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Foreword

Introduction

Welcome to the Greater Manchester Integrated Transport Authority's Annual Statement of Accounts for 2009-10. The statements have been prepared in accordance with the 2009 Local Government Statement of Recommended Practice and Financial Reporting Standards.

The purpose of this foreword is to provide a guide to the Authority's accounts and the most significant financial matters as well as setting out the Authority's financial position.

The following paragraphs give a brief explanation of the purpose and relationship between each of the main statements that make up the Authority's Annual Statement of Accounts. The figures in these statements for 2008-09 have been re-stated where there has been a change in accounting policy or amendments have been identified to provide a more accurate comparison with 2009-10.

Statement of Responsibilities for the Statement of Accounts

The statement confirms the responsibilities of the Authority and the Treasurer for the production and content of the Annual Statement of Accounts.

Statement of Accounting Concepts and Policies

The statement explains the accounting convention adopted to present the Annual Statement of Accounts and the accounting policies applied.

Income and Expenditure Account

The income and expenditure account reports the annual net cost of the Authority's functions and demonstrates how these costs have been financed through government grants and income from the levy received from the 10 district councils within Greater Manchester.

Statement of Movement on the General Fund Balance (SMGFB)

The statement reports amounts in addition to the Income and Expenditure account surplus or deficit that are required by statute and non-statutory proper practices to be charged or credited to the general fund in order to determine local taxation levels.

Statement of Total Recognised Gains and Losses (STRGL)

The statement brings together the gains and losses from the Authority's balance sheet with the surplus or deficit on the Income and Expenditure Account to show the total movement in the Authority's net worth for the year.

Balance Sheet

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

Cash Flow Statement

The statement facilitates the assessment of the Authority's cash flow performance, providing information that assists in assessing the Authority's liquidity, solvency and financial adaptability.

Notes to the Financial Statements

These are all the notes relating to the above statements.

Group Accounts

For a variety of legal, regulatory and other reasons, the Authority may choose or be required to conduct its activities through separate undertakings more or less under its ultimate control. These undertakings are the Greater Manchester Passenger Transport Executive group and the Great Manchester Accessible Transport Trust group. The Group Accounts give a full picture of the Authority's economic activities, financial position, service position, accountability for resources and exposure to risk by reflecting the full extent of the Authority's involvement with its group undertakings.

Annual Governance Statement

This statement summarises the Authority's review of the effectiveness of its overall governance arrangements, including its system of internal control.

How the Authority Performed in 2009-10

Greater Manchester Integrated Transport Authority is the body established to assess the public transport needs of the county and make policy decisions about public transport provision. It is made up of 33 Councillors appointed by the 10 district councils within Greater Manchester.

The Accounts of the Authority comply with the Code of Practice on Local Authority Accounting in Great Britain.

The Authority provides a revenue grant to the GMPTE which is the body responsible for implementing the Authority's policies. The Authority also receives from the Department for Transport revenue grants to fund expenditure on the National Concessionary Travel Scheme, the Special Rail Grant and any other schemes approved by the Department, eg Smart Ticketing. A revenue grant is also received from CLG to fund the Rural Bus Subsidy. Greater Manchester Integrated Transport Authority does not directly provide bus, train or Metrolink services.

The Authority, together with the GMPTE is responsible for:

- I. Funding the concessionary fares scheme to make public transport more affordable for people over the age of 60, school children and disabled people.
- II. Bringing together operators and district councils to improve the quality of public transport and to present it as an integrated network that is easy to understand and use.
- III. Planning and investing in the bus, train and Metrolink networks for the future.
- IV. Providing information about public transport through telephone information lines, timetables, general publicity and Travelshops.
- V. Maintaining a network of subsidised bus services on routes not commercially viable and securing schools service contracts; ensuring efficiency and value for money on these services.
- VI. Working alongside train operators to improve service levels and to monitor quality.
- VII. Taking on full responsibility for the running of the Metrolink system, with Stagecoach contracted to provide the operation of the service.
- VIII. Supporting the fully accessible Ring and Ride Service (GMATT), setting high standards of physical accessibility to other vehicles, stations and facilities; and providing a travel voucher scheme as an alternative to passes for disabled people.
- IX. Building and maintaining local bus stations, shelters and stops.
- X. Lobbying the Government on transport issues.

In addition the Authority incurs the costs of financing capital expenditure and direct administration costs.

