

**STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED
31ST MARCH 2002**

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Statement of Responsibilities for the Statement of Accounts

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 Finance and Resources Director;
- To manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- To approve the Statement of Accounts.

The Responsibilities of the Finance and Resources Director

The Finance and Resources Director is responsible for the preparation of the Authority's Statement of Accounts, in accordance with proper practices as set out in the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom ('the Code'), which 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 2002.

In preparing this Statement of Accounts, the Finance and Resources Director has:

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent; and
- Complied with the Code.

The Finance and Resources Director has also:

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

Signed
G.J.Harlock, CPFA, M.I.Mgt
Finance and Resources Director

Dated

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

AUDITORS' REPORT

EXPLANATORY FOREWORD

Introduction

The Statement of Accounts brings together on the following pages the major financial statements of the Council and consists of:

- a) the Statement of Accounting Policies which sets out the basis on which the accounts have been compiled;
- b) the Consolidated Revenue Account summarising revenue expenditure and income for the year on all services and demonstrates how the net cost has been financed from government grants and the council tax;
- c) the Collection Fund which includes the council taxes and business rates collected by South Cambridgeshire District Council on behalf of those authorities responsible for services within the district and the way in which these monies have been distributed among the authorities to finance their expenditure;
- d) the Housing Revenue Account which shows revenue expenditure and income on Council housing for the year and is a ring-fenced account within the General Fund to prevent any cross-subsidy between general income and rents;
- e) the Cash Flow Statement which summarises the inflows and outflows of cash arising from transactions with third parties;
- f) the Consolidated Balance Sheet setting out the financial position of the Council as at 31st March with the balances and reserves at the Council's disposal and the assets employed in its operations; and
- g) the Statement of Total Movements in Reserves which brings together all the recognised gains and losses of the Council during the period and identifies those which have and have not been recognised in the Consolidated Revenue Account.

Consolidated Revenue Account

The Revenue Account records the day to day expenditure incurred in providing services such as salaries and wages, other running costs and financing costs and how this expenditure is paid for from the council tax, fees and charges and government grants. This Account consolidates the General Fund (services for the whole community), the Housing Revenue Account (Council housing) and the Direct Service Organisation (trading activities).

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

The Account can be summarised as:

	Expenditure/(Income)
	£'000
Net cost of services	15,892
Corporate income and expenditure	
Parish precepts	1,749
Interest	(2,947)
Other	<u>(337)</u>
	(1,535)
Net operating expenditure	14,357
Appropriations	<u>(3,744)</u>
Amount to be met from Government Grants and local taxpayers	10,613
Principal sources of finance	
Council taxpayers	
District	(2,635)
Parishes	(1,749)
Government grants including redistributed business rates	(5,660)
Other items	<u>(15)</u>
	(10,059)
Deficit for the year	<u>554</u>

When the council tax for the financial year ending 31st March 2002 was set in February 2001, the deficit was estimated at £2,564,000. The variance of £2,010,000 is attributable to the following:

	Underspending/Slippage ()	
	Overspending +	£'000
	£'000	£'000
Services		
Best Value	(87)	
Kerbside Recycling	(109)	
Housing Association Support	(103)	
Rent Allowances	(193)	
Planning Services	(304)	
Building Control	(147)	
Recreation and Leisure - General	(201)	
Other items individually under £80,000	<u>(537)</u>	
		(1,681)
General Fund Summary		
Interest on Balances	(441)	
Transfer to Earmarked Reserves	327	
Financing of Fixed Assets	(259)	
Other items	<u>44</u>	
		(329)
		<u>(2,010)</u>

Housing Revenue Account

This Account deals with the provision, management and maintenance of Council dwellings, as summarised below:

	Expenditure/(Income)
	£'000
Repairs and maintenance	3,939
Management and services	4,393
Rent Rebates	7,028
Depreciation of fixed assets	2,928
Other	<u>145</u>
	18,433
Rents and charges	(17,942)
Receipt from General Fund	(508)
Interest	<u>(216)</u>
	<u>(18,666)</u>
(Surplus) for the year	<u>(233)</u>

When rents for the financial year ending 31st March 2002 were set in February 2001, the surplus was estimated at £464,000. The variance of £231,000 is attributable to the following:

	Underspending/slippage()
	Overspending+
	£ million
Total repairs and maintenance	(0.384)
less decrease in expenditure charged to capital	<u>1.153</u>
Repairs and maintenance financed from revenue	0.769
Wardens Schemes	(0.107)
Unused provision for unanticipated expenditure	(0.150)
Other items individually under £80,000	<u>(0.281)</u>
	<u>0.231</u>

Capital

Capital expenditure produces assets capable of providing benefits to the community for several years to come. Total expenditure for the year amounted to £14.0 million. The major part of the programme involved the provision of housing, with £4.2 million being used to support housing associations to build affordable housing in the district. A further £5.8 million was invested in improving the Council's own housing stock.

Treasury Management

At the 31st March 2002, investments totalled £57.0 million, an increase of £15.85 million over the previous year-end. This was due to a net increase in capital receipts from the sale of dwellings and other assets of £7.4 million and a temporary increase in creditors of £8.6 million. These investments produced interest of over £2.9 million which was used to pay for the cost of services.

The Council has no outstanding loans and has been debt free since 1st April 1996. This gives the Council more discretion in making investments and in the use of capital receipts arising from the sale of assets.

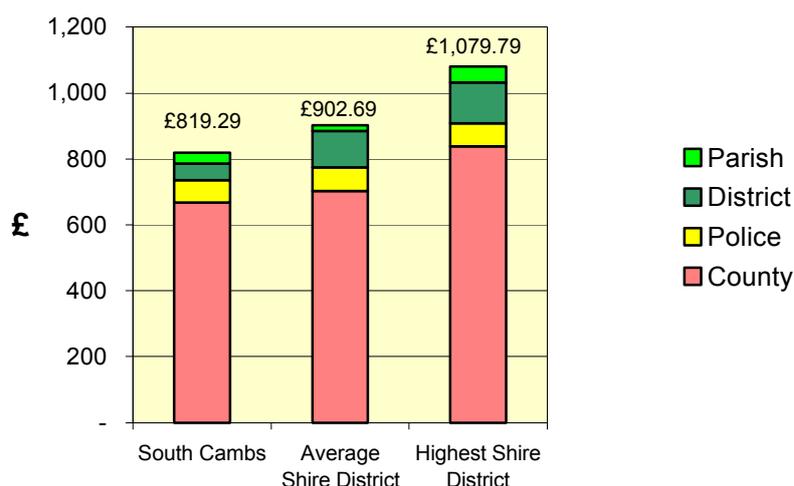
Balances and Reserves

The balances on the General Fund and the Housing Revenue Account remained high at £10.9 million and £3.5 million respectively. These will be used to meet the cost of services in future years and to keep down any increases in council tax/rents.

Reserves available for capital expenditure stood at £28.3 million, consisting of the usable capital receipt reserve and the amount shown in note 9 to the balance sheet. The Council's capital programme allows for the planned and phased use of these reserves.

