

CORE **FINANCIAL** **STATEMENTS**

MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year on the different reserves held by the council, analysed into 'usable reserves' (ie those that can be applied to fund expenditure or reduce local taxation) and other reserves. The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the council's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. This is different from the statutory amounts required to be charged to the General Fund Balance and the Housing Revenue Account for council tax setting and dwellings rent setting purposes. The Net Increase /Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance and Housing Revenue Account Balance before any discretionary transfers to or from earmarked reserves undertaken by the council.

	General fund balance £000	Earmarked reserves £000	Housing Revenue Account £000	Usable Capital Receipts £000	Capital Grants Unapplied £000	Earmarked HRA Reserves £000	Total usable reserves £000	Revaluation reserve £000	Capital adjustment account £000	Deferred Capital Receipts £000	Collection fund adjustment account £000	Financial instruments adjustment account £000	Short Term Accumulating Compensated Absences Account £000	Pensions reserve £000	Total unusable reserves £000	Total Authority Reserves £000
Balance at 1 April 2010 (As Restated)	15,241	88,154	6,936	4,937	8,673	39,948	163,889	104,052	649,837	3,404	5,624	(3,522)	(5,720)	(394,620)	359,055	522,944
<u>Movement in reserves during 2010/11</u>																
Surplus or (deficit) on provision of services Other Comprehensive Income and Expenditure	86,047		(333,592)				(247,545)									(247,545)
							-	18,073						46,529	64,602	64,602
Total Comprehensive Income and Expenditure	86,047	-	(333,592)	-	-	-	(247,545)	18,073	-	-	-	-	-	46,529	64,602	(182,943)
Adjustments between accounting basis & funding basis under regulations (note 7)	(73,536)	-	333,702	1,658	(729)	(8,876)	252,219	-	(303,431)	7,489	(1,090)	853	388	43,572	(252,219)	-
Net Increase/(Decrease) before Transfers to Earmarked Reserves	12,511	-	110	1,658	(729)	(8,876)	4,674	18,073	(303,431)	7,489	(1,090)	853	388	90,101	(187,617)	(182,943)
Transfers to/from Earmarked Reserves	(12,441)	12,501	(60)				-	(519)	519						-	-
Increase/(Decrease) in Year	70	12,501	50	1,658	(729)	(8,876)	4,674	17,554	(302,912)	7,489	(1,090)	853	388	90,101	(187,617)	(182,943)
Balance at 31 March 2011 carried forward (As Restated)	15,311	100,655	6,986	6,595	7,944	31,072	168,563	121,606	346,925	10,893	4,534	(2,669)	(5,332)	(304,519)	171,438	340,001
<u>Movement in reserves during 2011/12</u>																
Surplus or (deficit) on provision of services Other Comprehensive Expenditure and Income	(9,280)		244,372				235,092									235,092
							-	(32,148)						(64,292)	(96,440)	(96,440)
Total Comprehensive Expenditure and Income	(9,280)	-	244,372	-	-	-	235,092	(32,148)	-	-	-	-	-	(64,292)	(96,440)	138,652
Adjustments between accounting basis & funding basis under regulations (note 7)	5,455	-	(236,422)	1,207	2,104	(2,004)	(229,660)	-	241,790	(88)	(2,566)	455	(34)	(9,897)	229,660	-
Net Increase/(Decrease) before Transfers to Earmarked Reserves	(3,825)	-	7,950	1,207	2,104	(2,004)	5,432	(32,148)	241,790	(88)	(2,566)	455	(34)	(74,189)	133,220	138,652
Transfers to/from Earmarked Reserves	3,877	(3,695)	(6,861)	(321)		7,000	-	(1,035)	1,035						-	-
Increase/(Decrease) in Year	52	(3,695)	1,089	886	2,104	4,996	5,432	(33,183)	242,825	(88)	(2,566)	455	(34)	(74,189)	133,220	138,652
Balance at 31 March 2012 carried forward	15,363	96,960	8,075	7,481	10,048	36,068	173,995	88,423	589,750	10,805	1,968	(2,214)	(5,366)	(378,708)	304,658	478,653

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the accounting cost in the year of providing services in accordance with International Financial Reporting Standards (IFRS), rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