Performance in 2009/10

During 2009/10 the Authority/Executive;

- Has overseen Greater Manchester's concessionary travel scheme which provides :
 - Free travel for local people who are over 60 or have physical disabilities on buses, trams and trains in Greater Manchester after 9.30am on weekdays and at all times at weekends; and
 - Discounted travel rates for these groups of people before 9.30am through the week and at all times for school children.
- Has secured more public transport services for more of our communities by funding alternative transport by :
 - Subsidising a bus company to run services;
 - Providing a Local Link or shared taxi service;
 - Supporting the development of community transport services;
 - Funding additional school bus services to help address the daily problems of the school run; and
 - Supporting the Metroshuttle services operational in Manchester, Bolton and Stockport.
- Has built and maintained bus stations, shelters and stops. The GMITA provides :
 - Around 12,000 bus stops;
 - Almost 4,400 bus shelters; and
 - 22 bus stations/interchanges.
- Has overseen the operation of the Metrolink tram system, setting resources aside to provide for the ongoing upkeep of the system. Eight additional trams have been delivered on the Altrincham – Bury line, providing double-trams on all through services. Tram stops have been refurbished and new ticket machines have been installed in the city centre and at stops along the Altrincham line. Work has also now started on new Metrolink lines to :
 - Media City in Salford Quays (operational late 2010)
 - Chorlton-cum-Hardy (Spring 2011)
 - Oldham (Autumn 2011)
 - Rochdale (Spring 2012)
 - Droylsden (Spring 2012)
- Has improved local rail travel by investing in improving the range of facilities available at Greater Manchester stations. Improved customer information and CCTV facilities have been provided at Burnage, Cheadle Hulme, Greenfield, Guide Bridge, Heaton Chapel, Mauldeth Road, Mossley, Orrell, Romiley and Swinton.
- Has provided information services that make public transport travel easier to understand. The service include :
 - Published timetables;
 - Travelshops;
 - Promotional activities;
 - Greater Manchester Traveline (0871 200 22 33)
 - A website journey planner at gmpte.com

Financial Summary 2009-10

The accounting practice governing local authority accounts has undergone significant changes over the last few years. One of the main aims of these changes has been to harmonise the accounting requirements of the public sector with those of the private sector. Most notably is the requirement to complete an Income and Expenditure Account and a related Statement of Movement on the General Fund Balance. The Income and Expenditure Account shows the Authority's financial position for the year before taking into account any statutory adjustments to standard accounting practice required in local government accounts. The Statement of Movement on the General Fund Balance reflects these statutory over-rides and shows how the financial performance for the year has impacted on the Authority's general reserves.

For 2009-10 the Authority's Income and Expenditure account shows a deficit for the year of £70,284,000 (2008-09 deficit of £11,995,000).

In 2009-10 the Authority's General Fund shows a surplus for the year of (£55,000) (2008-09 surplus of (£64,000)). The reduced Running Expenses of £1.7m. compared to budget relates to a lower Special Rail Grant of £2.3m., and the award of a revenue grant towards the Smart Ticketing Scheme amounting to £0.6m., both of which have been matched by a corresponding increase or decrease in Government Grants. The net additional Interest received and Capital Charges of £0.025m. has been transferred to an earmarked Finance Costs Reserve.

The Authority's grant to the GMPTE in 2009-10 was budgeted at £132,897,252 (2008-09 £129,973,062), which enabled the Authority to maintain the increase in the district levy to 4.3% of the 2008-09 levy.

Revenue Expenditure

The actual income and expenditure against budget is summarised below :

	Budget £m	Actual £m	Variance £m
Running Expenses	227.480	225.805	1.675
Capital Charges	32.904	31.618	1.286
Contribution to / (from) Finance Costs Reserve	(0.657)	0.025	(0.682)
Expenditure Total	259.727	257.448	2.279
Government Grants	93.220	91.600	(1.620)
Interest	1.765	1.161	(0.604)
Levy	164.742	164.742	0
Income Total	259.727	257.503	(2.224)
Contribution to General Fund Reserve	0	0.055	0.055

Capital Expenditure

The Authority spends money on capital projects by way of providing Capital Grants to the GMPTE within the definitions of capital expenditure contained in the Local Authorities (Capital Finance and Accounting) Regulations 2003.

