in the year.

	CAPITAL RESERVES			REVENUE RESERVES		Total
	Capital Adjustment Account	Financial Instruments Adj Account	Revaluation Reserve	Pensions Reserve	General Fund	
	£000's	£000's	£000's	£000's	£000's	£000's
Balance as at 1 April 2007	(107,020)	0	0	(127)	4,319	(102,828)
Net surplus/(deficit) for year	(813)	379	0	(211)	(1,421)	(2,066)
Balance as at 31 March 2008	(107,833)	379	0	(338)	2,898	(104,894)

There have been no disposals of fixed assets during 2007/08.

In accordance with the SORP the balance sheet figures for 31 March 2007 have been adjusted from those included in the Statement of Accounts for 2006/07 to accommodate the implementation of the Revaluation Reserve. The Revaluation Reserve replaces the Fixed Asset Restatement Account (FARA). The balance of £8.38m on the FARA at 31 March 2007 has been written off to the Capital Financing Account to form the new Capital Adjustment Account with a balance of £107.02m. The Revaluation Reserve has then been included in the Balance Sheet with a zero opening balance.

5 S137 Expenditure

The Authority did not incur any expenditure under S.137 of the Local Government Act 1972 in 2007/08 (£nil in 2006/07).

6 Publicity

Set out below, under the requirements of S5(1) of the Local Government Act 1986, is the Authority's spending on publicity

2006/07		2007/08
£		£
-	Recruitment advertising	-
-	Other advertising	-
-	Publicity relating to local government reorganisation	-
2,126	Other publicity	3,901
<u>2,126</u>		<u>3,901</u>

7 Pension Costs

7.1 Employees

The Authority participates in the West Yorkshire Pension Fund, administered by Bradford Metropolitan District Council. This is a funded defined benefit scheme, meaning that the Authority and its employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.

In 2007/08 contributions payable for the year to West Yorkshire Pension Fund based on the formal actuarial valuation carried out for 31 March 2004 were £20,557 (2006/07 - £20,527) representing 11.9% (2006/07 - 12.3%) of pensionable pay. Under the Pension Fund regulations contribution rates are set to meet the overall liabilities of the Fund.

In addition to employer's contributions the Authority is responsible for the pension payments relating to added years benefits it has awarded, together with related annual increases. The Authority paid £2,541 for such payments in 2007/08 (£2,453 in 2006/07).

Further information can be found in the West Yorkshire Pension Fund Annual Report which is available on request from the Chief Financial Officer, PO Box 67, Britannia House, Hall Ings, Bradford, BD1 1UP.

WEST YORKSHIRE PASSENGER TRANSPORT AUTHORITY

7.2 Capital Cost of Discretionary Increases in Pension Payments.

The Authority is required to disclose the capital cost of discretionary increases in pension payments, which related to the award of added years on the early retirement of employees. Separate disclosure is required for the in year discretionary awards and the ongoing costs of previous years discretionary payments.

There were no in year capital costs of non-funded discretionary added years in 2007/08. The capital costs relating to previous years awards of discretionary added years is not material.

7.3 Pension disclosures required under Financial Reporting Standard 17

The Authority's West Yorkshire Pension Fund Liabilities have been assessed by Mercers Human Resource Consulting, an independent firm of actuaries.

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. The main assumptions used in their calculations have been:

	31 March 2007	31 March 2008
Rate of inflation	3.10%	3.60%
Rate of increase in salaries	4.35%	4.85%
Rate of increase in pensions	3.10%	3.60%
Rate for discounting scheme liabilities	5.40%	6.10%

Assets in the West Yorkshire Pension Fund are valued at fair value, principally market value for investments, and consist of the following categories, by proportion of the total assets held by the Fund:

	31 March 2007			31 March 2008		
	Long term return	£000's	Assets	Long term return	£000's	Assets
	%		%	%		%
Equities	7.50	743	73.7	7.50	646	68.4
Government Bonds	4.70	79	7.9	4.60	95	10.1
Other Bonds	5.40	36	3.6	6.10	43	4.5
Property	6.50	53	5.3	6.50	45	4.8
Cash/Liquidity	5.25	45	4.5	5.25	43	4.5
Other	7.50	50	5.0	7.50	73	7.7
Total market value of Assets		1,006	100.0		945	100.0
Present value of liabilities		(1,133)			(1,283)	
Net Pension Liability		(127)			(338)	

The movement in the net pension liability for the two years is as follows:

	2006/07 £000s	2007/08 £000s
Net pensions liability at 1 April	(214)	(127)
Service Expenditure		
- Current Service Cost	(26)	(25)
- Past Service Gain/(cost)	0	(12)
- Employer Contributions	23	23
Finance Gains and Losses		
- Expected Return on Assets	60	9
- Interest on Pension Liabilities	(56)	0
- Actuarial Gain or (Loss)	86	(206)
Net pensions liability at 31 March	(127)	(338)

WEST YORKSHIRE PASSENGER TRANSPORT AUTHORITY

Revenue Items	2006/07 £000s	2007/08 £000s
Operating		
Current service cost	(26)	(25)
Past service cost	0	(12)
Curtailment cost	0	0
Settlement gain	0	0
	(26)	(37)
Finance		
Expected return on Assets	60	70
Interest on Pension Liabilities	(56)	(61)
Net gain/(cost)	4	9

Statement of Actuarial gains and (Losses)

			%	
Asset gain / (loss)	22	(103)	10.9%	of assets
Liability gain / (loss)	0	(56)	4.4%	of liabilities
Change in Assumptions	64	(47)	3.7%	of liabilities
Net gain / (loss)	86	(206)	16.1%	of liabilities