Council Tax and Collection Fund

The council tax is set in terms of a band D property which is in the valuation band from £68,001 to £88,000. For a band D property, the council tax for 2001/02 was £819.29. This is one of the lowest tax levels in the country and most of the money is raised on behalf of the County Council as shown below:

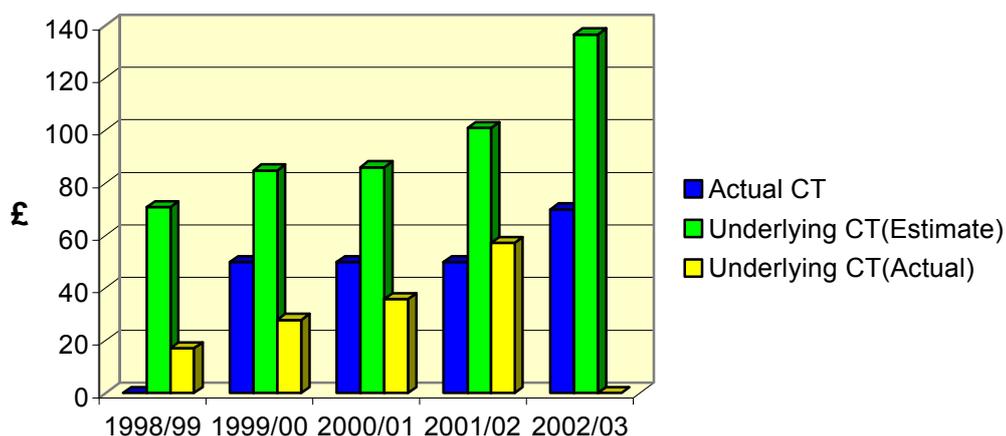


The District element of the council tax has been £50 since 1999/2000. This amount is substantially below the average charged by other districts but the Council still suffered a financial penalty from the Government under a scheme based on the rate of increase in the council tax, with no regard to absolute levels.

Current and Future Developments

Council Tax

Over future years balances will reduce and the council tax will have to rise to its underlying level, that is, a level which is not subsidised by the use of balances:



New Offices

The Council has decided to relocate its main offices to the new village of Cambourne to the west of Cambridge necessitated by the growth in staff numbers and the operational drawbacks of being in the centre of Cambridge on split sites. One of the Council's priorities is to achieve this move with the minimum of disruption and the maximum benefit.

Best Value

The Council has published its Best Value Performance Plan and is in the third year of its five year programme of best value reviews which involve a process of challenge, compare, consult and compete.

Information and Communication Technology

A sum of £1 million has been earmarked for future enhancements and, as part of the 2000/01 best value review, an indicative expenditure programme totalling £4.5million was projected over the financial years from 2000/01 to 2005/06. The Council has also approved an Implementing Electronic Government Statement which, in addition, plans for new systems and the replacement of existing legacy systems. Its implementation is one of the Council's priorities in order to provide efficient and accessible services.

Housing

The new financial framework for local authority housing was introduced on 1st April 2001 with the objective of showing authorities housing accounts on a more business-like basis. The main accounting changes of the new system are:

- i) a cost of capital charge based on 6% of the value of operational assets as at 1st April to reflect the cost of capital employed in providing the housing service; and
- ii) an allowance for depreciation to reflect the economic benefits consumed during the year.

Introduction of the Euro

The nature and potential impact of the Euro, including related costs, have not yet been assessed.

Auditor's Opinion

The Statement of Accounts is issued subject to audit.

G.J.Harlock, CPFA, M.I.Mgt.
Finance and Resources Director
August 2002

STATEMENT OF ACCOUNTING POLICIES

1. GENERAL

The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA), and any departures from the Code have been disclosed below .

2. FIXED ASSETS

- i. All expenditure on the acquisition, creation or enhancement of fixed assets which yield benefit to the Authority and the services it provides for a period of more than one year is capitalised on an accruals basis in the accounts. Expenditure on existing fixed assets has been capitalised where the expenditure relates to a major inspection or overhaul of the fixed asset that restores the benefits of the asset that have been consumed and reflected in depreciation. This excludes expenditure on routine repairs and maintenance of fixed assets which is charged direct to service revenue accounts.
- ii. Fixed assets are included in the balance sheet on the following bases:

Operational land and property and other operational assets	The lower of net current replacement cost and net realisable value in existing use
Non operational assets	The lower of net current replacement cost and net realisable value
Infrastructure and community assets	Historic cost, net of depreciation, where appropriate

The surplus on the revaluation of fixed assets has been credited to the fixed asset restatement reserve.

- iii. Expenditure on the acquisition, creation or enhancement of fixed assets has been debited in full to the fixed asset account. The expenditure on

enhancement has not been analysed but it is expected that this expenditure will not be matched by a corresponding increase in the value of assets concerned.

- iv. Income from the disposal of fixed assets is credited to the usable capital receipts reserve and accounted for on an accrual basis. Where applicable, the proportion required by regulations to be set aside is credited to the capital financing reserve.
- v. Depreciation is provided for on fixed assets by writing down the cost (or revalued amount) less estimated residual value on a straight line basis over the following periods:

	Years
Buildings other than dwellings	30/55
Vehicles, plant, and equipment	3/15

With regard to Council dwellings, a new element of housing subsidy known as the Major Repairs Allowance, being based on the annual cost of replacing individual building components as they reach the end of their useful life, is considered to be a reasonable estimate measure of depreciation.

No depreciation is charged on freehold land and non-operational properties in accordance with standard accounting policies.

- vi. Revenue accounts bear a capital charge for all fixed assets used in the provision of services, which consists of an annual provision for depreciation where appropriate plus a capital financing charge determined by applying a specified notional rate of interest to the net amount at which the asset is included in the balance sheet.
- vii. The Code has not been complied with insofar as:
 - a) the value of an asset, the corresponding credit liability and any depreciation of the asset have not been shown in the balance sheet. The asset and the credit arrangement arose in 1999/2000 from the Authority renewing the lease of a property and credit cover for the initial cost of the credit arrangement (i.e. the present value of the rentals payable under the lease) was calculated to be £29,208; and
 - b) the cumulative amount for depreciation or impairment at the beginning of the financial period and at the balance sheet date has not been disclosed in the notes to the Consolidated Balance Sheet. It is considered that the amounts involved are not material to the fair presentation of the financial position of the Authority or to an understanding of the Statement of Accounts.

3. GOVERNMENT GRANTS AND OTHER CONTRIBUTIONS TO FIXED ASSETS

Where a fixed asset is financed either wholly or in part by a government grant or contribution, the amount of grant or contribution is credited initially on an accruals basis to the deferred grants and contributions account. Amounts are released to the Asset Management Revenue Account over the useful life of the asset to match the depreciation charged.

4. DEFERRED CHARGES

Deferred charges are payments of a capital nature where there is no fixed asset in the ownership of the Council. The main example is grants such as housing renovation grants and recreation and leisure grants where the fixed assets are owned by individuals and other organisations.

Deferred charges are included in the accounts on a cash payments basis and are fully financed from government grants and/or revenue in the year of payment.

5. DEBTORS AND CREDITORS

The revenue accounts of the Council are maintained on an accruals basis, that is, sums due to or from the Council during the year are included whether or not the cash has actually been received or paid in the year. Exceptions to this principle relate, for example, to annual car contract hire payments and quarterly payments where payments are charged in the year rather than apportioning charges between financial years. This policy is consistently applied each year and therefore does not have a material effect on the year's accounts.