Capital expenditure has to be financed from one of the following sources:

- Borrowing either supported or unsupported by the Government.
- Grants or contributions from the Government, the European Union or another third party.
- Proceeds from the sale of capital assets or the repayment of advances.
- Contributions from the Income and Expenditure Account.

The Authority spent £211.924m. in 2009-10, which is summarised below:

	2008-09 £m	2009-10 £m
Capital Grants to the GMPTE (Revenue Expenditure funded from Capital under Statute)	137.298	211.924
Total	137.298	211.924

This Capital Grant was spent by the GMPTE on the following schemes :

	2008-09 £m	2009-10 £m
Metrolink Phase 3/Sunk Costs	1.056	2.779
Metrolink Service Enhancement & Improvement Programmes	15.289	34.292
Metrolink Phase 3a	94.278	125.645
Transport Innovation Fund	9.411	0
SEMMMS QBC	1.370	1.402
Greater Manchester Transport Fund	0	35.238
Access for All – Small Schemes Funding	0	0.261
Smart Ticketing Scheme	0	0.556
Minor Works	15.894	11.751
	137.298	211.924

The financing of this expenditure was by the following methods:

	2008-09 £m	2009-10 £m
Borrowing	19.983	76.146
Revenue Contributions	(0.080)	0
Government Grants	117.395	135.778
Total	137.298	211.924

Greater Manchester Transport Fund

The Greater Manchester Transport Fund (GTMF) was created on 12 May 2009, when the AGMA Executive approved its creation. It is designed to support the delivery of a number of public transport schemes. These schemes were the subject of a prioritisation exercise, where all the potential schemes were independently assessed on the basis of their contribution to key economic outcomes, environmental and social objectives. The Transport Fund will finance a number of public transport schemes, including a package of works to further extend the Metrolink network, including new links to East Didsbury, Ashton, Oldham and Rochdale town centres, Manchester Airport and a second city centre crossing; delivery of a scheme to provide the infrastructure to enable a link across the regional centre (the cross city bus package); development of the Leigh-Salford-Manchester busway; improved interchange facilities at Bolton and Altrincham; a number of park and ride schemes; and a number of rail station development works. These investments will be funded from a combination of central government funding; 'top slicing' existing Local Transport Plan funding; contributions from local partners; and borrowings, supported by agreed increases in contributions from the levy and from net revenues generated from the public transport schemes being delivered as part of the Transport Fund.

Borrowing Limits

In 2009-10 the Authority had an authorised limit for external debt of £409,642,000 which compares to the actual level of debt outstanding at 31st March 2010 of £302,493,000. This is made up of the following figures :

	2008-09 £m	2009-10 £m
Long-term Borrowing	302.493	285.618
Short-term Borrowing	0	16.875
Total Borrowings	302.493	302.493

Investments

Short term money market deposits of cash balances in excess of current requirements as at 31 March 2010 were £129.518m. This is made up of the following figures:

	2008-09 £m	2009-10 £m
Building Society Deposits	70.00	13.00
Bank Deposits	42.00	21.518
Local Authorities – other	0	40.50
Local Authority – Manchester City Council	20.00	0
UK Government Backed Deposits	21.00	54.50
Total Investments	153.00	129.518

During the year investments reduced by £23.482m. The main reason for this reduction relates to the capital grants paid to the GMPTE out of GMITA resources for funding the Metrolink Service Enhancement and Improvement Programmes expenditure.

Future Developments

The Authority has considered the Draft Scheme of Governance which was approved by the AGMA Executive Board in December 2009 as part of a review of governance under the Local Transport Act 2008 and the Local Democracy, Economic Development and Construction Act 2009 and as a basis for consultation with district councils, GMITA and other stakeholders. The Draft Scheme was considered by the GMITA on 22 February 2010 and it was resolved unanimously that the Chairs and Vice Chairs of the GMITA and the AGMA Executive bring forward a draft scheme of delegation for approval by the AGMA Executive and the GMITA and that this draft scheme be brought forward for consideration by both parties no later than June 2010. The Final Draft Scheme was considered and approved by the AGMA Executive Board on 26 February 2010. The Final Draft Scheme was submitted to each of the 10 districts to determine whether to proceed to prepare and publish a Final Scheme for a Combined Authority. The districts concluded on 29 March 2010 that the establishment of a Combined Authority would be likely to improve the exercise of statutory functions relating to transport and economic development and regeneration in the area as well as improve economic conditions and the efficiency and effectiveness of transport in the area. The scheme was published and submitted to the Secretary of State in mid April requesting him to make a Parliamentary Order. It is proposed that all of the functions of the GMITA should be transferred to the Combined Authority including any functions of the GMITA relating to the functions of the GMPTE (see below) together with any functions delegated by the Secretary of State in the Order to be laid before Parliament and the following transport related functions of the districts :

- The duty to prepare reports containing assessments of levels of road traffic in the area and forecasts of growth in those levels.
- The functions of districts in relation to traffic signals (ie the direction and management of GMUTC which is currently done under a joint agreement of the districts).