HISTORY OF EXPERIENCE GAINS AND LOSSES	2008	2007	2006	2005
	£000	£000	£000	£000
Difference between the expected and actual returns on scheme assets :	(103) -10.9%	22 2.2%	141 15.2%	38 5.2%
Experience gains and losses on scheme liabilities:	(56) -4.4%	0 0.0%	(28) -2.4%	61 6.3%
Total amount recognised in statement of total recognised gains and losses:	(206) -16.1%	64 5.6%	13 1.1%	(79) -8.1%

8 Minimum Revenue Provision

The Authority has a statutory obligation to make adequate provision to meet its liabilities in respect of capital expenditure financed by external borrowing. The method of calculating the provision is defined by statute. For 2007/08 the amount is £4,608m (2006/07 - £4,428m).

The provision has been charged to service revenue accounts as a depreciation charge for fixed assets related to that service. The balance has been transferred to the Appropriations section of the Revenue Account to ensure that the charge to the Amount met from Government Grant and Local Taxation equates to the Minimum Revenue Provision (MRP).

2006/07 £000's		2007/08 £000's
210	Depreciation charged to services	210
4,218	Additional charge to revenue	4,398
4,428	Minimum Revenue Provision	4,608

WEST YORKSHIRE PASSENGER TRANSPORT AUTHORITY

9 Provision for credit liabilities

In accordance with statutory requirements the Authority is required to set aside sums as a provision to repay external loans, finance leases and other limited purposes.

The Authority does not keep an account for the PCL within the accounting records as there is no need to do so but maintains a memorandum account which is set out below:

2006/07		2007/08
£000's		£000's
-	Balance brought forward	-
-	Reserved proportion of capital receipts	-
-	Usable receipts voluntarily set-aside	-
<u>4,428</u>	Minimum revenue provision	<u>4,608</u>
4,428		4,608
<u>(4,428)</u>	Repayment of external loans	<u>(4,608)</u>
<u>-</u>		<u>-</u>

10 Members' allowances

The total members allowances paid in the year was £224,346 (2006/07 - £223,027).

11 Officers' emoluments

The Code of Practice on Local Authority Accounting 2006 requires the disclosure of the number of officers whose emoluments in the year were £50,000 or more, grouped in rising bands of £10,000. In 2007/08 there were no officers above £50k. (None above £50k in 2006/07).

12 Fixed Assets

Fixed Assets wholly relate to the Authority's office building in Wellington Street, Leeds which was purchased in 1988. The building was last revalued at 31 March 2006 at a value of £8.380m by Lambert Smith Hampton, a firm of external Chartered Surveyors.

	Other Land & Buildings £000's
Cost/valuation at 1 April 2007	8,380
Additions	0
Disposals	<u>0</u>
Cost/valuation at 31 March 2008	<u>8,380</u>
Depreciation charged to 1 April 2007	210
Impairments	0
Depreciation charged in the year	<u>210</u>
Accumulated depreciation	<u>420</u>
Net book value at 31 March 2008	7,960
Net book value at 31 March 2007	8,170

WEST YORKSHIRE PASSENGER TRANSPORT AUTHORITY

13 Related Party Transactions

The Authority is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence the Authority or to be controlled or influenced by the Authority. Disclosure of these transactions allows readers to assess the extent to which the Authority might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Authority.

The Authority's transactions with related parties during 2007/08, which are not separately disclosed elsewhere, are set out below:

	2006/07	2007/08
	£	£
Levying bodies:		
Bradford MDC	19,346,080	19,881,420
Calderdale MDC	7,658,032	7,840,666
Kirklees MDC	15,359,900	15,697,924
Leeds City Council	28,104,127	28,763,313
Wakefield MDC	13,232,861	13,534,677
	83,701,000	85,718,000

Members

The Authority requires members to complete a declaration of Related Party Transactions and this information is used to prepare this note. All members have at least two roles under the Local Government Act 1985 in that they are members of one of the five constituent levying metropolitan district councils and are appointed onto the Passenger Transport Authority. Other than this no member has declared any such transaction with the Authority.

Officers

Mr K Preston, Clerk to the Authority, is also Director-General of the Passenger Transport Executive (PTE). His services to the Authority are not recharged to the Authority by the PTE.

Mr D Page, Chief Financial Officer to the Authority during the year, is also Deputy Chief Executive of Leeds City Council. His services are recharged to the Authority by the City Council.

14 Fixed Asset Restatement Account

From 1 April 2007 the Fixed Asset Restatement Account has been merged with the Capital Financing Account to create the Capital Adjustment Account in accordance with the SORP (see note 4).

	2006/07		2007/08
	£000's		£000's
	8,380	Balance brought forward	
(8,380)	Transfer to Capital Financing Account (see note 2)	-
		Movements in unrealised value of fixed assets	
	-	Gains/(losses) on revaluation of fixed assets	-
	-	Impairment losses on fixed assets due to general changes in prices	-
	-	Total increase/(decrease) in unrealised capital resources in year	-
		Value of assets sold, disposed of or decommissioned	
	-	Amounts written off fixed asset balances for disposals	-
	-	Total movement in year	-
	-		-
	-	Balance carried forward	-

WEST YORKSHIRE PASSENGER TRANSPORT AUTHORITY

15 Loans Outstanding

2006/07 £000's		2007/08 £000's
	Lender:-	
84,000	Public Works Loans Board	85,169
25,000	Other Market Loans	25,321
6,400	Short Term Loans	-
115,400		110,490
	Maturity:-	
6,400	Loans repayable within 12 months	-
-	1-2 years	-
-	2-5 years	-
-	5-10 years	-
109,000	in more than 10 years	110,490
115,400		110,490