6. STOCK AND WORK IN PROGRESS

Stock held at the year end has been included in the accounts at average cost. Work in progress on uncompleted jobs is valued at cost including an allocation of overheads.

7. COST OF SUPPORT SERVICES

All the costs of management and administration and central support services, except the cost of elections and electoral registration, have been fully apportioned to services. The bases of apportionment for the main costs are outlined below.

Cost	Basis of allocation
Administrative Buildings	Area occupied
Management and Administration in Central and Service Departments	Actual time spent by staff weighted by salary costs
Information and Communication Technology	Staff time and disk space used for legacy systems and per capita basis for development
Central Support Services and Central Expenses	Number of staff

8. RESERVES

The Council maintains certain reserves to meet future expenditure. When this expenditure arises, it is charged to the service account but the contribution to/from capital and other reserves is shown in the appropriations section of the Consolidated Revenue Account. The movement in the earmarked reserves is shown in a note to the Consolidated Balance Sheet.

9. PENSIONS

The pension costs that are charged to the Council's accounts in respect of its employees are equal to the contributions paid to the funded pension scheme for these employees. Further costs arise in respect of certain pensions paid to retired employees on an unfunded basis. These costs have been determined on the basis of contribution rates set in the 1998 actuarial valuation of the Pension Fund to meet 100% of the estimated liabilities of the fund.

10. DEBT FREE

The Council has no outstanding debt and has complied with the technical definition of debt free status since 1st April 1996. As a result, the Council:

- i. can use the full amount of any receipts from the sale of assets and from social housing grant;
- ii. finances its capital requirement from capital receipts, grants and direct revenue financing;
- iii. is not subject to the statutory requirement to charge the revenue account with a provision for debt repayment; and
- iv. can invest surplus cash for more than one year, but for less than five years.

CONSOLIDATED REVENUE ACCOUNT

2000/01 Net Expenditure £		2001/02 Gross Expenditure £	2001/02 Gross Income £	2001/02 Exp
	EXPENDITURE ON SERVICES			
1,431,500	Central Services	2,020,069	(218,007)	1
1,016,472	Central Services to the Public	1,685,319	(487,469)	1
	Cultural, Environmental and Planning Services			
1,000,833	Cultural and Related Services	1,647,112	(359,776)	1
2,692,680	Environmental Services	3,729,194	(324,553)	3
1,994,358	Planning and Development Services	3,426,397	(1,251,246)	2
287,870	Highways, Roads and Transport Services	335,894	0	
	Non HRA Housing			
560,787	Personal Social Services	605,472	(42,540)	
402,447	Housing Benefit and Administration	6,693,629	(6,318,278)	
5,533,944	Private Sector Housing Renewal	4,947,908	(248,452)	4
117,632	Other Non HRA Housing Services Expenditure	173,306	(48,253)	
(97,945)	Miscellaneous Services	182,355	(225,132)	
(2,730,922)	Negative Subsidy Entitlement from HRA	0	0	
204,343	Other Revenue Contributions to/from HRA	202,658	0	
<u>12,413,999</u>	General Fund Services-Continuing operations	<u>25,649,313</u>	<u>(9,523,706)</u>	<u>16</u>
651,157	Housing Revenue Account Services	36,542,664	(36,775,552)	0
<u>13,065,156</u>	NET COST OF SERVICES	<u>62,191,977</u>	<u>(46,299,258)</u>	<u>15</u>
1,670,162	Precepts of Local Precepting Authorities			1
(14,272)	Net (Surplus)/deficit of Trading Undertakings (excl.appropriations)			
737,420	Transfer to/(from) Asset Management Revenue Account			0
(2,941,164)	Interest and Investment Income			(2)
107,000	CTB Subsidy Limitation Scheme			
<u>12,624,302</u>	NET OPERATING EXPENDITURE			<u>14</u>
(651,157)	Deficit transferred to/(from) Housing Revenue Account Balances			
(370,156)	Contribution to/(from) Reserves			
<u>(2,528,954)</u>	Contribution from Capital Financing Reserve			<u>(4)</u>
<u>9,074,035</u>	AMOUNT TO BE MET FROM GOVERNMENT GRANTS AND LOCAL TAXPAYERS			<u>10</u>
(4,242,762)	Demand on Collection Fund			(4)
(37,290)	Transfers from Collection Fund			
(507,504)	Government Grants			0
(5,045,962)	Distribution from Non-Domestic Rate Pool			(4)
(11,300)	Community Charge Difference			
<u>(770,783)</u>	DEFICIT/(SURPLUS) FOR THE YEAR			<u></u>
	General Fund Balance			
(10,724,928)	Balance at the beginning of the year			(11)
(770,783)	Deficit/(Surplus)for the year			

(11,495,711) Balance at the end of the year

(10

NOTES TO CONSOLIDATED REVENUE ACCOUNT

1. TRANSACTIONS ON THE ASSET MANAGEMENT REVENUE ACCOUNT

2000/01 £			2001/02 £
	Income		
	Reversal of Capital Charges		
(893,645)	General Fund and DLO/DSO	(1,025,882)	
0	Housing Revenue Account	<u>(22,616,549)</u>	(23,642,431)
<u>(2,000)</u>	Transfer from deferred grants and contributions		<u>(2,000)</u>
(895,645)			(23,644,431)
	Expenditure		
	Interest		
1,163,958	Housing Revenue Account	19,875,075	
4,395	Finance Leases	<u>3,423</u>	19,878,498
	Provision for depreciation		
267,976	General Fund and DLO/DSO	351,185	
196,736	Housing Revenue Account	<u>2,927,519</u>	
			<u>3,278,704</u>
<u>737,420</u>	Balance to Consolidated Revenue Account		<u>(487,229)</u>

2. CONTRIBUTIONS TO (FROM) RESERVES

2000/01 £		2001/02 £
14,272	Trading undertakings	(76,040)
(59,957)	Contribution from ICT Reserve	(174,510)
4,779	Contribution from DLO/DSO Reserve Accounts	30,809
0	Building Control Trading Reserve	472,758
	Contribution to /from Earmarked Reserves	
(319,413)	Recreation and Leisure - Capital	210,599
22,425	Recreation and Leisure	(30,983)
(67,221)	The Arts	1,566
(28,700)	Cycleways	40,757
8,271	Conservation Grants and Initiatives	16,266
79,687	Planning Enforcement	25,000
(71,225)	Great Eastern House	0
(14,620)	Milton Country Park	(28,613)
30,000	Computer Development	0
(62,630)	Millennium Working Party	0
0	Good Housekeeping Reserve	(100,000)
6,577	Contributions in lieu of interest	1,355

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

2,599	Miscellaneous	2,692
<u>85,000</u>	Contingency	<u>0</u>
<u>(370,156)</u>		<u>391,656</u>

3. CONTRIBUTION FROM CAPITAL FINANCING RESERVE

2000/01		2001/02
£		£
3,723,949	Financing of capital expenditure from revenue	952,923
(464,712)	Depreciation	(351,185)
<u>(5,788,191)</u>	Deferred charges written out	<u>(4,970,441)</u>
<u>(2,528,954)</u>		<u>(4,368,703)</u>

4. LEASES

Any operating lease rentals paid to lessors during the year and the estimated outstanding undischarged obligations in respect of operating leases are not material to the fair presentation of the financial position of the Authority. Payments of £19,876 in respect of finance leases were made during the year (£19,876 in 2000/01).