It is envisaged that the GMITA would be dissolved pursuant to Section 91 of the Local Transport Act 2009, and the Combined Authority shall be established pursuant to Section 103 of the Local Democracy, Economic Development and Construction Act 2009, with effect from 1 April 2011. The Combined Authority and the districts would enter into joint arrangements for the discharge of specified transport functions which will include the establishment of a Joint Committee to be called Transport for Greater Manchester Committee. TfGMC will be supported by an operating agreement entered into by all eleven authorities and will be a joint committee of the Combined Authority. The Joint Committee would have the same membership and composition as the current GMITA as well as the ability to appoint its Chair and Vice Chair, establish sub committees and vote on the same basis as the current GMITA.

Further Information

Further information about the Authority's Annual Statement of Accounts is available upon request from the following address :

The Finance Department
GMITA
Room 609
Town Hall
Manchester
M60 2JR

The Annual Statement of Accounts can also be viewed on the Authority's website, www.gmita.gov.uk Please contact us at the above address if you have any comments on the presentation of the Annual Statement of Accounts.

Local electors and taxpayers have a statutory right to inspect the Authority's Annual Statement of Accounts before the annual accounts audit has been completed, giving them an opportunity to question the auditor. The availability of the Annual Statement of Accounts for inspection will be advertised in the Manchester Evening News. The Authority also publishes an annual Council Tax leaflet which explains how it will spend the money it collects from the levy and describes its' efforts to improve the services it provides on behalf of the residents of Greater Manchester. This publication can also be viewed on the Authority's website, www.gmita.gov.uk

Richard Paver,

Treasurer

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 Treasurer
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets
- approve the statement of accounts

The Treasurer's Responsibilities

The Treasurer is responsible for the preparation of the authority's statement of accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the SORP).

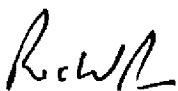
In preparing this statement of accounts, the Treasurer has:

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that were reasonable and prudent
- complied with the local authority SORP.

The Treasurer has also:

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

I certify that the statement of accounts presents a true and fair view of the financial position of the authority as at 31st March 2010 and its income and expenditure for the year ended 31st March 2010.



R. Paver

Treasurer

17 June 2010

Approval of the Statement of Accounts

I confirm that these accounts were re-approved by the Audit Committee at the meeting held on 24 September 2010. Signed on behalf of the Greater Manchester Integrated Transport Authority.



Chair of the Audit Committee

24 September 2010

The Statement of Authority Accounting Concepts and Policies

These accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom (Statement of Recommended Practice SORP)), issued in 2009 by the Chartered Institute of Public Finance and Accountancy (CIPFA). The code constitutes proper accounting practice under the terms of section 21(2) of the Local Government Act 2003. The Code is based on UK Generally Accepted Accounting Policies (GAAP). As Local Authorities need to reflect statutory conditions, accounting standards are amended for specific statutory adjustments so that the Authority's accounts present a true and fair view of the financial position and transactions of the authority. These adjustments are recognised separately through the Statements of Movement on General Fund Balance (SMGFB). All accounting policies are disclosed where they are material.

The accounting convention adopted in these accounts is historic cost.

1. Fundamental Accounting Concepts

1.1 Relevance

The accounts have been prepared with the objective of providing information about the Authority's financial performance and position that is useful for assessing the stewardship of public funds and for making financial decisions.

1.2 Reliability

The financial information is reliable, as it has been prepared so as to reflect the reality or substance of the transaction, is free from deliberate or systematic bias, is free from material error and has been prudently prepared.

1.3 Understandability

These accounts are based on accounting concepts and terminology which require reasonable knowledge of accounting and local government. Every effort has been made to use plain language.