16 Capital expenditure and financing

2006/07 £000's		2007/08 £000's
	Capital investment	
-	Operational assets	-
17,678	Deferred charges	6,005
17,678		6,005
	Sources of finance	
8,928	Borrowing (credit approvals)	5,211
-	Capital receipts	-
6,250	Government grants and other contributions	794
2,500	Revenue contributions	-
17,678		6,005

17 Debtors

2006/07 £000's		2007/08 £000's
582	General Debtors	63
3,077	Government grant outstanding	253
3,659		316

18 Creditors

2006/07 £000's		2007/08 £000's
3,648	Passenger Transport Executive (Net)	4,580
-	Government grant due	85
897	Other Creditors	230
4,545		4,895

WEST YORKSHIRE PASSENGER TRANSPORT AUTHORITY

19 Financial instruments

19.1 The 2007 SORP has introduced a number of changes to the way in which local authorities account for financial instruments, in accordance with FRS 25, FRS 26 and FRS 29. A financial instrument is any contract which gives rise to a financial asset in one entity and a financial liability in the other. The changes are effective from 1 April 2007 so there are no prior year restatements or adjustments required.

The Authority has considered its balance sheet carrying values of financial instruments. It is required to disclose the fair value and carrying value for those financial instruments whose carrying value is not a reasonable approximation for fair value. In the Authority's books it is only the long term borrowing which falls into this category.

	31 March 2008	
	£000's	£000's
	Amortised cost	Fair value
Financial liabilities	110,490	109,676

The market rates used in the fair value calculation were provided by PWLB for the PWLB loans and by Sector for the LOBOs.

19.2 Management of risks arising from financial instruments

There are a number of risks associated with financial instruments which the Authority is necessarily exposed to. However the Authority monitors and seeks to manage these risks in order to minimise the potential for losses to occur.

Credit risk is the risk that amounts due to the Authority may not be received. Almost all of the Authority's loans and investments are made for treasury management purposes, to generate income from available balances. The parameters within which these investments are made are set out within the approved Treasury Management Policy. The effect of this policy is to restrict as far as is practicable the Authority's exposure to risk from the failure of a financial institution.

Liquidity risk is the risk that the Authority may not have sufficient cash available to meet its day to day obligations to meet payments. The Authority has access to borrowings from the Public Works Loans Board and commercial lenders to meet long term spending and shorter term cashflow requirements.

Interest rate risk is the risk that future cashflows of a financial instrument will fluctuate because of changes in market interest rates. The majority of the Authority's long term lending is at fixed interest rates but it also borrows some of its money in the form of lender option borrower option loans (LOBOs). This mix of lending assists the Authority in taking advantage of changes to interest rates and it constantly reviews the potential for refinancing debt at more favourable rates.

The Authority is required to disclose the impact that a hypothetical change in market interest rates during the year would have had on its recognised gains and losses. It should be noted that had interest rates been different then in practice different decisions would have been taken in relation to rescheduling of debt and new borrowing and investment undertaken. It is not possible to quantify the likely impact of such different decisions. The Authority's interest payable and receivable would have varied by £30k if interest rates varied by 1% in the year.

The Authority is not exposed to any currency risk.

20 Net Assets employed

2006/07		2007/08
£000's		£000's
(102,828)	Total Reserves and Balances	(104,894)

21 Auditors Remuneration

2006/07		2007/08
£'000s		£'000s
46	Audit Services	42
-	Other Services	-
46		42

WEST YORKSHIRE PASSENGER TRANSPORT AUTHORITY

GROUP INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2008

* 2006/07 Previous Year Net Expenditure £000's		Gross Expenditure £000's	Gross Income £000's	2007/08 Net Expenditure £000's	Notes
(142,684)	Public Transport	(189,861)	39,563	(150,298)	
(3,634)	Corporate and Democratic Core	(2,062)	0	(2,062)	
(146,318)	NET COST OF SERVICES			(152,360)	
(4,749)	Interest Payable			(4,836)	
724	Effect of early settlement of borrowing			417	
493	Interest and Investment income			635	
120	Pension Interest Costs and Expected Return on Assets			424	7
(1)	Taxation of group entities			(2)	14
(149,731)	AMOUNT TO BE MET FROM GOVERNMENT GRANTS AND LOCAL TAXPAYERS			(155,722)	
83,701	<u>Met by</u> - District Council Levies			85,718	13
67,811	- Special Rail Grant			67,736	
1,044	- Rural Bus Grant			1,069	
2,825	SURPLUS/(DEFICIT) FOR THE YEAR			(1,199)	
RECONCILIATION OF AUTHORITY DEFICIT TO GROUP DEFICIT					
5,577	Deficit for year on Authority's Income and Expenditure Account			1,860	
(15,178)	Adjustment for transactions with Executive			(6,005)	
(9,601)	Surplus in Group I and E attributable to Authority			(4,145)	
6,776	Deficit in Group attributable to Group entities (adjusted)			5,344	
(2,825)	(Surplus)/Deficit for the year			1,199	
STATEMENT OF MOVEMENT ON GENERAL FUND					
(2,825)	(Surplus)/deficit for the year			1,199	
(210)	Depreciation and impairment of fixed assets			(210)	
1,267	Transfer to pension			1,448	
-	Finance costs relating to early settlement discounts			379	
(1,768)	Surplus for the year			2,816	
(3,614)	MRP			(2,189)	
6,250	Capital grant written off to CAA			794	
868	Deficit for the year			1,421	