5. ACCOUNTING FOR PUBLICITY

In accordance with the Local Government Act 1986 Section 5, expenditure on all publicity, including exempt categories and including publicity relating to accounts other than the General Fund was:

2000/01		2001/02
£		£
107,914	Staff recruitment	106,502
172,014	Public Relations	221,351
<u>49,123</u>	Other	<u>65,022</u>
<u>329,051</u>		<u>392,875</u>

6. PENSIONS

In 2001/02 expenditure on employer's contributions was £424,653 representing 5.0% of employees' pensionable pay (£374,982 and 5.0% in 2000/01) into the Local Government Pension Scheme which is administered by Cambridgeshire County Council and which provides members with defined benefits related to pay and service. The contribution rate is determined by the Fund's Actuary based on triennial actuarial valuations, as at 31 March 1998 but not implemented until 1st April 1999. The future service funding rate for 2001/02 was 11.2%.

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

In addition, the Council is responsible for all pension payments relating to added years' benefits it has awarded, together with the related increases. In 2001/02 these amounted to £75,590 representing 0.89% of pensionable pay (£67,813 and 0.90% in 2000/01).

The capital cost of the discretionary increases in pensions payments agreed by this authority in 2001/02 is estimated to be £82,000. The capital cost of those discretionary increases in pension payments relating to earlier years for which payments are still being made is estimated to be £1,300,000.

In order to comply with the transitional provisions of Financial Reporting Standard 17, Retirement Benefits, the latest actuarial valuation as at 31st March 2001 has been rolled forward in order to report on the position as at 31st March 2002. The financial assumptions were inflation at 2.8%, salary increases at 4.3%, pension increases at 2.8% and discount rate at 6.4%. The fair value of attributable assets, the proportion of assets and their expected rate of return, and the present value of scheme liabilities were estimated as at 31st March 2002 to be:

	Estimated attributable assets £,000	Asset distribution %	Expected Rate of Return % per annum
Equities	28,002	76	7.5
Bonds	6,020	16	5.5
Property	1,858	5	6.0
Cash	971	3	4.0
Estimated attributable assets	<u>36,851</u>	100	
Estimated present value of scheme liabilities	<u>37,144</u>		
Deficit	<u>293</u>		

Further information can be found in the County Council's Pension Fund Annual Report which is available upon request from the Director of Resources, Shire Hall, Castle Hill, Cambridge, CB3 0AP.

7. MEMBERS ALLOWANCES

The total of Members' allowances paid in the year was £279,081 (£109,341 in 2000/01).

8. EMPLOYEES' REMUNERATION

The number of employees whose remuneration was £40,000 or more were:

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

2000/01		2001/02
5	£40,000 - £49,999	8
4	£50,000 - £59,999	3
0	£60,000 - £69,999	1
1	£70,000 - £79,999	1

Remuneration for these purposes includes all sums paid to or receivable by an employee and sums due by way of expenses allowances (as far as these sums are chargeable to UK income tax) and the money value of any other benefits other than in cash. Pension contributions payable by either the employee or employer are excluded.

9. BUILDING CONTROL

Expenditure on fee-earning activities and associated fee income were:

	£
Expenditure	408,523
Income	(598,351)
	<hr/>
Surplus	(189,828)
	<hr/>

10. TRADING OPERATIONS

	Direct Service Organisation	Direct Labour Organisation
Main activity	Refuse collection	Building maintenance
Turnover	£2,372,678	£2,768,566
Deficit	£31,835	£44,205

11. RELATED PARTY DISCLOSURES

In 2001/02, there were no reported material related party transactions which are not disclosed elsewhere in the accounts.

12. ACQUIRED AND DISCONTINUED OPERATIONS, EXCEPTIONAL ITEMS, EXTRAORDINARY ITEMS AND PRIOR YEAR ADJUSTMENTS

There are no transactions to report under these headings in 2001/02 or in 2000/01.

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

THE COLLECTION FUND

2000/01 £	INCOME AND EXPENDITURE ACCOUNT INCOME	2001/02 £	
(37,320,632)	Income from Council Tax		(40,819,750)
	Transfers from General Fund		
(2,101,904)	Council Tax Benefits	(2,253,198)	
268,775	less Benefit subsidy limitation	289,660	(1,963,538)
(28,049,541)	Income collectable from Business Ratepayers		(38,843,219)
(848)	Adjustment of previous year's Community Charge		0
<u>(67,204,150)</u>			<u>(81,626,507)</u>
	EXPENDITURE		
	Demands and Precepts		
	Precepts		
31,831,294	Cambridgeshire County Council	35,213,302	
3,213,692	Cambridgeshire Police Authority	<u>3,586,320</u>	38,799,622
	Demands - District Council		
2,572,600	General Expenses	2,635,449	
1,670,161	Special Expenses - Parish Precepts	<u>1,748,714</u>	4,384,163
<u>39,287,747</u>			<u>43,183,785</u>
	Business Rate		
27,888,538	Payment to National Pool	38,683,815	
161,003	Cost of Collection	159,404	38,843,219
	Provision for Uncollectable Amounts of Council Tax		
21,591	Write Offs	53,869	
17,668	Provision for Bad and Doubtful Debts	<u>25,698</u>	79,567
	Contributions		
	Towards previous year's estimated Collection Fund Surplus		
	Council Tax		
262,368	Cambridgeshire County Council	91,260	
23,976	Cambridgeshire Police Authority	9,214	
37,290	District Council	<u>12,160</u>	112,634
	Towards Council Tax Benefit Subsidy Limitation		
(127,667)	Cambridgeshire County Council	(202,622)	
(26,308)	Cambridgeshire Police Authority	(35,055)	
(107,000)	District Council	<u>(74,000)</u>	(311,677)
	Community Charge		
11,300	District Council		3,010
<u>67,450,507</u>			<u>81,910,538</u>
246,357	(Surplus)/Deficit of income over expenditure		284,031
(352,027)	Fund Balance at Beginning of year		(105,670)
<u>(105,670)</u>	Fund Balance at end of year		<u>178,361</u>
	Attribution of deficit carried forward		

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

	(3,865) Community Charge	(855)	
	(101,805) Council Tax	179,216	
	<u>(105,670)</u>	<u>178,361</u>	

NOTES TO THE COLLECTION FUND ACCOUNT

1. GENERAL

This account represents the transactions of the Collection Fund, which have been prepared on the accruals basis.

2. COUNCIL TAX

The Council Tax is raised to finance local authority net expenditure which is not met from government grants, and there is one bill for each dwelling based on the valuation band in which the dwelling is placed. There is a discount scheme for dwellings with less than two liable persons, a benefit scheme for persons on low incomes and a reduction for people with disabilities.