1.4 Materiality

The concept of materiality has been utilised in preparing the accounts so that insignificant items and fluctuations under an acceptable level of tolerance are permitted provided that in aggregate they would not effect the interpretation of the accounts.

2. Pervasive Accounting Concepts

2.1 Accruals

The financial statements, other than the cash flow, are prepared on an accruals basis. Income and Expenditure is recognised in the accounts in the period in which it is earned or incurred not as the cash is received or paid.

2.2 Going Concern

The accounts have been prepared on the assumption that the Authority will continue in existence for the foreseeable future.

2.3 Primacy of Legislative Requirements

These accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom (Statement of Recommended Practice), issued in 2009 by the Chartered Institute of Public Finance and Accountancy (CIPFA). The Code is based on UK Generally Accepted Accounting Practice (GAAP) accounting standards amended for specific statutory adjustments so that the Authority's accounts present a true and fair view of the financial position and transactions of the Authority.

3. Accounting Policies

Prior period adjustments are made where accounting policy changes or fundamental errors have resulted in material changes to comparative figures within the accounts. Adjustments have been made to figures where it assists the reader of the accounts to gain a better understanding of the prior year comparatives. These have not been highlighted where they do not impact on any of the primary statements.

The Statement of Movement on the General Fund Balance reconciles the outturn on the Authority's Income and Expenditure account established through statutory provisions to the movement on the general fund balance. It is used to neutralise the impact of charges made to the Income and Expenditure account, which under statute are required to be adjusted for when calculating the movement on the general fund balance. Note 21 gives further details of those charges included and excluded from the Income and Expenditure account when determining this movement.

3.1 Fixed Assets

The Authority does not own or lease any Fixed Assets, but provides Capital Grants to the GMPTE who then account for the Fixed Assets.

3.2 Revenue Expenditure Funded by Capital Under Statute

Revenue Expenditure Funded by Capital Under Statute (formerly known as deferred charges) is expenditure of a capital nature that does not result in the creation of a fixed asset on the balance sheet. These are payments of Capital Grants to the GMPTE where no fixed asset is recognised on the balance sheet of the Authority. Revenue Expenditure Funded by Capital Under Statute is charged to the Income and Expenditure Account as the expenditure is incurred. This is reversed out through the Statement of Movement on the General Fund Balance and a transfer made to the Capital Adjustment Account.

3.3 Redemption of Debt

The Authority is required to make a provision for the repayment of an element of the accumulated General Fund capital expenditure each year through a revenue charge, in accordance with the minimum revenue provision (MRP) requirements. These regulations have replaced the detailed formula for calculating MRP with a requirement to be prudent. For all

capital expenditure incurred before 1 April 2008, and all capital expenditure incurred on non Metrolink and Greater Manchester Transport Fund schemes, the Authority's policy is to adopt existing practice, the regulatory method (4% of capital financing requirements). For capital expenditure incurred on the Metrolink and Greater Manchester Transport Fund schemes, MRP will be deferred until the year after the asset has been commissioned into use, and will be on an annuity basis over the estimated asset life. Total MRP relating to borrowing for capital expenditure in 2009-10 was £7,082k. (2008-09 £7,314k)

Tameside MBC manages the ex Greater Manchester Council Inherited Debt of the Authority and repayments are made annually on an annuity basis. MRP relating to Inherited Debt repayments in 2009-10 was £69k. (2008-09 £63k)

3.4 Capital Receipts

Capital receipts usually arise from the sale of fixed assets. Their use is prescribed by Section 11 of the Local Government Act 2003 and may be used to finance capital expenditure or to repay debt. These are credited to the Income and Expenditure account and netted against the write out of the carrying amount of the tangible fixed asset to calculate the gain or loss on the disposal. This is reversed out through the Statement of Movement on the General Fund Balance and a transfer made to the Usable Capital Receipts Reserve. Usable capital receipts can be used to finance capital expenditure or to repay debt.

3.5 Accruals of Income and Expenditure

The revenue and capital accounts of the Authority are maintained on an accruals basis in accordance with the Code of Practice. Expenditure is charged to the account in the period in which goods or services are received; similarly income is credited in the period the consideration is earned. The payment or receipt of cash does not determine the period of account.