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

2006/07 £000's		2007/08 £000's
(2,825)	Income and Expenditure account (surplus)/deficit	1,199
0	(Surplus)/deficit arising on revaluation of fixed assets	72
(7,013)	Actuarial gains and losses on pension fund assets and liabilities	35,542
-	- Other gains and losses required to be disclosed in the Statement	-
(9,838)	Total recognised (gains) and losses for the year	36,813
-	- Prior Period Adjustment arising from a mis-statement	2,989
(9,838)	Total recognised gains and losses since 31 March 2007	39,802

*Restated (see note1)

WEST YORKSHIRE PASSENGER TRANSPORT AUTHORITY

GROUP BALANCE SHEET AS AT 31 MARCH 2008

* 31st March 2007 £000's		31st March 2008 £000's	Notes
102,602	Fixed Assets Tangible fixed assets	100,892	12
102,602	TOTAL LONG TERM ASSETS	100,892	
	Current Assets		
14,006	Debtors	9,963	17
5,000	Investments	0	
2,915	Cash and Bank	4,447	
21,921		14,410	
	Current Liabilities		
(6,400)	Short Term Borrowing	0	15
(18,104)	Creditors	(19,406)	18
(2,526)	Bank overdraft	0	
97,493	TOTAL ASSETS LESS CURRENT LIABILITIES	95,896	
(109,000)	Long Term Borrowing	(110,490)	15
(21,057)	Liability related to defined benefit pension schemes	(55,151)	7
(22,900)	Deferred Capital Grants	(22,532)	20
0	Provision for Liabilities	0	22
(55,464)		(92,277)	
11,285	Revaluation Reserve	11,213	10a
(51,422)	Capital Adjustment Account	(53,027)	4
0	Financial Instrument Adjustment Account	379	24
(21,057)	Pensions Reserve	(55,151)	7
5,730	General Fund Reserve	4,309	24
(55,464)	TOTAL BALANCES AND RESERVES	(92,277)	

* Restated (see note 1)

A Hirst
Chief Financial Officer
WYPTA

WEST YORKSHIRE PASSENGER TRANSPORT AUTHORITY

GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2008

2006/07 £000's		2007/08 £000's
	Revenue activities (Note A)	
(837)	Net Cash flow from Revenue Activities	8,531
	Returns on Investment and Servicing of Finance	
	Cash outflows	
(4,713)	Interest Paid	(4,212)
	Cash inflows	
555	Interest received	653
	Early settlement discounts received	418
(1)	Taxation (net)	(1)
	Capital Expenditure	
(17,026)	Purchase of Fixed assets	(6,429)
10,738	Capital Grants received	6,490
9	Sale of Fixed assets	8
(11,275)	Cash (outflow)/inflow before financing	5,458
	Management of Liquid Resources	
0	Decrease in short term deposits	5,000
	Financing	
	Cash outflows	
0	Repayments of amounts borrowed	(6,400)
	Repayments of loans	(35,000)
	Cash inflows	
6,400	Short term loans raised	0
4,000	Long term loans raised	35,000
(875)	(Decrease)/increase in Cash in the Year (Note B)	4,058

WEST YORKSHIRE PASSENGER TRANSPORT AUTHORITY

GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2008 NOTES TO THE CASH FLOW STATEMENT

NOTE A : RECONCILIATION OF THE REVENUE ACCOUNT SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES.

* 2006/07 £000's		2007/08 £000's
2,825	Surplus/(deficit) of income over Expenditure after interest	(1,199)
4,749	Interest Payable	4,836
(493)	Interest Receivable	(635)
0	Discount on early settlement receivable	(418)
7,081	Surplus of income over Expenditure before interest	2,584
8,514	Depreciation/deferred charges adjustment	7,278
(1,267)	FRS17 movement	(1,448)
(9)	Profit on sale of Fixed assets	(7)
1,660	Fixed assets charged to revenue	576
(160)	Release of provision	0
(10,692)	Grant release to revenue (other than offset against Dep'n)	(3,735)
5,127		5,248
(2,260)	(Increase)/Decrease in Debtors	1,200
(3,704)	(Decrease)/Increase in Creditors	2,083
(837)	NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	8,531

NOTE B: RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

(875)	Increase/(Decrease) in Cash in the Year	4,058
(6,400)	New short term loan raised/(repaid)	6,400
(4,000)	New long term loan raised/(repaid)	(5,000)
0	Increase in short term deposits	0
(11,275)	Change in Net Debt	5,458
(98,736)	Net Debt at 1 April 2007	(110,011)
-	Interest accrual	(1,490)
(110,011)	Net Funds at 31 March 2008	(106,043)

NOTE C: ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 2007 £000's	Movements in year £000's	At 31 March 2008 £000's
Cash flows:			
Cash at Bank and in Hand	389	4,058	4,447
Short term Investment	5,000	(5,000)	0
Debt outstanding:			
Due Within 1Year	(6,400)	6,400	0
Due After 1 Year	(109,000)	(1,490)	(110,490)
	(115,400)	4,910	(110,490)
Other Changes:	0	0	0
	(110,011)	3,968	(106,043)

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NOTES TO THE GROUP ACCOUNTS:-

1 The Group Accounts

The Code of Practice on Local Authority Accounting in the United Kingdom 2007: A Statement of Recommended Practice (the SORP) requires all authorities who have a group interest in another organisation to produce group accounts based on UK GAAP that include that organisation. These accounts therefore include in this section the accounts of both the West Yorkshire Passenger Transport Authority and the West Yorkshire Passenger Transport Executive.

