

## **APPENDIX B**

### **Group Accounting policies**

#### **1.1 General Principles**

1.1.1. The Group Accounts have been prepared on the basis of a full consolidation of the financial transactions and balances of the Council and its subsidiaries and adopt the same accounting policies as set out in the Statement of Accounts of the single entity shown earlier and the additional policies highlighted below.

1.1.2 Any gains and losses arising from these companies are fully reflected in the Group Statements comprising of the Comprehensive Income and Expenditure Statement, Expenditure and Funding Analysis, Balance Sheet, Movement in Reserves Statement, Cash flow Statement and associated disclosure notes.

1.1.3 The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

#### **1.2 Additional policies for Group Accounts**

##### **1.2.1 Taxation**

1.2.1.1 Deferred Taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

##### **1.2.2 Internal charges against the Group Comprehensive Income and Expenditure Reserve/intra group charges Cash and Cash Equivalents**

1.2.2.1 There are intra-group charges which will be eliminated via consolidation such as Directors and Officer time allocations and other sundry transfer charges, dividend appropriations, loan interest and fee set up costs, and other ancillary intra-group charges as per agreed by the Directors of each subsidiary company.

1.2.2.2 Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance.

1.2.2.3 Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

1.2.2.4 Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.