3.6 Government Grants and Contributions

a. Revenue Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and external contributions are recognised as income at the date the Authority satisfies the conditions of entitlement to the grant/contribution, there is a reasonable assurance that the monies will be received and the expenditure for which the grant/contribution is given has been incurred. Revenue grants and contributions are matched in service revenue accounts with the service expenditure to which they relate.

b. Capital Grants and Contributions

Grants and contributions that are attributable to assets not owned by the Authority (Revenue Expenditure Funded by Capital Under Statute) are credited to the revenue account as they occur. This is reversed out through the Statement of Movement on the General Fund Balance and a transfer made to the Capital Adjustment Account.

Any capital grants and contributions which have been received but not yet used to fund capital expenditure are credited to the Grants and Contributions Unapplied Account. When an unapplied grant and contribution is used to fund capital expenditure, it is reversed out through the Statement of Movement on the General Fund Balance and a transfer made to the Capital Adjustment Account.

Any capital grants and contributions which have been received from the Department for Transport which relate to non GMITA projects are credited to the Grants and Contributions

Unapplied Account. When an unapplied grant and contribution is paid to a district council the Grants and Contributions Unapplied Account is reduced accordingly.

3.7 VAT

VAT is only included in expenditure, either capital or revenue, to the extent that it is not recoverable from HM Revenue and Customs.

3.8 Reserves

The Authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts in the Statement of Movement on the General Fund Balance. When expenditure to be financed from a reserve is incurred it is charged to the revenue account. The reserve is then appropriated back into the Statement of Movement on the General Fund Balance so that there is no net charge for the expenditure on the general fund balance.

Certain reserves are kept to manage the accounting treatment for capital expenditure schemes administered by the GMPTE and do not represent usable resources for the Authority.

3.9 Financial Assets – Loans and Receivables

Loans and receivables are initially measured at fair value and carried at their amortised cost.

Investments (loans) are carried at cost plus accrued interest receivable and represent short term money market deposits of cash balances in excess of current requirements. Income from investments has been recorded in the year it was accrued rather than received. In 2009-10 the average rate of interest receivable on investments was 0.81%. (5.13% in 2008-09)

3.10 Financial Liabilities

Financial liabilities are initially measured at fair value and carried at their amortised cost.

Borrowings are carried at cost plus accrued interest payable. Charges for interest have been recorded in the year it was payable rather than received. In 2009-10 the average rate of interest payable on borrowings was 5.64% (5.82% in 2008-09).

The Authority's treasury management activities are managed through the Manchester City Council's Treasury Management team. This enables the Authority to borrow on advantageous terms, minimise administration costs and dampen the effects of large interest rate changes.

Interest payments on loans (including Lender Option Borrower Option (LOBO) loans) have been charged to the accounts on the basis of the average interest rate payable over the of the LOBO. The difference between the calculated interest charge and interest paid has been adjusted in the carrying amount of the loan and reversed out of the Statement of Movement on the General Fund Balance through the Financial Instruments Adjustment Account, taking advantage of the Statutory over-ride available to stepped LOBO's in existence as at 9 November 2007. Any accrued interest payable on loans has been calculated on a daily basis and included within the Borrowings figure.

3.11. Post Balance Sheet Events

An adjusting event is one that provides evidence of conditions that existed at the balance sheet date for which the Authority shall adjust the amounts recognised in its financial statements, or recognise items that were not previously recognised. A non-adjusting event is one that is indicative of conditions that arose after the balance sheet date for which the Authority does not adjust the amounts in its financial statements. A non-adjusting event is disclosed as a note to the accounts.

3.12 Interests in Other Entities - Group Accounts

The Authority has material interests in other entities and therefore group accounts have been prepared for the Authority and its interest in its subsidiaries, the Greater Manchester Passenger Transport Executive group, and the Greater Manchester Accessible Transport Trust group. Inclusion in the Authority group is dependent upon the extent of the Authority's interest and control over an entity. The determining factor for assessing the extent of interest and control is either through ownership of an entity, or representation on an entity's board of directors/trustees. An assessment of all the Authority's interests has been carried out during the year, in accordance with the Code of Practice, to determine the relationships that exist and whether they should be included within the Authority's group accounts. As such, Group accounts have been prepared for the Authority to include the Greater Manchester Passenger Transport Executive group (GMPTE) and Greater Manchester Accessible Transport Trust group (GMATT), both as subsidiaries, using merger accounting. Inclusion of the GMPTE and GMATT in the Authority group is required due to the GMITA exercising ultimate control.