	2011/2012			2010/2011
	Gross Expenditure £000	Income £000	Net Expenditure £000	Net Expenditure £000
Adult Social Care	112,741	(32,749)	79,992	79,836
Central Services to the Public	61,934	(51,646)	10,288	12,480
Children's and Education Services	400,179	(313,049)	87,130	82,631
Culture and Related Services	29,799	(6,406)	23,393	16,459
Environmental and Regulatory Services	27,703	(4,064)	23,639	25,527
Planning Services	17,784	(6,102)	11,682	13,418
Highways and transport services	50,463	(25,779)	24,684	26,005
Local authority housing (HRA)	(4,306)	(71,665)	(75,971)	(4,579)
Exceptional Item - HRA revaluation decrease on property, plant and equipment (note 18.1)	-	-	-	318,415
Exceptional Item - HRA Pension deficit transfer (note 45.1)	17,412	-	17,412	-
Other housing services	295,187	(274,800)	20,387	22,110
Corporate and Democratic Core	4,786	174	4,960	5,101
Non Distributed Costs	2,710	(43)	2,667	(2,266)
Exceptional Item - Past Service Gain (note 45.1)	-	-	-	(56,624)
Cost of Services	1,016,392	(786,129)	230,263	538,513
(Gain) or loss on disposal of non-current assets			13,772	(15,002)
Levies (note 14)			10,443	11,095
Contribution to / (from) Housing Act Advances (note 15)			1	4
Contribution of Housing Capital Receipts to Government Pool			20	27
Other Operating Expenditure			24,236	(3,876)
Financing and investment income and expenditure				
Interest and Investment Income			(2,741)	(2,170)
Interest Payable and similar charges			96,871	41,160
Pension interest cost & expected return on pension assets			12,212	17,372
Total financing and investment income and expenditure			106,342	56,362
Taxation and non-specific grant income				
Income from Council Tax			(126,908)	(125,977)
General Government Grants (note 9)			(99,262)	(91,347)
Distribution from non-domestic rate pool			(111,031)	(126,130)
Exceptional Item - HRA Subsidy Debt repayment (HRA note 11)			(258,732)	
Total Taxation and non-specific grant income			(595,933)	(343,454)
(Surplus)/Deficit on provision of services			(235,092)	247,545
Other comprehensive income & expenditure				
(Surplus)/deficit arising on revaluation of non-current assets			32,148	(18,073)
Actuarial (gains)/losses on pension assets and liabilities			64,292	(46,529)
Other comprehensive income & expenditure			-	
Total comprehensive (surplus)/ loss for the year			(138,652)	182,943

BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the authority. The net assets of the council (assets less liabilities) are matched by the reserves held by the authority. Reserves are reported in two categories. The first category of reserves is usable reserves, i.e. those reserves that the authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category of reserves is those that the council is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses, where amounts would only become available to provide services if the assets are sold and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

BALANCE SHEET as at 31 March 2012

	See Note	31 March 2012 £000 £000		31 March 2011 Restated £000
Property, plant and equipment	(18)	1,290,915		1,281,719
Intangible Assets	(19)	736		855
Heritage Assets	(26)	1,982		1,982
Assets Held for Sale	(20)	1,869		-
Long Term Investments	(48)	-		600
Long Term Debtors	(27)	10,898		10,977
Total long term assets		1,306,400		1,296,133
Current assets				
Short Term Investments	(48)	248,411		179,367
Short term debtors	(29)	44,565		47,307
Cash and cash equivalents	(28)	41,155		37,524
			334,131	264,198
Current Liabilities				
Short term borrowings	(48)	(7,066)		(9,588)
Short term creditors	(30)	(117,781)		(115,090)
Provisions	(33)	(3,326)		(3,080)
			(128,173)	(127,758)
Long term liabilities				
Long term borrowings	(48)	(503,453)		(646,412)
Long term creditors	(31)	(114,467)		(114,263)
Capital grants receipts in advance	(32)	(33,574)		(22,662)
Provisions	(33)	(3,503)		(4,716)
Pensions Liability	(45)	(378,708)		(304,519)
			(1,033,705)	(1,092,572)
Net assets			478,653	340,001
Usable reserves			173,995	168,563
Unusable reserves			304,658	171,438
Total Reserves			478,653	340,001

CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the authority during the reporting period. The statement shows how the council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the authority are funded by way of taxation and grant income or from the recipients of services provided by the authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (ie borrowing) to the council.

	2011/12	2010/2011
	£000	£000
Cash flows from operating activities		
Net surplus or deficit on the provision of services	(235,092)	247,545
Adjust net surplus or deficit on the provision of services for non cash movements:		
Depreciation	(34,197)	(37,339)
Revaluation gains / (losses) charged to CIES	37,890	(332,525)
Movement in debtors	2,774	(17,489)
Movement in creditors	(11,835)	23,054
Pension liability	(9,897)	43,571
Movement in provisions	967	2,381
Adjustment for impairment losses on investments	-	(77)
Adjustments for effective interest rate	20	19
Carrying amount of non-current assets sold	(15,687)	(16,763)
Deferred capital receipts		10,000
	(29,965)	(325,168)
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities:		
Capital Grants credited to surplus or deficit on the provision of services	42,729	47,417
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	1,902	21,766
	44,631	69,183
Net cash flows from operating activities	(220,426)	(8,440)
Investing activities		
Purchase of property, plant and equipment, investment property and intangible assets	59,196	121,114
Purchase of short-term and long-term investments	6,624,533	1,647,632
Other payments for investing activities	6	-
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(1,990)	(24,277)
Proceeds from short-term and long-term investments	(6,556,118)	(1,615,819)
Other receipts from investing activities	(53,659)	(52,503)
Net cash flows from investing activities	71,968	76,147
Financing activities		
Cash receipts of short- and long-term borrowing	(60,100)	(50,225)
Council Tax and NNDR adjustments	(775)	(7,601)
Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	2,663	3,209
Repayments of short- and long-term borrowing	203,039	-
Other payments for financing activities	-	0
Net cash flows from financing activities	144,827	(54,617)
(Increase) / decrease in cash and cash equivalents	(3,631)	13,090
Cash and cash equivalents at the beginning of the financial year	37,524	50,614
Cash and cash equivalents at the end of the financial year	41,155	37,524