Unlike the Authority accounts, the group accounts show revenue expenditure on transport net of inter-organisation grants, expenditure and income. Consequently the notes do not require a breakdown of such figures. Instead an analysis is included in the explanatory foreword which provides a service analysis of the complete figures in the group revenue account.

The prior year adjustment reflects amendments made to reserves and creditors arising as a result of consolidation adjustments

2 Depreciation and Minimum Revenue Provision

The Authority has a statutory obligation to make adequate provision to meet its liabilities in respect of capital expenditure financed by external borrowing. The method of calculating the provision is defined by statute. For 2007/08 the amount is £4.608m (2006/07 - £4.428m).

The provision has been charged to service revenue accounts as a depreciation charge for fixed assets related to that service. The balance has been transferred from the Capital Adjustment Account to the Appropriations section of the Group Revenue Account to ensure that the charge to the Amount met from Government Grant and Local Taxation equates to the Minimum Revenue Provision (MRP).

In the Executive's accounts depreciation has been charged directly to the Income and Expenditure account but is largely offset by the release of capital grants held in their balance sheet.

The Executive's balance sheet at 31 March 2008 contains deferred capital grants of £77.4m. However, it is not possible to historically distinguish between those originally provided by the Authority and those originally provided by other sources prior to 31 March 2000.

At 31 March 2000 the Deferred Grants account stood at £20.7m. Since that date additional grants of £144.3m have been received, and £87.6m released, leaving the balance of £77.4m to be apportioned between Authority grants and other grants. An assessment, based on the average grant receipts since 2000 (63.6% of the total received), has been used to consolidate the figures in the group accounts and provide the information in notes 2, 3 and 4.

2006/07		2007/08
£000's		£000's
5,264	Depreciation charged to services	8,313
4,218	Additional charge to revenue to reflect MRP	4,398
<u>9,482</u>		<u>12,711</u>
(4,792)	Less capital grants released (in Executive's accounts)	(7,833)
<u>(210)</u>	Less depreciation shown in SMGFB	<u>(210)</u>
<u>4,480</u>	Group net charge to revenue	<u>4,668</u>

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3 Capital Financing Account

2006/07		2007/08
£000's		£000's
(62,228)	Balance at start of year	0
	Income items:	
6,250	Receipt of grants during the year	0
0	Revaluation of PTA Assets	0
<u>6,250</u>		<u>0</u>
	Deduct:	
(3,824)	Depreciation net of MRP	0
0	Deferred charge written out	0
8,380	Transfer in from Fixed Asset Restatement Account	0
<u>(51,422)</u>		<u>0</u>
51,422	Transfer to Capital Adjustment Account	0
<u>0</u>	Balance at the end of the Year	<u>0</u>

4 Capital Adjustment Account

2006/07		2007/08
£000's		£000's
0	Opening balance	(51,422)
	Income items:	
0	Receipt of grants during the year	794
0	Revaluation of PTA Assets	0
<u>0</u>		<u>794</u>
	Deduct:	
0	Depreciation net of MRP	(2,399)
0	Deferred charge written out	0
(51,422)	Transfer from Capital Financing Account	0
<u>(51,422)</u>	Balance at the end of the Year	<u>(53,027)</u>

In accordance with the SORP the balance sheet figures for 31 March 2007 have been adjusted from those included in the Statement of Accounts for 2006/07 to reflect the introduction of a Revaluation Reserve for the Authority. The Revaluation Reserve replaces the Fixed Asset Restatement Account (FARA). The balance of £8.38m on the FARA at 31 March 2007 has been written off to the Capital Financing Account to form the new Capital Adjustment Account with a balance of £51.422m. The Authority's element of the Revaluation Reserve has then been included in the Balance Sheet with a zero opening balance.

5 Disposal of Fixed Assets

2006/07		2007/08
£000's		£000's
<u>10</u>	Profit on disposal of fixed assets by the Executive	<u>7</u>

The Authority disposed of no assets during 2006/07 or 2007/08.

6 Interest

2006/07		2007/08
£000's		£000's
<u>(493)</u>	Interest receivable on Loans, deposits and other debts	<u>(635)</u>
<u>4,749</u>	Interest payable on Loans	<u>4,836</u>
<u>(724)</u>	Effect of early settlement of Loans	<u>(417)</u>

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7 Pension Costs

7.1 Employees

The Authority and Executive participate in the West Yorkshire Pension Fund, administered by Bradford Metropolitan District Council. This is a funded defined benefit scheme, meaning that they and their employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.

In 2007/08 contributions payable for the year to West Yorkshire Pension Fund based on a formal actuarial valuation for 31 March 2004 were £1.40m (2006/07 - £1.15m) representing 17.5% (Executive) and 11.9% (Authority) of pensionable pay. Under the Pension Fund regulations contribution rates are set to meet the overall liabilities of the Fund.

In addition to employer's contributions the Authority and Executive are responsible for the pension payments relating to added years benefits they have awarded to former employees, together with related annual increases. They paid £1.36m for such payments in 2007/08 (£1.46m in 2006/07).

Further information can be found in the West Yorkshire Pension Fund Annual Report which is available on request from the Chief Financial Officer, PO Box 67, Britannia House, Hall Ings, BRADFORD, BD1 1UP.

7.2 Capital Cost of Discretionary Increases in Pension Payments.

The Authority is required to disclose the capital cost of discretionary increases in pension payments, which related to the award of added years on the early retirement of employees. Separate disclosure is required for the in year discretionary awards and the ongoing costs of previous years discretionary payments.