The Council Tax base for tax setting purposes is calculated as:

Band	Valuation	Number of dwellings adjusted for discount, exemptions, etc.	Ratio to Band D	Band D equivalents
A	Upto £40,000	1,496.75	6/9	997.90
B	£40,001 - £52,000	4,428.50	7/9	3,444.44
C	£52,001 - £68,000	14,916.75	8/9	13,259.30
D	£68,001 - £88,000	10,515.00	9/9	10,515.00
E	£88,001 - £120,000	8,731.00	11/9	10,671.20
F	£120,001 - £160,000	5,646.75	13/9	8,156.44
G	£160,001 - £320,000	3,225.75	15/9	5,376.39
H	More than £320,000	276.76	18/9	553.56
		<u>49,237.26</u>		<u>52,974.00</u>

Assumed rate of collection 99.5%

Tax base for tax setting purposes (number of
Band D equivalent dwellings) 52,709

Tax rate for a Band D property £819.25

Estimated income due

£43,183,950

Actual income due

Net of write offs and provisions £40,740,203

Council Tax Benefit net of subsidy
limitation £1,963,538

	£42,703,74
Reduced income due to variations in tax base and rate of collection	<u>£480,216</u>

In 2001/02 the increase in the number of properties was lower than anticipated, resulting in the variation in income.

3. INCOME FROM BUSINESS RATES

The Council collects non-domestic rates for its area based on local rateable values multiplied by a uniform rate set by Central Government. The total non-domestic rateable value as at 1st April 2001 was £97,749,283 and the uniform rate was 43.0 pence in the £. The total amount, less certain reliefs and other deductions, is paid to a national pool managed by Central Government, which in turn pays back to authorities their share of the pool based on a standard amount per head of the local population.

4. COLLECTION FUND SURPLUS

The deficit relating to Council Tax transactions of £179,216 on the Collection Fund as at 31st March 2001 will be collected in subsequent financial years from the major precepting authorities and the District Council in proportion to their respective precepts and demand.

HOUSING REVENUE ACCOUNT

2000/01 £		2001/02 £
	INCOME	
(16,240,404)	Dwelling Rents(Gross)	(16,526,028)
(272,309)	Non-dwelling Rents(Gross)	(279,515)
(1,130,043)	Charges for Services and Facilities	<u>(1,115,954)</u>
		(17,921,497)
	Contributions towards expenditure	
(447,080)	General Fund	(452,430)
(45,969)	Direct Labour Organisation	0
(7,424)	Direct Services Organisation	(2,690)
(65,528)	Housing Management Trading Organisation	0
(25,655)	Other sources	<u>0</u>
		(455,120)
(31,806)	Housing Benefit Transfers from General Fund	(53,107)
(28,843)	Reduced Provision for Bad or Doubtful Debts	<u>(20,363)</u>
<u>(18,295,061)</u>	Total Income	<u>(18,450,087)</u>
	EXPENDITURE	
6,410,991	Repairs and Maintenance	3,939,111
	Supervision and Management	
1,207,253	General	1,401,731
725,373	Repairs and Maintenance	793,440
1,980,232	Special Services	2,198,838
99,262	Rent, Rates and Other Charges	96,230
6,964,704	Rent Rebates	7,027,994
2,730,922	Negative Housing Subsidy Transfer to General Fund	0
0	Transfer re: DLO Deficit	30,253
0	Cost of Capital Charge	19,689,030
0	Depreciation of Fixed Assets	2,927,519
15,730	Treasury Management Costs	17,740
<u>20,134,467</u>	Total Expenditure	<u>38,121,892</u>
1,839,406	Net Cost of Services	19,671,805
	HRA transactions on the Asset Management Revenue Account	
0	Cost of Capital Charge	(19,689,030)
(1,009,795)	Interest on Amounts Set Aside	<u>(65,998)</u>
	HRA Investment Income	(19,755,028)
(49,946)	Mortgage Interest	(29,618)
(154,163)	Interest on Cash Balances	<u>(120,047)</u>
		(149,665)
<u>625,502</u>	Net Operating Expenditure	<u>(19,904,693)</u> <u>(232,888)</u>

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25,655	Revenue Contribution to Capital Expenditure	
651,157	Deficit/(Surplus) for the year	(232,888)
(3,877,677)	Balance brought forward	(3,226,520)
(3,226,520)	Balance carried forward	(3,459,408)

NOTES TO HOUSING REVENUE ACCOUNT

1. HOUSING STOCK

The Housing Revenue Account includes all the expenditure and income associated with the following stock of Housing Revenue Account dwellings:

	As at 1st April 2001	Additions during the year	Disposals during the year	As at 31st March 2002
1 Bedroom	1,233	10	(26)	1,217
2 Bedrooms	2,557	37	(39)	2,555
3 Bedrooms	2,333	0	(56)	2,277
4 or more Bedrooms	75	0	0	75
	6,198	47	(121)	6,124

Disposals

Right to Buy	83
Equity Share	38
Other	0
	121

The total balance sheet values of dwellings and other property and land within the HRA are;

	Balance at 31st March 2001	Revaluation/ Review at 1st April 2001	Additions during year	Disposals during year	Depreciation for year	Balance at 31st March 2002
Operational assets						
Council dwellings	140,249,042	186,647,441	8,313,997	(6,362,254)	(2,927,519)	325,920,707
Garages	1,070,200	185,400	0	0	0	1,255,600
Non operational assets						
Land	2,053,650	188,013	0	0	0	2,241,663
	143,372,892	187,020,854	8,313,997	(6,362,254)	(2,927,519)	329,417,970

Vacant possession value of dwellings 573,500,000

The balance sheet values of the dwellings are on the basis of existing use value for social housing, which assumes the dwellings will continue to be let on a secure tenancy at less than open market rents; this value is, therefore, significantly less than the vacant possession value.

2. CAPITAL EXPENDITURE, FINANCING AND RECEIPTS

Capital expenditure and financing relating to the HRA during the financial year was:

	£		£
Expenditure		Financing	
New Build	144,367	Capital receipts	4,957,426
Acquisition of existing dwellings	1,995,790	Major Repairs Allowance	2,927,519
Improvement of housing stock	6,074,270	Grant	21,794
Grants	36,000	Capital creditors	343,688
	<u>8,250,427</u>		<u>8,250,427</u>

Capital receipts relating to the HRA during the financial year were:

	£
Sale of Land	168,375
Sale of dwellings	
Right to buy	3,438,358
Other	3,988,502
	<u>7,595,235</u>
	=====

3. DEPRECIATION

With effect from 2001/02, a new element of housing subsidy is the Major Repairs Allowance which represents the capital cost of keeping housing stock in its current condition. The Major Repairs Allowance, being based on the annual cost of replacing individual building components as they reach the end of their useful life, is considered to be a reasonable estimate measure of depreciation.

The charge for depreciation within the HRA was:

	£
Operational assets	2,927,519
Non operational assets	0
	<u>2,927,519</u>
	=====

4. IMPAIRMENT

The Authority is not aware of any events or changes in circumstances which may indicate impairment where the recoverable amount for fixed assets within the HRA is reduced below its carrying amount in the balance sheet.

5. MAJOR REPAIRS RESERVE

This reserve effectively shows how the Major Repairs Allowance element of housing subsidy, being considered a reasonable estimate measure of depreciation, is used to finance capital expenditure relating to the HRA.