There were no in year capital costs of non-funded discretionary added years in 2007/08. The capital costs relating to previous years awards of discretionary added years is not material.

7.3 Pension disclosures required under Financial Reporting Standard 17

The West Yorkshire Pension Fund liabilities have been assessed by Mercers Human Resource Consulting, an independent firm of actuaries.

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. The main assumptions used in their calculations have been:

	31 March 2007	31 March 2008
Rate of inflation	3.10%	3.60%
Rate of increase in salaries	4.35%	4.85%
Rate of increase in pensions	3.10%	3.60%
Rate for discounting scheme liabilities	5.40%	6.10%

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Assets in the West Yorkshire Pension Fund are valued at fair value, principally market value for investments, and consist of the following categories, by proportion of the total assets held by the Fund:

	31 March 2007			31 March 2008		
	Long term	Assets		Long term	Assets	
	Return	%	£000's	Return	%	£000's
Equities	7.50	75,552	73.7	7.50	74,248	68.6
Government Bonds	4.70	8,098	7.9	4.60	10,824	10.0
Other Bonds	5.40	3,690	3.6	6.10	4,764	4.4
Property	6.50	5,433	5.3	6.50	5,195	4.8
Cash/Liquidity	5.25	4,613	4.5	5.25	4,871	4.5
Other	7.50	5,125	5.0	7.50	8,334	7.7
Total market value of Assets		102,511	100.0		108,236	100.0
Present value of liabilities		-123,568			-163,387	
Net Pension Liability		-21,057			-55,151	

The movement in the net pension liability for the two years is as follows:

	2006/07	2007/08
	£000's	£000's
Net pensions liability at 1 April 2007	-29,337	-21,057
Service Expenditure		
- Current Service Cost	-1,336	-1,206
- Past service cost	0	-504
- Curtailment Cost	0	0
- Employer Contributions	2,483	2,734
Finance Gains and Losses		
- Net Interest/Return on Assets	120	424
- Actuarial Gain or (Loss)	7,013	-35,542
Net pensions liability at 31 March 2008	-21,057	-55,151

The actuarial gains can be analysed into the following categories, measured as absolute amounts and as a percentage of assets or liabilities at 31 March 2008:

	2006/07	2007/08
	£000's	£000's
Revenue Items		
Operating		
Current service cost	-1,336	-1,206
Past service cost	0	-504
Curtailment cost	0	0
Settlement gain	0	0
	-1,336	-1,710
Finance		
Expected return on Assets	6,370	6,786
Interest on Pension Liabilities	-6,250	-6,362
Net gain/(cost)	120	424
Statement of Actuarial gains and (Losses)		
Asset gain/ (loss)	2,333	-6,713
Liability gain / (loss)	0	-19,244
Change in Assumptions	4,680	-9,585
Net gain / (loss)	7,013	-35,542

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History of experience of Gains and Losses	2008 £000's	2007 £000's	2006 £000's
Difference between the expected and actual returns on scheme assets:	-6,713 -6.2%	2,333 2.3%	16,558 16.0%
Experience gains and losses on scheme liabilities:	-19,244 -11.8%	0 0.0%	-846 -0.6%
Total amount recognised in statement of total recognised gains and losses:	-35,542 -21.8%	6,991 5.7%	7,720 5.8%

8 S137 Expenditure

Neither the Authority nor Executive have incurred any expenditure under S.137 of the Local Government Act 1972 (£nil in 2006/07)

9 Government grants receivable in the year

2006/07 £'000s			2007/08 £'000s	
68,855	Revenue	- Authority	70,163	
1,258		- Executive	0	
<u>70,113</u>			<u>70,163</u>	
6,250	Capital	- Authority	794	
2,250		- Executive	2,786	
<u>8,500</u>			<u>3,580</u>	
<u>78,613</u>			<u>73,743</u>	

10a Revaluation Reserve

2006/07 £'000s			2007/08 £'000s	
11,285	Balance at 1 April		11,285	
0	Deficit on revaluation		(72)	
<u>11,285</u>	Balance at 31 March		<u>11,213</u>	

10b Fixed Asset Restatement Account

2006/07 £'000s			2007/08 £'000s	
8,380	Balance at 1 April		0	
(8,380)	Transfer to Capital Financing Account (See note 3)		0	
0	Deficit on revaluation		0	
<u>0</u>	Balance at 31 March		<u>0</u>	

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11 Officers' emoluments

The Accounts and Audit Regulations 2006 requires the disclosure of the number of officers whose emoluments in the year were £50,000 or more, grouped in rising bands of £10,000. The Companies Act requires Directors shown in their appropriate £5,000 band. The following table therefore shows all Executive Directors and Employees in their appropriate band. There were no such employees in the Authority in either year.