	£
Balance on 1 st April 2001	0
Transfer of depreciation provision	(2,927,519)
Capital expenditure	2,927,519
Balance on 31 st March 2002	0

6. COST OF CAPITAL CHARGE

The cost of capital charge is based on 6% of the value of HRA operational assets as at 1st April and reflects the cost of public sector capital tied up in council housing and other HRA assets. This charge is reversed out in the appropriations section of the HRA.

7. HOUSING SUBSIDY

The amount of housing subsidy due to/(from) the HRA for the financial year consists of:

2000/01		2001/02
£		£
1,854,113	Allowance for management	1,778,604
3,805,778	Allowance for maintenance	3,646,058
0	Allowance for major repairs	2,927,519
2,767	Charges for capital	39,006
6,510,881	Rent rebates	6,591,226
7,170	Other items	7,350
19,557	Allowance for tenant participation compacts	20,120
38,898	Allowance for resource accounting	39,938
12,239,164		15,049,821
(15,185,455)	Rent	(15,382,890)
(384,898)	Interest on receipts	(52,847)
(3,331,189)	(Negative) housing subsidy	(385,916)
600,267	Add back rent rebate subsidy limitation	504,519

<u>(2,730,922)</u>	(Negative) housing subsidy	<u>0</u>
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8. RENT ARREARS ON DWELLINGS

As at 31 st March 2001 £		As at 31 st March 2002 £
441,480	Arrears	452,847
2.5%	Arrears as a percentage of gross rents collectable	2.6%
£ 321,541	Provision for uncollectable amounts	£ 300,000

CASH FLOW STATEMENT

2000/01 £		2001/02 £	2001/02 £
	Revenue Activities		
	Cash Outflows		
8,713,473	Cash paid to and on behalf of employees	9,885,010	
13,197,190	Other operating cash payments	10,583,530	
3,340,787	Housing Benefit paid out	3,491,127	
31,511,721	National Non-Domestic Rate Payments to the National Pool	30,156,738	
32,093,662	Precepts paid to County Council	35,304,562	
3,237,668	Precepts paid to Police Authority	3,595,534	
1,670,161	Precepts paid to Parishes	<u>1,748,714</u>	
			94,765,2
	Cash Inflows		
(9,971,322)	Rents(after rebates)	(9,501,508)	
(37,263,917)	Council Tax receipts	(40,657,883)	
(5,045,962)	National Non Domestic Rates from National Pool	(4,993,348)	
(28,459,900)	Non Domestic rate receipts	(38,849,496)	
(507,504)	Revenue Support Grant	(666,760)	
(5,005,906)	DSS grants for benefits	(5,458,208)	
(380,330)	Other Government Grants	(348,632)	
(4,193,700)	Cash received for goods and services	<u>(4,275,520)</u>	
			<u>(104,751,3</u>
<u>2,936,121</u>	Revenue Activities Net Cash Flow		<u>(9,986,1</u>
	Returns on Investment		
	Cash Outflows		
4,395	Interest element of finance leases	3,423	
	Cash Inflows		
(2,868,697)	Interest received	<u>(3,299,941)</u>	
			<u>(3,296,5</u>
	Capital Activities		
	Cash Outflows		
7,029,001	Purchase of Fixed Assets	8,888,242	
5,863,525	Deferred Charges	5,105,087	
	Cash Inflows		
(7,462,484)	Sale of Fixed Assets	(12,187,302)	
(4,895,293)	Capital Grants received	(4,454,218)	

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	(8,098)	Other capital cash receipts	(1,173)	
	598,470	Net cash inflow before financing		(2,649,3
		Cash Outflow		(15,932,0
	15,481	Financing - principal element of finance leases		16,4
	1,150,000	Net increase in short term deposits		15,850,0
	1,763,951	Decrease/(Increase) in cash		(65,5

NOTES TO CASH FLOW STATEMENT

1. Reconciliation of surplus on Consolidated Revenue Account to net cash flow from revenue activities.

	2000/01 £		2001/02 £	2001/02 £
	(770,783)	(Surplus)/Deficit on Consolidated Revenue Account	553,780	
	651,157	(Surplus)/Deficit on Housing Revenue Account	(232,888)	
	246,357	(Surplus)/Deficit on Collection Fund	284,032	
	(13,524)	(Surplus) on DSO/Trading Accounts	0	
				604,924
		Add non cash transactions		
	11,037	Credit Cover (net)	10,830	
	(3,761,476)	Direct Revenue Financing of Capital Expenditure	(962,452)	
	0	Finance Leases	0	
	0	Major Repairs Allowance	(2,927,519)	
	577,194	Contribution (to)/from Reserves	(401,320)	
		Less non cash transactions		
	2,000	Amortisation of Deferred Grants and Contributions	2,000	
				(4,278,461)
				(3,673,537)
		Changes in working capital		
	(2,958)	Stock	8,203	
	2,021,428	Debtors	(1,164,964)	
	1,111,389	Revenue Creditors	(8,452,360)	
	2,864,300	Servicing of Financing from Cash Flow Statement		(9,609,121)
	2,936,121	Revenue Activities Net Cash Flow		3,296,518
				(9,986,140)

2. Reconciliation of balance sheet to liquid resources

	Balance Sheet	Balance Sheet	Movement in
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SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

	31st March 2001	31st March 2002	Liquid Resources 2000/2001
Investments	(41,150,110)	(57,000,110)	(15,850,000)
Less time deposits	41,150,110	57,000,110	15,850,000
Investments repayable on demand	0	0	0
Cash overdrawn	1,453,829	1,388,261	(65,568)
Movement	1,453,829	1,388,261	(65,568)

3. Analysis of other Government grants

2000/01 £		2001/02 £
	Revenue	
(219,327)	Housing Benefit Administration and Fraud	(189,228)
(161,003)	NNDR Cost of Collection Allowance	(159,404)
<u>(380,330)</u>		<u>(348,632)</u>
	Capital	
72,864	Renovation Grants - net of repayments	(258,171)
(4,968,157)	Social Housing Grant	(4,196,047)
<u>(4,895,293)</u>		<u>(4,454,218)</u>

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

CONSOLIDATED BALANCE SHEET

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

31st March 2001		Note	31st March 2002
£		1 and 2	£
	Fixed Assets		
	Operational		
141,319,243	Council dwellings		327,176,307
7,180,931	Other land and buildings		7,292,548
659,046	Vehicles, plant and equipment		803,622
163,072	Infrastructure		151,794
366,474	Community Assets		368,694
<u>5,402,583</u>	Non -operational		<u>2,284,913</u>
155,091,349			338,077,878
	0 Deferred Charges	3	1,162
716,130	Long Term Debtors-Mortgages		569,523
<u>155,807,479</u>	Total Long Term Assets		<u>338,648,563</u>
	Current Assets		
69,630	Stocks	4	77,834
4,932,408	Debtors	5	3,767,444
41,150,110	Investments (short term)	6	57,000,110
<u>46,152,148</u>			<u>60,845,388</u>
	Current Liabilities		
(3,922,339)	Creditors	7	(12,518,704)
(1,453,829)	Cash overdrawn		(1,388,261)
<u>(5,376,168)</u>			<u>(13,906,965)</u>
40,775,980	Net Current Assets		46,938,423
196,583,459	Total Assets less Current Liabilities		385,586,986
(678,464)	Deferred Credits and Grants	8	(514,576)
<u>195,904,995</u>	Net Assets		<u>385,072,410</u>
	Balances and Reserves		
(95,978,521)	Fixed Asset Restatement Reserve (Note 1 to Reserve Statement)		(273,314,688)
(64,330,745)	Capital Financing Reserve (Note 2 to Reserve Statement)		(68,961,757)
(15,337,301)	Usable Capital Receipts Reserve (Note 3 to Reserve Statement)		(22,741,139)
(5,430,527)	Earmarked Reserve	10	(5,831,847)
	Revenue Balances		
(11,495,711)	General Fund		(10,941,931)
(3,226,520)	Housing Revenue Account		(3,459,409)
(105,670)	Collection Fund		178,361
<u>(195,904,995)</u>			<u>(385,072,410)</u>

Signed

G.J.Harlock, CPFA, M.I.Mgt
Finance and Resources Director

Dated

NOTES TO THE CONSOLIDATED BALANCE SHEET**1. FIXED ASSETS**

Movements in the net fixed assets during the year were as follows:

	Balance at 31st March 2001	Revaluation/ Review at 1st April 2001	Additions during year	Disposals during year	Depreciation for year	Balance at 31st March 2002
Operational						
Council dwellings	141,319,242	186,832,841	8,313,997	(6,362,254)	(2,927,519)	327,176,307
Other land and buildings	7,180,932	0	235,763	0	(124,147)	7,292,548
Vehicles, plant and equipment	659,046	0	377,087	(16,750)	(215,761)	803,622
Infrastructure	163,072	0	0	0	(11,278)	151,794
Community Assets	366,474	0	2,220	0	0	368,694
Non operational	5,402,583	188,013	0	(3,305,683)	0	2,284,913
	155,091,349	187,020,854	8,929,067	(9,684,687)	(3,278,705)	338,077,878

Valuations on the bases set out in the statement of accounting policies have been carried out for:

- Council dwellings and non operational assets relating to the Housing Revenue Account as at 1st April 2000 and reviewed as at 1st April 2001 by Mr.L.M.Catley, MRICS, FAAV, Head of District Valuer Services, Cambridgeshire; Council dwellings have been valued and reviewed on the basis of existing use for social housing; and
- Other land and buildings and investment properties have been valued as at 1st April 1999 by Mr.K.G.Moore, FRICS, IRRV, FCI Arb of Catlings, Chartered Surveyors.

The Council is not aware of any events or circumstances which indicate that the amounts stated in the balance sheet for fixed assets may not be recoverable.

Capital expenditure was financed as follows:

	£		£
Expenditure:		Financing:	
Fixed assets	8,929,067	Capital receipts	9,946,918
Deferred	5,105,087	Revenue	962,452
Charges		Grant	155,278
		Decrease in Capital	41,987
		Creditors	

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

	Major Allowance	Repairs	2,927,519
14,034,154		14,034,154	

An analysis of fixed assets is:

31 st March 2001 (Numbers)		31 st March 2002 (Numbers)
6198	Council dwellings	6124
2	Offices	1
1	Depot and Workshop	1
1	Country Park, visitors centre and toilet block	1
5	Car Parks	5
3	Commercial Property	2
13.26 (acres)	Land	19.06 (acres)

Capital commitments as at 31st March 2002 were £0.5 million on Housing and £1.6 million on General Fund, but these commitments are more than covered by usable housing capital receipts and from earmarked reserves in the General Fund.

2. LEASES

There were no new finance lease agreements during 2001/02 (£85,808 in 1999/00). Gross expenditure on finance leases amounted to £85,808 as at 31st March 2002 (£85,808 as at 31st March 2000); accumulated depreciation amounted to £34,324 (£17,162 in previous year).

3. DEFERRED CHARGES

	Balance at 31st March 2001 £	Expenditure £	Amounts written out £	Balance at 31st March 2002 £
Improvement grants	0	410,371	(410,371)	0
Other	0	4,694,716	(4,693,554)	1,162
	0	5,105,087	(5,103,925)	1,162

4. STOCKS AND WORK IN PROGRESS

31st March 2001 £			31st March 2002 £
60,943	Stock	DSO	67,640
<u>8,687</u>		Other	<u>10,194</u>
<u>69,630</u>			<u>77,834</u>

5. DEBTORS

31st March 2001 £		31st March 2002 £
2,067,494	Government Departments	561,082
625,708	Non-Domestic Ratepayers	906,463
610,820	Council Tax	738,680
441,480	Housing Rents	452,847
14,896	Cambridgeshire County Council	19,110
40,569	Employee Car Loans	55,508
359	Staff Salaries and Wages	0
2,224,720	Sundry Debtors	2,197,428
(1,093,638)	Provision for Doubtful Debts	(1,163,675)
<u>4,932,408</u>	Total	<u>3,767,443</u>

6. INVESTMENTS

31st March 2001 £		31st March 2002 £
0	Local Authorities	1,500,000
2,150,000	Clearing Banks	8,500,000
0	Subsidiaries of Clearing Banks	0
0	Banks, other	1,000,000
6,500,000	Building Societies with assets:	
	greater than £6,000 million	10,500,000
22,500,000	between £1,000 million and £6,000 million	24,000,000
10,000,000	between £250 million and £1,000 million	11,500,000
110	Government Securities	110
<u>41,150,110</u>	Total	<u>57,000,110</u>

2001

2002

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

£		£
0	Local Authorities	1,500,000
2,150,000	Clearing Banks	8,500,000
0	Subsidiaries of Clearing Banks	0
0	Banks, other	1,000,000
	Building Societies with assets:	
6,500,000	greater than £6,000 million	10,500,000
22,500,000	between £1,000 million and £6,000 million	24,000,000
10,000,000	between £250 million and £1,000 million	11,500,000
110	Government Securities	110
<u>41,150,110</u>	Total	<u>57,000,110</u>

7. CREDITORS

31st March 2001		31st March 2002
£		£
(317,096)	Government Departments	(7,715,376)
(816,057)	Non-Domestic Ratepayers	(1,103,556)
(372,209)	Council Tax	(392,071)
(52,456)	Housing Rents	(67,242)
(163,596)	Cambridgeshire County Council	(174,236)
(23,622)	Staff Salaries and Wages	(76,631)
(2,177,303)	Sundry Creditors	(2,989,592)
<u>(3,922,339)</u>	Total	<u>(12,518,704)</u>

8. DEFERRED CREDITS AND GRANTS

31st March 2001 £		31st March 2002 £
(595,000)	Deferred Capital Receipts	(449,565)
(30,000)	Deferred Government Grants	(28,000)
<u>(53,464)</u>	Outstanding Obligations-Finance leases	<u>(37,011)</u>
<u>(678,464)</u>	Total	<u>(514,576)</u>

Deferred capital receipts are amounts derived from the sales of assets that will be received in instalments over agreed periods of time. They arise principally from mortgages on sales of council houses, which form the main part of mortgages under long term debtors.

9. PROVISION FOR CREDIT LIABILITIES (memorandum account)

This memorandum account shows the balance which has been set aside as a provision to repay debt, and includes some amounts already shown in the capital financing reserve in note 2 to the Statement of Total Movement in Reserves.