£'000s	Directors only		£'000	Officers	
	2006/07	2007/08		2006/07	2007/08
0 - 50	2	2	50 - 60	8	8
65 - 70	1	-	60 - 70	1	1
70 - 75	-	1			
75 - 80	-	-			
85 - 90	1	1			
96 - 100	-	1			
140 - 145	1	1			

12 Fixed Assets

- a). The attached table provides the cost of assets by original cost/valuation and shows accumulated depreciation to give the net book values shown in the balance sheet.
- b). The original cost and depreciation of leasehold and freehold land and buildings (at a valuation) is as follows:

2006/07 £'000s		2007/08 £'000s
129,265	Original cost	131,663
<u>26,663</u>	Depreciation based on cost	<u>30,771</u>
<u>102,602</u>	Balance at 31 March	<u>100,892</u>

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12. TANGIBLE FIXED ASSETS

a) The movements in the year 1 April 2007 to 31 March 2008 are :	FREEHOLD LAND AND BUILDINGS	LEASEHOLD LAND AND BUILDINGS	RAIL UNITS LEASED	VEHICLES OWNED	VEHICLES LEASED	EQUIPMENT OWNED	EQUIPMENT LEASED	PAYMENTS ON ACCOUNT AND ASSETS IN THE COURSE OF CONSTRUCTION	
TOTAL	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
<u>COST VALUATION</u>									
At 1 April 2007	129,265	69,484	1,132	6,622	18,428	8	13,266	54	20,271
Additions	6,429	2,412	-	2,066	-	126	-	-	3,065
Transfer from payments on assets in course of construction	-	-	-	2,148	-	4,008	-	-	(6,156)
Disposals	(2,767)	-	-	(2,767)	-	-	-	-	-
Revaluation adjustments	(3,451)	(3,451)	-	-	-	-	-	-	-
Other adjustments	2,763	-	-	-	-	-	-	-	1,523
WIP W/Off to revenue	(576)	-	-	(125)	-	-	-	-	(451)
At 31 March 2008	131,663	68,445	1,132	6,622	19,750	8	17,400	54	18,252
<u>ACCUMULATED DEPRECIATION</u>									
At 1 April 2007	26,663	10,606	344	6,622	2,069	8	6,960	54	-
Charge for the year	8,313	2,231	64	-	3,547	-	2,471	-	-
Disposals	(827)	-	-	-	(827)	-	-	-	-
Revaluation adjustments	(3,378)	(3,378)	-	-	-	-	-	-	-
At 31 March 2008	30,771	9,459	408	6,622	4,789	8	9,431	54	-
<u>NET BOOK VALUES</u>									
31 March 2008	100,892	58,986	724	0	14,961	0	7,969	0	18,252
1 April 2007	102,602	58,878	788	0	16,359	0	6,306	0	20,271

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13 Related Party Transactions

The Authority is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence the Authority or to be controlled or influenced by the Authority. Disclosure of these transactions allows readers to assess the extent to which it might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Authority.

Members

The Authority requires Members to complete a declaration of Related Party Transactions and this information is used to prepare this note. All members have at least two roles under the Local Government Act 1985 in that they are members of one of the five constituent levying metropolitan district councils and are appointed onto the Passenger Transport Authority. Other than this no Member has declared any such transaction with the Authority.

The Authority and Executive have a number of financial transactions with related parties. The significant revenue transactions, not separately disclosed elsewhere or covering basic areas of expenditure such as rates and other service charges are:

- The Authority receives financing through its Levy on the District Councils.
- The Executive provides agency services for Educational transport for which they are paid fees.

The figures for 2006/07 and 2007/08 are set out below:

	Education transport amounts received by the Executive		Levy received by the Authority	
	2006/07	2007/08	2006/07	2007/08
	£m	£m	£m	£m
Bradford MDC	4.00	4.89	19.35	19.88
Calderdale MDC	0.90	0.96	7.66	7.84
Kirklees MDC	0.00	0.00	15.36	15.70
Leeds City Council	1.90	1.26	28.10	28.76
Wakefield MDC	2.60	2.26	13.23	13.54
	<u>9.40</u>	<u>9.37</u>	<u>83.70</u>	<u>85.72</u>

Officers

Mr K Preston, Clerk to the Authority, is also Director-General of the Passenger Transport Executive (PTE). His services to the Authority are not recharged to the Authority by the Executive.

Mr D Page, Chief Financial Officer to the Authority, is also Deputy Chief Executive of Leeds City Council. His services are recharged to the Authority by the City Council.

14 Taxation

2006/07		2007/08
£'000s		£'000s
<u>1</u>	Corporation Tax on sundry interest received in year	<u>2</u>

The Authority is a non-taxable entity therefore all taxation involved refers to the Executive.

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15	Loans Outstanding		
	2006/07		2007/08
	£000's		£000's
		Lender:-	
	84,000	Public Works Loans Board	85,169
	25,000	Other Market Loans	25,321
	6,400	Short Term Loans	-
	<u>115,400</u>		<u>110,490</u>
		Maturity:-	
	6,400	Loans repayable within 12 months	-
	-	1-2 years	-
	-	2-5 years	-
	-	5-10 years	-
	109,000	in more than 10 years	110,490
	<u>115,400</u>		<u>110,490</u>
16	Capital expenditure and financing		
	2006/07		2007/08
	£000's		£000's
		Capital investment	
	<u>19,928</u>	Operational assets acquired in year	<u>8,791</u>
		Sources of finance	
	8,928	Borrowing (credit approvals)	5,211
	-	Capital receipts	-
	7,877	Government grants and other contributions	1,122
	3,123	Revenue contributions	2,458
	<u>19,928</u>		<u>8,791</u>
17	Debtors		
	2006/07		2007/08
	£000's		£000's
	10,134	Trade Debtors	9,115
	3,067	Government Grants	253
	555	Other Debtors	361
	250	Prepayments and accrued income	234
	<u>14,006</u>		<u>9,963</u>
18	Creditors		
	2006/07		2007/08
	£000's		£000's
	13,415	Trade creditors	13,897
	1,109	Other creditors	2,075
	3,579	Deferred Income	3,432
	1	Corporation Tax	2
	<u>18,104</u>		<u>19,406</u>

Deferred income relates to the Executive and covers prepaid ticket sales, deferred income from grants and a surplus on renegotiation of operating leases in 2006/07 which was used for rolling stock maintenance in 2007/08.