2000/01 £		2001/02 £
(27,541,401)	Balance at beginning of year	(29,260,331)
(4,968,157)	Social Housing Grant (SHG)	(4,196,047)
(1,541,455)	Capital Receipts excluding SHG	(1,295,845)
0	Credit Cover for credit arrangements	0
<u>(34,051,013)</u>		<u>(34,752,223)</u>
4,779,645	Amount used to finance capital expenditure from negative credit ceiling	6,459,588
11,037	Liability in respect of credit arrangement	10,830
<u>(29,260,331)</u>		<u>(28,281,805)</u>

For debt free authorities such as South Cambridgeshire, the balance on the provision for credit liabilities (memorandum) account (PCL) is not necessarily a reliable indicator of resources available for new investments. This is because the balance is not cash-backed, the cash having been used internally to finance new capital expenditure and externally to repay outstanding debt.

The effective indicator for debt free authorities is the negative credit ceiling as this represents the excess of amounts set aside from revenue and capital receipts over accumulated capital expenditure financed by credit. Section 64 (3) of the Local Government and Housing Act 1989, therefore, restricts the amount of the PCL which may be applied to meet new capital expenditure to

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

the extent by which the credit ceiling is less than nil at the end of the preceding year.

CREDIT CEILING

2000/01 £		2001/02 £
(4,779,645)	Balance at beginning of year	(6,509,612)
	Reserved capital receipts set aside in year	
(4,968,157)	Social Housing Grant	(4,196,047)
(1,541,455)	Other (statutory specified percentage of non-Right to Buy capital receipts)	(1,295,845)
<u>(11,289,257)</u>		<u>(12,001,504)</u>
	Reserved capital receipts brought forward used to finance capital expenditure	
<u>4,779,645</u>		<u>6,459,588</u>
<u>(6,509,612)</u>		<u>(5,541,916)</u>

In 2002/03, the PCL may therefore be used to authorise capital expenditure of less than £5,541,916 not being charged to revenue.

10. RESERVES

	31st March 2001 £	Transactions during year £	31st March 2002 £
Earmarked Reserves			
Capital			
Preservation of Historic Buildings	(195,493)	1,250	(194,243)
Arts Grants	(151,412)	8,532	(142,880)
Recreation and Leisure	(770,329)	(18,599)	(788,928)
Dual Use Recreational Facilities	(1,745,869)	(192,000)	(1,937,869)
Milton Country Park	(36,991)	28,613	(8,378)
Planning Projects	(554,200)	(40,757)	(594,957)
Other	(337,751)	(16,506)	(354,257)
Revenue			
Trading Reserves	(34,500)	(438,258)	(472,758)
Information Technology Reserve	(1,096,556)	174,510	(922,046)
Other	(507,426)	91,895	(415,531)
	<u>(5,430,527)</u>	<u>(401,320)</u>	<u>(5,831,847)</u>
Total - Capital	(3,792,045)	(229,467)	(4,021,512)
Revenue	<u>(1,638,482)</u>	<u>(171,853)</u>	<u>(1,810,335)</u>
	<u>(5,430,527)</u>	<u>(401,320)</u>	<u>(5,831,847)</u>

11. ANALYSIS OF NET ASSETS EMPLOYED

31st March 2001 £		31st March 2002 £
(28,724,660)	General Fund	(29,175,526)
(102,749,991)	Housing Revenue Account	(286,886,779)
<u>(99,598)</u>	Direct Service Organisation	<u>(48,348)</u>
<u>(131,574,249)</u>		<u>(316,110,653)</u>
<u>(64,330,745)</u>	Capital Financing Reserve	<u>(68,961,757)</u>
<u>(195,904,994)</u>		<u>(385,072,410)</u>

12. CONTINGENT LIABILITIES AND PROVISIONS

The only provisions in the balance sheet relate to bad and doubtful debts and have been netted off debtors.

The only contingency existing at the balance sheet date was a resolution by the Council on 9th January 1997 to indemnify the Parish of Fen Ditton in respect of legal costs in the event of legal proceedings being unsuccessful. It is not practicable to make an estimate of the financial effect of this contingent liability

NOTES TO THE STATEMENT OF TOTAL MOVEMENT IN RESERVES**1. FIXED ASSET RESTATEMENT RESERVE**

This reserve shows the increase in the value of fixed assets as a result of the valuation as at 1st April 1994, 1999 and 2001. The balance is written down by the net book value of disposed assets and will be debited or credited with deficits arising on future valuations.

Total 2000/01		General Fund	Housing Revenue Account	Total 2001/02
£		£	£	£
(98,982,273)	Valuation as at 1st April 1994 of fixed assets less prior year disposals	(11,281,976)	(84,696,545)	(95,978,521)
0	Revaluation as at 1st April 2001 of fixed assets		0(187,020,854)	(187,020,854)
3,003,752	Disposal of fixed assets	3,322,433	6,362,254	9,684,687
<u>(95,978,521)</u>		<u>(7,959,543)</u>	<u>(265,355,145)</u>	<u>(273,314,688)</u>

2. CAPITAL FINANCING RESERVE

This account contains;

a) The amount of capital expenditure financed from capital receipts and from revenue

Plus

b) The amounts required by statute to be set aside from capital receipts and from revenue as a provision for the repayment of external loans

Less

c) The amount already charged to revenue for depreciation

Total 2000/01		General Fund	Housing Revenue Account	Total 2001/02
£		£	£	£
(56,047,527)	Balance at beginning of year	(2,903,914)	(588,017)	(64,330,746)
	Add capital expenditure financed from;			
	capital receipts			
(4,276,071)	usable	(707,384)	(2,779,946)	(3,487,330)
(4,779,645)	reserved(negative credit ceiling)	(4,918,133)	(1,541,455)	(6,459,588)
(3,761,476)	revenue	(952,923)	(31,322)	(984,245)
0	Major Repairs Allowance		0(2,927,519)	(2,927,519)
	Add/less set aside from;			
(1,541,455)	capital receipts excluding SHG		0(1,295,845)	(1,295,845)
(4,968,157)	social housing grant (SHG)	(4,196,047)	0	(4,196,047)
4,779,645	negative credit ceiling	4,918,133	1,541,455	6,459,588
	Add credit cover for credit			
0	arrangements made from revenue	0	0	0
464,712	Less depreciation	351,185	2,927,519	3,278,704
5,788,191	Less deferred charges written out	4,970,441	0	4,970,441
	Less liability in respect of credit			
11,037	arrangement	0	10,830	10,830

3. USABLE CAPITAL RECEIPTS RESERVE

These are capital receipts which are available to finance new capital expenditure in the future.

Total 2000/01		General Fund	Housing Revenue Account	Total 2001/02
£		£	£	£
<u>(13,692,704)</u>	Balance at beginning of year	<u>(510,374)</u>	<u>(14,826,926)</u>	<u>(15,337,300)</u>
	Add			
(7,462,484)	Capital receipts received during year from sale of assets	(4,592,067)	(7,595,235)	(12,187,302)
	Less			
4,276,071	Capital receipts applied during year	707,383	2,779,947	3,487,330
362	Capital receipts transferred to reserves	288	0	288
1,541,455	Capital receipts set aside during year (statutory)	0	1,295,845	1,295,845