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19 Financial instruments

19.1 The 2007 SORP has introduced a number of changes to the way in which local authorities account for financial instruments, in accordance with FRS 25, FRS 26 and FRS 29. A financial instrument is any contract which gives rise to a financial asset in one entity and a financial liability in the other. The changes are effective from 1 April 2007 so there are no prior year restatements or adjustments required.

The Authority has considered its balance sheet carrying values of financial instruments. It is required to disclose the fair value and carrying value for those financial instruments whose carrying value is not a reasonable approximation for fair value. In the Authority's books it is only the long term borrowing which falls into this category.

	31 March 2008	
	£000's	£000's
Financial liabilities	Amortised value 110,490	Fair value 109,676

The market rates used in the fair value calculation were provided by PWLB for the PWLB loans and by Sector for the LOBOs.

19.2 Management of risks arising from financial instruments

There are a number of risks associated with financial instruments which the Authority is necessarily exposed to. However the Authority monitors and seeks to manage these risks in order to minimise the potential for losses to occur.

Credit risk is the risk that amounts due to the Authority may not be received. Almost all of the Authority's loans and investments are made for treasury management purposes, to generate income from available balances. The parameters within which these investments are made are set out within the approved Treasury Management Policy. The effect of this policy is to restrict as far as is practicable the Authority's exposure to risk from the failure of a financial institution.

Liquidity risk is the risk that the Authority may not have sufficient cash available to meet its day to day obligations to meet payments. The Authority has access to borrowings from the Public Works Loans Board and commercial lenders to meet long term spending and shorter term cashflow requirements.

Interest rate risk is the risk that future cashflows of a financial instrument will fluctuate because of changes in market interest rates. The majority of the Authority's long term lending is at fixed interest rates but it also borrows some of its money in the form of lender option borrower option loans (LOBOs). This mix of lending assists the Authority in taking advantage of changes to interest rates and it constantly reviews the potential for refinancing debt at more favourable rates.

The Authority is required to disclose the impact that a hypothetical change in market interest rates during the year would have had on its recognised gains and losses. It should be noted that had interest rates been different then in practice different decisions would have been taken in relation to rescheduling of debt and new borrowing and investment undertaken. It is not possible to quantify the likely impact of such different decisions. The Authority's interest payable and receivable would have varied by £30k if interest rates varied by 1% in the year.

The Authority is not exposed to any currency risk.

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20 Deferred Capital Grants

2006/07 £000's		2007/08 £000's
21,842	Balance at 1 April	22,900
2,250	Grants Receivable in the Year	2,786
<u>24,092</u>		<u>25,686</u>
(1,192)	Annual release to revenue	(3,154)
<u><u>22,900</u></u>		<u><u>22,532</u></u>

21 Auditors Remuneration

2006/07 £'000s		2007/08 £'000s
121	Audit Services	119
-	Other Services	-
<u>121</u>		<u>119</u>

22 Provisions for Liabilities and Charges

2006/07 £'000s		2007/08 £'000s
160	Balance at beginning of the Year	-
(160)	Movement on provision in the Year	-
<u>-</u>	Balance at the end of the Year	<u>-</u>

This provision related to claims from ex-employees whilst employed by the Executive prior to October 1986. The provision has been written out at 31 March 2007 as the Executive is fully insured against such claims.

23 Exceptional Items

There were no exceptional items in 2007/08 or 2006/07.

24 GROUP STATEMENT OF TOTAL MOVEMENTS IN RESERVES IN 2007/2008

	CAPITAL RESERVES			REVENUE RESERVES		
	Revaluation Reserve (Note 10a) £000's	Capital Adjustment Account (Note 4) £000's	Financial Instruments Adj Account £000's	Pensions Reserves (Note 7) £000's	General Reserves £000's	Total £000's
Balance as at 1st April 2007	11,285	(51,422)	0	(21,057)	5,730	(55,464)
Movement in year	(72)	(1,605)	379	(34,094)	(1,421)	(36,813)
Balance as at 31st March 2008	<u><u>11,213</u></u>	<u><u>(53,027)</u></u>	<u><u>379</u></u>	<u><u>(55,151)</u></u>	<u><u>4,309</u></u>	<u><u>(92,277)</u></u>

Thus the total net assets employed were :

2006/07 £000's		2007/08 £000's
<u>(55,464)</u>	Total Reserves and Balances	<u>(92,277)</u>

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25 Financial Commitments

2006/07 £'000s		2007/08 £'000s
	<u>Capital commitments</u>	
9,537	Contracted for but not provided in the accounts	10,285
<u>7,638</u>	Authorised but not contracted for	<u>9,118</u>
<u>17,175</u>		<u>19,403</u>
	Revenue commitments - operating leases	
0	Within 1 year	0
0	1 to 5 years	0
<u>1,929</u>	Beyond 5 years	<u>1,934</u>
<u>1,929</u>		<u>1,934</u>

The lease rentals are in respect of rail units leased by the Executive and are affected by variable interest rates. The above commitments are the basic annual rentals due each year within the terms of the lease agreements. The Executive recovers all the lease rental costs from the rail operators under the franchising agreements.

26 Contingent Liabilities

The Executive had a contingent liability at 31 March 2007 arising from possible claims relating to Supertram acquisitions. The liability continues at 31 March 2008 but it is not practical to disclose an estimate of the financial effect, amount and timing due to the uncertainty.